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Cracking the IT value code.

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The value you get back from IT does not equate to how much or how little you spend. On the contrary, value is a by-product of the way IT is governed and aligned with business operations. In **Cracking the IT value code**, we chart how governance is key to extracting value from IT.

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IT under pressure

“It’s not what you spend but how you govern IT that unlocks the value code.”



There’s an upturn in the economy, bolstered by resumption in corporate activity, low interest rates and benign inflation in some European quarters. But there is still enormous pressure on IT costs.

Corporates, still smarting from the year 2000, the burst of the technology bubble and zealous cost cutting over the past two years, are reluctant to invest heavily in IT without evidence of payback. Investors, meanwhile, driven by market volatility, are calling for greater transparency on where and how IT adds value to the business.

The Harvard Business Review¹ argues that talk of the ‘strategic value of IT’ is vastly over-hyped and that the most lavish spenders on IT rarely achieve the best results’. Others counter with a warning that companies which are ‘unable or unwilling to match productivity improvements or process innovations are generally eclipsed or acquired by more agile competitors’.

But is deriving strategic value from IT really about spending less or spending more? We think not. We argue that the key to IT optimisation lies beyond the types, uses and cost of technology, in the governance models used to manage and integrate IT within the business.

In short, it is not what you spend but how you govern IT that unlocks the value code.

In discussions with a cross-section of European businesses, we determine that IT governance – how IT is linked to the business and the CIO’s role in translating the IT investment needed to underpin the business strategy determined in the boardroom – can simultaneously address business growth and cost optimisation.

Governance as differentiator

Def: What is IT Governance?
The organised capacity to guide the formulation of IT strategy and plans, direct development and implementation of initiatives and oversee IT operations in order to achieve competitive advantage for the corporation.

“If the CIO can win credibility and respect at a utility level, there’s more likely to be support, from bottom up, for more innovative IT projects.”

Essentially a set of processes, IT governance is a means to an end, not an end in itself. IT governance helps firms define who is responsible for what and how IT decisions are made. It enables IT to adhere to business objectives and maximise value from investment. It can protect against failures that result from the misalignment of IT and business strategies.

Governance delivers competitive advantage through the identification of the ‘utility’ and ‘innovation’ components of IT, steered by the CIO to create value.

The utility component of IT

At its most basic level, IT is a utility. Some commentators go as far as to say that it has been ‘commoditised’. Mass produced, readily replicated, entwined across all business processes, it is as fundamental to corporate life as electricity. If it goes wrong, the business is paralysed. ‘Keeping the lights on’ and the business running are mundane but critical roles for IT.

End-users are IT’s worst and loudest critics. When the email system is hit by a virus, when the corporate website is unavailable, IT’s reputation nosedives. For a mainstream bank, an online channel that fails is highly visible, making business continuity planning critical. However, strong architectures that govern IT processes, make it easier to pinpoint weaknesses and enable utility to deliver.

Get utility right, and core IT applications and maintenance are an almost unseen force that operates across the organisation. If the CIO can win credibility and respect at this most basic level, there is more likely to be support, from bottom up, for more innovative IT projects.

Good governance means distinguishing the utility (must have) elements of IT from the innovative (essential for competitive advantage) components in order to achieve top-line value. Both elements need to be sufficiently dynamic to cope with an increasingly unpredictable commercial environment. A governance structure that is static will not support business processes nor inject innovation in response to rapidly unfurling events.

Outsourcing or on-demand web services are effective alternatives to managing utility in-house but have their fans and critics. A European bank, for instance, has gone on a huge outsourcing journey, moving from a fixed to variable cost base to capitalise on specialist skills. A rival European banking institution, meanwhile, has cancelled outsourcing contracts to the tune of several million euros on the premise we are not good enough to run our own business, who is?’

Innovation in IT

While the focus on core services and cost reduction is important, innovation, the sexy part of the CIO’s agenda, is essential to competitive advantage. Acknowledging that no single IT investment can sustain value indefinitely, it is important that innovation is in tune with environment and industry developments and can match or outpace competitors. While funds are not as readily available as they once were, it is what the CIO does with the ‘pot’ and how budget is aligned to business activity that signals how IT innovation adds value.

