Galit Fein
Disruptive technology
Office of the CIO

STKI
Summit
2013

IT at the crossroads:
Lead, follow or get out of the way

stki.info
IT Knowledge Integrators

Agenda

Disruptive IT Paradigms

Social, mobile, cloud trends

Changes in IT

VP TECH

Office of the CIO Trends

OCIO / CIO

Sourcing Trends

OUTSOURCING THIS WAY

RE-Imagination of EVERYTHING

Re-Imagination of Computing Devices...

THEN...
(Desktops / Notebooks)

NOW...
(Tablets / Smartphones)

Re-Imagination of User Interfaces...

THEN...
(Keyboard + Mice =
Graphical User Interface)

NOW...
(Touch + Voice + Gesture =
Natural User Interface)

Re-Imagination of Connectivity...

THEN...

NOW...

Re-Imagination of Knowledge...

THEN...
(Print Copies / Updated
Annually)

NOW...
(Accessible Everywhere / Updated
Real-Time / Everyone Can
Contribute)

Re-Imagination of Photography...

THEN...

Dedicated Camera / Manually
Transfer Digital Files / Develop Films

NOW...
(Instagr.am / Camera+ / Hipstamatic...)
Always With You Camera (Smartphone) /
Instant Digital Effects / Share / Sync / Discover

Re-Imagination of Navigation + Live Traffic Info...

THEN...
Physical Copies of Map in Car /
TV, Radio Reporting of Traffic Info

NOW...
(Waze)
User-Generated Digital Map /
Live Crowd-Sourced Traffic Data

RE-Imagination of EVERYTHING 2

Re-Imagination of Note Taking...

THEN...
Pencil + Notepad

NOW...
(Evernote)
Always Synced / Multi-Device /
Picture + Audio Enabled / Searchable

Re-Imagination of Signatures...

THEN...
Scan / Fax / Mail to Return
Signature Page

NOW...
(DocuSign)
Electronic Documents / Secure Audit
Trail / Instant E-Signature

Re-Imagination of Content Organization / Aspiration...

THEN...
Paper / Scissors / Glue

NOW...
(Pinterest)
One-Click to Pin / Share /
Follow / Always Accessible

Re-Imagination of News + Information Flow...

THEN...
Delayed / Dedicated Reporters + Cameramen /
Regional or National Reach

NOW...
(Twitter)
Real-Time / Citizen Reporting via
Mobile Devices / Global Reach

Re-Imagination of Data – Help Me, Help You, Help Others...

Waze
- 30MM Users, +3x Y/Y
- 600MM+ Miles Driven per Month with Waze Open

Jawbone UP
- Initial Launch of ~70K Users (11/11) =
  - 7B+ Steps
  - 800 Years of Sleep
- Re-launched 11/12

Yelp
- 84MM Users, +37% Y/Y
- 33MM User-Generated Reviews, +49% Y/Y

Re-Imagination of Always On...

Bluetooth
~2B Bluetooth-Enabled Devices Shipped
Globally in 2012E, Up 87x in 10 Years

Wi-Fi
~1.5B Wi-Fi Enabled Devices Shipped Globally
in 2012E, Up 5x in 4 Years

Personal Server in Your Pocket + Sensors / Signals Uber Alles

How Many of You are Wearing a "Wearable" Now?

How Many of You will be Wearing a "Wearable" in 5 Years?

RE-Imagination of EVERYTHING 3

Re-Imagination of Files & Folders…

THEN…
Print Copies / Storage Cabinets / Color Tabs

NOW…
(Dropbox / Box.net / Google Drive / Apple iCloud / Microsoft SkyDrive / Amazon Cloud Drive) Always Synced / Always Accessible / Multi-Device Searchable Digital Files

Re-Imagination of Selling Digital Goods…

THEN…
Dedicated Shopping Site / Fulfillment Infrastructure

NOW…
(Gumroad)
Democratization of Commerce / Leverage Distribution Platforms such as Twitter / Facebook

Re-Imagination of Cash Registers…

THEN…
Big + Odd Looking Machines / Receipt Printers Cash Drawers

NOW…
(Square)
Simple + Elegant Tablet + Square Reader / Email Receipts / Touch Signing

Re-Imagination of Magazines…

THEN…
Piles of Print Copies

NOW…
(Flipboard)
More Content / Always Up-To-Date / Personalized / Access Everywhere / Interactive (Video + Audio) / Share

Re-Imagination of Recruiting / Hiring…

THEN…
Job Fairs / Campus Recruiting Events / Paper Resumes

NOW…
(LinkedIn)
Online Resumes / Social Relevancy For Recruiters / Searchable Skill Sets / Endorsements / Recommendations

Re-Imagination of Borrowing / Lending Money…

THEN…
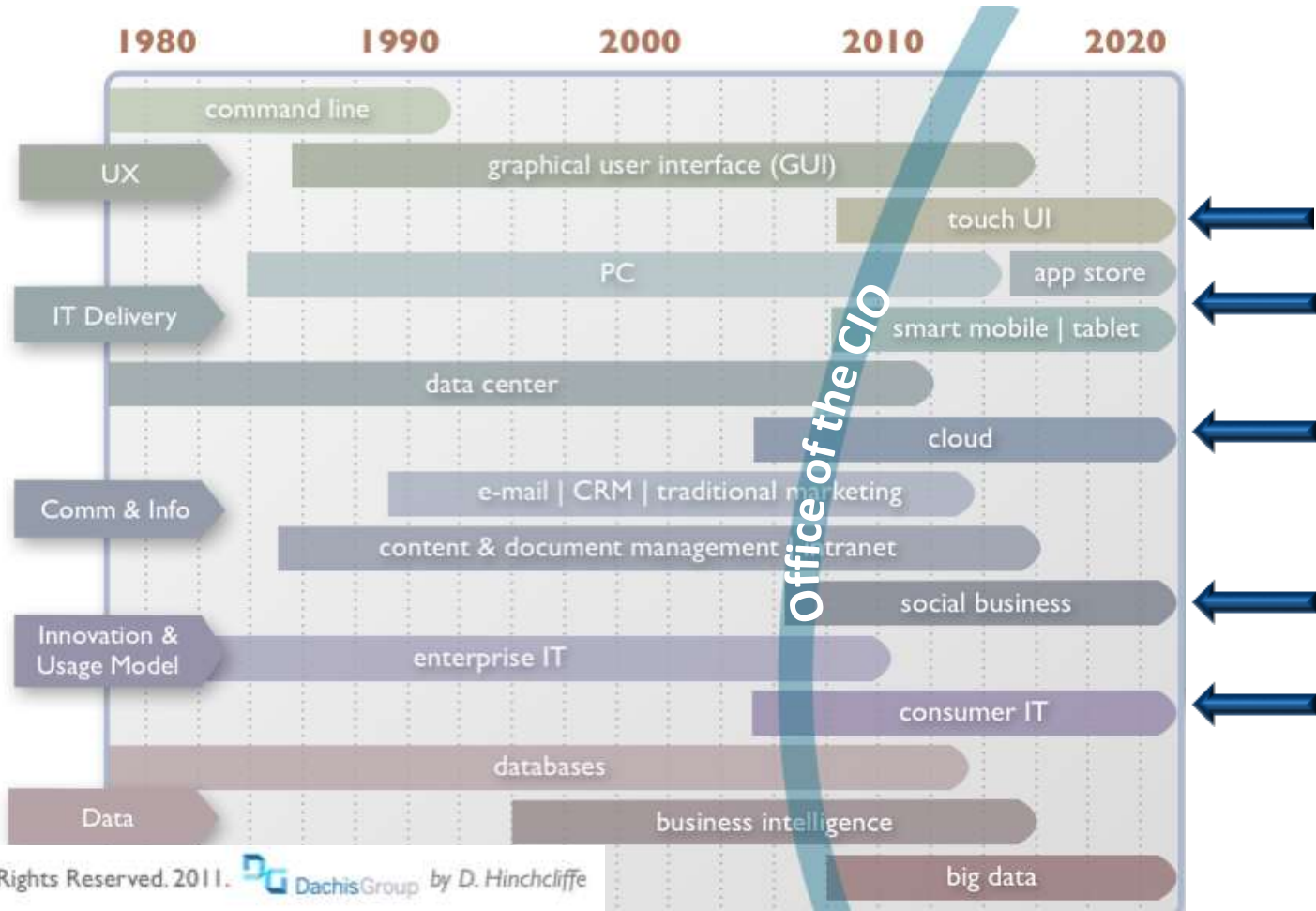Brick 'n Mortar Bank Branch / Paper Applications / Lengthy Approval Process

NOW…
(Lending Club….)
Online Interface / Apply & Get Funded in Days / Lower Interest Rates For Borrowers / Better Diversification / Returns For Investors

When we're not closed
We're opened!

OPENING HOURS

MONDAY	9:00 - 5:30
TUESDAY	9:00 - 5:30
WEDNESDAY	9:00 - 5:30
THURSDAY	CLOSED
FRIDAY	9:00 - 5:30
SATURDAY	9:00 - 5:30
SUNDAY	CLOSED

Anywhere. Anytime, Anything!

Social Mobile Cloud Trends

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New year, same old customer?

WE RESERVE THE RIGHT **TO REFUSE SERVICE** TO ANYONE

PLEASE RING BELL FOR SERVICE

BUSINESS HOURS

MON	8:00 TO	10:00
TUE	8:00 TO	10:00
WED	8:00 TO	10:00
THU	8:00 TO	10:00
FRI	8:00 TO	10:00
SAT	9:00 TO	6:00
SUN	CLOSED TO	CLOSED

COST REDUCTION AWARENESS TEAM **SUGGESTION BOX**

SAM WALTON Made in America wal-Mart MY STORY

SAM WALTON WITH JOHN HUEY
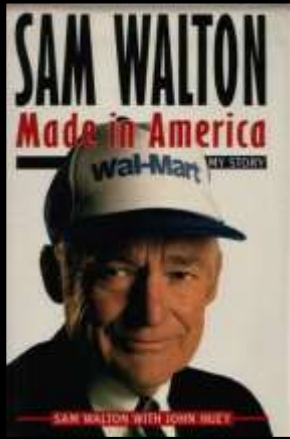
There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

– Sam Walton

1977

Acquiring a new customer can cost up to 5 times more than retaining a current customer

Bad Service. Hate it. Spread it.

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ClipartOf.com

power

Your customers are unique human beings

Your customers need much more than a special offer

SPECIAL OFFERS

Exclusive Offer
Print your coupon.

Take a Ride

25% off

EXCEED EXPECTATIONS
GET IT DONE
NOT QUITE
GOOD TRY

Your customers

24x7

Connection from different touchpoints

Your customers expect more than just product or service

TRUST
CUSTOMER
LOYALTY
CONFIDENCE

JUST...

LISTEN

to

customer

Consumers are sharing their experiences and preferences with others

You don't have to drive blind!

Every-thing you need to know is out there

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"Influence Profile"

"User Profile"

Social Influencers   Peer Influencers

Buyer

Key Influencers

Sales
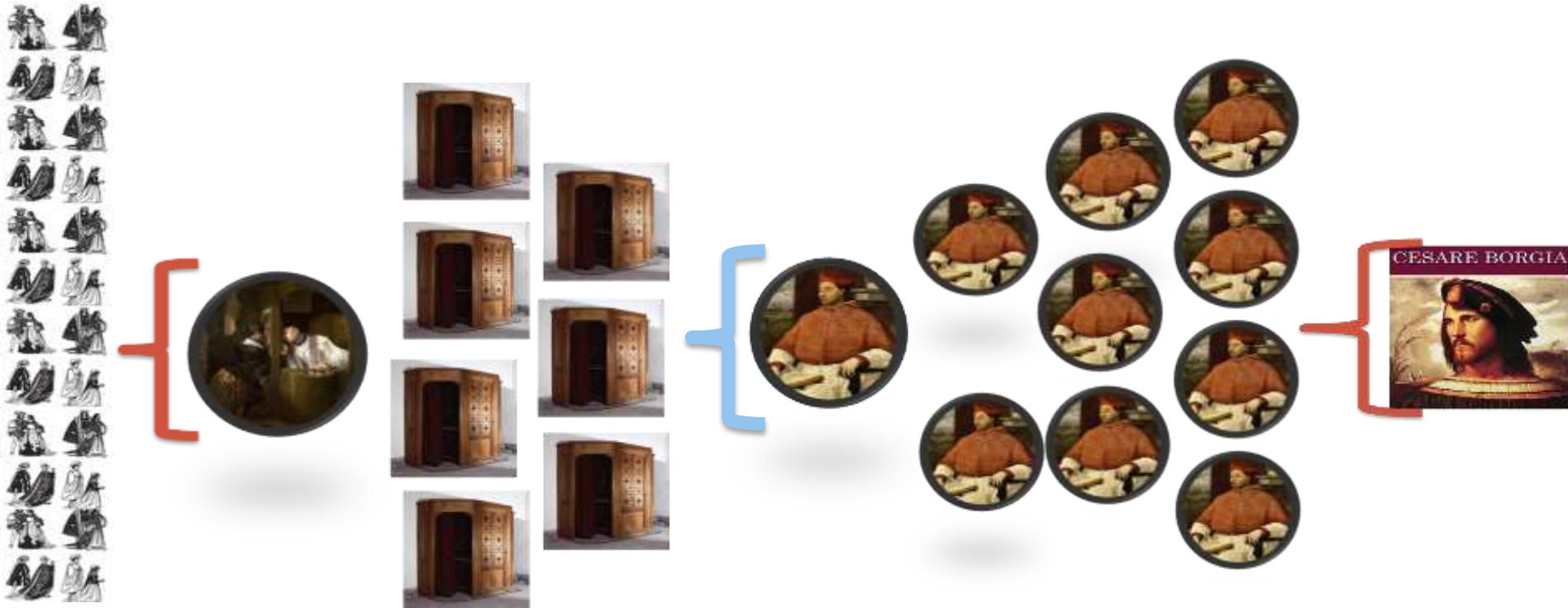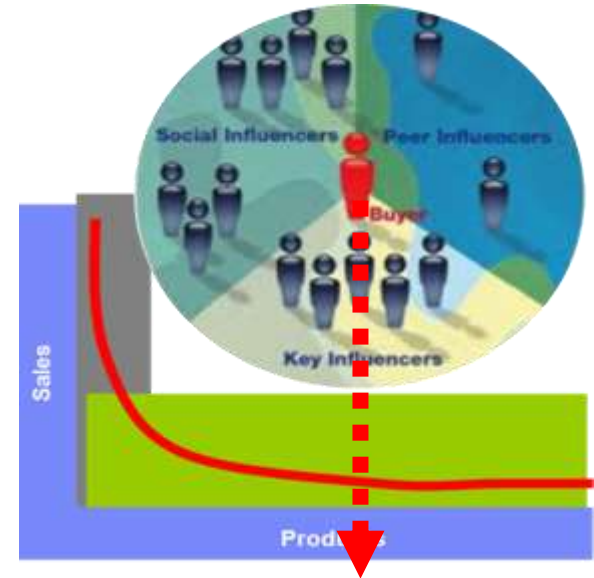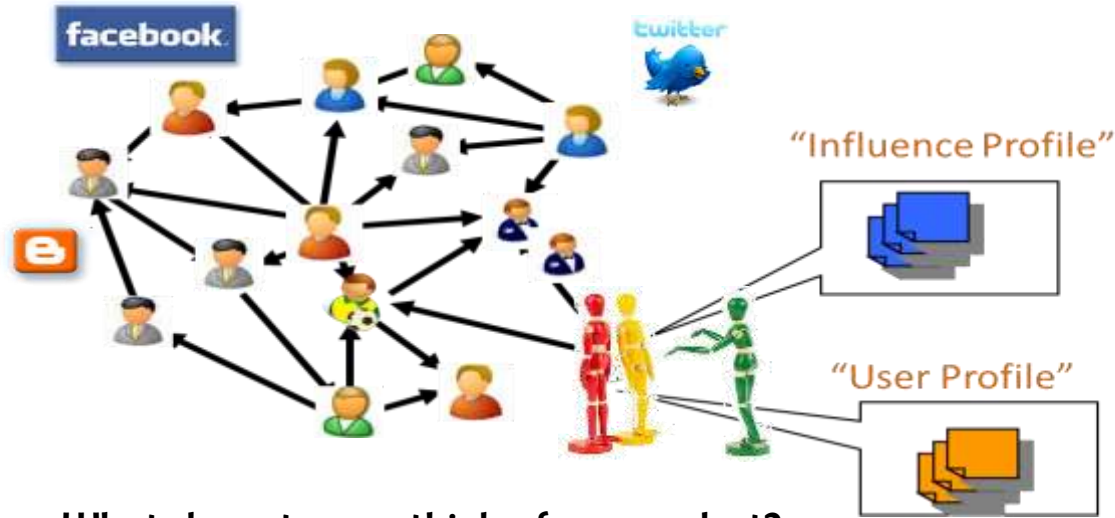
Products

