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## WHITEPAPER

# Is your business ready for change?

Flexible, agile systems are critical for firms that want to win in the digital era

SEPTEMBER 2014

**V3resources**

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## Introduction

The digital workplace is no longer about running fixed processes that remain static; it's about flexibility, agility and adapting to change. Firms that fail to embrace this shift will soon be overtaken by their more agile competitors.

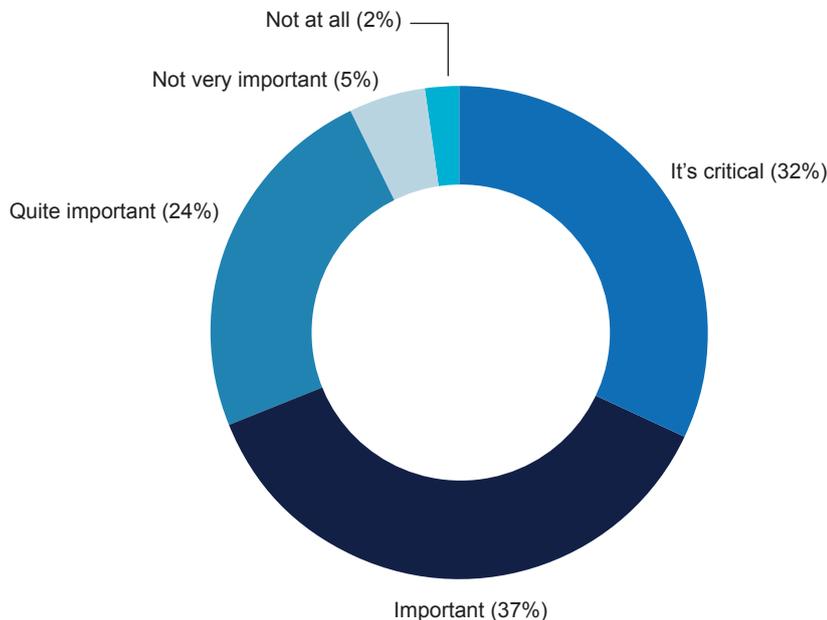
Adopting a new approach to change-management, which supports efficient, standardised and fast changes to IT infrastructure, can help firms become flexible and agile without risking a detrimental impact on the business.

This paper aims to uncover businesses' attitudes towards change in the digital era, as well as looking at how flexible and agile organisations are, and should be. V3 surveyed IT professionals on the processes their businesses have in place to manage and monitor the impact of change, who is responsible for driving change through the organisation and what the benefits are of becoming an agile business.

## The importance of change

There is a high level of awareness of the importance of change across the IT professionals we surveyed. More than two-thirds rate being agile and flexible as critical (32 percent) or important (37 percent) to operating in their particular industry sector, while a further 24 percent see this as quite important.

**Figure 1: How important is agility and flexibility in your industry sector?**



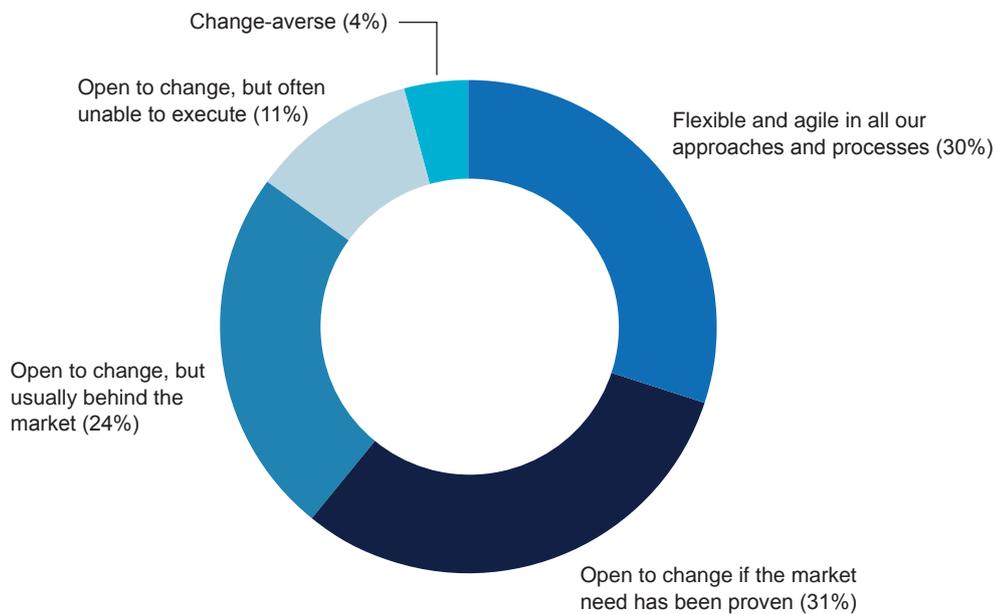
Only seven percent rate agility as not important.