Innovation must be closely aligned to what the business is attempting to achieve. A major UK supermarket², for instance, has embarked on its biggest IT investment programme yet with £800 million to spend on service delivery and £1 billion on new systems. Not so much IT programme but ‘business transformation programme’ built around what the business needs to become leading edge.

Similarly, an international retailer reports: “We do not have a distinct IT strategy; we have a business strategy that includes IT. IT is wholly aligned with the business plan.”

“The CIO has to act as ‘translator’, bringing together business and IT strategy – understanding what the board needs to achieve its business targets.”



The bilingual CIO

Lack of commitment from senior management is, according to a survey from the National Computing Centre (NCC)³, preventing IT departments from meeting the needs of the business.

But it is not about how much money is spent on technology but rather the value that is derived from IT investment. Here the CIO has to act as ‘translator’, bringing together business and IT strategy – understanding what the board needs in order to achieve its business targets and communicating what is possible, in layman’s terms, from an IT perspective.

Among the European businesses interviewed, most concluded that it is not easy to get the board interested in IT – but that it is critical. By articulating both sides of the debate, forming strong peer relationships with CEOs and CFOs, IT becomes less of a language barrier and support is earned by synchronising IT and business strategy.

Messenger between board and IT, fixer when IT falls down, the bilingual CIO has the opportunity to shift up a notch in the corporate hierarchy. The CIO is securing a position at the strategy table as a credible resource that keeps the lights on and contributes to strategic direction or improved business performance. Business person first, CIO second, the new-style head of IT is increasingly vocal about IT’s value to the business. S/he removes technology from its mystical wrappings and presents IT for what it is – a tool to enhance and complement business strategy.

At Renault⁴, the CIO describes himself as a ‘bilingual guy’, speaking the language of business and technology. It is this ability to translate opaque technical issues into business solutions that mean something across the company which earns credibility and embeds the CIO in the day-to-day running of the business.

A recent GIGA survey ranked ‘aligning IT investment with business direction’ second in a CIO’s top ten worries. Looking at the financial services industry, around €20 billion a year is spent on technology by Europe’s top ten banks. The gravity of investment decisions should not be underestimated. IT consumes a large part of corporate spending and for many, investment is the differentiator for business survival.

Must-dos for the CIO

- Win credibility by keeping the lights on and the business running.
- Do not be an alien – speak the language of business not the language of IT to get buy-in for your projects.
- Align innovation to projects which will enhance business revenue opportunities.
- Demonstrate how IT adds value; do not just focus on increasing productivity, delivery times and cost-cutting.
- Be your own loudest fan: communicate the value that IT makes in the strategic areas of the business to the board.
- Know what is going on outside your own front door – evaluate market and industry pressures and adapt your governance model accordingly.

Measuring value

Spend on IT projects has fluctuated wildly in recent years – from the boom of the bubble to the slump which, in some cases, left egg on CIO faces. Spectacular IT failures, poorly conceived e-business initiatives and systems that were never used because they did not fit the business's needs, have all taken their toll. In the aftermath of seriously compromised budgets in 2003, when around 70 percent of IT spending was postponed, the market finally appears to be on the bounce (figure 1).

Figure 1

Worldwide: End-user spending on IT by technology segment (\$M)

	2002	2003	2004	2005	2006
Hardware	345,065	348,765	366,094	380,780	388,944
Software	75,774	77,411	82,836	89,580	96,677
IT services	535,970	578,570	606,095	641,417	682,460
Telecom	1,235,173	1,297,501	1,365,786	1,429,344	1,497,470
All IT	2,191,982	2,302,247	2,420,811	2,541,120	2,665,550

Western Europe end-user spending on IT by technology segment (\$M)

	2002	2003	2004	2005	2006
All hardware	89,430	90,343	92,263	95,834	97,173
All software	24,268	24,416	25,587	27,338	29,480
All IT services	157,618	181,531	186,713	194,442	203,355
All telecom	308,941	329,132	339,833	349,225	357,883
All IT	580,257	625,423	644,396	666,839	687,891

Source: Gartner Dataquest (December 2003).