IBM Research – Haifa

- What do customers think of my product?
- Are they happy with the services?
- How do I impact my customers' perception of me?
- What do customers like about my competitors?

Don't let Facebook become boring!

Call us

Visit us on Web site

Follow us on Facebook

What next?

Not effective,
time consuming

Boring, stale & stagnant

You can "like" it,
so that's cool!?

If you know your
customers as individuals
now - you can do much
better

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The End of Lazy Marketing

Social Media Turnoffs %

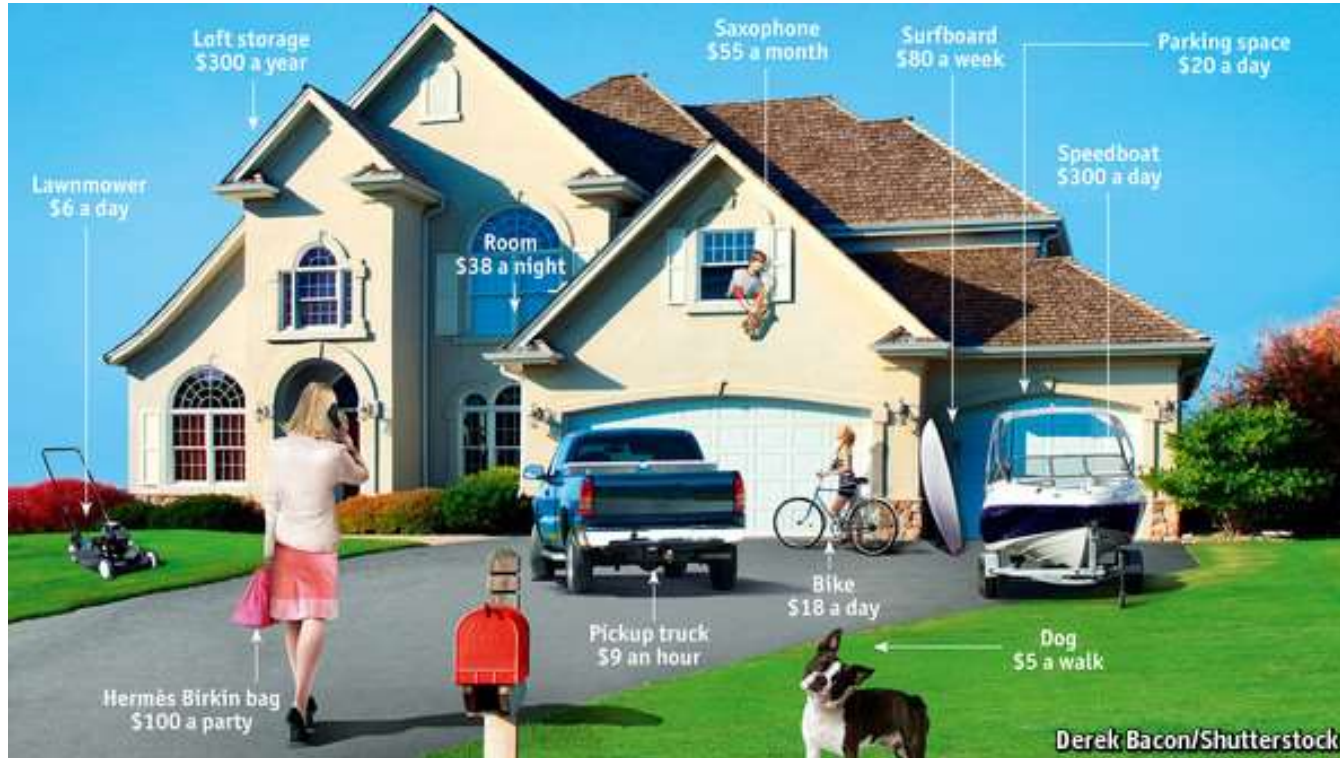| Turnoff	%
Promotions that ask you to recruit friends to enter	69%
Being forced to 'like' pages to receive information	67%
Apps that ask for too much personal data	64%
Offensive, bad taste content	64%
People or brands that over-post	61%
Content or posts that feel like a sales pitch	54%
Repetitive content or posts	54%
Confusing activations with too many steps	50%
Content that isn't relevant to me	48%
Boring posts	40%
Too much clutter on pages	36%
Other, please specify	1%

n= 674 December 2012

People enjoy consuming content that is appropriate for the context of the social platform that they're using.
Make content appealing that users will want to consume it

Source: leaderswest.com/2012/12/14/ people-dont-like-social-media-marketing

15

The Rise Of The Sharing Economy

Loft storage
$300 a year

Saxophone
$55 a month

Surfboard
$80 a week

Parking space
$20 a day

Lawnmower
$6 a day

Speedboat
$300 a day

Room
$38 a night

Hermès Birkin bag
$100 a party

Pickup truck
$9 an hour

Bike
$18 a day

Dog
$5 a walk

Derek Bacon/Shutterstock

What's mine is yours, for a fee
LAST night 40K people rented 250K rooms
in 30K cities
in 192 countries
ONLINE

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Do you have

tools?

Do you have

understanding?

To support the new "non-stop" customer

Enterprise Social Networking

Ever Connected, Always On, Smarter Customers

Sell

Service

Innovate

Collaborate

Market

Work

Good Product – Bad Experience

There is no chance of anyone taking a mortgage and thinking it was a good experience

Arrogant and aggressive customer service assuming to know what is good for me

I was asked 3! times to put my ID in one conversation of cancellation and appointment setting

And no, I don't have a fax at home

It's not a technology!
Think about your own experiences, expectations, and preferences as a customer

Customer Experience Management

When you buy something, you want it to be:

- **easy to get**

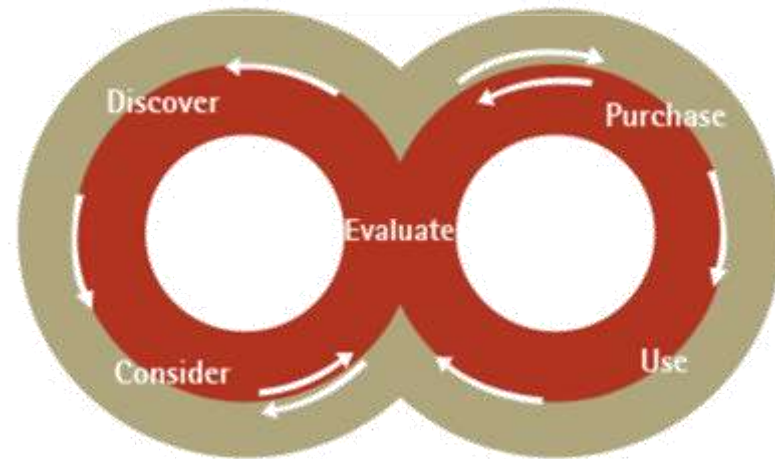- **function** flawlessly

- and **move forward** in your life

The cost of getting – and the danger of losing – customers is exceedingly high.

That is what **_CEM_** is all about:

- making it **easier and nicer** to get the service/ product we want

- ensure that clients will say good things about us and come back

traditional funnel

Discover
Consider
Evaluate
Purchase
Use

Nonstop-Customer Experience Model

Discover
Purchase
Evaluate
Consider
Use

Open content/channels
Brand-controlled content/channels

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accenture

CMO-CIO Conflict of Cultures

the balance of power between the individual and the service provider is changed

engaging with customers throughout the entire customer lifecycle

analyze the financial results of marketing initiatives

Deliver value to empowered customers
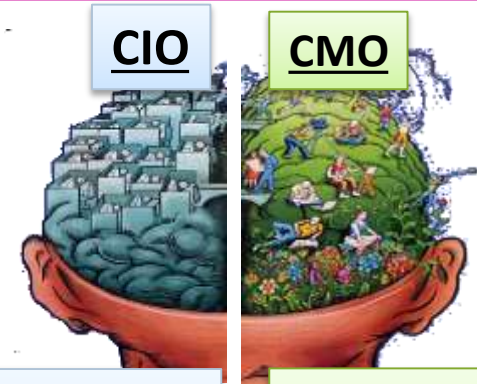
Capture value, measure results

Foster lasting connections

New digital, analytical skills and tools

invest in new techn. & analytics to get a better grasp of how individual customers behave

building online & offline communities and collaborate to fuse the internal & external faces of the enterprise

CIO

CMO

Standards, sees the whole picture / architecture, prefers to take more time to "get it right"

Time to market is everything accepts mistakes as a given

If CMOs are From Mars, It's Time for CIOs to Visit

- Gartner : Through 2016, 80% of marketing organizations will **source 80%** of their technology needs **externally**

- Companies that have solid **cooperation between the CIO and other VPs** have **4 times** chances for success **than** other companies where the cooperation with CIO was weak

Digital conversations among C-level executives can raise Digital IQ

PwC's 5th Annual Digital IQ Survey

Strong Ties mean X4 becoming top performers

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B2C and B2E Mobility Trends

Non-stop customer is SoMoClo

6 BILLION mobile users

SMS enabled phones — 75%

Smart phones — 27%

40B apps downloaded since 2008

20B in 2012

1B & 600M mobile monthly active users

100 M users

50% OF ALL INTERNET SEARCHES ARE DONE USING SMART PHONES

In **2013** more people will access web through mobile device than computer

would you rather? Are you more willing to give up your mobile phone for a week OR...?

70% ALCOHOL
63% CHOCOLATE
55% CAFFEINE
54% EXERCISE

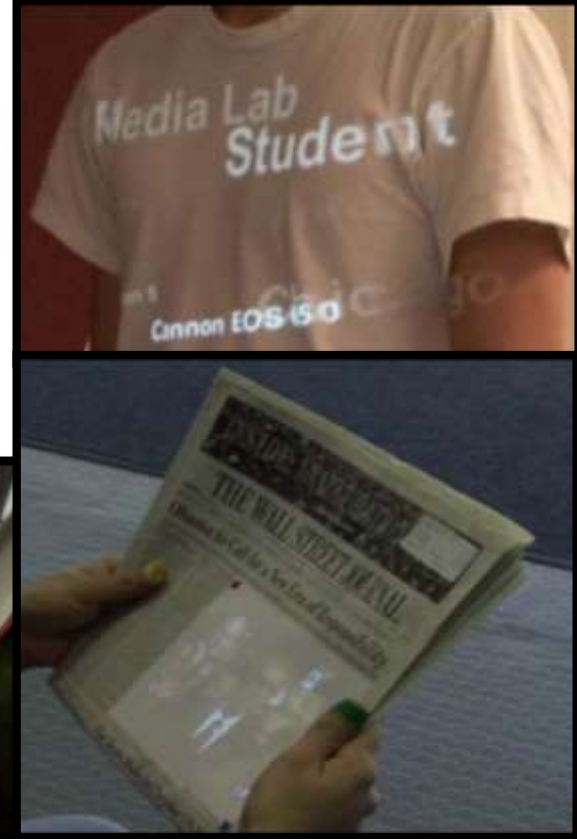Samsung bendable smartphone

iWatch

GLASS

Media Lab Student

Cannon EOS 60

Eye scroll

Flexible E-Paper Display

Plain reality?
It's so boring...

- Wearable smart electronics in shoes, tattoos and accessories

- It's not about single technology, but a concept

- Embedded sensors in devices, augmented reality, remote sensing, services on top of connected products, machine-to-machine communication

Smart Pill & Bottle

You have fever Take a pill right now!

I don't like this tie

I need to be changed!