But while, according to the results of our survey, the majority of organisations are aware of the need to be flexible and open to change, their ability to do so varies greatly.

Thirty percent of IT professionals said their business is completely agile, with total flexibility in their approaches and processes. A further 31 percent said their firm is open to change if the market need has been proven, while 24 percent are open to change, but generally after it has taken place in the rest of the market.

While it is encouraging to see so many respondents rating their organisations as embracers of change, it is worth noting that the majority of firms (55 percent) would only consider updating their processes or systems if other firms had already done so, meaning they are always behind their competitors. As shown later in this paper, there are myriad potential benefits on offer from being quicker and more open to change.

**Figure 2: Which of the following best describes your organisation?**



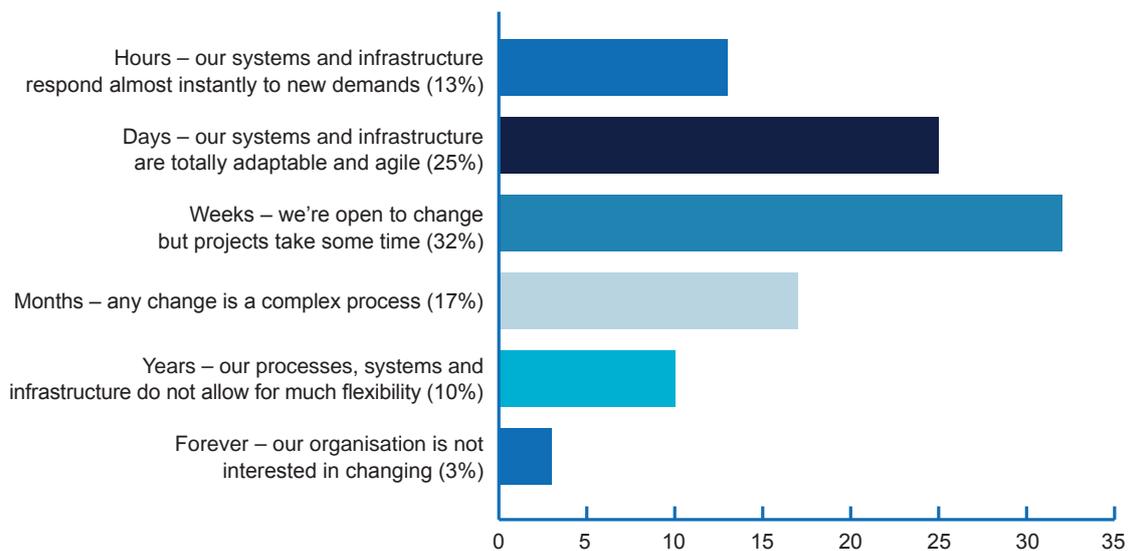
Just over one in 10 respondents said their organisation is willing to change, but is often unable to execute the required measures, while only four percent described their business as change-averse.

## Measuring and monitoring change

In order to better understand how firms define agility and flexibility, we also asked respondents about the timeframe for adopting change within their business.

The biggest proportion of firms, around a third, said new projects would take weeks to fulfil, while a quarter said their ability to change would take only a matter of days. Thirteen percent rated their firms highly in this area, noting that changes could be carried out in a matter of hours.

