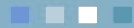




Gartner Briefing



How CEOs Concerns Impact IT: Innovation Through Cost Cutting

Sofia, November 21, 2008.

Sheraton Hotel

Briefing Agenda

- 09:00 - 09:15 Welcoming Notes: About Gartner**
Ivan Maglić, Gartner Adriatic/Calisto Managing Director
- 09:15 - 10:15 CEO's Top Concerns and How IT Should Address Them**
Mark Raskino, Vice President and Gartner Fellow
- 10:15 – 10:45 *Coffe Break***
- 10:45 – 11:45 Radical Cost Cutting**
Mark Raskino, Vice President and Gartner Fellow
- 11:45 – 12:00 Launch of the new Gartner book: "Mastering the Hype Cycle: How to Choose the Right Innovation at the Right Time"**
- 12:00 – 13:00 Luncheon and Peer-Networking**

Our Clients

Gartner advises 60,000 business and technology professionals in over 10,000 client organizations around the world.

They tell us exactly what issues they are facing.

Gartner briefly

- More than 25 years of experience in IT industry (established 1979.; today on Nasdaq)
- Headquarter Stamford, USA; European HQ London, more than 75 countries
- 3800 employees – including 1200 analysts and consultants
- Revenue in 2006. \$1.06 bln. / in 2007. \$1.2 bln.
- More than 220.000 Client Inquiries per year!
- More than 60.000 documents in database
- 65% "Fortune 1000" companies are Gartner clients
- More than 70 specialized events per year

Gartner Brand Promise

Ensure Success

As technology propels business in new directions, we are the indispensable partner that turns complex information into insight that ultimately determines the difference between success and failure for our clients.

Gartner Provides Value to Our Clients Through



Inside Gartner Research

- **Our primary goal:**

“If we have a single, overriding goal at Gartner, it’s to help our clients make the right decisions, with confidence”

*Peter Sondergaard
Senior Vice President, Research*



Every day, you make decisions that determine success or failure.

Grow your business, improve competitive position, manage operational effectiveness

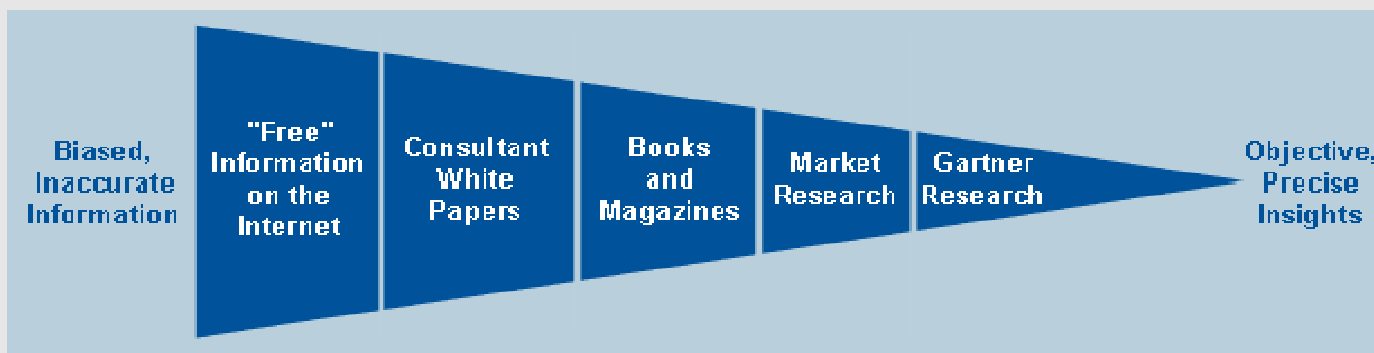
- Get strategic and tactical support
- Validate decisions
- Control costs
- Extend staff

Gartner delivers the insight you need from strategy through execution.

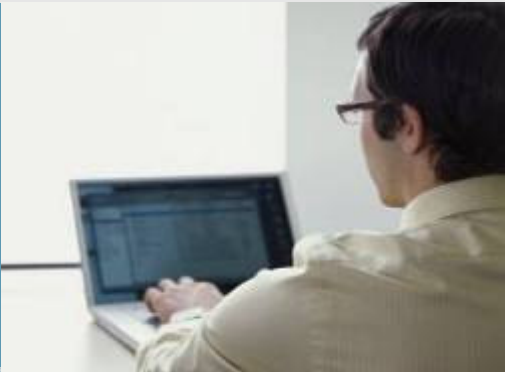
Making confident IT decisions requires quality insight you can trust.



Resources are plentiful but are fragmented, inconsistent and often biased.



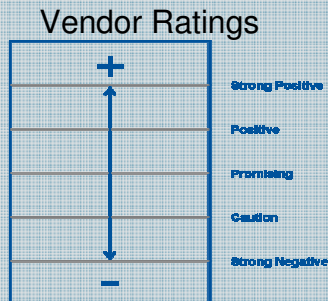
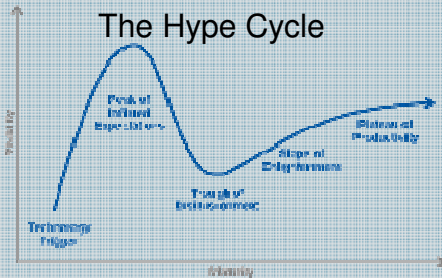
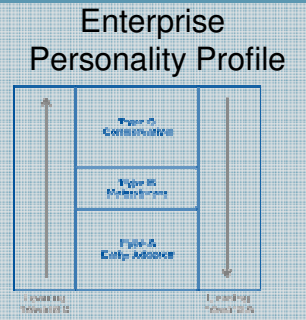
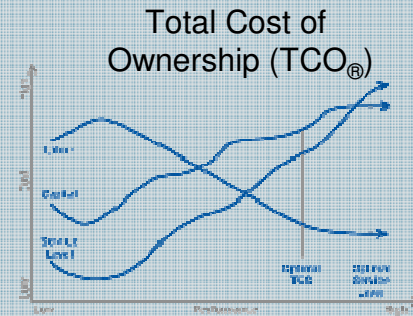
Core Research: Deliverables