Investment analyst Goldman Sachs predicts a rosier 2004 with IT spending up 3 to 5 percent on 2003. After three years in the doldrums, IT budgets are expected to be allocated to technologies with the potential to boost profits, such as CRM. Gartner, meanwhile, suggests that worldwide PC shipments will rise by 8.9 percent on 2002.

Regulatory pressures on financial institutions to comply with Basle II and massive spend on public sector technology are fuelling IT growth.

But, despite a general sense of economic well-being, CFOs are still holding on tight to the purse strings. In July 2003, Goldman Sachs, interviewed 300 IT directors at major European companies. Nearly 75 percent did not foresee budget growth exceeding 5 percent for at least five years and more than half had deferred IT projects up to four times in 2003 due to budgetary constraints.

**“CIOs face two challenges:
Keeping the lights on and
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agenda.”**



The budget case

Aided by vendors who will rationalise spend vs. return, IT investment often gets the green light because it looks good on paper. In truth, though, few IT projects deliver the total potential value because they operate in silos and are not woven into the overall business strategy as joined-up initiatives.

To make a robust case for IT investment, the CIO has to measure and demonstrate the value of IT to the business.

But, according to a Deloitte survey in the UK⁵, 71 percent of respondents report that their attempts to measure value have been only ‘somewhat’ or ‘not’ successful. Worryingly, only 25 percent see that their ability to measure and demonstrate IT value has a significant impact on their own success at work. The IT function seems increasingly remote from the core business.

Similarly, a US survey⁶ of 200 global IT executives found that two out of three CIOs have not been successful in measuring and communicating IT value. Unsurprising then, that nearly half found that executive management consistently understates the value of IT and that two-thirds are not included in strategy development.

CIOs need to recognise that they face two challenges: keeping the lights on and pushing the strategic agenda. The focus on basic metrics such as productivity, delivery times and cost-cutting is a self-denied opportunity to communicate the value they bring to the organisation by driving new profit opportunities through strategic technology initiatives.

One-size governance does not fit all

There is no single governance model that fits all organisations across all geographies or sectors. Some organisations give their CIOs a place on the board – or at executive level; others set up governance committees to drive IT; others lack a formal governance structure but embed their CIO more centrally within the corporate structure.

For instance, two of the organisations interviewed operate within the consumer packaged goods industry. Both are successful businesses but have very different models for governing IT. The German firm operates an internal shared service centre where all IT is serviced internally; its American equivalent outsources much of its IT.

“It is the way in which IT is connected to the corporate decision-making process that makes the governance model successful.”

One organisation in the leisure industry with legacy systems dating back more than 20 years, is moving to a shared service centre to meet future business demand through unified systems. Its IT will need to support a range of business models in several European locations. Another has a centralised operation, where the CIO has a seat at board meetings and offers clear guidance to the IT business units. Cost savings of €2 million have been achieved within two years.

Two international organisations in the automotive industry operate completely distinct models. One is decentralised but keeps IT in-house and operates through business units; the other outsources.

A major financial institution⁷, with centralised operations such as call centres and Internet banking, is conscious of customer demand for business continuity when systems fail. It uses a single data centre but has all of its information replicated by IBM at an external site.

