

NCC: Benchmark Results 2009



Michael Dean



Agenda

- Who are National Computing Centre?
- Benchmark of IT Spending 2009
- Benchmark of IT Strategy 2009
- IT Department Accreditation
- Q & A



National Computing Centre

Founded 1966

**Promote
industry best
practice in
IT/IS**

**Support end
user
organisations
make
effective use
of IT**

**Private &
Public sector
~ 65/35 split**

**Owned by and run for the benefit of its members
ALL PROFITS RE-INVESTED**

**40+ years on,
NCC delivers**

- independent and impartial advice
- best practice and standards
- personal and professional development
- managed service delivery
- awareness raising, experience sharing, networking with end users, vendors & specialists

www.ncc.co.uk



NCC Benchmark of IT Spending 2009

- Published July
- Headline figures today
- Detail in the report
- Organisations in the AEC sector
- One size doesn't fit all...
- Follow the FABRIC approach



Benchmarks and Performance Management

- Benchmarks part of PM
- Measure, manage, improve (PDCA cycle)
- FABRIC
- Focused on the organisations aims and objectives
- Appropriate to and useful for stakeholders
- Balanced, covers all significant areas
- Robust – withstand organisational change
- Integrated into the organisation, part of business planning
- Cost effective – balancing the benefits of information against the costs



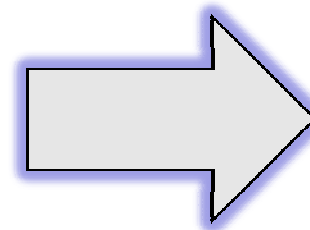
Benchmark of IT Spending 2009



Respondents by sector..

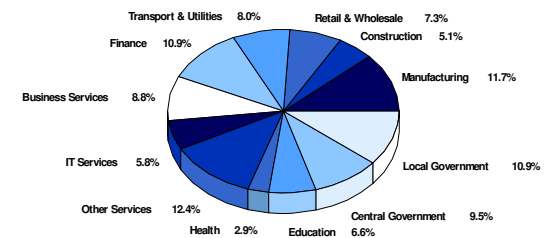
137in-depth responses:

- **Construction** 5%
- **Business Services** 9%
- Local Government 11%
- Central Government 10%
- Education 7%
- Health 3%
- Manufacturing 11%
- Finance 11%
- Transport & utilities 8%
- Other 25%



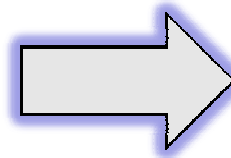
14%

Breakdown of Respondents by Industry Sector



Respondents – by size of End Users

Under 100 End users 10%
100 to 499 End users 30%

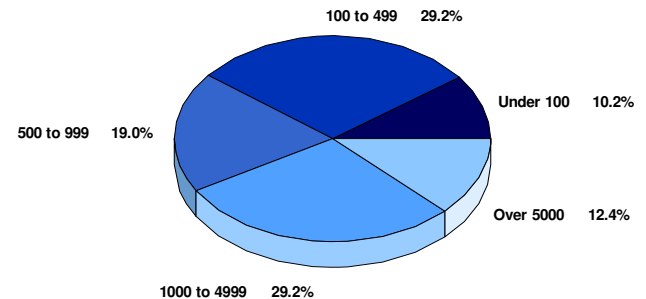


40%

500 to 999 End Users 19%
1000 to 4999 29%

Over 5000 12%

Breakdown of Respondents by Organisation Size
Number of End-users



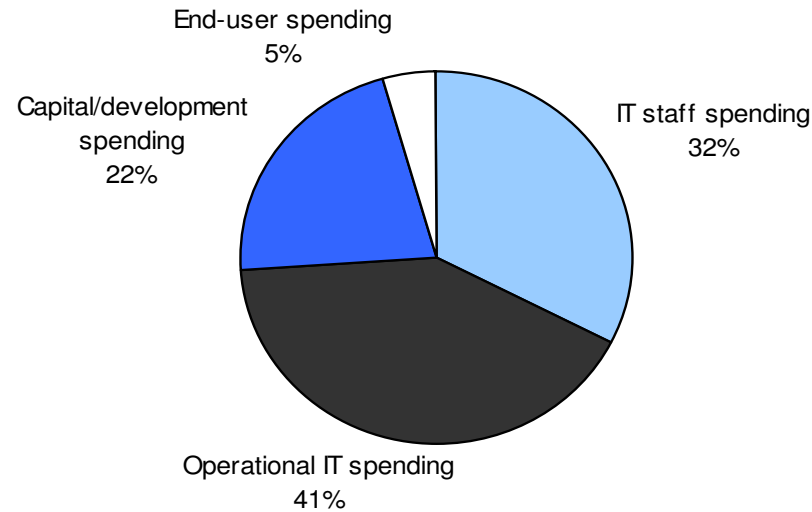
19% have an IT Department of < 5

Focus...