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- **Apps will be increasingly contextual and personal**

  ▸ Mobile predictive analytics within apps and complex event processing

  ▸ Next best action - human pattern matrix – how people interact with apps

- Enterprises are moving to a **cloud development model**

You're late for board meeting

Source: ClipartOf

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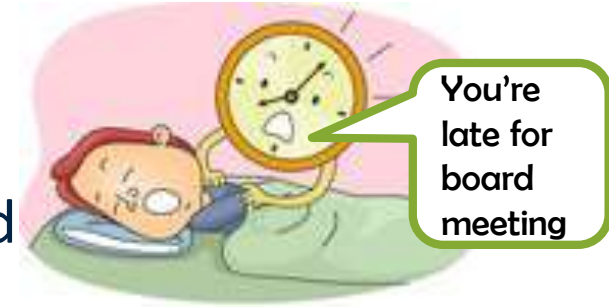
MBaaS - Mobile Backend-as-a-Service

A mobile storm in cloud

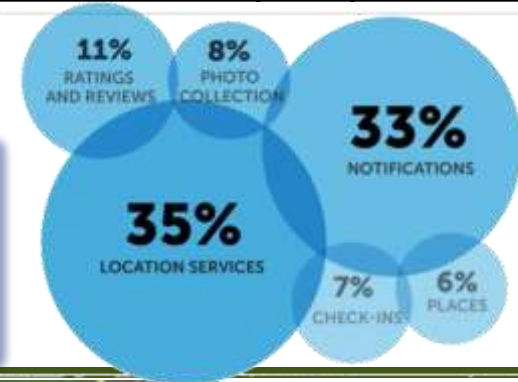## Mobile, wireless & connected world:

- more bandwidth
- faster broadband
- remote info access

  via multiple devices

- cutting costs
- storage

MBaaS

Cloud services developers expected to use

11% RATINGS AND REVIEWS

8% PHOTO COLLECTION

33% NOTIFICATIONS

35% LOCATION SERVICES

7% CHECK-INS

6% PLACES

**2013-2014
the marker for cloud-based
mobile apps is projected
to increase by 60%**

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Consumer Compute Market 2013

	2011	2012	2013E
Tablet			
iOS	**56%**	**51%**	**54%**
Android	**43%**	**48%**	**41%**
Windows	**1%**	**1%**	**5%**
Smartphone			
iOS	**20%**	**20%**	**17%**
Android	**47%**	**55%**	**53%**
Windows	**2%**	**3%**	**5%**
Total Consumer Compute			
Apple	**23%**	**23%**	**22%**
Google	**33%**	**43%**	**43%**
Microsoft	**25%**	**19%**	**18%**

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What type of smartphone do you have?

End of 2012

Apple
37%

Other
11%

Android
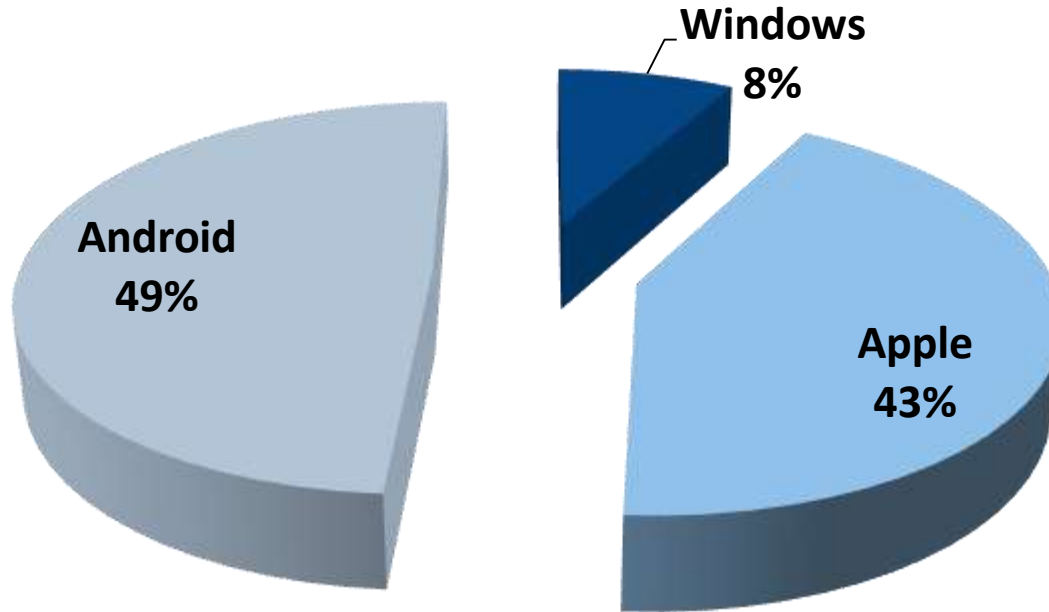51%

Blackberry
6%

Windows
5%
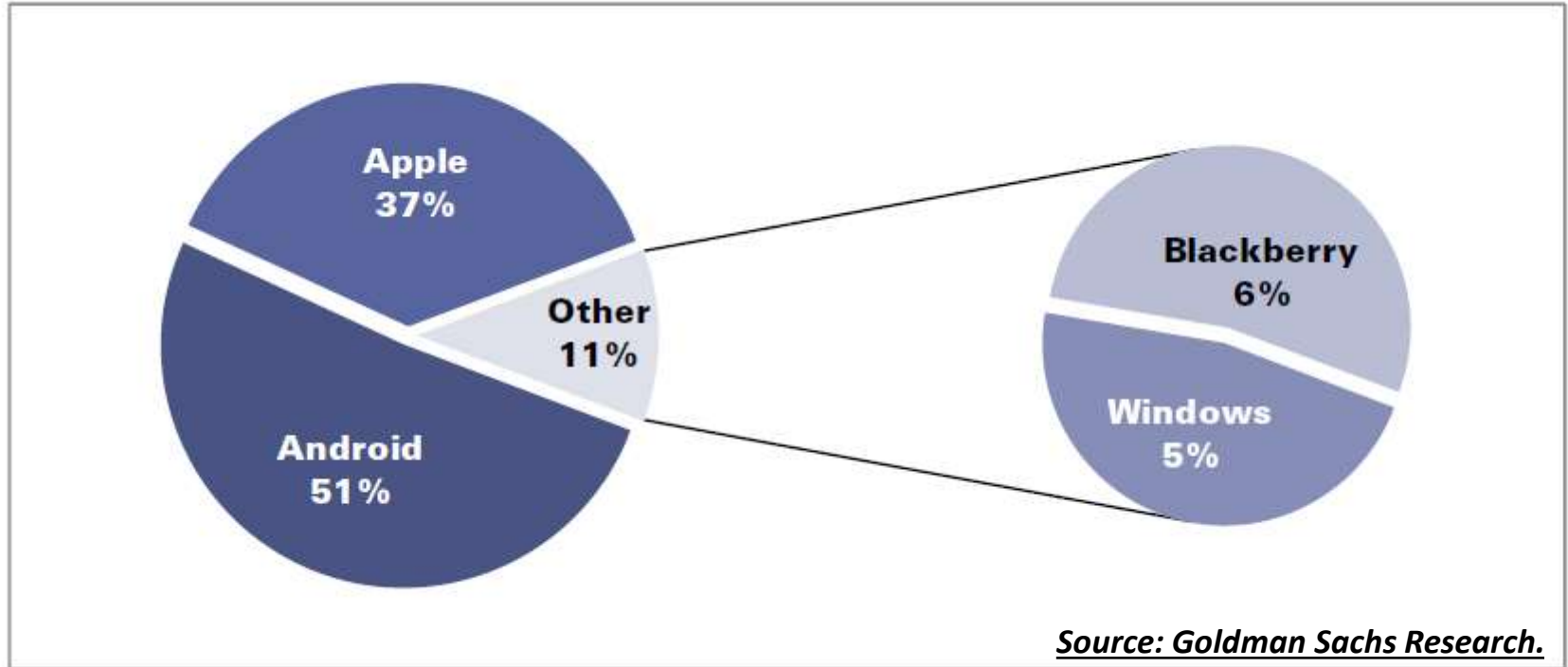
Source: Goldman Sachs Research.

A New Smart Phone Purchase 2013

If you plan to purchase a new smart phone in the next six months, what type of smartphone will you purchase?

Windows
8%

Android
49%

Apple
43%

Israel 2013

iPhones: 1,600,000
iPads: 600,000
iPad mini: strong entry

Phones: 1,800,000
Tablets: 200,000
Galaxy note 2: positive responses

Real competitor, last to enter, a lot will depend on a successful ecosystem

2014 expected: Smartphones ~ 25% rise
Tablets: doubled

Demand for notebooks continues to decline

EMEA PC performance : Q3 2012 vs Q3 2011

Client PCs: -1.8%

Desktops:
-5.8%

Notebooks:
-1.9%

Netbooks:
-42.9%

Pads:
27.8%

Consumer PCs: 5.6%

Pads will dominate the PC market by 2016

Source: Canalys forecasts,
Netpad Analysis, November 2012
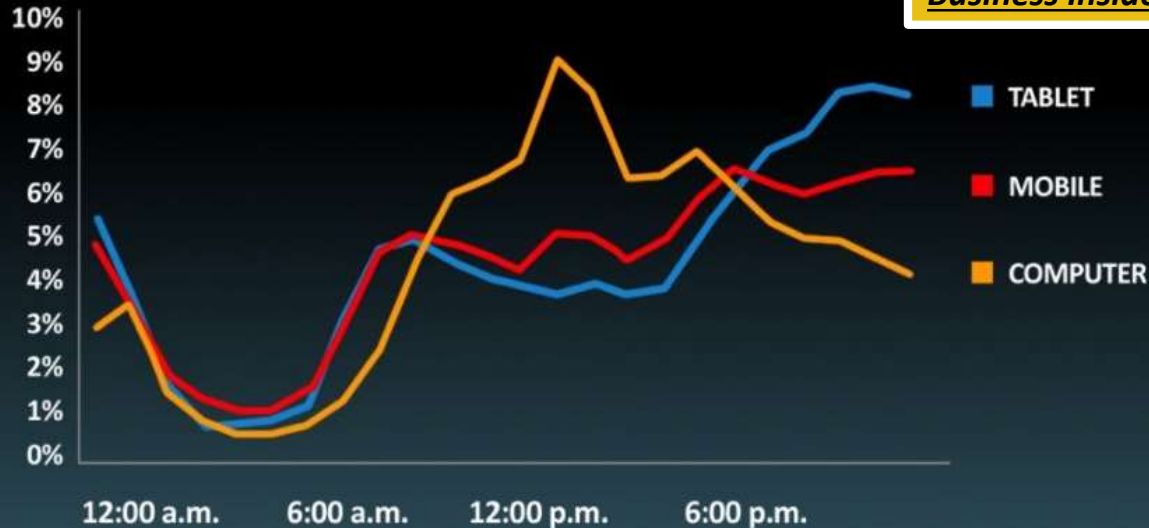
Enterprise PCs: -13.1%

Is the PC dead?

- No, the home PC is dead, people still use PC at work
- Consumers are going to buy more tablets and fewer PCs

- People buy more than one tablet per household
  - It's personal device, a fun gift
  - The trend is much stronger among kids

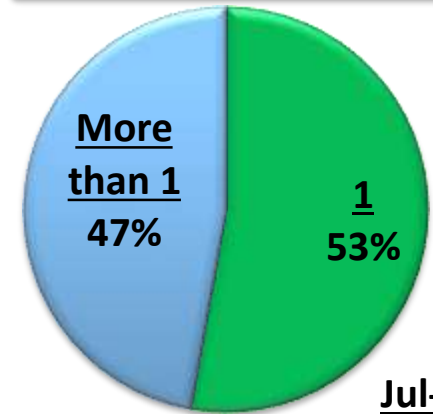## Share Of Device Page Traffic Over A Day:

Source: Business Insider

- TABLET
- MOBILE
- COMPUTER

Source: comScore, Telefonica, Macquarie Capital (USA), December 2011

How many tablets are in your household?

More than 1
47%

1
53%

Jul-2012

A New Tablet Purchase – Consume market

If you plan to purchase a new tablet in the next six months, what device do you plan to buy?

Source: Goldman Sachs Research.
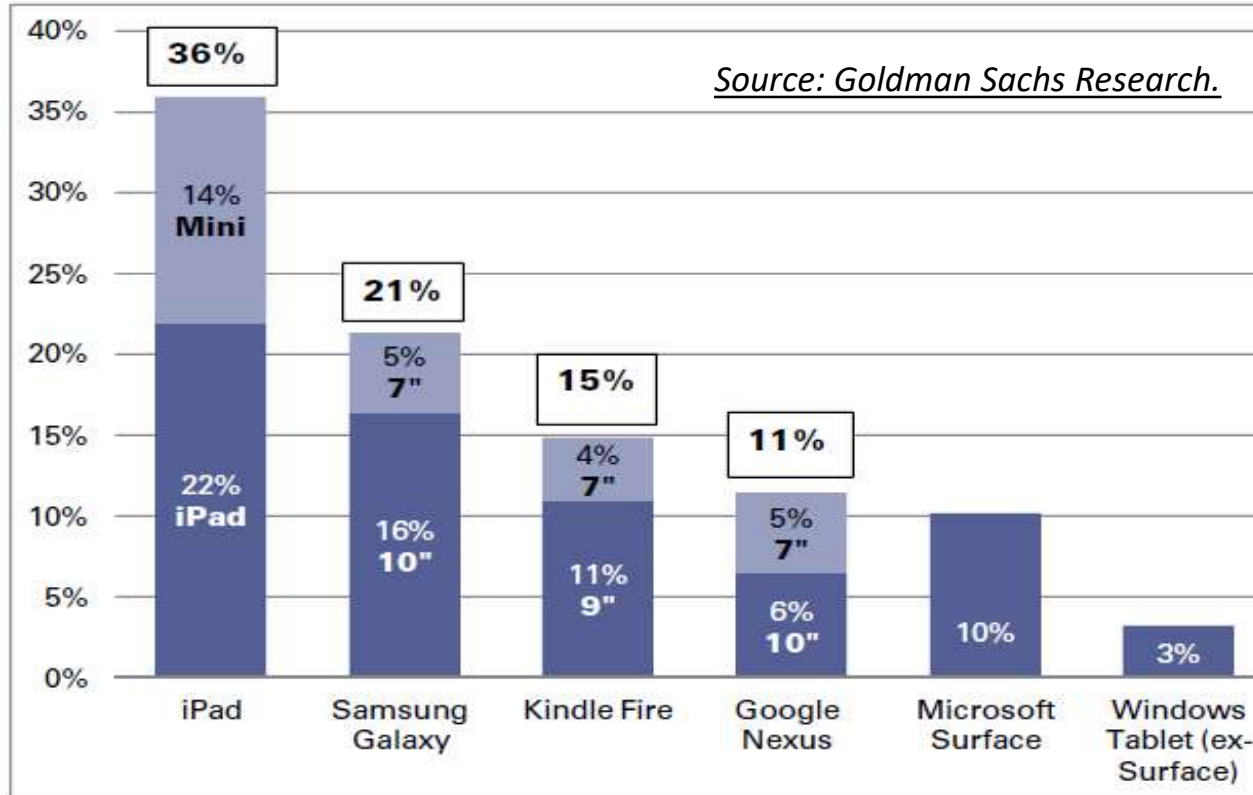
Israeli consume market:
- **Strong preference to iOS tablets**
- **Great interest in iPad mini**