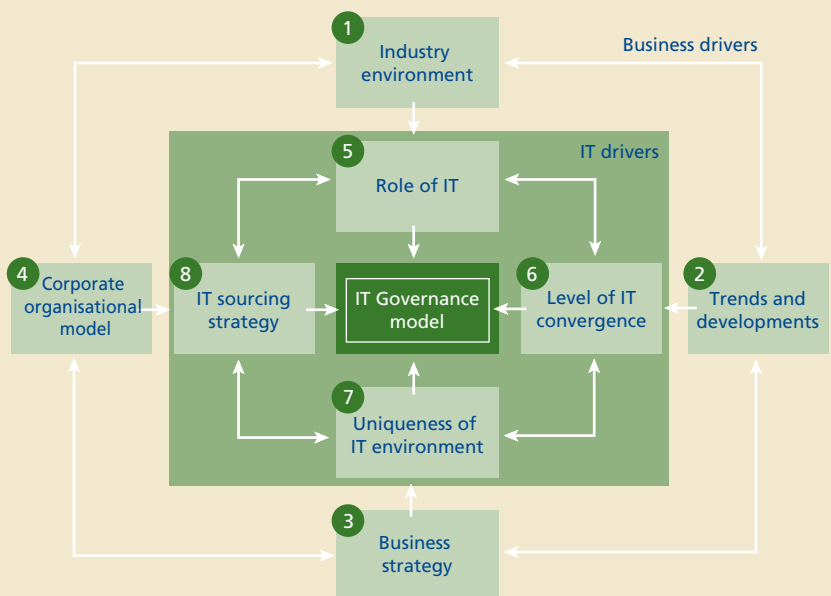
It is not the model that makes these structures successful but the way in which IT is connected to the corporate decision-making process.

So what parameters and drivers can be used to shape a corporation's IT governance model?

What drives IT governance?

The governance model, unique to each business, evolves from the inter-relationship of four external and four internal drivers. If one of these drivers is out of synch with the business operations, the whole model, and consequently value from IT, is potentially at risk. Figure 2 illustrates how these drivers work in tandem.

Figure 2 – The implementation of IT governance is driven by a force field of business and IT drivers



The evolution of IT governance

How to harness eight drivers to build a flexible governance structure.

Business drivers	Example
Environment	Business units organised around customer segments.
Trends	Dramatic cost pressures to reduce IT expenditure. New requirements from regulatory environments.
Business strategy	To globalise the business and maintain its quality lead.
Corporate organisation model	Clear separation of business units. Few centralised support functions.
IT drivers	
Role of IT	Coordinated IT model with a balance between centralised and decentralised application development. Information is managed at business unit level and there is IT infrastructure vendor management in place.
IT convergence	Extremely high IT integration between products and processes.
Uniqueness of IT	Continuing in-house IT software development for highly specific processes.
IT sourcing	Ten year outsourcing agreement for all infrastructure services. Application development ventures with IT suppliers.

Source: Deloitte Research.

Business drivers

“With an awareness of external factors and an objective view of how they impact business strategy, the CIO makes informed decisions about how to prioritise and allocate IT resources.”



Industry environment

Businesses that compete head-to-head in the market place may operate very different models. The IT governance model needs to reflect industry environments and be flexible enough to adapt to shifting needs. The changing competitive landscape – say the introduction of low-cost alternatives or aggressive cost cutting – continued globalisation and increasing regulatory pressures can all impact the allocation of the IT budget.

For instance, international services organisations like financial institutions with market-specific IT needs, opt for decentralised functions to respond to local business requirements. Global players tend to have consolidated IT governance structures and corporate-wide standardisation.

Where the industry environment is influenced by geography, say public sector, railways or postal services, IT may be localised with the aim of achieving operational excellence within geographic regions. But, some international pharmaceuticals groups exploit cross-regional synergies through IT alignment.

The amount of regulation impacting on IT increases every year and now includes:

- Computer Misuse Act 1990;
- Defamation Act 1996;
- Data Protection Act 1998;
- Electronic Communications Act 2000;
- Regulation of Investigatory Powers Act 2000; and
- Proceeds of Crime Act 2002.

Add to this industry regulation, the Combined Code and for those companies listed in the US the Sarbanes-Oxley Act 2002 and you can see why compliance can not be left to chance and needs to be an integral part of the Governance framework. The governance processes should enable the business to see how its compliance risks are being assessed and addressed in a transparent and coherent way.

Trends and developments

The CIO, wearing a business rather than an IT hat, must be cognisant of market trends and developments. With an awareness of external factors, an objective view of how they impact business strategy and knowledge of competitor activity, the CIO makes informed decisions about how to prioritise and allocate IT resources to deliver in line with market and business expectations.