- Total IT spending
- Breakdown of IT spending
- IT spending reviews
- IT staffing
- Desktop strategies

Breakdown of IT Spending

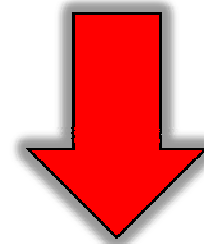
Average breakdown of Total IT spending



IT Spending Ratios

IT Spend per end-user

- Overall median £3,227 per end-user
- ... compared to £3,275 last year



IT Spend per workstation

- Overall median £3,195 per workstation
- ... compared to £3,289 last year

IT Spend as a % of turnover (excludes Finance sector)

- Overall median 2.55%
- ... compared to 2.3 last year
- ... **Construction 0.96%**



IT Spending Ratios

	<u>Median £</u>
For organisations with <100 End users	3,583
Finance	10,305
Central Government	4,211
Local Government	2,710
Construction	1,786 1,984*
Health	1,364

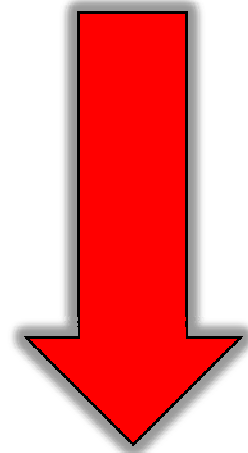
* Workstation



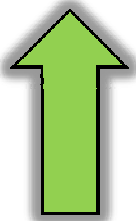
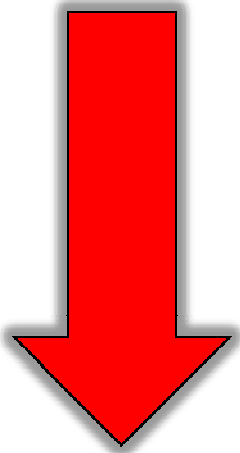
Confident about the future?

- **Less** expect an increase in spending
 - 42% ...compared to 58% last year
- **More** expect a decrease
 - 46% ...compared to 35% last year
- **More** expect spending to stay the same
 - 12% ...compared to 7% last year

– **Construction in the middle**



IT Staffing



- Median IT staff per 1,000 end-users is 25...
...compared to 29.4 last year
- But 25% reported 18 staff/000!
- ... And 25% 42!
- Finance sector dropped from 67 to 64.9
- **Construction lowest at 14.4**
- End-user support staff per 1000 end-users is
 - 6.9...compared to 5.7 last year **(5.0)**
 - 50% had IT contractors working (central Gov)

Review of IT spending

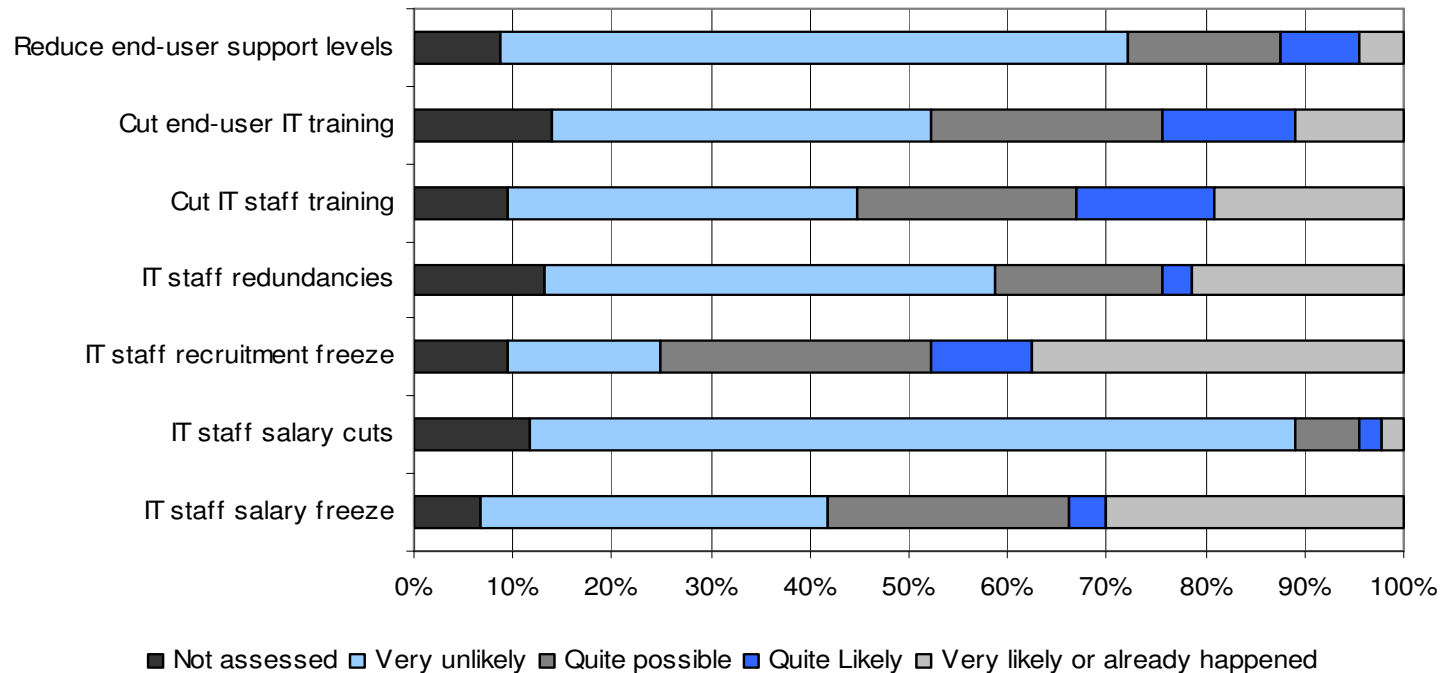
- 78% of organisations are cutting or planning to cut costs
- *Including all respondents from **construction**, **business services** and local government*
- 52% making these savings now
- 9% not making any savings this year
.....but expect to be making some cuts next year