**Figure 3: How long does it take for your business to respond to market demands and pressures?**



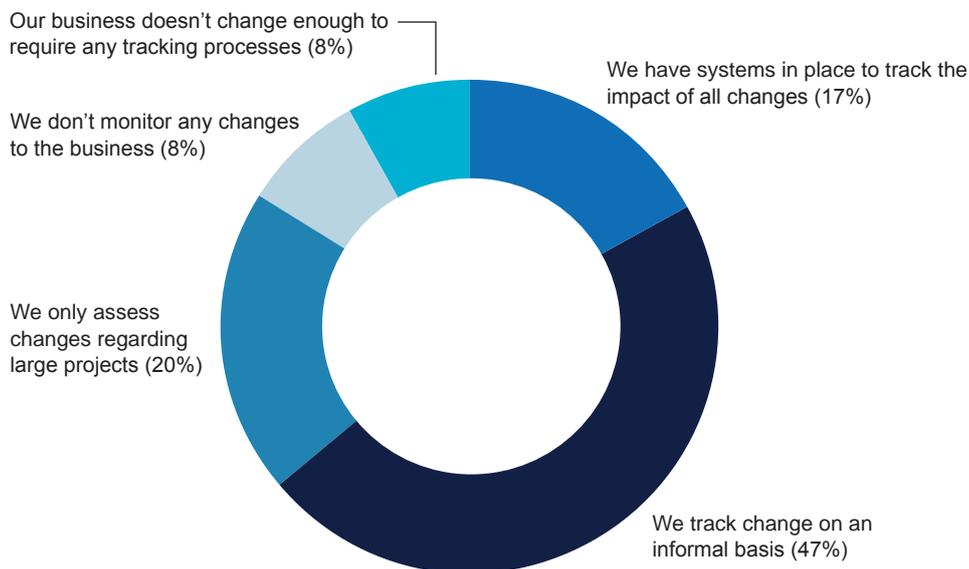
At the other end of the scale, 17 percent of respondents said any changes would require months to roll out, while for a worrying one in 10, this increases to years. Fortunately, only three percent said change does not happen in their organisation, although it is still concerning that in our fast-paced digital world, any business would take this staid, immovable approach.

It is interesting to note that while 30 percent of respondents rate their business as totally flexible and open to change – as shown in Figure 2 – this approach is not supported by the firm's current systems and infrastructure based on the timeframes above.

Only 13 percent said their business systems and infrastructure are able to respond almost instantly to new demands. Without the infrastructure and processes in place to support almost instant change, it would be difficult to rate a business as being completely flexible and agile; there is also a concern that a larger number of firms are open and willing to change, but they are being held back by outdated systems, which only allow change over a number of days or weeks.

While our research indicates that firms generally have an awareness of the importance of agility, one area where they are lacking is their ability to monitor the impact of changes.

**Figure 4: What processes do you have in place to manage and monitor change?**



Almost half of respondents said that while they do track changes, this is only carried out on an informal basis. A further fifth only assess the impact of large projects on the business. Almost one in 10 do not assess the impact of change at all, while the same number felt their business does not change enough to require any tracking processes.

Only 17 percent of respondents said their organisation has systems in place to track the impact of all changes.

