

# What's on the Mind of the Dutch CIO?



**June 2011**

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### Introduction

Over the past few years, IDC's predictions have been focused on a handful of disruptive technologies that we've been tracking from the industry periphery, heading to their destination at the core of the technology sector. Not surprisingly, in 2011, IDC's predictions were about the coalescence of these disruptive technologies into the "new mainstream" platform for growth, both for the IT industry itself and for the markets they serve. The biggest stories are revolving around the build out and adoption of the next dominant IT platform (in IDC's view, the industry's third major platform) — defined by a staggering variety of mobile devices, an expanding mobile broadband network, and cloud-based application and service delivery, with value-generating overlays of social business and pervasive analytics, generating and analyzing unprecedented volumes of information.

This brief considers the implications of this paradigm change for the Dutch CIO, capturing what is top of mind for over 250 senior ICT decision makers in the Netherlands. Survey respondents represented a variety of large organizations, across various industries and government institutions, mostly based in the Netherlands, yet often conducting business throughout Europe, the Americas, Asia Pacific and Africa.

These executives told IDC that their main priorities after the economic downturn are managing mobility and the impact of consumerization, a re-growth of importance being placed on green IT, and securing the cloud.

### Managing Mobility — The #1 Concern

The PC-era is over. In coming months app-capable non-PC devices will outship PCs. With over 330 million smartphones and more than 42 million media tablets being sold worldwide in 2011, the IT manager is right to be concerned about managing mobility.

Nearly two-thirds of survey respondents rated mobility as 'important' to 'very important', so this clearly stands out as one of the most pressing enterprise concerns of the day in the Netherlands. The IDC survey found that while it is an important issue for companies of all sizes, the level of importance grows with company size.

Respondents also indicated a strong increase in company-paid mobile devices in companies across all industry sectors and company sizes (Figure 1). This shows that the CIO is responding to demand for mobile devices on the network.

However, the plethora of new devices in the consumer world has introduced a whole new aspect to the challenges of managing enterprise mobility.

### Bring Your Own Device (BYOD)

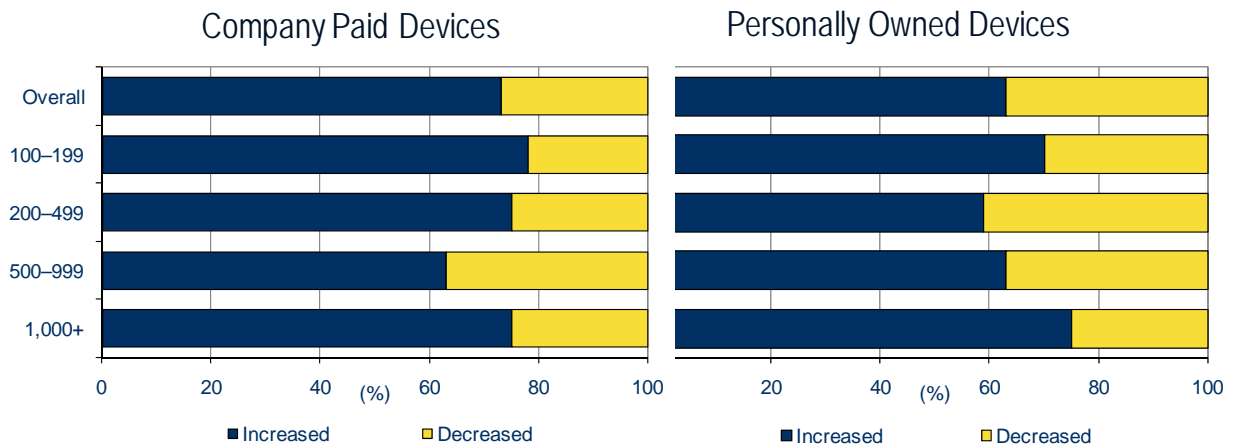
With an explosion of mobile devices and applications, CIOs everywhere are faced with an unprecedented challenge that they are struggling to control from a technological, policy and cultural perspective. The consumer, rather than the enterprise, continues to dictate the pace of new technology innovation and adoption today, as employees now carry devices in their private lives that are more sophisticated and user-friendly than those they are given by their employers.

Many IT departments, consigned to this reality, are looking at ways to allow employees to have a greater say around the technologies they use in the workplace, including using their own personal mobile devices, such as smartphones and tablets.

**Figure 1**

Increase in Mobile Devices on the Network, by Company Size

Q. Is the number of devices (such as, but not limited to smartphones) increasing or decreasing?



Source: IDC, 2011

Throughout the Netherlands, there is significant growth in mobile devices connected to enterprise networks as employees themselves drive demand for connecting their new personal devices. For the Dutch CIO, with usage of personally-owned devices at some of the highest levels in Europe, understanding the business benefits of the consumerization of IT has become one of their top priorities.