Documented research accessed online
MARKETS **TOPICS**

- Qualitative research
- All Core research

Gartner Research Methodologies



MarketScope

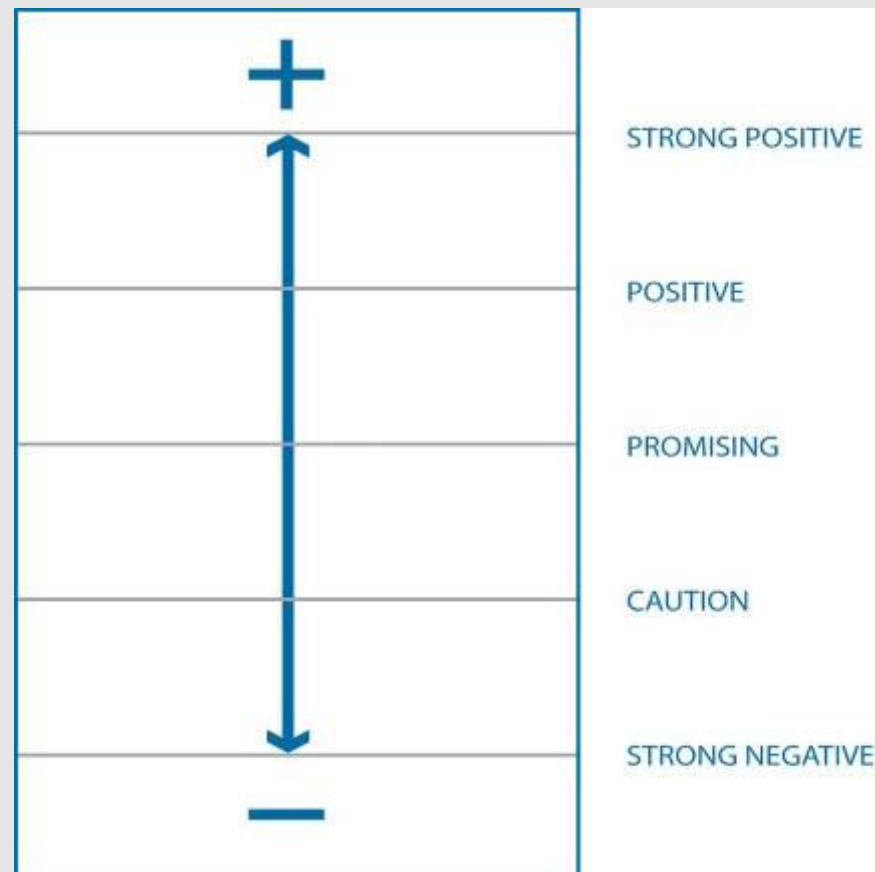
	Strong Negative	Caution	Promising	Positive	Strong Positive
Vendor A					
Vendor B					
Vendor C					
Vendor D					
Vendor E					
Vendor F					

The Gartner Methodologies & Models – Markets and Vendors

Vendor Ratings: Player Performance

Gartner's analysis and evaluation of vendors and technology providers, on the most important parameters:

- *Strategy*
- *Marketing*
- *Organization*
- *Financial*
- *Market offerings*
- *Product/Service*
- *Technology/Methodology*
- *Pricing*
- *Sales/Distribution*
- *Support/Account Management*
- *Customer Service*
- *....*