Israeli ITOs B2E OS preferences

- 2012: Strong preference for Android OS as enterprise solutions:
  - ‣ Although open OS ≠ better
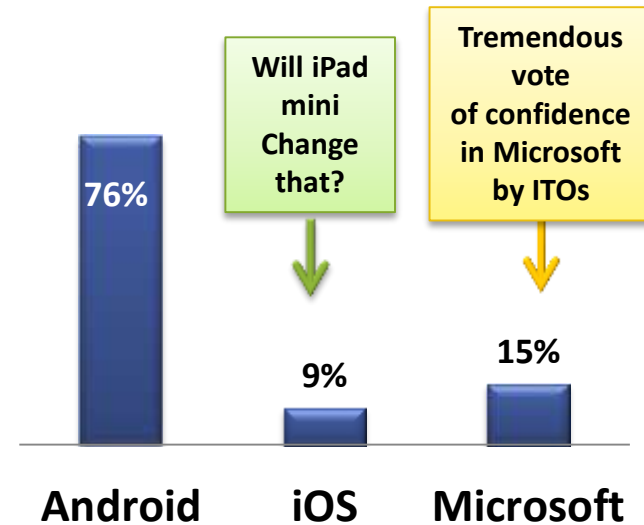 - ‣ Non jailbroken Apple devices provide much better protection
    - ✓ 1/10 of HD calls compared to Android devices
- Great interest in Microsoft 8 tablets
  - ‣ In-house knowhow, Office, reduces the need for MDM

Israel ITOs:
__What is the best OS for__
__B2E apps development?__

Will iPad mini Change that?

Tremendous vote of confidence in Microsoft by ITOs

76%

9%

15%

Android   **iOS**   **Microsoft**

Source: STKI 2013

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Un-matured Market

Clients perspective

- Lack of strategic planning:

  What are the needs?
  - Consumer / ... e app
  - What kind ... try to expose to customers: access to in... n forms/ location based?
  - Security con...

- What is the be... ...veloping mobile apps: ... Hybrid

- Which OS sho... consideration ... ...ndows

- Lack of internal knowhow and skills
  - Development, UX

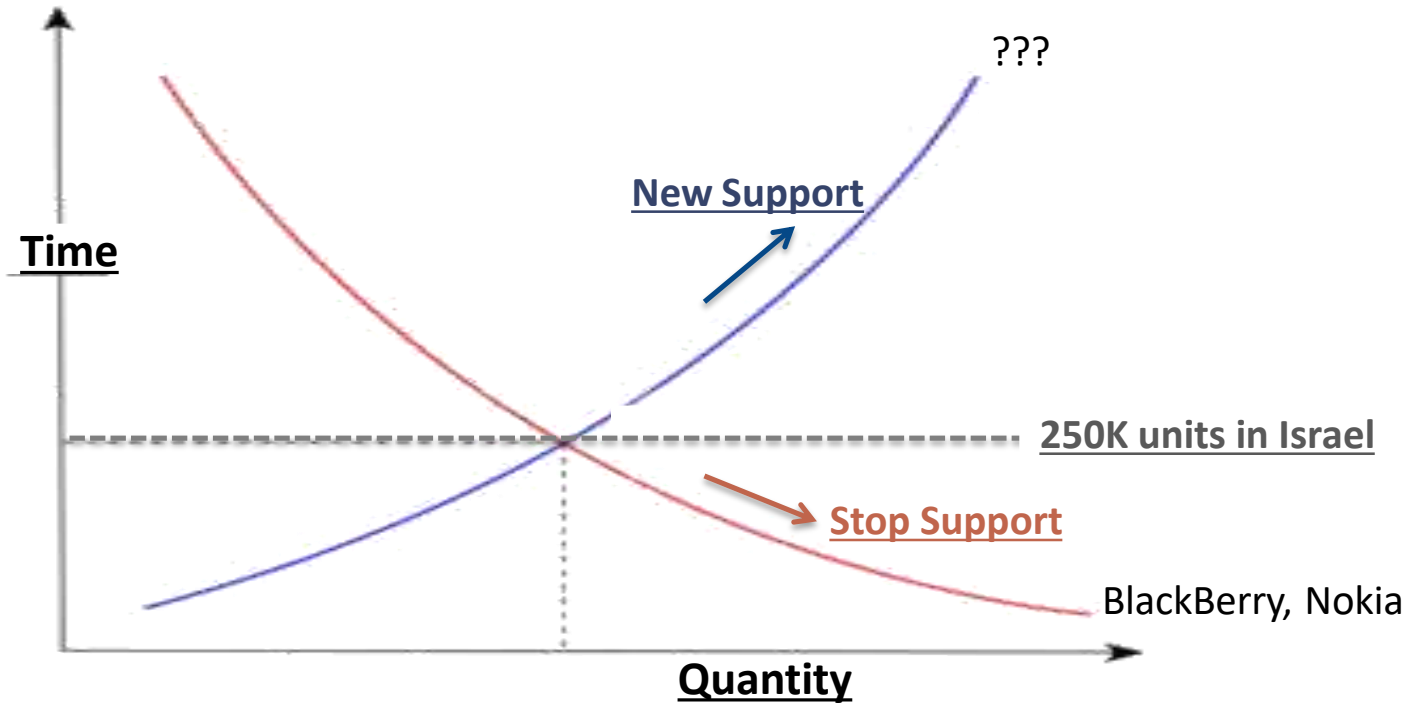- Lack of best practices guidance

Providers perspective

- Mobile solution landscape instability
  - Mergers and acquisitions

- The best ... for develop mobile a... pends on the vendor ... ying to sell

- Lack of exp... ce and knowledge

- Lack of best practices guidance

Time

???

New Support

250K units in Israel

Stop Support

BlackBerry, Nokia

Quantity

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IT Involvement in Mobile Projects

- A lot of consumer app development projects led by marketing department

  ‣ Although use of digital media companies with lack of IT knowledge (security) and integration capabilities is a fad trend

  ‣ Sometimes IT is not involved at all in mobile app decision making (involved only in maintenance stage)

- IT has to be more responsive, pay more attention to demand and not make decision based only on **MAINTENANCE, COMPLEXITY OR COSTS**

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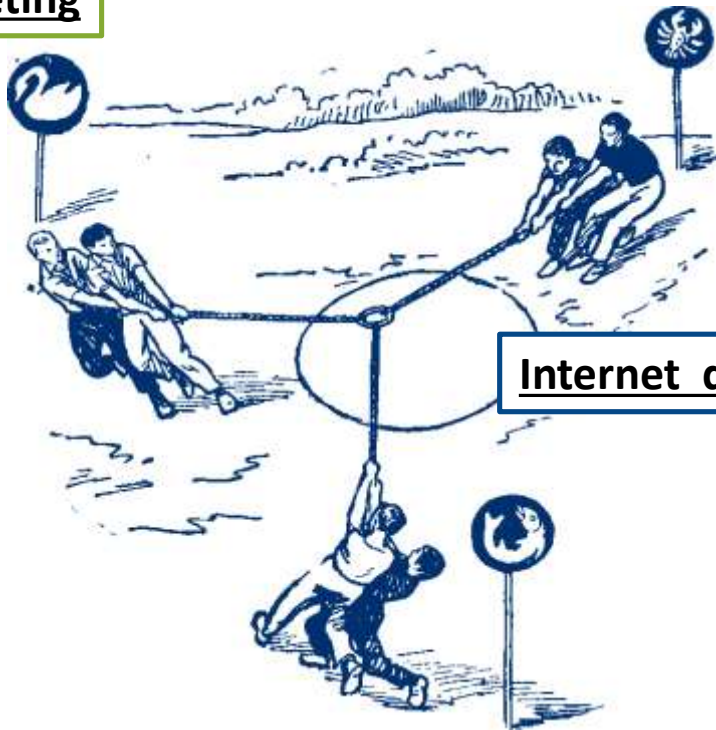
Marketing

Best UX, app usage
Native app

IT Mobile department

UX, ease of maintenance,
Version distribution, bugs repair
Mobile development platform

Internet department

- Web is the main channel
- HTML skills in-house
- As much reuse and control as possible
- Fear of losing budges & control

Mobile web - RWD

40

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NO, sometimes people still like to browse Web from mobile devices

When you read news/information on a TABLET,
which of the following do you do regularly?

Web

Link **Apps**

Check news web sites

Click links on Twitter, Facebook, emails, and other social media

Use apps from specific news sites

Use content aggregation apps like Flipboard or Summly

Use an RSS reader

Source: Business Insider/Survey Monkey
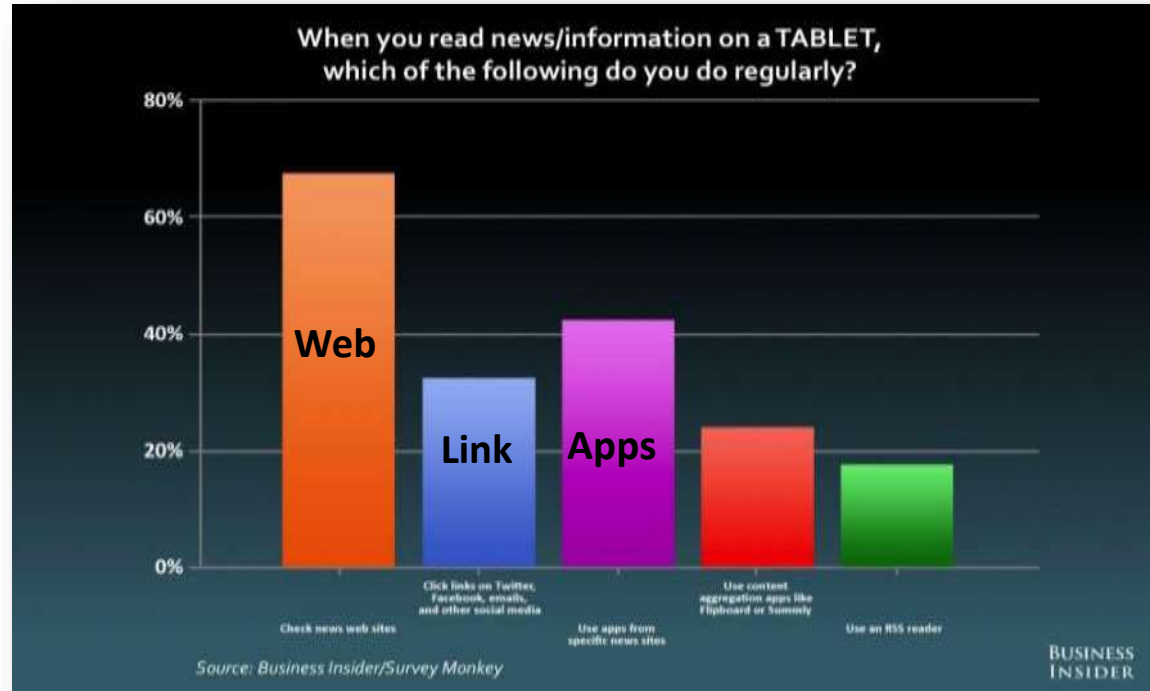
BUSINESS INSIDER

Source:
Business Insider

Responsive Web Design

How responsive is your website?
Content, navigation, functionality and design adaptation to the screen and type of every device

Should we remove content & functionality
from the mobile version?

OR

Should visitor be able to access the same content, regardless of which device they use to visit the website

Starbucks

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Mobile as an extension of Web site

- (Multi) Channel centered strategy instead of touchpoint or consumer centered

- Scale down web experience and leverage existing digital content and infrastructure is low cost but…

  MISSING a POINT approach

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- Sometimes mobile becoming the **primary digital touch-point** between consumers and brands
  - ▸ especially for smartphone owners
- Enhance existing offerings and **creating new** ones
- Ongoing, more **personal relations** with customer

Source: Forrester

Mobile is **beyond a smaller version of a PC**-based experience

DVR programming

Camera

Guidebooks

Matching paint colors

Level

Flashlight
(e.g., Nationwide Auto's Accident Tool Kit on the iPhone)

Navigation solutions
(e.g., from Google or Nokia)

Banking services
(e.g., USAA's check deposit service)

Unlock car doors

Tablets deployment to field workers in place of clipboards, paper, and pen

Advanced services (apps) based on customer preferences and location for promotions and coupons

- App development create demand for **simplicity by** high levels of **complexity** underneath

- UX is much more than a design, it's a whole new technology

- Today 30 to 50% of consumer apps development goes to UX

- High demand for UX developers

UX

WebDev-il.
blogspot.com

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THE PSYCHOLOGIST'S VIEW OF
UX
design

"I take research and knowledge about the brain, the visual system, memory, and motivation and extrapolate UX design principles from that."

By Susan Weinschenk

01 People Have Limitations — Make the information easy to scan and straight to the point. Use short blocks of info is best.

LET'S change!

02 People Make Mistakes — Ctrl + Z — Make the error easy to "undo". The best error message is no message at all.

03 Human Memory Is Complicated — Don't make people remember things from one task to another. People can only remember about 3-4 items at a time.

04 People are Social — People will always try to use technology to be social. Synchronous communications brings them together.

05 Attention — People pay attention to anything that is different or novel. Bright colors, large fonts, beeps, and tones will capture attention.