IT spending cuts

- Reviewing external spending is the most popular approach
- Cutting IT training and support costs is the **least** likely option.
- Least likely to have made any cuts is IT Services sector
- 28% of respondents have to make savings between 5 – 10 %

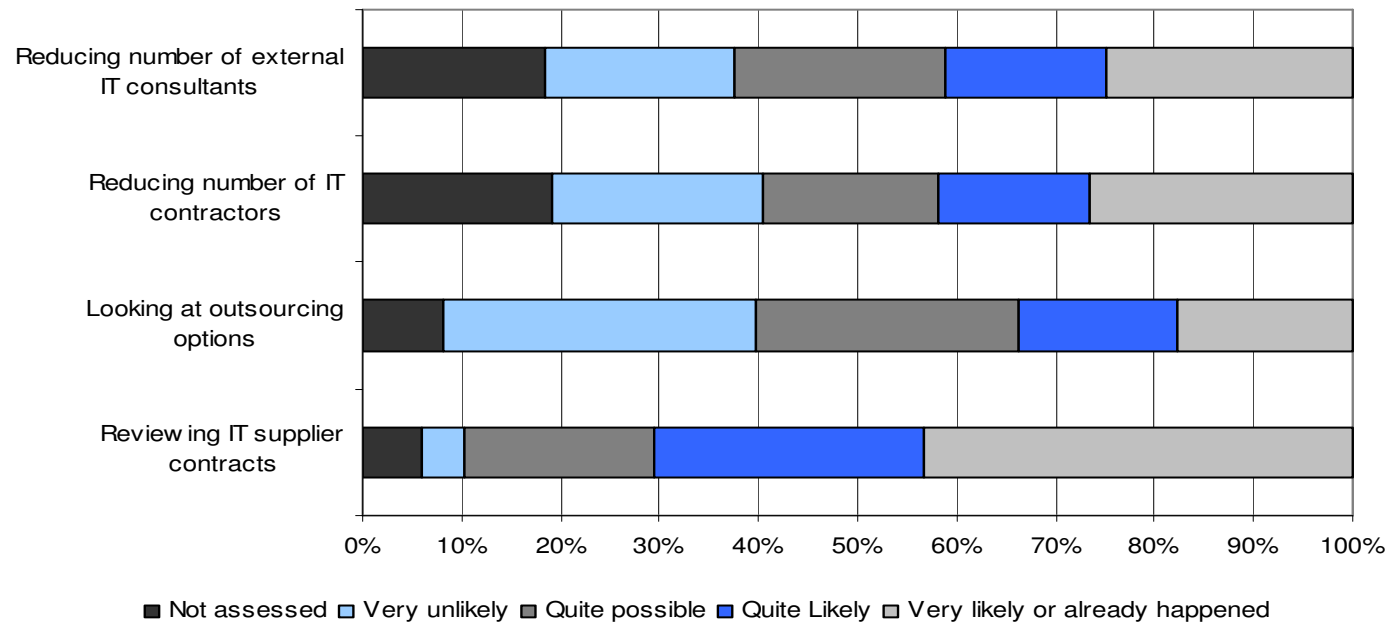
Strategies for cutting IT costs

Strategies for cutting costs (1)