For instance, during the technology bubble, those banks that did not invest in an Internet banking platform saw their share price dive. Those that did saw an upward swing in market value which far outweighed the cost of the IT infrastructure. However, as the market cooled and there were reduced rewards for Internet banking, the market savvy CIO who had avoided putting all the corporate eggs into one basket, was able to re-evaluate the IT and business options and help the business capitalise on the market trend.

Trends currently making an impact on the external environment include:

- Cost reduction – still a global issue despite economic recovery.
- Increased production flexibility delivery:
 - Supplier Reorganisation/Rationalisation.
 - Innovation.
- Market place purchase:
 - Offshoring.
 - New ERP systems.
 - New CRM systems.
 - Outsourcing.
- Customisation:
 - Web technology.

“IT can support business processes and inject innovation if the governance process is flexible.”

A sound and cohesive IT strategy evolves where CIOs listen to the market and make informed decisions based on the operating environment. But, it is critical that the governance structure is flexible enough to accommodate switches in direction and deliver on business and market demands. IT can only support business processes and inject innovation if the governance process is flexible.

A flexible governance structure scores on two counts. It enhances the utility aspect of IT as there is focus on core services and keeping the business running. But it also allows for innovation in line with the strategic agenda and external climate. It is here that the bilingual CIO translates market and business needs into an IT value proposition that delivers real competitive advantage.

Business strategy

To deliver value from IT, technology must be firmly aligned to the corporate agenda. While demonstrating that the basics are under control, the CIO must become strategic in aligning IT capabilities with the business strategy.

Take a major US retailer. As a business it is known for its cost-efficiencies. As an IT function, it stands back from the rush of first-movers, waits for applications to be tested, rolled out and best practice standards set. Then, it sweeps in on the back leg, undercuts on price and derives greater value from its investment. Driving down IT costs through standardisation and centralisation, the IT function emulates the business strategy for cost reduction.

“To deliver value from IT, technology must be firmly aligned to the corporate agenda.”

While the retailer leads on cost, others seek to lead on quality and be the number one bank in Germany. Its bid to excel in service delivery and customer relationships means it can demand higher fees. Its high quality, customised IT environment is achieved on a medium to high budget and enables the organisation to offer differentiators such as extended service hours. By outsourcing the utility elements of IT, it focuses its remaining budget on achieving best quality through innovation.

Meanwhile, organisations operating in a monopoly market with little or no competition tend to seek customised and proprietary solutions. Serial acquirers look for either standard IT platforms that allow for speedy integration or standalone decentralised operations that reduce the costs associated with carving up and centralising multiple businesses.

Whatever the business strategy, the CIO must bridge it with a complementary IT strategy that can add value to the bottom line.

Corporate organisational model

Mismatch between the financial structure of the business and IT governance can lead to increased costs and inflexibility⁸.

An airline business assessed all capital expenditure in relation to ROI. Typically IT investment came out on top – partly because IT vendors swung the value case and partly because IT infrastructure can be depreciated as a physical asset. Such a narrow accounting view, that justifies projects on the balance sheet, results in islands of IT projects that are not woven into the business strategy. Any mismatch can result in increased IT costs and failure to support the business.

The IT governance model should not be static and needs to be flexible enough to link to the business strategy. At another airline, the CIO sits just below board level and innovation in IT is largely driven by the market and business view. By moving to a more centralised IT model, savings of €75 million have been achieved within two years and the pace of change has been accelerated. Flexibility improved as a direct consequence of central IT providing clarity to the business change process.

IT drivers

“Governance is ‘the electronic cement to hold the organisation together.’”



Role of IT

IT governance needs to correlate with the level of autonomy given to the IT function. Across the same industry, companies operate different IT strategies which call for different governance structures. One interviewee described effective governance as ‘the electronic cement to hold the organisation together’.