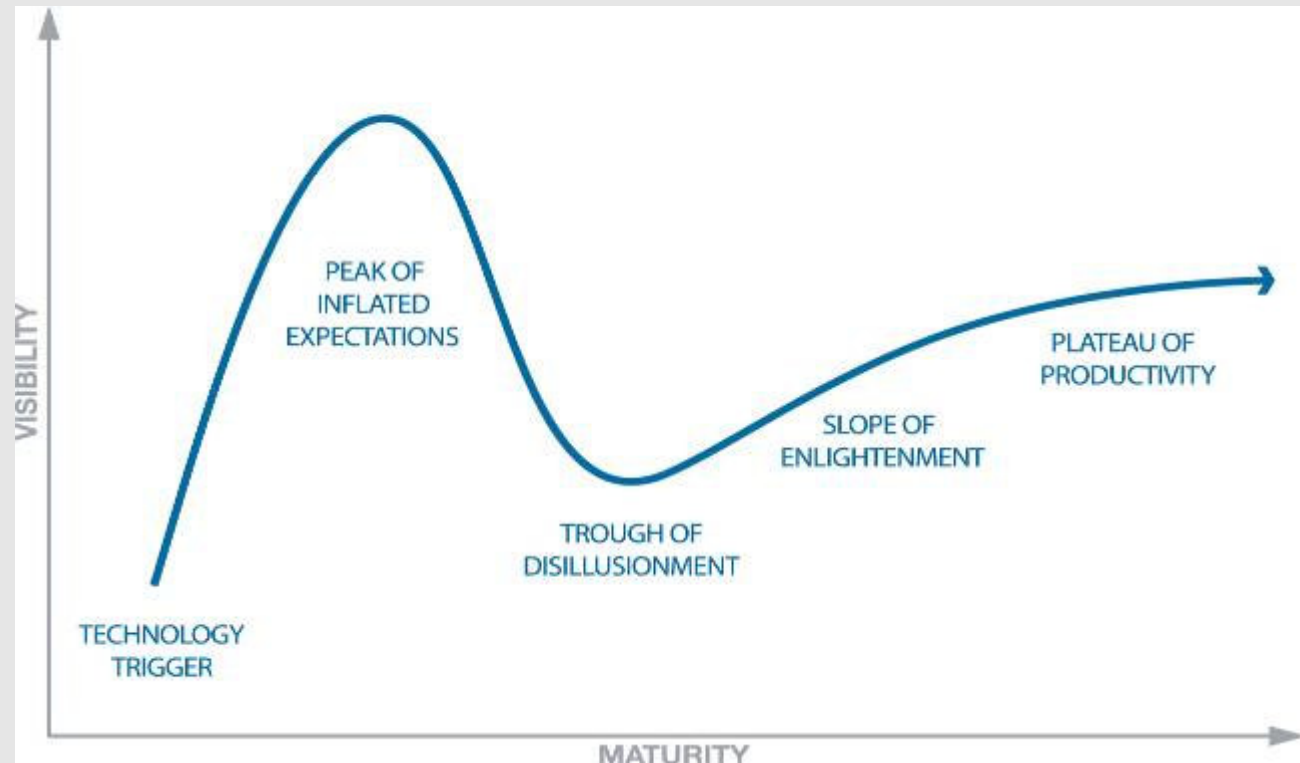


The Optics: The Gartner Methodologies & Models-Technology

The Hype Cycle: Time to Maturity and Benefit

*A **Hype Cycle** is a graphic representation of the maturity, adoption and business application of specific technologies.*

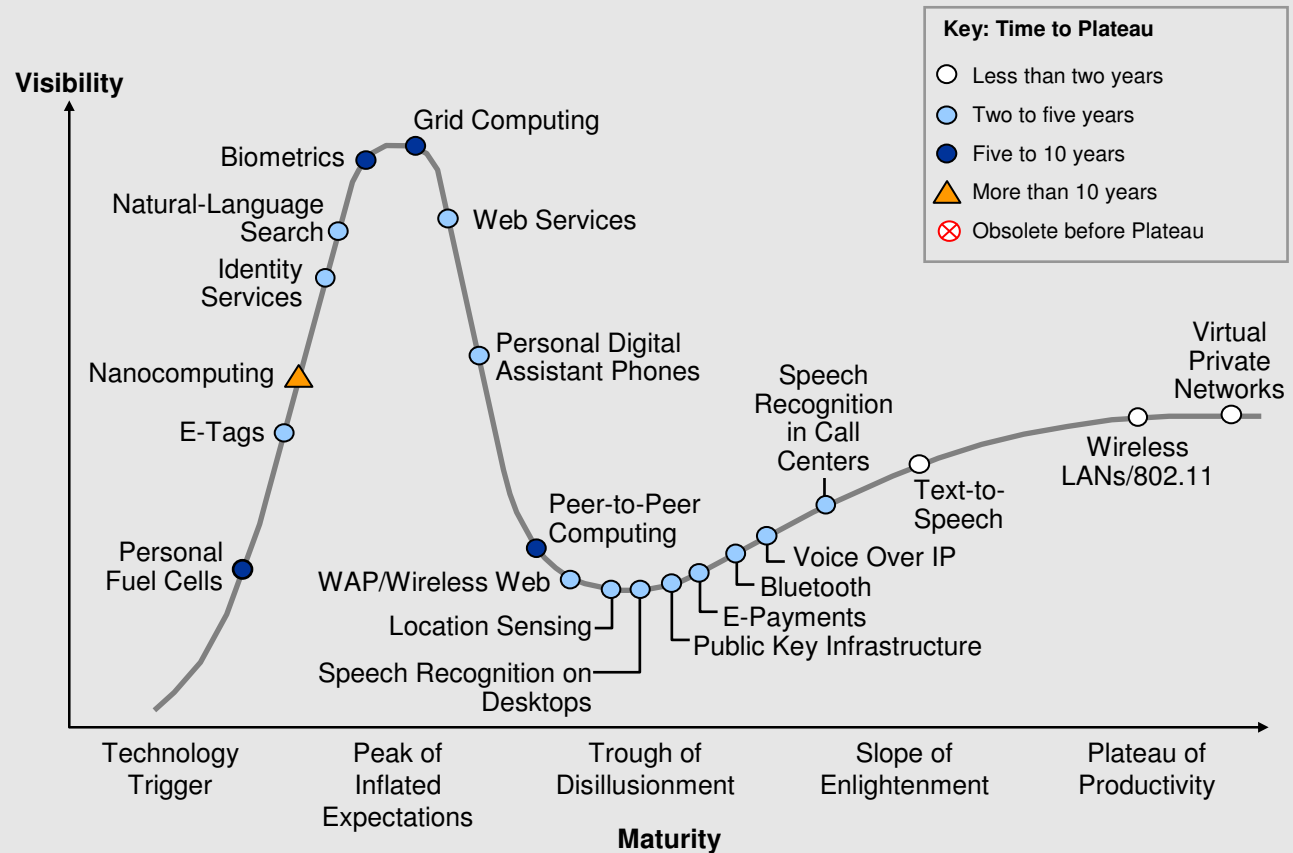
Since 1995, Gartner has used Hype Cycles to characterize the over-enthusiasm or "hype" and subsequent disappointment that typically happens with the introduction of new technologies. Hype Cycles also show how and when technologies move beyond the hype, offer practical benefits and become widely accepted.



Hype cycles help you determine when a technology will pay off

“Gartner helps us to distinguish bleeding edge from leading edge.”