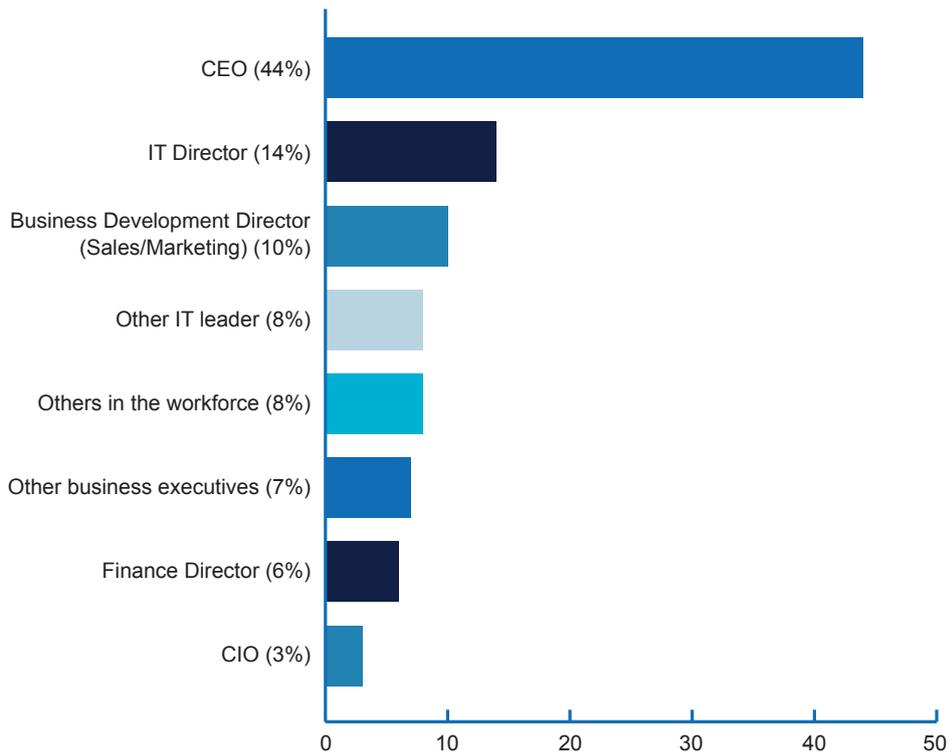
With the widespread adoption of change-management practices such as the Information Technology Infrastructure Library (ITIL), it is surprising that more than four-fifths of organisations have yet to adopt formal change-management processes.

It is also surprising that fewer than one in five firms track the impact of all changes, while almost a third view themselves as completely open to change. Those firms adopting a more flexible model and updating systems on a regular basis would definitely benefit from having formal processes in place to monitor all changes.

## Agents of change

When it comes to the person who is the main driver for change in an organisation, this role falls firmly to one person: the chief executive. According to our research, 44 percent of respondents see the CEO as most responsible for pushing change and encouraging agility.

**Figure 5: Who is most responsible for promoting change and agility at your business?**



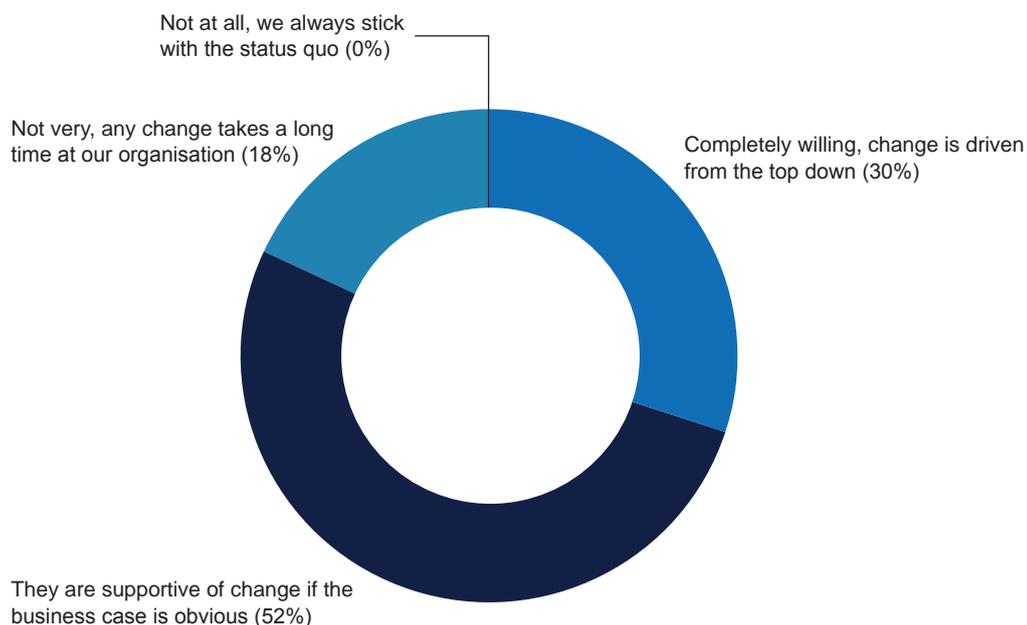
The IT department is also perceived as the key driver of change, with a quarter of respondents citing either the CIO, IT director or other IT leader as the person most likely to push through changes.