The role of the CIO is to build a governance model that matches the IT model in order to derive value. For instance, a corporation that pursues an IT outsourcing strategy needs a governance model that is equipped to handle outsourced vendors and which determines, implements and monitors performance against service level agreements (SLAs).

Two of the organisations interviewed operate within the consumer and packaged goods industry. The first, a UK business, outsources its entire IT infrastructure and application management and operates a decentralised model. All decisions and IT budgets are decentralised at strategic business unit level. Although IT costs are high, it tends to be more responsive to business needs. Governance is managed via committees at business unit level, reporting to the CIO.

The other, a German business, centralised its IT in a shared service centre to reduce the variety of applications and create a central European delivery system. By pooling all project-related workforces, the shared service centre achieved greater cost transparency and a service mentality. Governed as a profit centre, it charges internal clients for its services which are benchmarked against analyst statistics and is responsible for setting IS strategy and guidelines across the business.

No one model is right and sectorised conclusions should not be drawn. It is more a question of identifying how the business and the IT function inter-operate and allocating the most appropriate structure to govern IT. Getting the right model can enhance the overall perception and management of technology within the organisation and allows the CIO to run the function as a business.

Level of IT convergence

The level of integration between three components of technology will shape IT governance in the enterprise. The CIO needs to understand how the three components interact:

- Business IT – such as ERP and CRM systems.
- Product IT – such as the relationship between a product and the operating environment.
- Technical IT – such as CAD systems for design and development.

In some businesses, there will be a direct link between business IT and technical IT – say in the automotive industry where there is an emphasis on build-to-order vehicles. But there may be few connections between business and product IT.

In financial services, there tends to be high integration between product and business IT, often as a consequence of compliance requirements. So, when an individual withdraws funds at an ATM (product IT), there needs to be correlation with the account statement (business IT) to check for cleared funds, to enable a balance enquiry, etc. However, there is little or no requirement for technical IT.

In telecoms, there may be full integration between business IT (the invoice), product IT (the phone call) and technical IT (call routing) to ensure that the call is registered in the accounting and invoicing system.

The intensity of integration between the three components dictates and shapes the governance model. In turn, this impacts the level of innovation that can be delivered to the business.

Uniqueness of IT environment

Very often, it is the legacy IT infrastructure that determines the amount of utility and innovation derived from technology going forward. Technology that once differentiated a business can become a millstone around its neck, diminishing its operational flexibility. But remove these pillars and the whole operation is likely to collapse.

Look at airlines established in the 60s and 70s. These tend to buckle under the strain of mammoth legacy systems – such as seat allocation. They restrict what the business can achieve on a limited IT budget while keeping the lights on. Newer, low-cost airlines, without the baggage of the past, tend to be much better equipped with systems that govern the reservation to departure process efficiently.

Add into the equation environmental factors, and there may well be huge limitations on innovation in IT. Take the financial services industry where external pressures such as Basle II, IFRS, IAS and money laundering eat into funds earmarked for IT innovation.

“Technology that once differentiated a business can literally become a millstone around its neck, diminishing its operational flexibility.”

IT sourcing strategy

The CIO needs to set the strategy for outsourcing and build a governance structure that adapts to unique situations.

Shared service centres: Management of utilities

Here the relationship between IT and the business is direct. There is often no exchange of money for services and IT operates as a cost centre that serves several departments and divisions.

But many organisations have tried to create shared service IT centres that operate as profit centres where expertise is pooled and sold back to the business. The risk is that IT becomes very fragmented from the rest of the business and develops its own culture. As one interviewee put it, ‘IT staff even have different business cards’. Where systems are developed in-house, know-how is retained in-house but when it goes wrong, IT backs into its bunker. Utility levels deteriorate. At one organisation, IT was brought back to the centre and reassessed in terms of what should be kept and what should be outsourced.

Faced with no external competition, the CIO of a shared service centre should also put in place mechanisms to reduce IT costs in line with market benchmarks. But the CIO should also ask whether in-house staff can even begin to compete with wider skills sets, experiences and know-how available out-of-house.