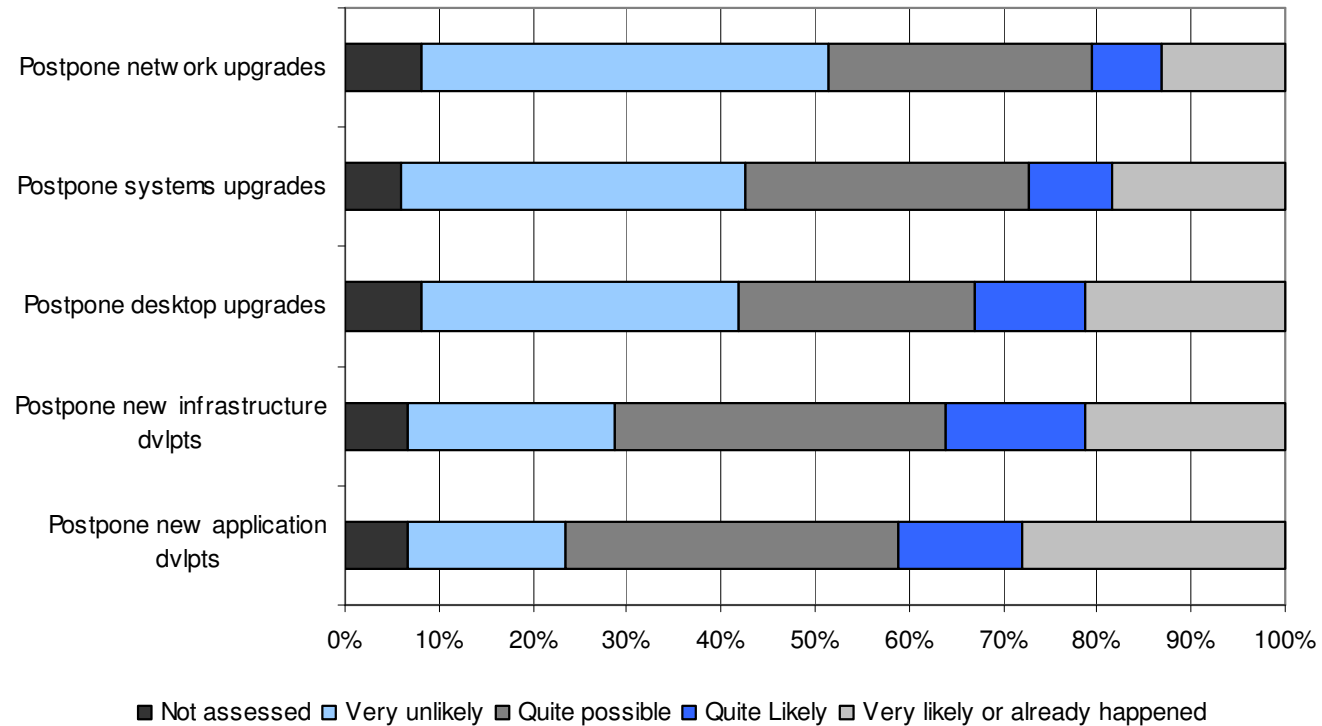
Strategies for cutting IT costs

Strategies for cutting costs (2)



Strategies for cutting IT costs

Strategies for cutting costs (3)



The workstation environment

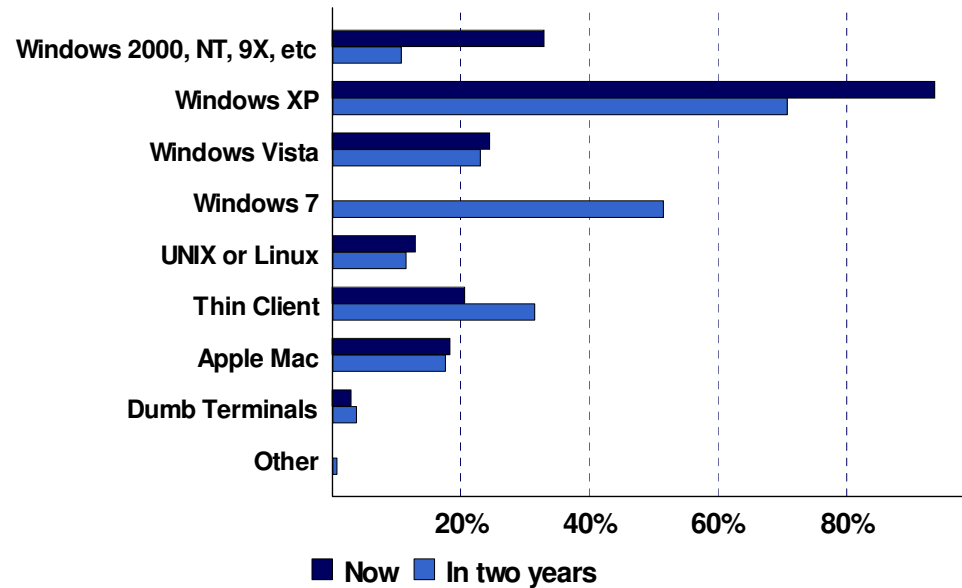
- Windows XP is installed on 94% of existing workstationscompared with 71% in the previous survey.
- Nearly 25% of existing XP users will not have it in two years time.
- Windows Vista is installed on less than 25% of workstations currently and this is expected to fall to 23% in the next two years.
- Windows 7 expected to be used by 52% in two years time.
- 21% of organisations reported some thin client only workstations
 - **in two years time over 31% will have some thin client**

The workstation environment ...on the move

- Laptop systems expected to grow by 32%
- Smartphones by 68%
- Hello to the mobile workforce..
- Large organisations selling expensive buildings

Operating systems

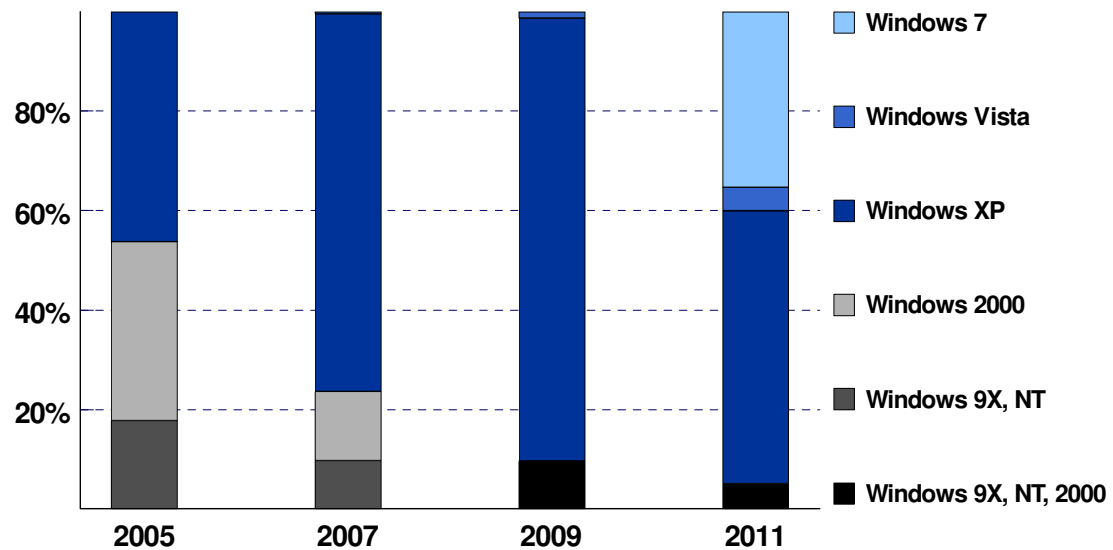
Proportion of Respondents Reporting any PC Operating System
Now and in Two Years