This was followed by 10 percent who cited the business development director, and six percent who said it was the finance director's role to promote change.

Seeing as the CEO is in the driving seat to promote flexibility in almost half of organisations, it is fortunate that senior management is viewed as being open to change.

Just over half of respondents said change is driven from the top down at their organisation, while a further 30 percent view their management team as supportive of change, as long as there is a clear business case. Only 18 percent felt senior management is not particularly open to change; while no respondents said their management team is completely change-averse.

**Figure 6: How willing is your management team to embrace and promote change?**



Considering that four percent of respondents described their business as change-averse, as shown in Figure 2, this indicates that even where a CEO or other senior managers are willing to change, it is not always driven through. This could be the case in the public sector or financial services, for example, where government or compliance requirements take precedence over agility.

## Flexible benefits and barriers

Customer service improvements were rated as the top benefit of becoming a more agile and flexible business by respondents, indicating that more than two-thirds of firms are aware of the correlation between adopting changes and better serving users.

After, financial benefits were at the forefront, with 54 percent of respondents interested in the cost savings on offer from agility and 51 percent citing the potential for increased revenues.

**Figure 7: What are the benefits of becoming a more flexible, agile business?**

<b>Better customer service/delivery</b>	<b>67%</b>
<b>Saving costs by adapting to more modern processes</b>	<b>54%</b>
<b>Making staff more productive and happy</b>	<b>53%</b>
<b>Getting ahead of our competitors</b>	<b>51%</b>
<b>Increasing revenues and profits</b>	<b>51%</b>
<b>Faster speed to market</b>	<b>49%</b>
<b>Responsiveness to unplanned change/disruption</b>	<b>42%</b>
<b>Driving innovation through the business</b>	<b>37%</b>
<b>Better interdepartmental collaboration</b>	<b>27%</b>

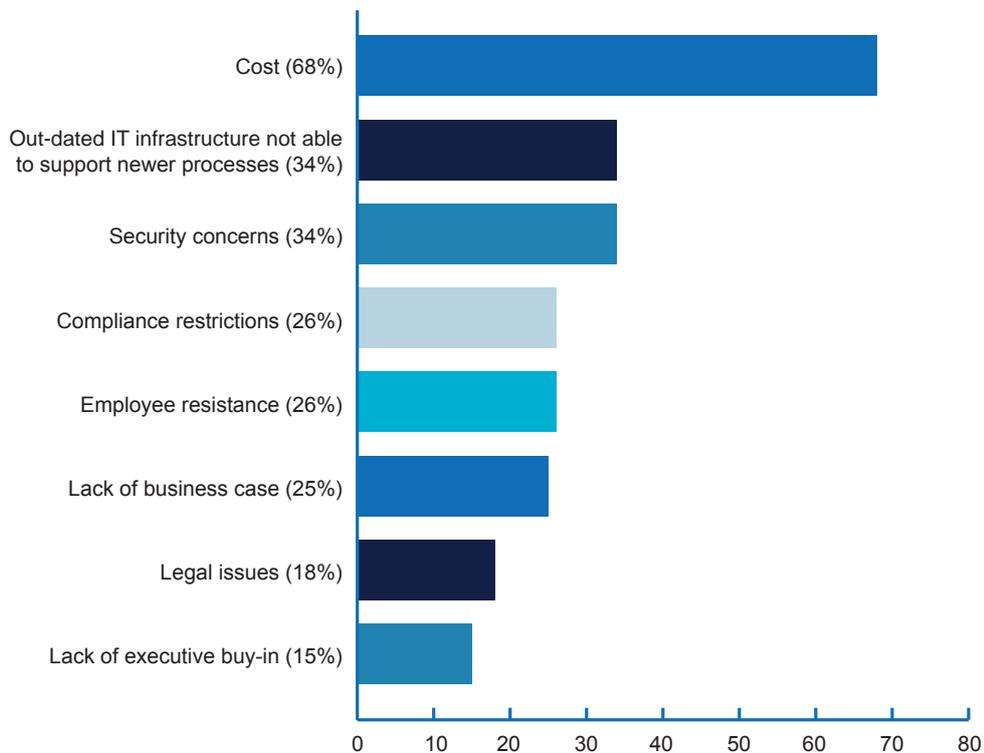
While there is little surprise that financial implications were high up the list, what is more noteworthy is the 53 percent of respondents who saw staff productivity and happiness as a useful benefit of flexibility.