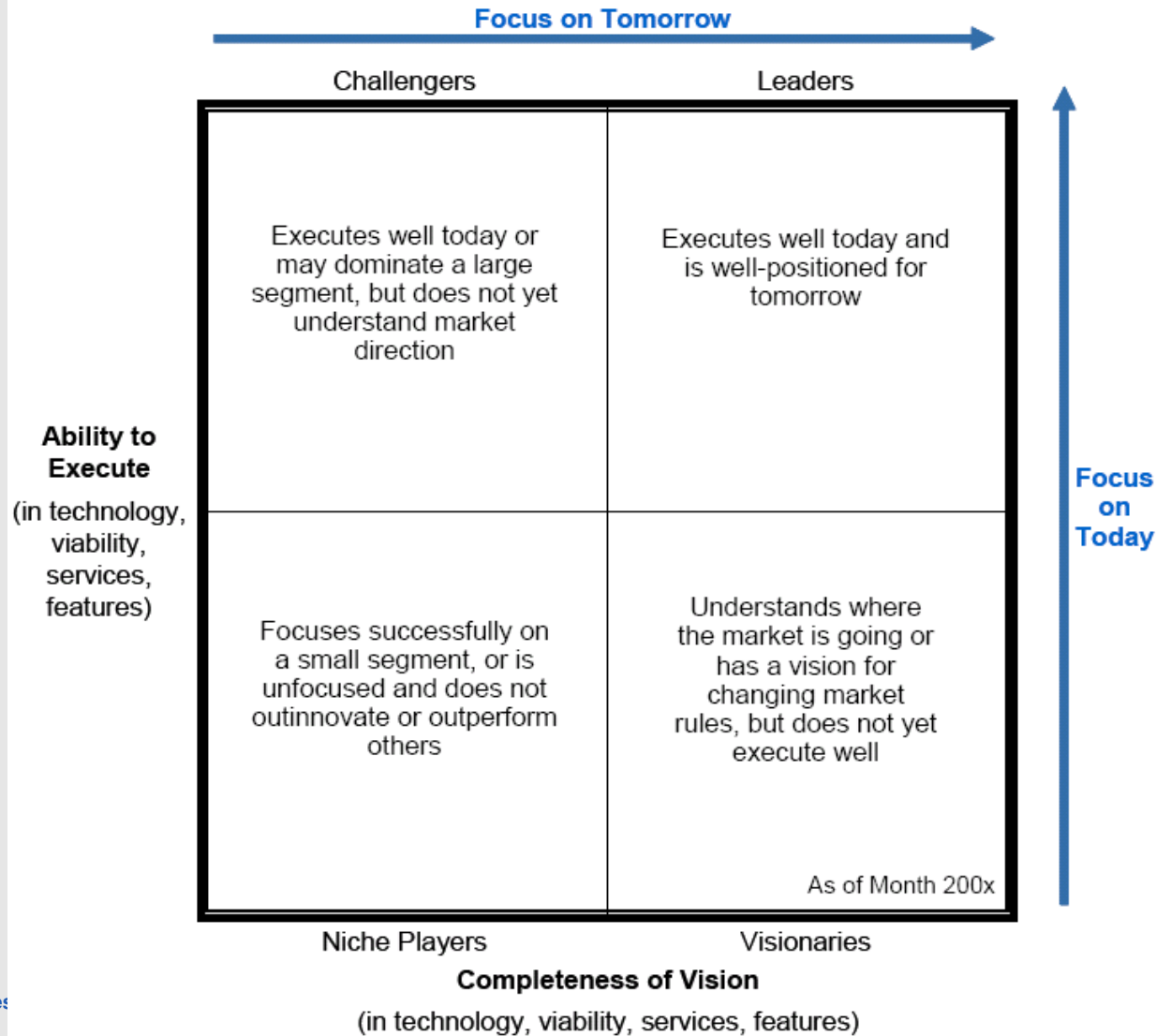
Mutual Fund Manager



Magic Quadrants help you position the leading players

“Gartner provides vendor insights like no other.”