Windows upgrade cycle

The Windows Upgrade Cycle

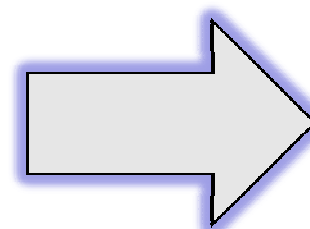
Percentage of installed Windows Desktops



Benchmark of IT Strategy 2009

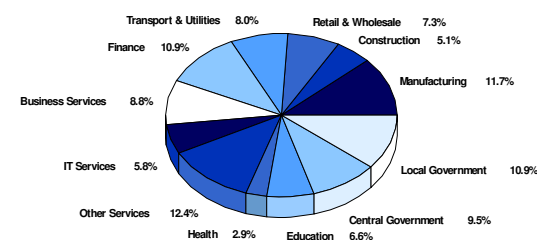
190 in-depth responses:

- Construction 4%
- Business services 6%
- Local Government 17%
- Central Government 12%
- Education 8%
- Health 4%
- Manufacturing 11%
- Finance 8%
- Transport & utilities 6%
- Other 26%



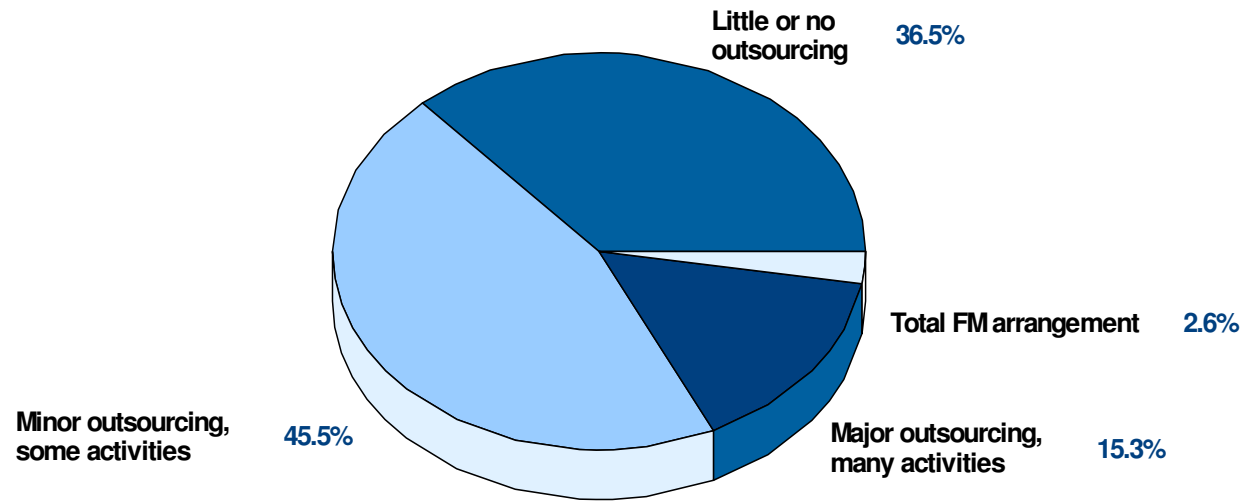
10%

Breakdown of Respondents by Industry Sector



Respondents – extent of IT outsourcing

Extent of IT Outsourcing



Focus...

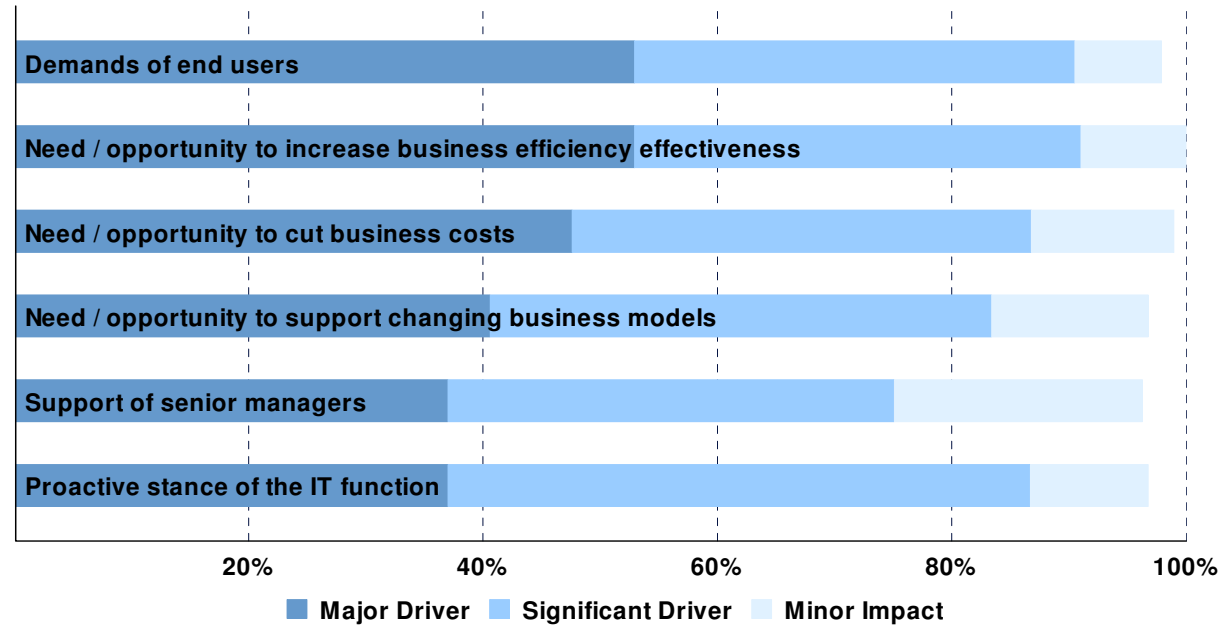
- **The factors driving and inhibiting IT development**
- **The major areas of activity within IT currently and in the near future**