06 Unconscious Processing — Most mental processing occurs unconsciously. small action will later commit to a larger action. Join us now! Subscribe

07 Visual System — Use grouping. Things that are close together are believed to "go" together.

Different people approaches UX design from different point of view. It can be helpful to understand...

piktochart — For more information about creating your own visual story, please visit us at www.piktochart.com

UX MAGAZINE — Resources taken from

If people don't like your app, they won't use it

If people can't find the info it contains, they'll fail at the task they need to perform

If people don't trust your app, they won't use it for anything "important"

Gartner

UX companies in Israel

AMAN	Matrix
ARTIS	Moblin
Cognit	NESS
Inkod	Netcraft
Malam Kuchi	NGSoft

Puzzlehead
Real Commerce
TZUR
UI
YKM

In alphabetical order

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- **Beginning of the end of the apps!**

  ▸ **From stand-alone app to services** . Instead of building additional loyalty card, Apple and Google will offer you to provide your service on their platform. The platform itself will be exposed to these additional services

  ▸ Application Programming Interface (API) - exposing data in existing systems through transforming existing services with modern APIs

Source: Mashery

WHY YOU NEED API MANAGEMENT

APIs Create New Channels, Markets & Revenue.

- Competitive advantage – it's all about connecting with customers, suppliers and partners– not just

  smartphone apps!

  ‣ Websites

  ‣ enterprise apps

  ‣ TV apps

  ‣ refrigerator apps

It's very difficult to create a set of products that will be right for everyone.
With an API, you don't have to

Being present *every* time your services are relevant in *every* app your target customer *ever* uses.

Source: Mashery

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Mobility AND API Strategy

- Accenture: 54% of WW organizations are developing an API strategy to go hand in hand with their mobility strategy

- Mobile apps access to legacy systems

- Israeli ITOs are still not there

Open APIs

Consumer Apps Israeli Trends

- Main focus on UX – primal tendency to native development

  ‣ Apple – best experience, heavy users

  ‣ Android - concern for lack of new version support, lack of compatibility

- Everyone knows it is a "must be" situation:

  ‣ Innovation, prestige, technology capabilities

- Business case and ROI is not clear yet

  ‣ Apps usage is constantly growing

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- Although it hurts UX - most of the Israeli org. are shifting to hybrid development (including existing native apps) due to time, resources and costs saving

- It's expensive to have 3 different native data code bases and it's very hard to build a new feature and simultaneously release it this way

UX

- In time perspective – it is possible that there would be no significant cost difference between native and hybrid development

  ▸ UX importance increasing

  ▸ Market flooded with new smart devices

  ▸ Hybrid app saving is not in a development stage

    ✓ ~20% saving in maintenance

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HTML5

Saving heavy costs on:
- ✓ native multi-platforms development & maintenance

FOR

AGAINST

Compromising the UX
- ✓ Zero usage
- ✓ Not innovative message

How much exactly does it save?
- ✓ Greater investment for each device adjustment

- ✓ HTML5 will reach the native level of maturity in 2015
- ✓ Major market players have no interest in supporting it

STKI opinion:
It doesn't matter if it costs less or if it's more convenient to manage. Your clients know what a great app is supposed to look like. If you don't give it to them, they will find it somewhere else

ClipartOf.com

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Social Mobile Cloud Employees

- Increasing demand for organizational content and core data available anywhere, anytime (24x7)

- *"Me" economy* - IT can't force employees to use standard corporate device or SW

- *BYOEveryting*: smartphone, Gmail, tablet, DropBox, etc.
  - ▸ Consumerization of IT (CoIT) - One size/ OS doesn't fit all
  - ▸ Re-think your polices
  - ▸ WEBSITES vs Apps : which, when, with what

Social Mobile Enterprise?

Groups

App Updates

Feeds

Document Sharing

Security & Sharing Model

- **Increasing business use of <u>Gmail and DropBox</u>**
- **Increasing business use of <u>smart devices</u> at work without any policies**

Status Updates

Profiles

<u>Source: Saleforce</u>

B2E App Development Israeli Trends

- Main focus – project costs and solution maintenance

- High maintenance support due to BYOD trend

- Most ITOs believe in:

    ✓ In near future traditional (desktop) app develop

      will be based on HTML5 and enable reuse

      from desktop to mobile

    ✓ Hybrid development approach

This is the chance for IT to became a hero again!

STKI opinion:
You have to treat enterprise workers the way you treat consumers

ClipartOf.com/30577

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15%

17%

36%

32%

ONE "NATIVE" IMPLEMENTATION PER TARGET PLATFORM (I.E. IOS, ANDROID, WINDOWS PHONE, ETC.)

ONE "NATIVE" IMPLEMENTATION PER TARGET PLATFORM + ONE HTML IMPLEMENTATION "CATCH ALL" FOR OTHER PLATFORMS

HYBRID APPS

PURE HTML5 IMPLEMENTATION FOR ALL PLATFORMS

Source: KendoUI 2013

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Israel: What is your preferred approach for Mobile App Development?

■ **Consumer apps** ■ **Enterprise apps**

Hybrid app
- 49%
- 63%

Native app
- 28%
- 22%

Web app
- 16%
- 7%

Don't know
- 7%
- 8%

Mobile develop platform?

B2C
- No 77%
- Yes 23%

B2E
- No 71%
- Yes 29%

Source: STKI 2013

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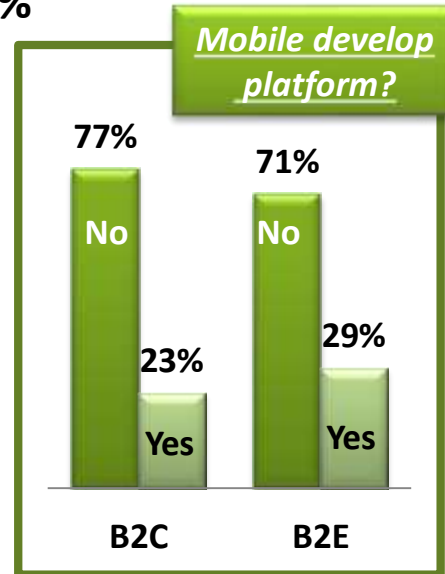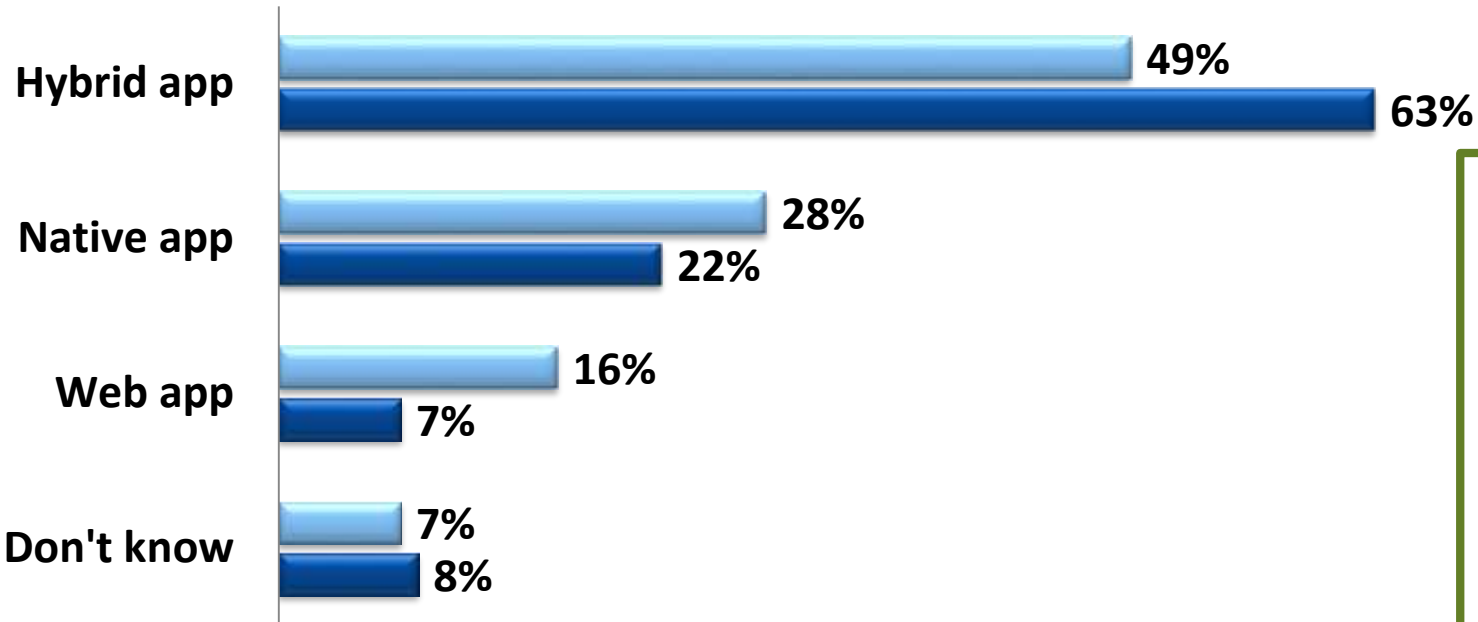
App Development for Multiple Platforms

	Native App	Hybrid App	WEB App
Develop approach	Platform-specific Native SDKs	HTML5 + Native container, installed on device	"pure" HTML5
Getting the app	App Store	* Apple can cause delays! App Store, Google play, Windows Store	Mobile browser
UX	Best experience, the most access to underlying device performance and capabilities	Less than native experience	UX is not as good as native
Best for	Consumer apps with LBS, daily activity	Apps with a lot of changes in information	App or data not highly used
Access to data	✓ ONLINE ✓ OFFLINE	✓ ONLINE ✓ OFFLINE	✓ ONLINE ✗ OFFLINE
Develop & support costs	$ $ $	$ $	$

Mobile Development Platform

- ITOs began looking for mobile develop. platforms in order to prevent **twice the workload** on UI, maintenance and every change or add-ons

- In such a dynamic ever-changing reality there is something **comforting and familiar** in a physical product

Build mobile app business logic once and…
- develop native, web or hybrid app
- deploy multi platform (iOS, Android, Windows)
- on every device (smartphone, tablet, desktop)

"If it sounds too good to be TRUE then it probably IS."

Open Source Platforms

- Low cost:
  - Only 20% of the cost of commercial mobile dev. tools

- Meeting most of the requirements, having also vast range of complementary products:
  - GPS, camera, push notification support, etc.

- Better adjustment to customer's architecture
  - Not proprietary code

- Up-to-date support to every change in dynamic market

**Israel market is still missing out on OS!
Lack of Israeli-supported, commercial OS options**

Lists of OS players:
www.ohloh.net
www.osalt.com

Local Support

Market Presence

SAP

Matrix

IdeoMobile

PhoneGap

Applicat

Magic

Mobideo

Netalizer

Worldwide Leader

Enterprise

Vendors to Watch:
- Kony
- Syclo
- HP Anywhere
- TIBCO Silver® Mobile

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Mobile B2C App Development Platforms - Positioning of the Israeli Market

Matrix

IBM (WorkLight)

SAP

IdeoMobile

Applicat

PhoneGap

Magic

Local Support

Market Presence

Worldwide Leader

Enterprise
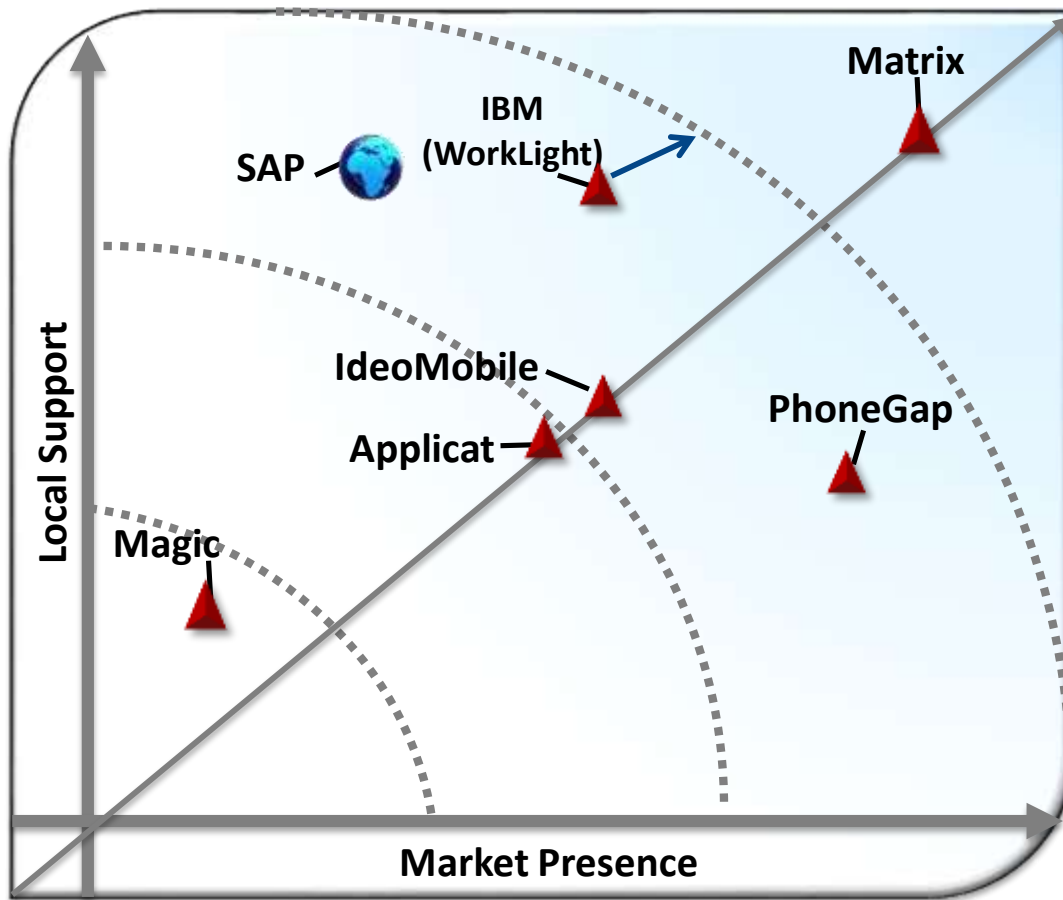
Vendors to Watch:

- **Kony**
- **M2Active**
- **mConnect**

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Mobile Apps Development - Services

EWave	Maccabi
Gini-Apps	Ynet-iPhone app, Ynet HD, Pango+, WinWin, Mapa, Beepit
NGSoft	Bank Leumi - trade, Bank Discount, Pelephone, TNT, Wozzon, BIS; 2012 – FIBI, CallVU, SellARing, Government ministries, Paradox
Real Commerce	Bank Leumi –augmented reality, MAKO, Clal, Bituach Yashir, Harel, Cellcom, VocalWall; 2012 - Menora Mivtachim, Excellence, leumi Card, Haifa Univ, BGU
ONE1Mobile	Scop Visa CAL, Schestowich 106, FSM SaaS – IEC, Paz, municipalities
Malam-Team	Bituach Yashir
Experis	Cellular media content distribution system, Bookkid, Redmatch
Moblin	Gillette, Avis, FiBi, Yellow, Leffe, Lexus, Loto, UMI Certified, Sugat
Taldor (3base)	Clarizen, Ozvision
PoketLink	Coca Cola, 3M,Muller, Dove
YKM	Isracard and Merk