Partner, Management Consulting Firm

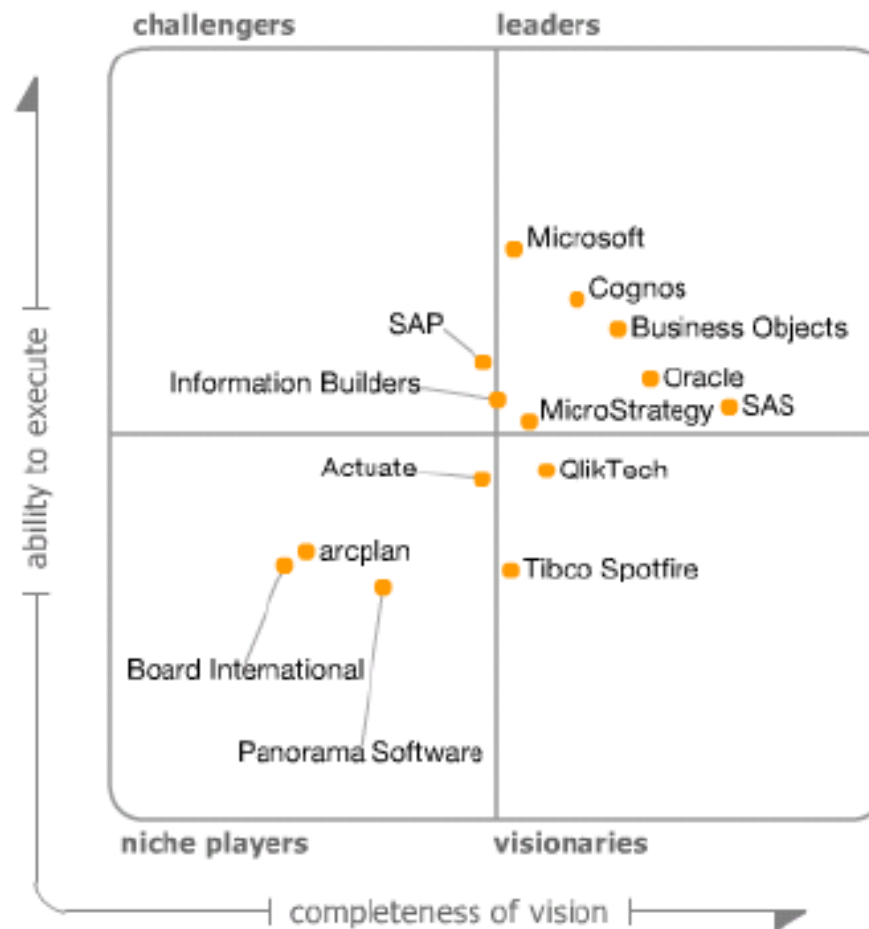


Magic Quadrants help you position the leading players

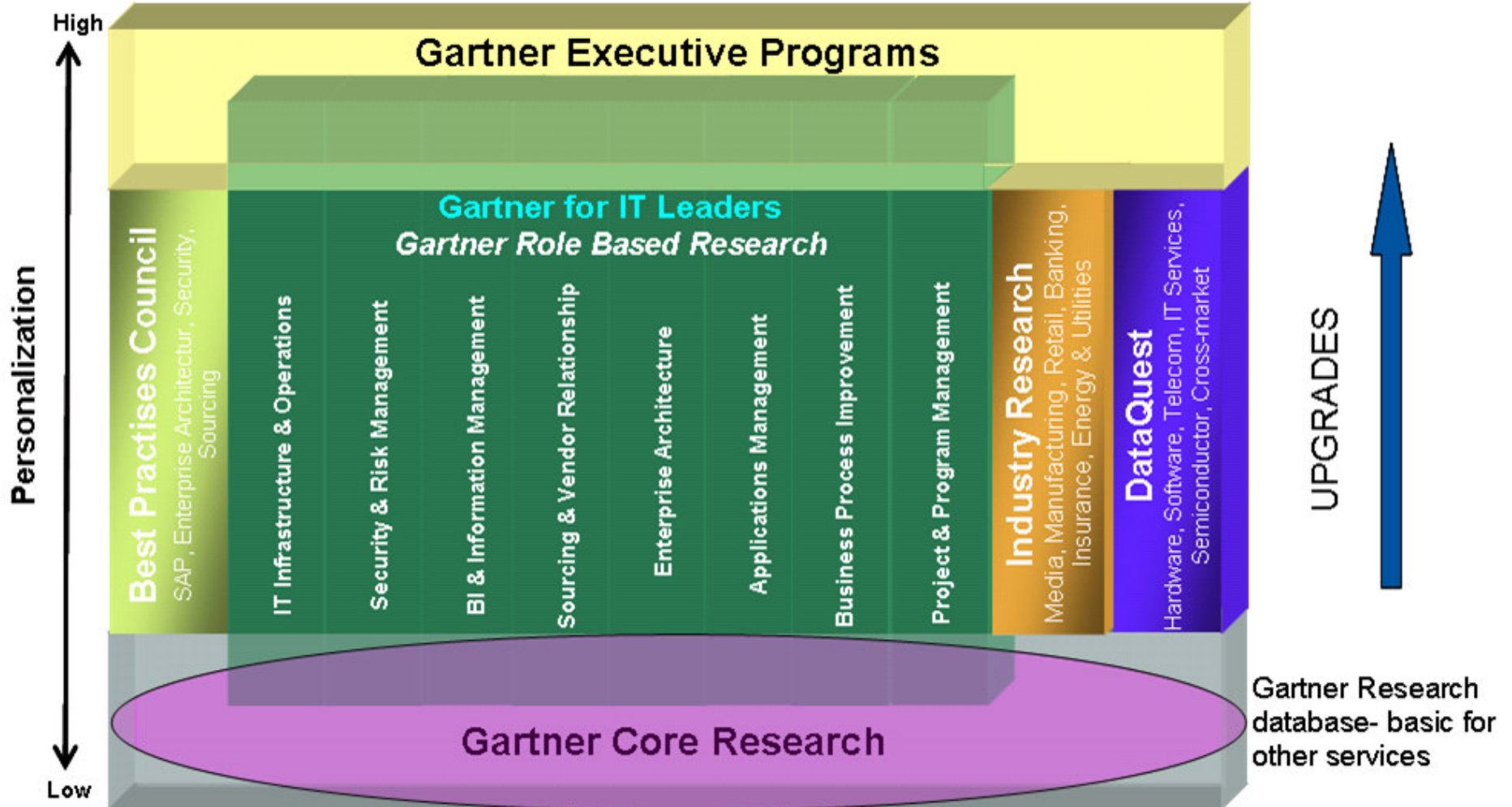
“Gartner provides vendor insights like no other.”