Drivers & Inhibitors of IT Development

- Respondents were more likely to consider internal rather than external drivers
- Meeting the demands of end-users was the most significant internal driver 54%
 -followed very closely by the need or opportunity to increase business efficiency or effectiveness (53.8%).
- Regulatory environment and external authorities identified by 36.5% - the most important external driver.
- **Current economic uncertainty was cited by 28.3% as a major driver in the development of IT.**
- The biggest inhibitor not surprisingly the availability of financial resources 40%

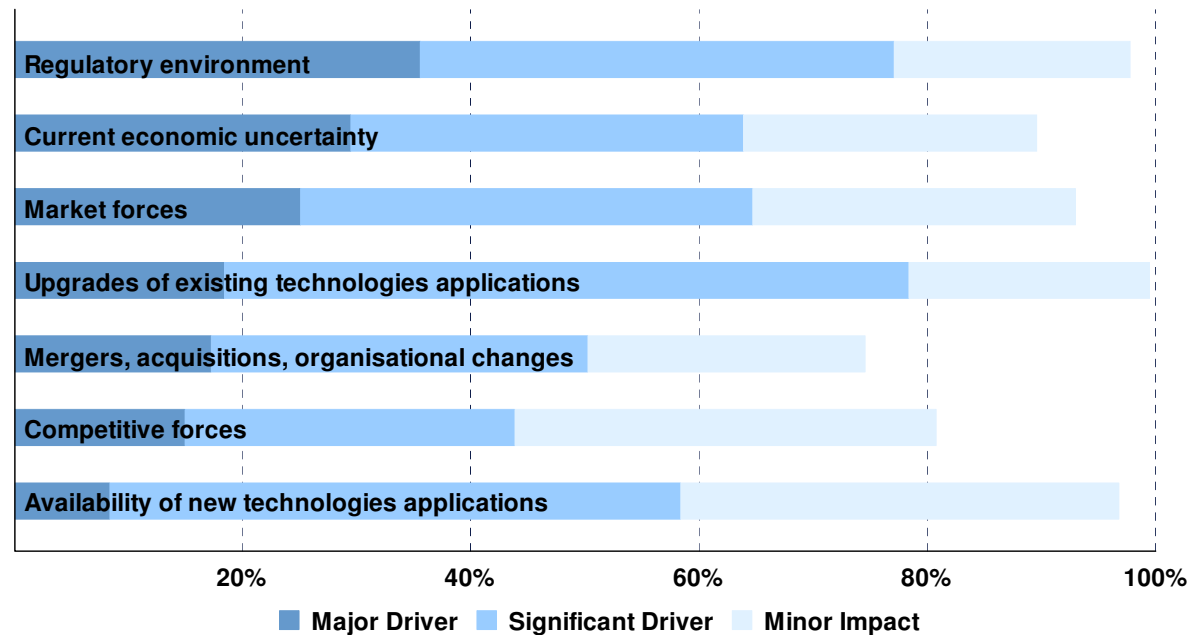
Drivers for IT - internal

Drivers for IT Development I - Internal Factors



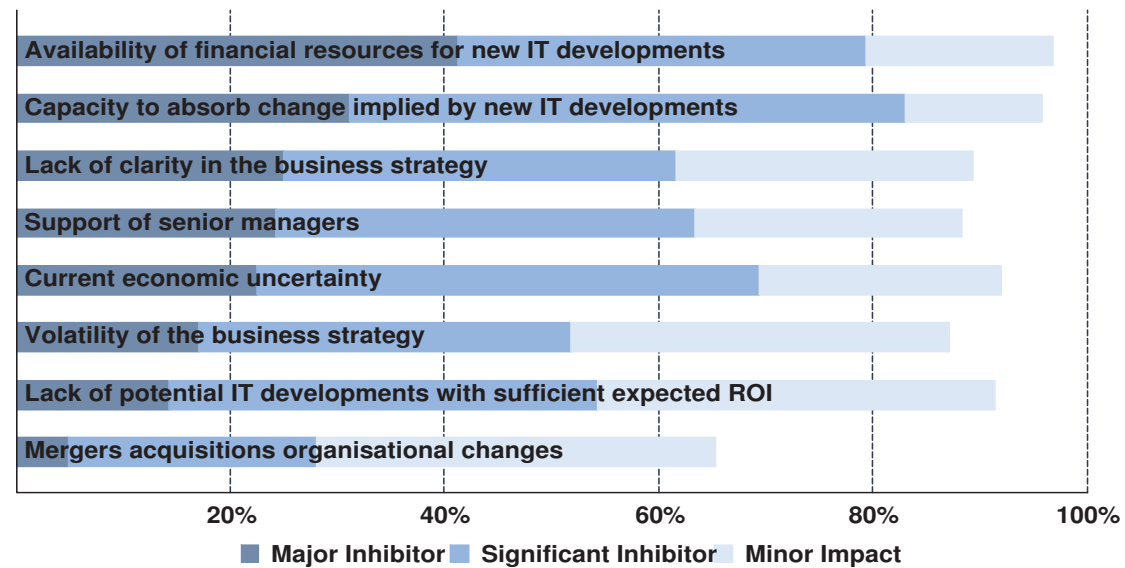
Drivers for IT – external