Mobile Platforms – Partial list 1

Product Name and Provider	Developer/ Representative	Product Description	Clients		New Clients	Imple mentor
Touch Point (Matrix)	**Develop**	**Platform for mobile solutions**	Bezeq, HOT, Ort, Danshir, IAA, Ma'ariv, Mifal Hapais, Bank Hapoalim, Police, Clalit, El-Al, Strauss, Shabas, Life Compass **Netwise -** Mivtach Simon, Migdal, Nana 10, GOV.IL, Isracard, Open University, Osem, Caesar Stone		Clalit Mushlam, Tel-Aviv Municip, Psagot, IDF, Bank Mizrachi, Prime Ministry Office, Gov.il	**Matrix**
SAP Mobile Platform Enterprise (Sybase + Syclo) ***2014** **SAP Mobile Platform on-premise**	Vendor	**Mobile Enterprise apps Platform**	Mekorot		Bazan, Nilit, Israeli Ports, Technion, IEC	**Ness HP Exact ONE1**
SAP Mobile Platform Consumer		**Mobile banking and Payments**			IEC	

Mobile Platforms – Partial list 2

Product Name and Provider	Developer/ Representative	Product Description	Clients	New Clients	Imple mentor
WorkLight (IBM)	**Vendor**	**Mobile App platform**		Supersal, Phoenix	RealCommerce ONE1, ELAD, Matrix
Applicat Mobile Platform™ (AppliCat)	**Develop**	**Platform for mobile solutions**	Meuhedet, Haifa University, World Zionist org. and more	UPS, Visonic, banks	AppliCat
Mobile App platform (IdeoMobile)	**Develop**	**Mobile App platform**	Bank Hapoalim, Discount, Maccabi, Leumi Card	CheckPoint, Hadasa	IdeoMobile

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Israeli Player	Product Name	Developer/ Representative	Product Description	Clients 2012	Implementor
Netalizer	**ממ"א (מ"מ אינטראקטיבי) (Mobile SaaS)**	**Develop**	Interactive Messaging System	בתי חולים (אסף הרופא, מאיר, יוספטל, ברזילי, רמב"ם ועוד), חח"י, רכבת ישראל, רשות הטבע והגנים, ארגון הצלה ישראלי, עיריות (ירושלים, אשדוד, רעננה, נס ציונה, אשקלון, ועוד), רשת מלונות דן, מירס, מנפאואר, משרד לאיכות הסביבה, משרד החקלאות, מנהל מקרקעי ישראל, קק"ל ואחרים	**Netalizer**
	Gazpacho (Mobile SaaS)	**Develop**	Mobile Reporting & Mission for field Force	לילית, שטראוס, מ.ג.ע.ר, דלק, שסטוביץ והגיחון,חח"י, תנובה, מגער, עיריית תל אביב,עיריית ר"ג, עיריית אופקים, שגריר, פז, דלק, קק"ל, חברות סקרים, משכ"ל, חוגלה ועוד	
El Ad		**Develop**		4Singles. iWater, Min. of Transportation, Intel	**El Ad**

Mobile Platforms – Partial list 4

Product Name	Developer/ Representative	Product Description	Clients	Implementor
Syclo HP Anywhere	**Representative**	Mobile develop. B2E app Platform		HP
Kony	**Representative**	Mobile develop. app Platform		HP, Malam-Team
Metissimo	**Representative**	Mobile develop. app Platform		Software AG
Magic xpa	**Vendor**	Mobile develop. app Platform		Magic, Tirosh, Afek
mConnect (Infosys)	**Representative**	Mobile banking and Payments		Taldor
TIBCO Silver® Mobile	**Representative**	Mobile development B2E app platform		Yael

List of Open Source Mobile Application Framework

QS Mobile App Framework	Web site	QS Mobile App Framework	Web site
Open mobile IS	www.openmobileis.org	**jQuery**	jqtjs.com
PhoneGap	phonegap.com	**Jo HTML5 mobile app**	joapp.com
PhoneGap Complementary Solutions	phonegap.com/tool	**ZK**	www.zkoss.org
Rhodes Mobile	www.motorola.com/Business/US-EN/Business+Product+and+Services/Software+and+Applications/Rho Mobile+Suite	**Sencha**	www.sencha.com
Appcelerator	www.appcelerator.com	**iPhone, Android Framework**	
iPFaces	www.ipfaces.org		

Source: http://www.tobacamp.com/articles/list-of-best-open-source-mobile-application-framework/

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Social ,mobile enterprise

data center

Office of the CIO Trends

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Demands are increasing

Budgets are decreasing

100's of vendors

1000's of agreements

1000's of IT components

100's of professionals

IT clients are angry!!!

Except this one

- IT budgets are reduced regardless of organizational economic state

- Demand for involvement in technology decision making and cost transparency

- Low usage in existing systems and complaints regarding bad experience

- Independent development units in LOBs – mobile, BI, etc.

Demand for IT support:

- mobility apps
- new end-user devices
- new customer-facing systems
- social business and collaboration tools

I know what I want and if you can't give it to me I'll get it somewhere else

And they're only a credit card away from cloud computing solutions
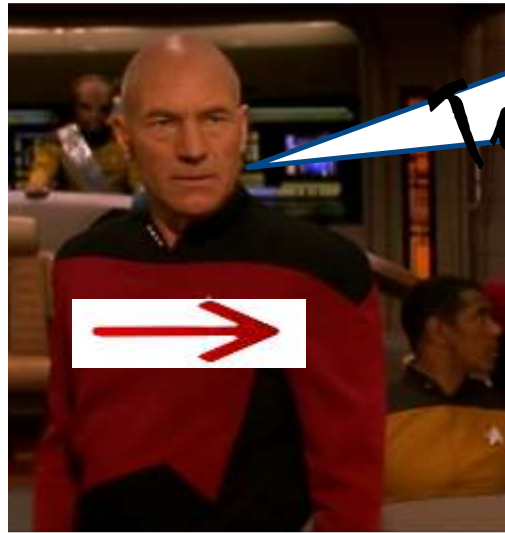
Traditional IT

LOB - - - **LOB** - - - **LOB**

CIO

Enterprise Procurement

OCIO

PAID

IT Procurement

Software Development

VP tech's "right hand"

IT Infrastructure
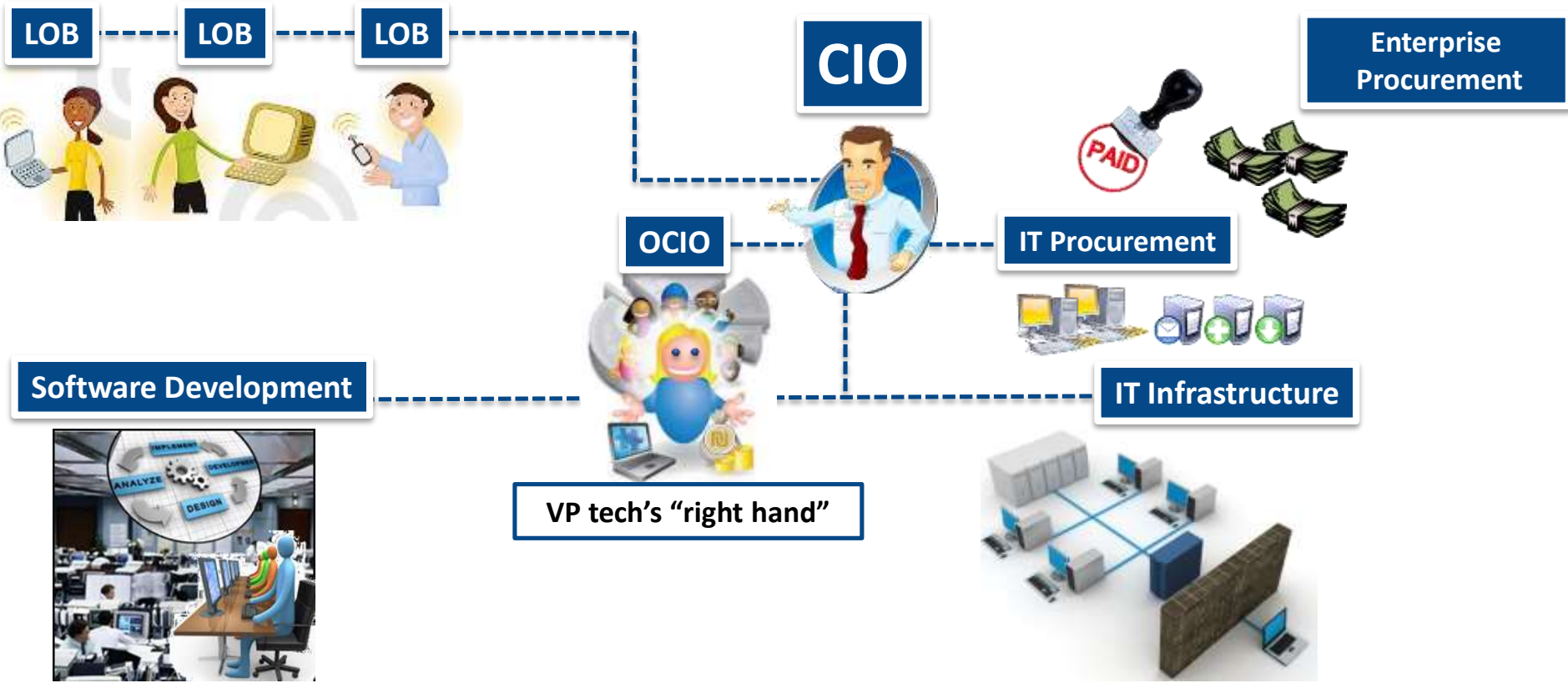
Meet the new boss of IT – internal customers who pay

Who's responsible for IT budget?

Only IT
15%

Only LOBs
5%

IT with LOBs
80%
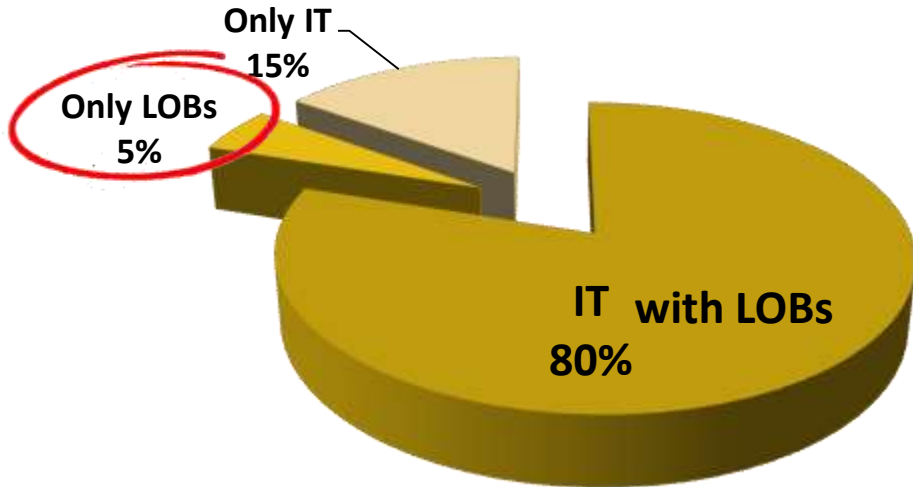
Line of Businesses

Source: STKI 2013

I LOVE YOU, YOU'RE PERFECT, NOW CHANGE

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IT Organization 2013

Line of Businesses

Pay per Use
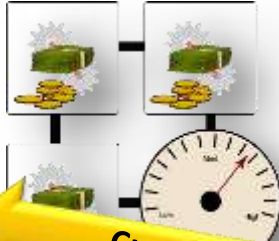
OCIO

VP TECH

Software House

Customers' needs

SOW

Enterprise Procurement

IT Delivery Services
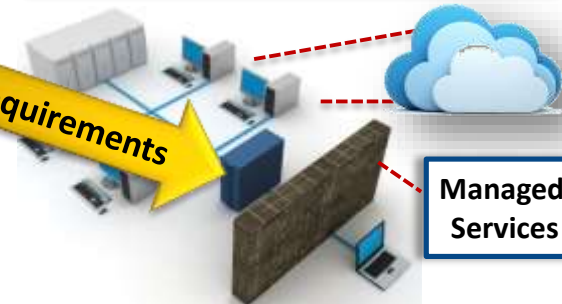
Bill of materials

Infra requirements

Managed Services

CIO must become VP Tech Consultant

- Just like CFO or HR VP

- Support business **changes**

- Define technology **innovation**

- Sale IT products and services

- **Lead business** in an increasingly technological future with vision & strategic mindset

Breaking the magic circle

Users develop their own systems

CIO that working hard on ongoing support

Users cannot get what they need from the CIO

CIO becomes irrelevant
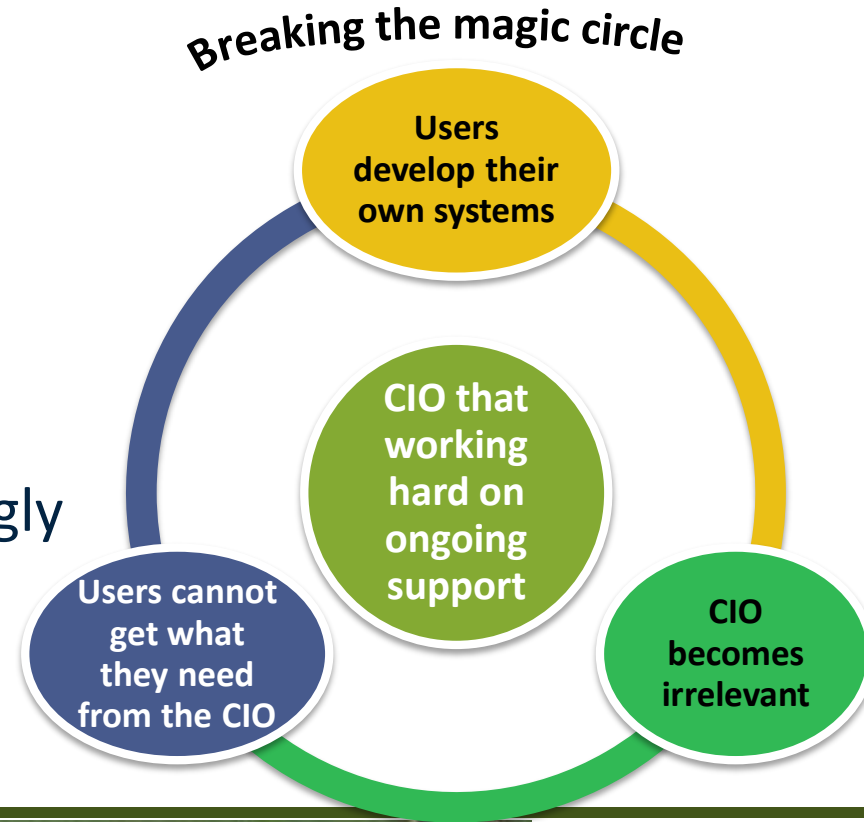
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Strategic consulting