Partner, Management Consulting Firm

Figure 1. Magic Quadrant for Business Intelligence Platforms, 2008



Gartner Research Portfolio: summary



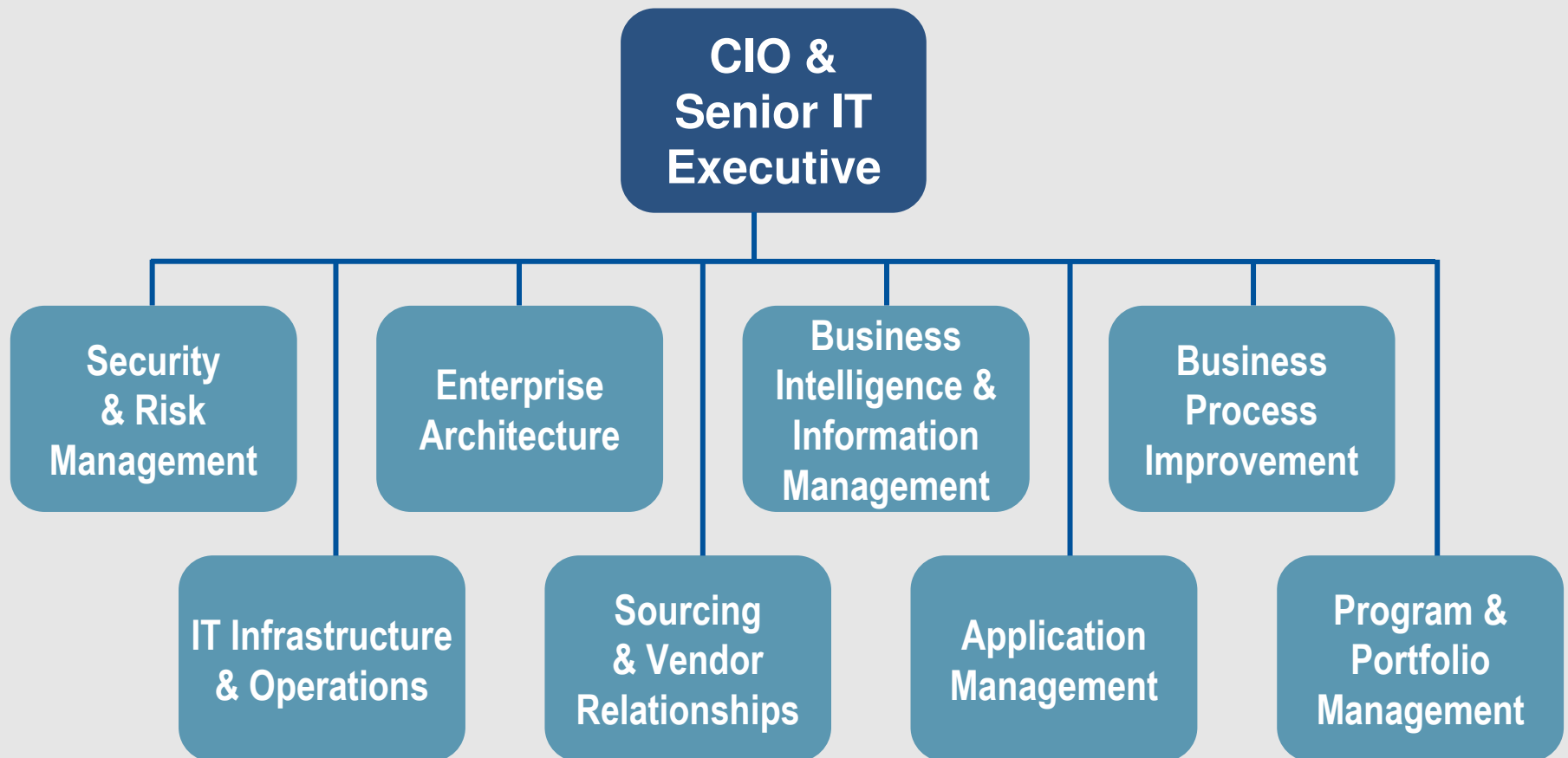
Gartner Role Based Research - Gartner for IT Leaders

Gartner for IT Leaders

is a Gartner research offering designed to provide new, unique value to IT professionals working in specific roles.

Gartner for IT Leaders combines Core Research with a role-specific landing page, role-specific tools, exclusive role-relevant research, community functions, and other elements. Together, these elements will help drive success for the user and the user's organization.

Our insight is aligned to roles prevalent in most user IT organizations



Gartner Research – licencing models

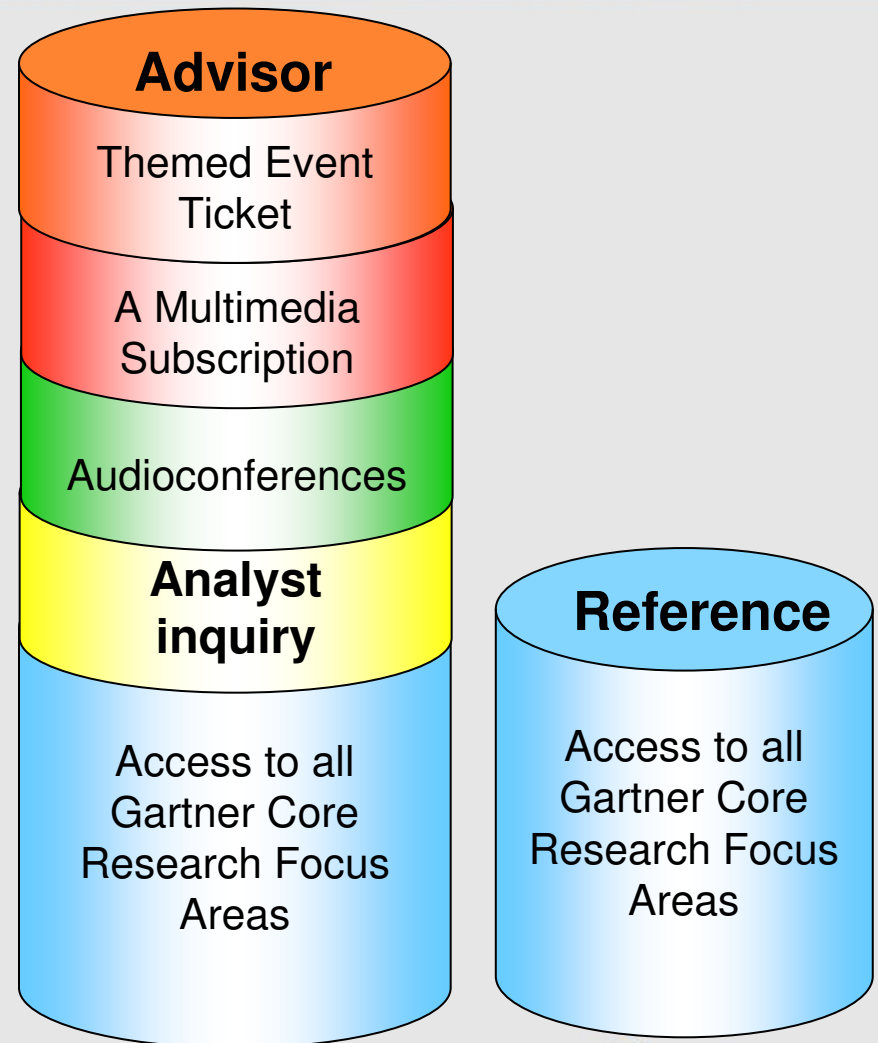
Gartner Core Research is client's primary window to the Gartner data and analysis that will help clients to plan, implement, and manage on a day-to-day basis.