Drivers for IT Development II - External Factors



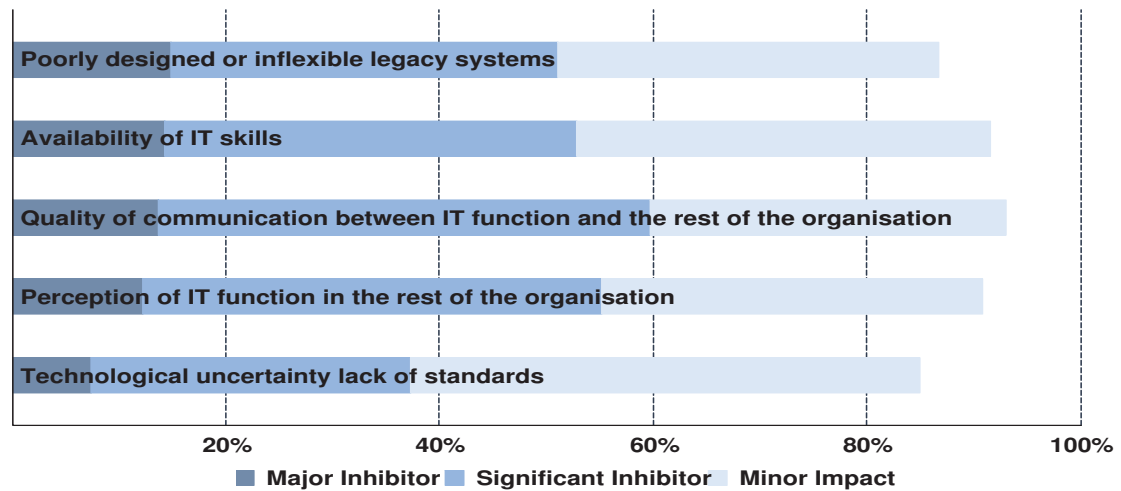
Inhibitors – organisational

Inhibitors for IT Development I - Organisational Factors



Inhibitors – IT related

Inhibitors for IT Development II - IT Related Factors



Strategic developments

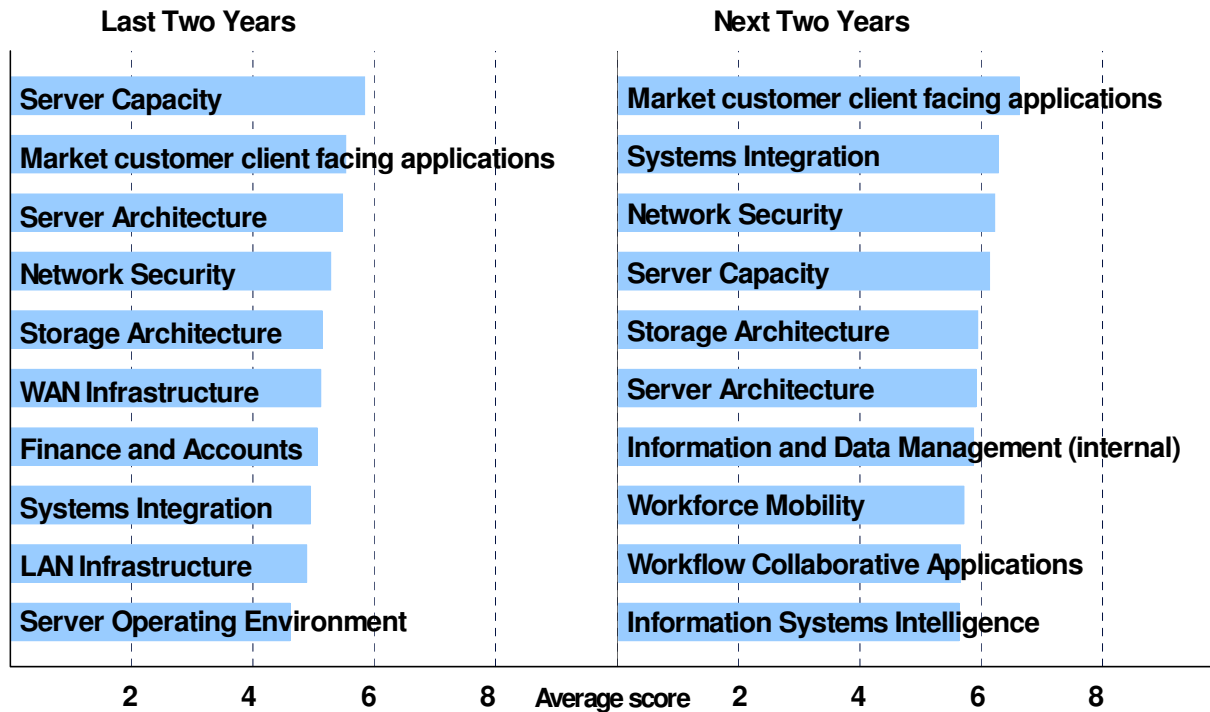
- Half cited development of market and customer or client-facing applications
- Corporate applications (ERP, CRM, Finance) has been a dominant area of activity over the past two years and this is expected to continue over the next two years.
- Most significantly Enterprise Data Management (EDM) which had the most growth with 22% expected
- Network security continues to grow, with 34% of responding organisations expending resource on this over the next two years compared to 19% over the past two years.