- innovation
- improvement

Enterprise digital strategy

- new business models
- technology solutions

IT technology/ solutions

- definition
- sales
- Implementation

Delivery & ongoing support (Infra +Apps)

- cloud computing
- managed services
- IT chargeback

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Before	After
• Spend time worrying about who **controls the data**	• Help users derive business **value** from it
• Focus on what you do	• Focus on business outcome
• Demand management	• **Demand creation**
• **Align IT** to the business	• Help define the company's vision and values

Welcome to the 21st Century

OCIO Responsibilities

- IT strategy
- BRM (CEM)
- PPM – prioritization, PMO, SOW, implementation
- IT budget mngt
- Quality Assurance
- Measurement, control and reporting:
  - IT solutions usage
  - Ongoing support
- Sourcing decisions
  - Managed services
  - Cloud computing
- Vendor mngt
  - Contracts, agreements, SLAs
- IT chargeback

From gatekeeper to conductor

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OCIO Staffing Ratio

- **Average size of Israeli OTC department: 3-7**

  - ~**3 %** of IT staff (between **0.5% - 10%!**)

  - Compared to ~**7-14.6%** in global orgs

OCIO department has doubled itself in recent years

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- CIO's execution arm

- Formal definition of SOW

- Menu of IT solutions, bill of materials, and SLAs

- IT technology sales management:

  ‣ Synchronizing between what clients want and IT delivery can provide

  ‣ Negotiation, advocacy, prioritization

  ‣ Management and control of delivery services - QA

- Keep deals going and maintaining customer satisfaction

OCIO

CIO

Customer Experience Office

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But what exactly is IT going to sell?

- Flexible IT service catalog with different service levels at market competitive costs:

  ▸ It's not about making money – keep price close to actual cost: labor, maintenance, procurement, etc.

  ▸ Variety of tools available for determining the market rate

  ▸ Sometimes is impossible to do full "apples to apples" comparison

  ▸ However, this will force IT to justify higher-cost systems and applications

Very unlikely to get service catalog exactly right for the first time

Open the "box"

- "Black box" IT may struggle to compete with free market competition

- Only by understanding the cost components of each IT service :

  ‣ Better cost management

  ‣ Clear picture for business decision-makers of how their actions affect IT costs and of how IT brings value to the business

Hidden IT costs

IT Chargeback is Not a New Idea – Cost Transparency Is

- Cloud computing effect:
  - ▸ Clear price list
  - ▸ Predictable billing
  - ▸ Pay only per use

IT customers would like to get from IT exactly the same

NOT IT time & costs allocation to internal customers!

NO more all inclusive IT!
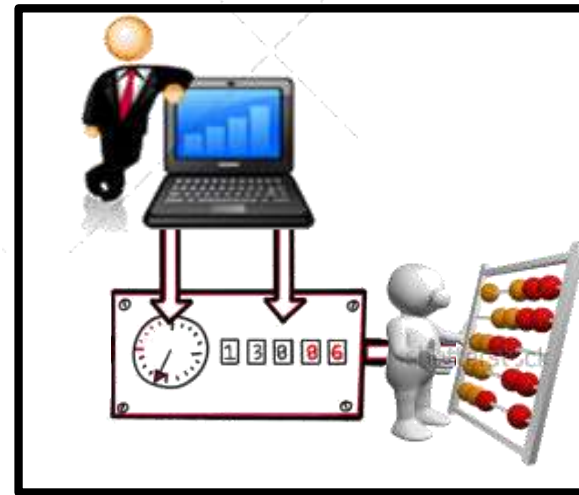
Chargeback connected to actual consumption

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- Investigate exceptionally expensive tools
  - ▸ Which apps cost more than the value they create?

- If business decision-makers will have a **clear picture** of how their actions affect IT costs and of the value IT brings to them – IT won't deal anymore with **budget cuts**!

Consume more - pay more

GASOLINE

How far do you want to go??

IT

© drivers.com

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IT Chargeback Challenges

- What are the correct parameters for shared services pricing and measurement (email, infrastructure, storage, backups, etc.)
  - ‣ Number of users
  - ‣ Usage
  - ‣ Critical service
  - ‣ Importance of LOB
- A perspective gap between the needs of one department and what's right for the organization as a whole:
  - ‣ Short term project or purchase decisions can be ineffective in organizational perspective

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IT Chargeback Trends

- Despite its importance, there is still no actual chargeback in Israel

- Best in class ITOs are just at the beginning of showing back expenses:
  - ▸ Business gained sense of true partnership
  - ▸ LOB received opportunity to provide feedback
  - ▸ War on budgets ends

Percentage IT Organizations Charging Back Each Item

Item	Percentage
Voice toll charges	45%
Desktops/laptops	45%
Datacom fixed-line expenses	37%
Voice fixed-line expenses	35%
Voice communications fixed costs	31%
Datacom fixed costs	27%
IT personnel time for ongoing support	25%
Data center processing costs	24%
IT personnel time for projects	22%

Source: Computer Economics, 2012

Figure 6
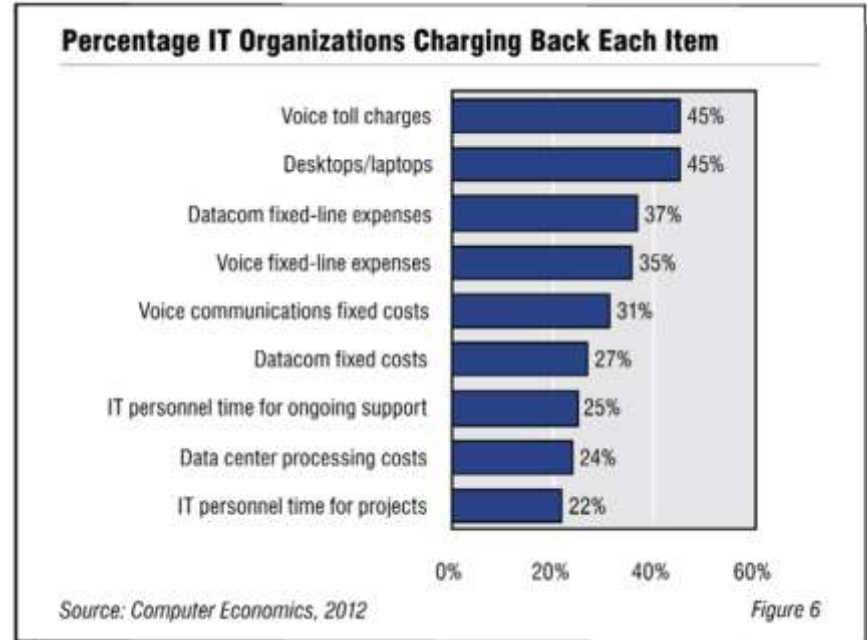
- Emerging solutions that pull data from various systems into a single repository

  ‣ Forecasting

  ‣ Budgeting

  ‣ Benchmarking

  ‣ Statements producing that show IT consumers how much they are being charged for IT services and why

Aternity
BMC
CA
HP
IBM
Neebula
SAS
ServiceNow
VMware

In alphabetical order

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IT Measurement

- Managing IT as a black box allows IT to be unmeasured according to business KPIs - the **only** (!) department among all LOBs

- Last year ITOs started arranging this persistent untreated area

- IT measurement & control – translate technical metric into credible measures of value to make informed decisions

How effective is my IT?

Need to show economic feasibility

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IT Performance KPIs

Manpower efficiency
- Staffing ratios

Operational efficiency
- Direct: Increase in productivity
- Indirect: saving in physical space, equipment, workstations, storage, paper, mail, overhead, etc.

Finance
- ROI or financial benefits from the new system or functionality to revenues growth

Customer satisfaction
- Quality, subjective KPI that often doesn't reflect the reality, but gives understanding of the perceived value of IT

IT Performance KPIs Examples

Manpower efficiency
- Benchmarks

Operational efficiency
- Service Desk Efficiency
- IT Systems usage analysis
- Systems down-time

Finance
- IT Spending as % of Revenue
- Capex VS Opex
- IT Capital/ Operational Budget Change from Last Year
- Personnel as % of IT Operational Spending

Customer satisfaction
- User satisfaction surveys
- % of IT services delivered according to SLAs
- Projects delivered on time/ budget/ clients expectations

Communicate the value your create

- It's a good thing to create value for your business

  ▸ Share the good news with all IT's key stakeholders

  ▸ IT Newspaper

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- **Bill of materials**: HW, SW, services

- IT contract shouldn't be treated **only** from **legal or procurement perspective**!

  ▸ If price is the only differentiator – vendor is a commodity with short-term relationship

- Precise definition of **SOW**

  ▸ How risky is the project/ procurement?

  ▸ Does the period of contract exceed 18 months?

OCIO

Bill of materials

Enterprise Procurement

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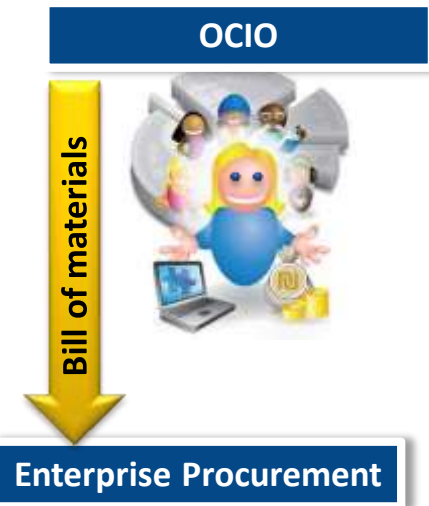
Hundreds of vendors:

- Everyone makes a profit

- Enormous **cost of selling**

  ▸ every tender – 5% of project

- **Management** attention:

  ▸ 800 vendors x 15 min = 1.5 month

$$V_1 \; x \; X\% \; - \; \text{integrations} \; < \; V_1 + V_2 + V_3$$
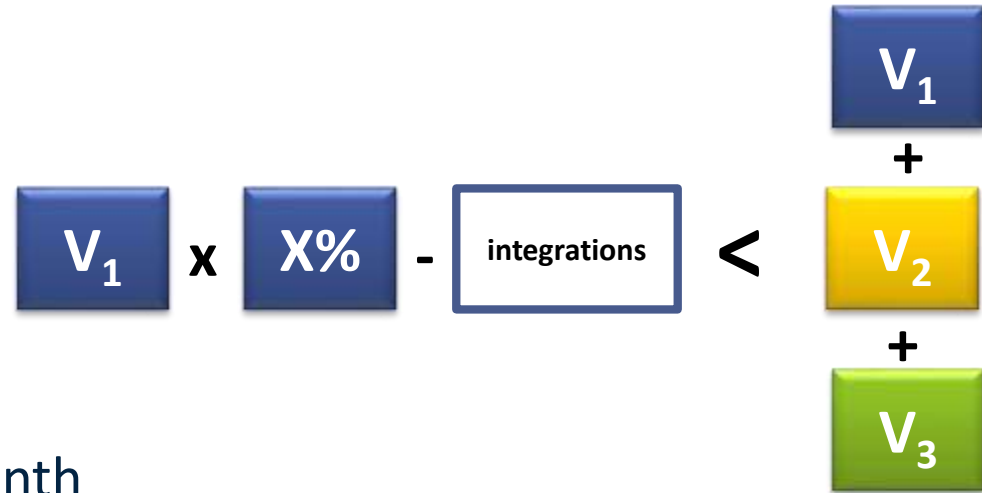
OCIO and IT Delivery (SW and HW)

Line of Businesses

CEO

CIO

Software House

Customers' ideas, needs, demands PPM

SOW SLA, QA PMO

Enterprise Procurement

IT Delivery Services

Bill of materials

Infrastructure Requirements SLAs

Managed Services
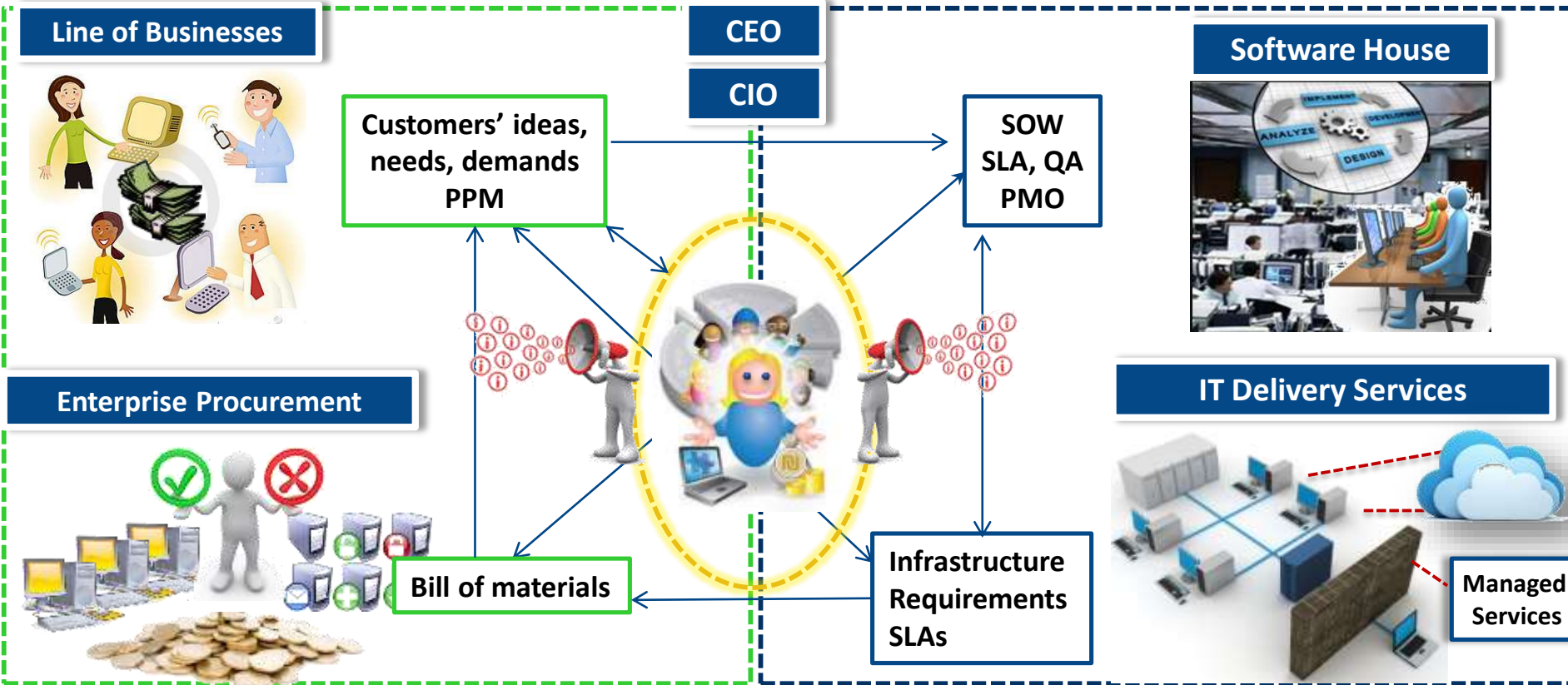
IT Delivery as a Cloud Provider

Zero capital model

Can you operate as a private cloud provider for your organization?