## The Business Benefits of BYOD

IDC believes that BYOD can drive significant benefits for businesses in terms of lowering cost, increasing agility, and driving employee productivity and flexibility. This is because, if implemented properly, it provides:

- A lower-cost way to deliver corporate network access to a widening base of mobile workers within their organizations.
- Greater employee choice/flexibility in terms of the devices they use and how they work.
- A proactive way to keep ahead of rapid innovation and address changing employee preferences on a continuous basis.
- An approach to driving greater employee productivity and customer service via wider scale mobile working within organizations.

Dutch ICT decision makers agree that there are definite benefits from allowing BYOD in the enterprise. The Dutch focus is very much about creating happy productive staff, as can be seen in Table 2, with benefits coming from employee satisfaction, flexibility, work/life balance, and attracting new staff.

**Table 1**

### Bring Your Own Device

*Q. What do you see as the primary benefits in allowing your employees to bring their own devices?*

	Employees				
	Overall	100–199	200–499	500–999	1,000+
Better/increased use of cutting-edge technologies	23%	24%	23%	23%	22%
Increased user satisfaction	50%	50%	55%	46%	49%
More efficient use of social media	24%	26%	23%	29%	22%
Better collaboration, information sharing, and flexibility	25%	20%	34%	19%	25%
Ability to attract and retain the younger generation of workers	22%	17%	23%	21%	24%
Provide employees with tools to better manage work and life	29%	28%	23%	38%	27%

Source: IDC, 2011

While there may be many perceived benefits, at the same time businesses must take a balanced approach, being mindful of the current risks and limitations posed by supporting an increasingly heterogeneous mix of devices and platforms through individual-liable device schemes. These risks can include:

- Potential ambiguity around who is responsible for the data on personal devices that can pose a compliance risk.
- Increased administrative complexity in terms of managing a broadening mix of users, liability schemes, devices, and operating systems.

- Exposing company data to malware/viruses from downloading personal data/applications on devices.
- User privacy risks in terms of monitoring and removing data on the device, including in some cases, personal data.

### Green IT Returns

Green IT/environmental issues faded in importance during the economic crisis. In order to cut costs, ICT managers had to prioritize investments towards maintaining the business or projects that directly improved the bottom line. However, as we begin to exit the crisis, softer (more image related) and long-term projects such as carbon emissions, power consumption, energy efficiency, and environmental regulation become more important.

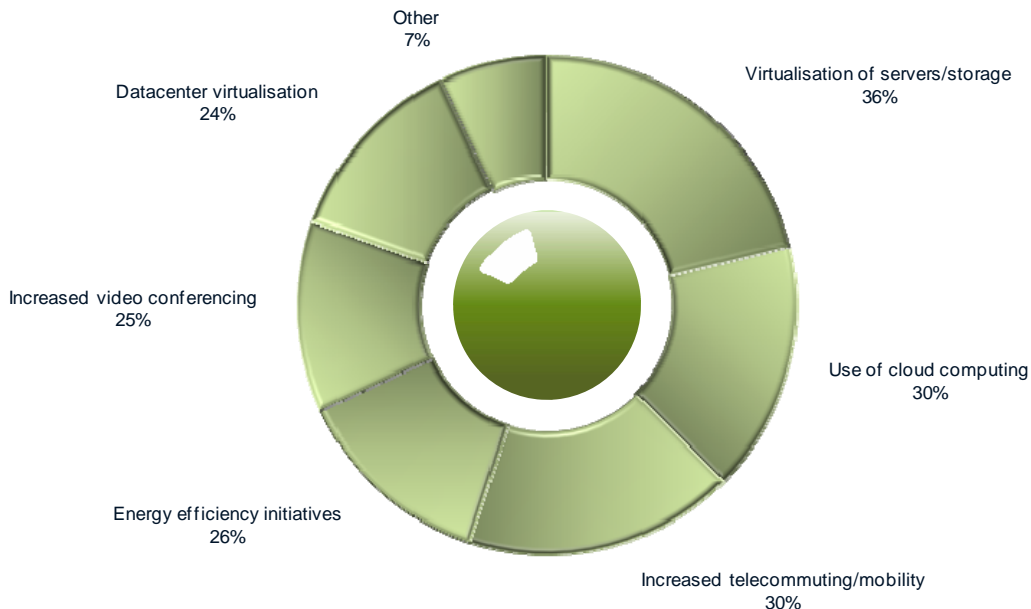
It is no surprise that the larger the business the greater the interest in their market image/brand, and consequently their environmental footprint. Over 42% of respondents from large companies with over 1,000 staff indicated that environmental issues were having a significant impact on their technology purchase decisions.