Next on the priority list came speed. Fifty-one percent of respondents cited getting ahead of competitors, while 49 percent selected faster speed to market as advantages of embracing change.

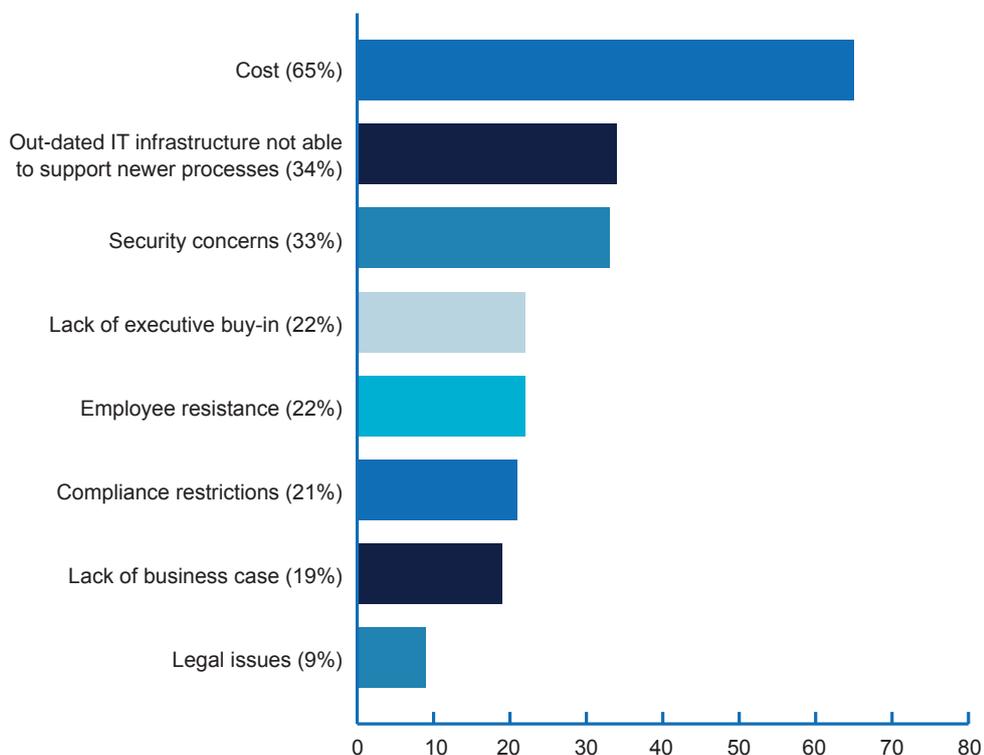
However, before firms can start taking advantage of the many benefits on offer from agile IT, they need to overcome any obstacles to change. To get a sense of the difference in attitudes towards the barriers to agility, we asked respondents to note what the business feels are the main obstructions, and then rate the same list of obstacles from the IT department's point of view.

Again, it is no surprise that cost leapt to the top of the list, with both the business and IT rating this as the top obstruction to becoming a more flexible and agile outfit. It is interesting that cost was selected by around two-thirds of respondents as a barrier to change, as more than half also felt that becoming more agile would lead to cost savings – as shown in Figure 7.