... and more

- Extending server capacity continues to be very high priority...
- High too is systems integration, on the list for the past two years and will continue as a major area of activity in many organisations over the next two years.
- IT or data governance remains the most frequently cited area. Major activity is expected to increase from 10% to 26% over the next two years.

Top 10 areas of IT activity

Top Ten Areas of Activity for IT



Key technologies

Index of Key and Significant Technologies

Recent Past -
major or key significance
and widespread implementation

Mobile Email
Storage Area Networks
Mobile Computing
Server Virtualisation
VoIP
Storage Optimisation
Enterprise Architecture
Business Process Modelling
Unified Communications
SMS

Current Emphasis -
major or key significance
but not widespread implementation

Server Virtualisation
Storage Optimisation
Enterprise Architecture
Business Process Modelling
Microsoft Windows
Unified Communications
Mobile Computing
VoIP
Virtual Desktop Infrastructure
Application Virtualisation

Future Emphasis -
major or key significance
but not yet started implementation

Microsoft Windows 7
Server Virtualisation
Virtual Desktop Infrastructure
Cloud Computing
Unified Communications
Storage Optimisation
Business Process Modelling
Application Virtualisation
Web Oriented Architecture
Enterprise Architecture



Key findings...

- Server virtualisation, desktop virtualisation and cloud computing – all key technologies
- Future emphasis is predicted to be on Microsoft Windows 7
- Mobile email is now well established with 60% indicating they have full implemented this and just over 25% giving it key technology status.
- Unified communications is predicted to be an area of significant growth. One-third had already implemented the technology and one-third are planning developments in the future.
- 73% of respondents are currently making some use of storage area networks
- 27% fully implemented server virtualisation further 61% have plans to implement in the future.

Conclusions...

The pressure has never been greater for IT to:

- Take out cost
- Improve efficiency
- Provide access to information from anywhere,
- To ensure that data is secure
- To ensure regulatory compliance
- Corporate governance is adhered to
- Become more sustainable
- For IT to justify their position, but

“How do you prove you are doing this...?”



NCC Members highlighted

- They would like to prove they do a good job
- But no single quality mark for IT
- Would value independent appraisal of their strengths and weaknesses
- Would value independent guidance to help them improve where needed



IT Department Accreditation Scheme

A new Standard and an Accreditation
Scheme from the
National Computing Centre



And potentially a new Benchmark

www.ncc.co.uk





The NCC IT Department Accreditation Scheme (ITDA)

Provides a **single, complimentary** accreditation that can be used to:

- Demonstrate that the best business practices are used across IT and that you are **fit for purpose**
- Deliver an objective and **trusted appraisal** of your strengths and weaknesses
- **Drive business** performance with an effective framework to deliver continuous improvement
- **Motivational tool** for IT

www.ncc.co.uk



Why is ITDA different?

- Unique **holistic** approach that encompasses:
 - IT department management
 - IT department strategy
 - Service development
 - Delivery and operations
 - Customer relations (Perception survey)
- A community programme, a corporate accreditation
- Based on an established and proven framework
- Delivers an Action Plan whether you pass or fail
- Complimentary, not competitive

www.ncc.co.uk



What do you get

- Objective understanding of strengths & weaknesses
- Recognition (certificate)
- Action Plan
- Guidance





What is the process?

1. Apply...
2. Get a copy of the Standard
3. Half day Orientation Visit
4. Self – Assessment
5. Full day Accreditation Visit
6. Recommendation for Award
7. Award or appeal
8. Action Plan delivered
9. End of year 1 and year 2 Light Touch Review
10. Re-accreditation

www.ncc.co.uk





Accredited IT Department

Dickinson Dees



“...the ITDA came with a practical approach to continuous improvement across all elements of IT service delivery.”

Simon Earnshaw
IT Director

www.ncc.co.uk





Accredited IT Department

North Wales Police

“This is recognition that the public sector can be at the forefront in making effective and efficient use of technology.”

Geoff Bradley
IT Director



www.ncc.co.uk





Accredited IT Department

Tameside MBC

“There is nothing like external endorsement to motivate the internal team...

...the Action Plan delivered gives everybody something positive to focus on.”



Norman Crawford
Assistant Director of IT

www.ncc.co.uk





Accredited IT Department

Lancashire Constabulary

“...we provide products and services to external customers, we need to be seen as and be a quality and efficient provider to paying customers. NCC's ITDA gives us that badge of independent endorsement.”

Stuart Fillingham
IT Director



www.ncc.co.uk





Accredited IT Department

Your company?

When sufficient organisations in sector
become accredited we will create
national benchmarks...

www.ncc.co.uk





Accredited IT Department

Find out more about how
NCC's ITDA can help your
business

www.ncc.co.uk

www.ncc.co.uk



Thank you

any questions?