Across all business sizes, the top 3 actions that Dutch CIOs are undertaking to decrease their organizations' environmental footprint were virtualization of servers/storage (36%), cloud (30%) and telecommuting/mobility (30%).

**Figure 2**

#### Actions to Reduce Environmental Impact

Q. What actions is your company taking to decrease its environmental footprint?



Source: IDC, 2011

So while green IT may no longer be the trendy young thing it once was, it is still playing a pivotal role as we emerge from the downturn, not only for cost savings but also to support brand image and social responsibility requirements.

## Cloud Computing — No Longer Hype

For the past three years, IDC has pointed to the cloud services delivery model as the new foundation platform for technology. It has been nothing less than the complete transformation of the IT industry's core offering and business models. Survey respondents also indicated that they too see cloud having reached a level of maturity that encourages investment, with 44% of organizations currently using or deploying a cloud solution.

### Cloud Security Concerns Prevail

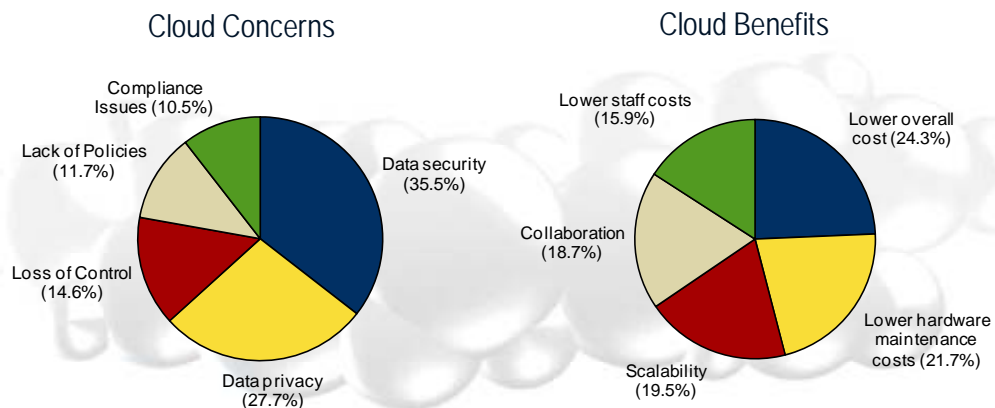
Yet even though the offerings are mature enough to invest in, there are still continuing concerns for the Dutch CIOs.

According to survey respondents, data security and data privacy are by far their two biggest concerns when considering cloud offerings, (Figure 3). These concerns are shared across all respondent groups, indicating that data security and privacy are important regardless of industry or company size.

However, while cloud security concerns prevail, most other concerns are reducing as trust in cloud service providers increases and the benefits become more tangible.

**Figure 3**

Security Concerns Prevail Even While Benefits Become Tangible



Source: IDC, 2011

### Benefits of Cloud Become Tangible

A variety of non-financial and financial benefits of deploying cloud offerings were identified in the IDC survey. The top non-financial benefits being experienced by respondents include the advantage of scalability and collaboration, providing the business with the ability to meet end-user or customer demands efficiently and quickly.

Perceived cost reduction provides the top 3 financial advantages — reductions in overall costs, reductions in hardware maintenance costs, and reductions in staff costs were cited by survey respondents.

The non-financial benefits, such as allowing the business to better respond to customer needs quickly and efficiently, demonstrate that cloud is being accepted and used for business reasons. For the Dutch CIO, this maintains cloud as a top of mind concern.

## **Conclusion**

What is on the mind of Dutch CIOs? The IDC survey of 259 ICT decision makers in the Netherlands found the answer — managing mobility and the impact of consumerization, the return of green IT, and securing the cloud.

Consumerization, or the phenomenon of "bring your own device", was significantly higher than expected, despite security concerns. This means consumerization is happening right now in the Netherlands, reinforcing what IDC is seeing elsewhere — that the Dutch can be seen as front-runners in the adoption of mobility tools.

For all organizations, but particularly large companies, the importance of managing their environmental impact is once again a reality. Driven by a combination of social responsibility, brand image, and an underlying need for continued cost reduction, Dutch CIOs are once again being asked to take environmental issues into account as they make technology decisions.

While trust in cloud services has reached a level that matches the maturity of the technology, concerns about security prevail. However, with real tangible financial and non-financial benefits being recognized and reported, most Dutch CIOs are deploying or using some cloud services. Yet what keeps them awake at night is the need for data security and data privacy, and their concerns about whether cloud providers can really ensure this.

Yet in the end, the common theme from the results of this piece of research is not negative. There is a resounding positive note from Dutch CIO's about the advantages of harnessing the consumerization of IT within the organization for the benefit of both staff and customers, of how to provide a positive environmental impact while still driving business benefit, and of tangible gains that cloud can bring to the business.

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