It is the foundation of most client relationships at Gartner, the point of access to our analysts and their advice.

There are two service options within Core Research:

Reference gives you self-serve access to Gartner Core Research, including focus area topics, Gartner blogs, Gartner Fellows, and our legendary Magic Quadrants and Hype Cycles.

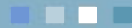
Upgrading to **Advisor**, a more personalized option, puts you in direct contact with our Core Research analysts.



Gartner Events

We are the leading ICT conference provider:
41,000 technology/business professionals
attend our 74 annual events.

Europe Gartner Events 2008 Calendar



More information on
gartner.com/events

- Business Intelligence Summit** 5 – 7 February, Amsterdam
- Customer Relationship Management Summit** 18 – 19 March, London
- Enterprise Networking Summit** 23 – 24 April, London
- Wireless & Mobile Summit** 23 – 24 April, London
- Business Process Management Summit** 28 – 30 April, London
- Outsourcing and IT Services Summit** 2 – 4 June, London
- Midsize Enterprise Summit** 17 – 19 June, Barcelona
- Identity & Access Management Summit** 23 – 24 June, London
- Application Integration & Web Services Summit** 25 – 26 June, London
- Portals, Content & Collaboration Summit** 10 – 11 September, London
- Enterprise Architecture Summit** 26 – 27 September, London
- IT Security Summit** 29 September – 1 October, London
- Financial Services Technology Summit** 7 – 8 October, London
- Data Center Summit** 21 – 23 October, Amsterdam
- Project & Portfolio Management Summit** 3 – 5 December, Vienna
- Symposium/ITxpo** 11 – 14 May, Barcelona
- Symposium/ITxpo** 3 – 7 November, Cannes



Gartner update – Economic Crisis response (www.gartner.com/economy)

Gartner.

SEARCH RESEARCH

IT and The Economy

Where Do You Go From Here?



▶ 00:00 00:00

Focus on Business-Critical Functions During the Economic Crisis

IT decision makers should focus on supporting business-critical operations and maintaining the confidence of key enterprise stakeholders during this economic crisis.

[Read More](#) ▶

[More Featured Content](#) ▶

Weathering the Storm

Cost-Cutting Projects That Don't Require Additional Cash

Betsy Burton | Ken McGee

Beware the 'We Aren't Seeing It' Trap

Mark Raskino

Driving IT Through the Credit Crunch

Martin Reynolds

Actions You Can Take Now

1

Get the best pricing and terms for your IT purchases

Gartner ensures you get the best value from your IT purchases. Gartner analysts and consultants review thousands of vendor contracts and proposals each year.

[Read More](#) ▶

2

Identify major cost-saving opportunities

Leveraging our proprietary data, Gartner

Join the Dialogue

From the Gartner Blog Network

In a tough economic climate, the strong tend to get stronger (in terms of market position) as the weak struggle to hang on.

[Jim Holincheck's blog](#) ▶

While observing the ripple effects that bad mortgages have had on the financial markets worldwide, we realize that there are lessons to learn and apply around business rules.

[Jim Sinur's Blog](#) ▶

[Gartner Blog Network](#) ▶

Set up Email Alerts

IT and the Economy [Add +](#)

Reducing or Controlling Costs [Add +](#)

Budget Management [Add +](#)

IT Spending [Add +](#)

Optimize IT Investments [Add +](#)

Stay Connected

RT @HollyWinter: Ade McCormack (Financial Times) on Gartner Symposium/ITxpo Cannes 2008: <http://tinyurl.com/5rayze> about 12 hours ago

Top 10 priorities for digital advertising

We Warned Clients To Prepare...

Gartner

Research

Publication Date: 8 October 2007

ID Number: G00152267

Clients Should Prepare a 'Recession Budget' for 2008

Ken McGee

Creating an alternative IT budget and business plan for 2008 that responds to a downturn in business activity next year will demonstrate the type of innovative and forward thinking that senior executives expect to see from their staffs. It will also demonstrate the kind of flexibility and agility needed to respond to fast-changing economic and business conditions.

Key Findings

- During the last two months, a growing number of well-respected economic and business research organizations have stated that the likelihood of a recession in the U.S. has increased since their original forecasts were published earlier this year.
- Practices followed in past business slowdowns can help guide future IT cost-saving strategies.

Recommendation

- We recommend that clients complete the creation of a 2008 IT "recession budget" no later than 4Q07.