Offshoring: reduce complex management structure

Here the offshore unit operates as a profit centre or independent legal entity. It can market its solutions to other third parties and is the preferred supplier of the originating organisation. However, conflicts can arise due to the exclusive nature of the relationship and experience is needed in sales and marketing to develop new sources of income.

Outsourcing: manage providers

Typically the organisation retains some of its IT services and outsources non-core or utility services to an external provider in return for a fee. The agreement may involve the transfer of people, information and assets to the outsourcer. Clear SLAs and careful contract negotiation determine the operating criteria but competition among outsourcers tends to drive down costs.

Here the organisation needs to be very clear about its expectation and monitor performance closely to maintain a strong improvement ethos.

Conclusion

“ Governance goes to the heart of the IT infrastructure. Governance is not static but continually evolves in line with shifts in the market and business environment.”



Governance is not about how little or how much you spend on IT. Governance goes to the heart of the IT infrastructure management. Governance is not static but continually evolves in line with shifts in the market and business environment. This is not a do 'x and y to get z' ethos but one which is individually built around the co-existence and compatibility of inherent business drivers.

However, in discussions with European CIOs, we conclude that IT governance comprises six key tasks.

- Leadership** Setting the overall direction of IT within the business, maintaining its cultural values, corporate image and voice and representing the corporation's key stakeholders.
- Planning** Developing an IT strategy that is inclusive of the sourcing philosophy, building a corporate IT organisation, setting corporate IT goals and agreeing IT performance targets with IT customers.
- Capital allocation** Allocating resources, determining available capital and IT investment criteria and reviewing bids for capital.
- Policy** Setting the fundamental IT operating procedures, establishing standards, rules and guidelines and defining technical and application architectures.
- Coordination and compliance** Ensuring compliance with IT standards and obligations, coordinating activities between IT demand and supply and managing IT deployment.
- Monitoring and control** Qualitative benchmarking, managing service levels, penalty systems and identifying areas for service improvement.

At the centre of the operation is the CIO – with the opportunity to drive IT up a notch by using governance to unlock the value of IT and secure a seat at the top table.

The CIO in today's enterprise wears many hats: astute to the business and market climate; speaks the language of business and the language of IT but capably translates for relevant audiences; aligns IT and business strategy; rubs shoulders with the board and keeps financial priorities in check. Add in IT viruses, disaster recovery and security; maintaining standards in outsourced IT and ensuring that the lights are on and the business evolving through IT innovation, the CIO plays a strategic role in keeping the business afloat, and driving it forward.

Those businesses that achieve above average industry returns from their IT decisions, have better IT governance and the right people to keep the lights on, push the strategic agenda and make decisions more intuitively than their competitors – enabling them to crack the IT value code.

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About Deloitte Research

Deloitte Research, a part of Deloitte Touche Tohmatsu, identifies, analyzes, and explains the major issues driving today's business dynamics and shaping tomorrow's global marketplace. From provocative points of view about strategy and organizational change to straight talk about economics, regulation and technology. Deloitte Research delivers innovative, practical insights companies can use to improve their bottom line performance. Operating through a network of dedicated research professionals, senior consulting practitioners, and academic and technology partners, Deloitte Research exhibits deep industry knowledge, functional understanding and commitment to thought leadership. In boardrooms and business journals, Deloitte Research is known for bringing new perspective to real-world concerns.

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Notes

- ¹ IT doesn't matter by Nicholas G Carr, Harvard Business Review (May 2003).
- ² Financial Times, 15 October 2003.
- ³ IT strategy survey from the National Computing Centre (July 2003) which takes the views of 428 senior IT decision-makers.
- ⁴ Financial Times, 17 September 2003.
- ⁵ Deloitte: Because you're worth IT (February 2004).
- ⁶ Deloitte: Achieving, measuring and communicating IT value (2003).
- ⁷ Financial Times, 3 September 2003.
- ⁸ Whether business units are managed through financial performance indicators only, or through corporate structures, influences how IT interacts with individual businesses.

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Designed and produced by The Creative Studio at Deloitte, London.

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