



# **ITMA 14<sup>th</sup> Information Technology Best Business Practices Seminar 2008**

## **IT's role in managing change and uncertainty**

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## Organizations Realize

***“Information technology and business are becoming inextricably interwoven. I don't think anybody can talk meaningfully about one without the talking about the other.”***

***Bill Gates***

# AGENDA

- Strategy/2008 Priorities
- Current Reality
- IT Adapting to Business Changes
- 2009 Priorities

# 2008 Priorities

- Develop client centric architecture
- Information Security Program
- Employee development
- Rationalize applications
- Reduce, simplify and standardize processes
- Improve system availability and resiliency
- Improve project delivery
- Enhance control and risk management agenda

# Achievements

- Achievements
  - Consolidated 3 Front Office to a single system for Private Wealth Management
  - Consolidated Back Office systems
  - Reviewed Market Data and brought \$\$\$ Savings for PWM
  - Implemented High Availability for systems

# Current Reality

- Challenging business environment:
  - Write downs
  - Difficult economic environment
  - Sources of growth
  
- IT Impact
  - Budget Cut
  - Cost cutting measures

# Gartner Outlook Report

- Financial Services Spending Growth
  - Original Forecast at 6%; Now at -2% to -3%
- North American Spending
  - Original Forecast at 2.2%; Now at -4%
- Brokerage Segment will be hit the hardest and then Banking Segment
- Biggest cuts in internal bank staffs and then in layoffs at IT services

# Gartner Outlook Report – IT Spending

- IT Services Spending
  - Original Forecast at 9.6%; Now flat
- Internal Services spending
  - Original Forecast at 2%; Now at -13% to -15%
- Hardware spending
  - Original Forecast at 6.1%; Now at 2% to 4%
- Software spending
  - Original Forecast at 10.4%; Now at 3% to 6%
- Telecommunications spending
  - Original Forecast at 6.3%; Now at 3% to 5%

# Actions to Aid Businesses

- Ability to explain IT cost – able to provide estimates of the cost impact of business decisions and the risk
- Evaluate Fixed and Variable Costs
- Look at business processes and internal processes
- Re-examine your IT applications – rationalize
- Time you are expected to do more for less

# What does this mean for you?

- **Your role in enhancing business/IT alignment:**
  - Know your business partner's priorities and challenges
  - Ensure they know yours
  - Help them understand & appreciate where their IT spend is going
  - Full engagement with all partners, each and every step of the way
  - Approach all activity thinking about your work in the context of running the business
  - Communicate ... communicate ... communicate

# Gartner Survey

- To what extent will each of the following be a top priority for you in 2008

	2008	2007	2006
Improving business processes	1	1	1
Attracting and retaining new customers	2	3	3
Creating new products or services (innovation)	3	10	9
Expanding into new markets or geographies	4	9	**
Reducing enterprise costs	5	2	2
Improving enterprise workforce effectiveness	6	4	**
Expanding current customer relationships	7	*	*
Increasing the use of information/analytics	8	7	6
Targeting customers and markets more effectively	9	*	*
Acquiring new companies and capabilities(M&As, etc)	10	*	*

\* New question for 2008 \*\* New question for 2007

# CIO Priorities

- Consolidation
- Shared Services
- Budget and Cost Control
- Security
- Governance

# Emerging Technology

- Virtualization
- SOA
- Legacy application modernization and upgrade
- Web 2.0
- Cloud Computing

## Parting Remark...

*“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”*

*Darwin*