Gartner update – Economic Crisis response

Weathering the Storm

[Cost-Cutting Projects That Don't Require Additional Cash](#)

[Betsy Burton](#) | [Ken McGee](#)

[Beware the 'We Aren't Seeing It' Trap](#)

[Mark Raskino](#)

[Driving IT Through the Credit Crunch](#)

[Martin Reynolds](#)

[Preserve Cash Without Compromising Growth](#)

[Martin Reynolds](#)

[Testing Leadership Skills: Focus on People](#)

[Diane Morello](#) | [Betsy Burton](#)

[Time to Get Creative](#)

[John Rizzuto](#) | [Betsy Burton](#) | [Raymond Paquet](#)

[Use IT Innovation to Turn Crisis into Opportunity](#)

[John Rizzuto](#) | [Betsy Burton](#)

[Managing IT Risks During Cost-Cutting Periods](#)

[Mark Nicolett](#) | [Paul E. Proctor](#) | [French Caldwell](#)

Actions You Can Take Now

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Gartner ensures you get the best value from your IT purchases. Gartner analysts and consultants review thousands of vendor contracts and proposals each year.

[Read More](#) ▶

2

[Identify major cost-saving opportunities](#)

Leveraging our proprietary data, Gartner shows you exactly where your spend is high relative to best-in-class peers.

[Read More](#) ▶

3

[Implement cost-savings technologies](#)

Gartner ensures your success in implementing priority technology initiatives.

[Read More](#) ▶

4

[Implement cost-saving process improvement](#)

Gartner is your vital partner in achieving hard-dollar savings from process improvement.

[Read More](#) ▶

Gartner update – Economic Crisis response



Identify major cost-saving opportunities

Leveraging our proprietary data, Gartner shows you exactly where your spend is high relative to best-in class peers. We also quantify the financial benefit and help you prioritize initiatives appropriately.

- Our IT Key Metrics Data (ITKMD) provides a comprehensive and granular database that helps you see where you have the biggest opportunities.
- Our benchmarking services are leveraged by more than 5,000 organizations every year. They complement the ITKMD, surfacing implications and actionable recommendations for your unique situation.



Kyle Hardy, VP Gartner, discusses Data Center Cost Cutting

Resources

[Virtualization Changes Virtually Everything](#)

Virtualization changes and touches nearly everything in the IT portfolio. It affects what you buy, how you buy and how you implement it.

[Quick Prioritization of Viable Options](#)

Here is an outline of where to find viable options and how to choose the best ones.

[Use IT Management Practices](#)

Five practices can create up to 20% savings.

[Eliminate Hidden Costs](#)

Reduce costs by adhering to policies and engaging in basic accounting tasks.

[Building Innovative Cost-Cutting Options](#)

IT leaders should take a proactive approach to formulating cost reduction options for their organizations.

[Case Study: Georgia Technology Authority \(GTA\) Reduces Costs by \\$28.6 Million](#)

Putting Together The IT Cost Cutting Team

Step 1: Don't Wait for the Cost-Cutting Mandate From Management

Step 2: Choose the Best and Brightest IT People for the Team

Step 3: Avoid Finger Pointing and Second Guessing

Step 4: Enlist an Internal Auditor as Scorekeeper

Step 5: Report Audited Results on a Weekly Basis

Step 6: Identify a Liaison From the Legal Department

Step 7: Do not Accept a “%” As Your Cost Cutting Target

**Extracts from presentation:
"Balancing Cost, Growth,
Innovation and Risk"
Ken McGee,
VP and Gartner Research Fellow**

Cutting Costs Through More Effective IT Management Methods

- 1) Initially focus on cutting "people costs"
Freeze headcount, reduce/eliminate special bonuses, reduce regional support
- 2) Flatten organization structure
Move to collaborative team-based models
Change span of control assumptions; for example, 1 to 7 to 1 to 20
- 3) Accelerate the progress of centralized and shared services
Leverage enterprisewide competencies; by reducing staff embedded in business units
- 4) Bring a qualified finance person into your IT leadership team
Perhaps on loan, or on temporary contract
- 5) Maintain or strengthen relationship management roles
Business analysts, business process and industry experts, account executives, relationship managers
- 6) Take control of "unmanaged" costs you can measure and cut easily
For example, data center power consumption, printing

Cut Costs In Enterprise Software

- 7) Use invoice verification
- 8) Eliminate unused software/modules
- 9) Apply more sophisticated negotiations
- 10) Use alternative products included in previous deals
- 11) Introduce competition for existing products
- 12) Use "*best for need*" rather than "best-of-breed" products

Cut Costs In Enterprise Infrastructure and Operations: Networks and Telecom

- 13) Use telecom expense management services
(save 10% to 35%)
- 14) Move to corporate liability for wireless services
(save 15% to 30%)
- 15) Reducing reliability target for a location by "one 9"
(save 30%)
- 16) Collapse rich media conferencing into a premises-based multi-controlpoint unit
(save 60%)
- 17) Deploy IP telephony and VoIP
(save 50% to 80% of maintenance)
- 18) Use the Internet as corporate transport
(save 10% to 80%)

Cut Costs In Enterprise Infrastructure and Operations: Hardware and IT Operations

- 19) Defer 2008 Windows XP PC replacements to 2009
- 20) Exploit commoditization
- 21) Make better use of existing tools by improving process and policy
- 22) Defer client architecture pilot/evaluation projects
- 23) Implement thin provisioning and data de-duplication for storage reduction
- 24) Consolidate and virtualize servers

Your (potential) Next Steps

CIOs and senior IT managers should...

- **Today (Monday Morning)**

- ***Create* a cost cutting team**
- ***Assign* some of your best staff and a financially qualified person (such as an auditor)**
- ***Define* a cost cutting goal and a project timeline**

Gartner Adriatic – contacts

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