**Figure 8: What would you say the “business” believes to be the obstructions to becoming a more flexible, agile organisation?**



**Figure 9: What does the IT department see as barriers to change?**



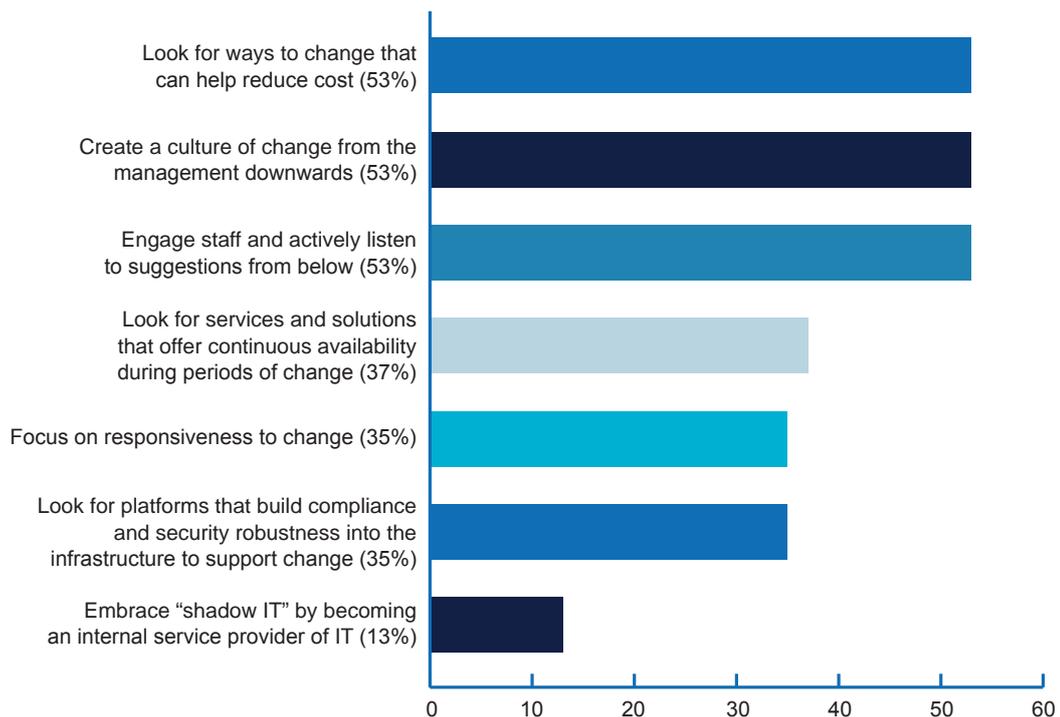
As well as on the financial side, there was some further synergy between the two sets of responses. Outdated technology infrastructure and security concerns were seen by a third of respondents as obstacles for both the business and the IT department.

However, the business was seen as being more concerned by issues around the need for a solid business case for change, with 25 percent noting this as a barrier for the business, compared with 19 percent for the IT team. And on the legal side, the divide between the two sets of responses was the greatest: 18 percent citing this as an obstacle on the business side compared with only 9 percent on the IT side.

Instead of concern around legal and business case issues, IT professionals have a much bigger challenge: getting agreement for change projects from executives. Only 14 percent of respondents rated the lack of executive buy-in as a barrier to agility from the business point of view, compared with 22 percent on the IT side.

For those businesses keen to start their path to flexibility, three areas were identified as the most sensible options: finding ways to change that lead to cost-savings; creating a culture of change; and including staff of all levels in change projects.

**Figure 10: How can businesses best plan for change and architect agility into their organisation?**



After this, firms are advised to deploy services and solutions that offer continuous availability during periods of change, and ensure security and compliance are built into change-management processes.

## Conclusion

Our results indicate that the appetite for change is clear. Most organisations are aware of the value of being able to change frequently and easily, with benefits from cost savings to better customer service on offer. There are also plenty of recent examples in the technology sector of fallen giants, those organisations that fail to adapt quickly enough to market demands and pressures and are subsequently diminished in their competitive superiority: these examples should serve as a stark warning to firms of the dangers of remaining stagnant.

However, it is not enough that organisations are aware of the need to change; they need to back up this awareness with a culture of flexibility and agility, and implement processes and systems that support frequent, smooth changes and monitor their impact.

## About the sponsor

Sungard Availability Services provides managed IT services, information availability consulting services, business continuity management software, and disaster recovery services.

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