Next year
1. Run the business
2. Capital investment

Line of Businesses

IT Delivery Services (SW + HW)

Elastic

On-Demand

Usage Metered

Self-Service Access

Saving

Money   Time   Space

XaaS

Managed Services
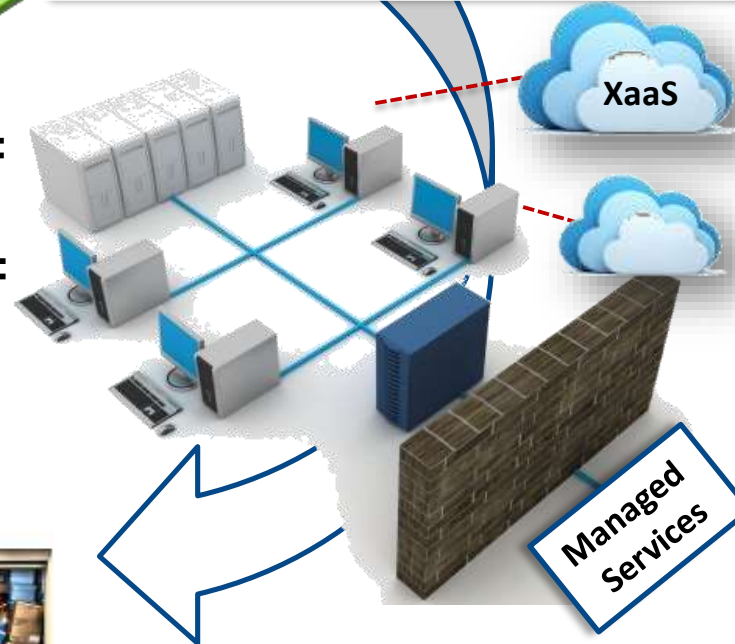
The money you charged for IT delivery this year

Make-or-break Year For Cloud In The Enterprise

- You can't do it, if you're not connected to cloud services yourself:

  ‣ Greater business **agility**

  ‣ **OPEX reductions**

  ‣ **Speed of deployment** and ease of customization

  ‣ **No purchasing**, storing, installing or and maintaining SW and HW

  ‣ Easier monitoring of software licenses

  ‣ **Automatic upgrades** with no extra time or monetary investment required

  ‣ **Minimal training** and "hand holding" required

Most Israeli organizations plan to start using SaaS in 2013

30% No plans

70% Plans to use SaaS in 2013
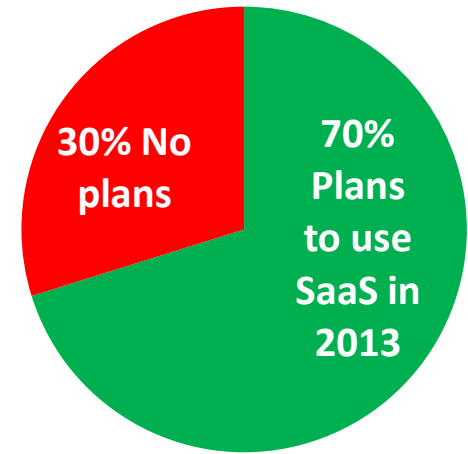
Source: STKI Survey 2013

- Together with simplifying some aspects of IT – CIO will manage more complex, hybrid environment:

  ‣ Cloud services, internal IT and old legacy apps

  ‣ Data integrity, security, data integration across multiple services

- Outsourcing providers are needed!

  ‣ **Utility providers** – efficiency and cost

  ‣ **BPO providers** – HR, customer support – apps and services at scale

  ‣ **Orchestrators** – trusted broker with deeper operational experience across all business processes and technology solutions

SMART

DUMB

- Plan hybrid IT architecture that provides both agility and security

- Ask to see the financial statements, visit references, require SLA

- Make sure that security, auditing and access are controlled by ITO

- Invest in separation agreements

  - What happens when a provider doesn't comply with SLA and holds your data as hostage?

IT Delivery Optimization & Ongoing Support Costs Decrease

1. **Understand the IT Cost and Staffing Structure**

2. **Leverage the Cloud**

3. **Enlarge and Elevate the Role of IT –** Integration, Intelligence, Innovation

IT budget increases are limited

CIO must lower ongoing support costs

Requests for new IT initiatives are increasing

IT budget and staff time can be focused on more value-added activities
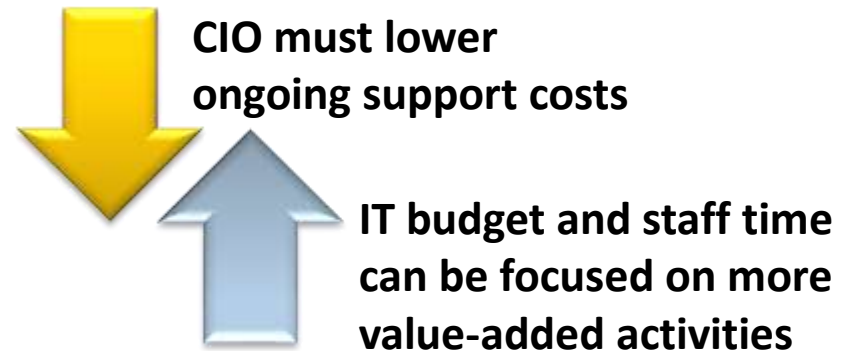
Biggest Opportunities for IT Budget Reduction

Millions of Dollars

The biggest bang for the buck comes from focusing on salaries, staff and software.

Traditional areas of IT spending (hardware, telecommunications, managed services, etc.) offer much-lower rewards.

IT Spending Over the Last 3 Years

Offer little rewards and will require disproportionate effort to secure efficiency rewards/

Categories: Salaries, Software, Contract Labor, Hardware, Telecommunications, Managed Services, Facilities, Mobile, Consultancy, Accessories, Print Technology, Training, DR, Content, Mixed IT, Web Services, Other

Note: Although a valid case study, for illustrative purposes only and not meant to be a goal for an individual enterprise

■ 2010 ■ 2011 ■ 2012

Gartner.

10

PPM Maturity Model

4. Strategic
Customer experience mng, business enabler, integrated tools with business, benefits realization tracked

3. Controlled PPM
Prioritized demand mng aligned to business goals, resource & budget mng and transparency

2. Emerging
PPM practices in place, processes automation, staff allocation, central budget mng

1. Traditional
PMO in place, single project mngt, no tools, no cost/ benefits analysis

- Who's in charge of fully understanding the project's

  ## scope of work?

- Do you have project contract agreed by both sides?

- If not – how do you know what is in scope and what are additional requests

- Do you circle back after project completion to make sure that project outcomes deliver the value laid out in initial justification?

✓ **On budget**

✓ **On schedule**

? **On scope**

? **On quality**

"On time" and "on budget" are not the project goal, but offer real value to the organization
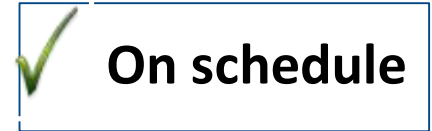
Project Success Measurement

מתי פרויקט IT נחשב לפרויקט מוצלח?

49% �— הפרויקט השיג את מטרותיו

27% �— הפרויקט לא חרג בזמן או מתקציבו

24% �— השימוש במערכת נעשית כפי שתוכנן
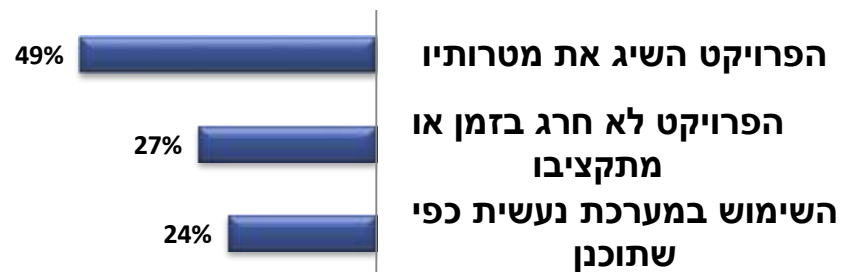
מהם הסיכונים הנמדדים של פרויקטי IT?

65% �— חריגה בזמן/ תכולה/ תקציב

35% �— משמעות כישלון הפרויקט על ארגון

Source: STKI 2013

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OCIO? It works!

■ OCIO established   ■ No OCIO

Potential ROI is assessed before approving projects
- 78%
- 34%

PPM standardization established to assess project value and remove politics from decision-making
- 67%
- 32%

Post completion meeting is conducted to determine success of project and lessons learned
- 52%
- 23%

Decisions are made from a single verson of the data
- 47%
- 12%

Source: STKI Survey 2013

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IT Knowledge Integrators

It's not about the tool, but it cannot succeed without it

- Full PPM solution — **33%**
- PPM solution exists but lacks some functionality — **31%**
- In the middle of implementation or tool examination — **13%**
- No solution, no investment at the moment — **23%**

Source: STKI Survey 2013

stki.info
IT Knowledge Integrators
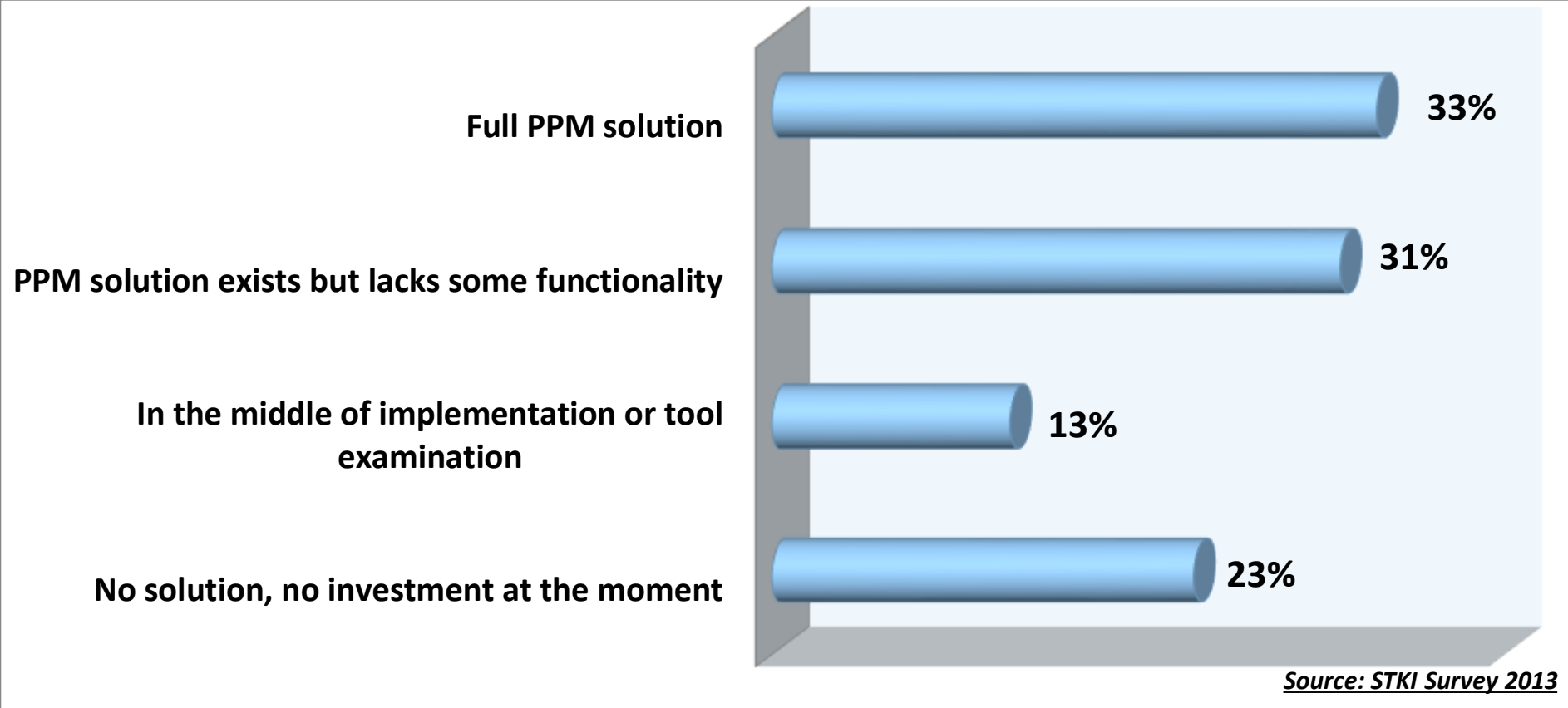
Three industries are not there yet

No solution, no investment at the moment — 23%

- Industry/ High Tech — Budget considerations
- Government — Waiting for central solution
- IDF
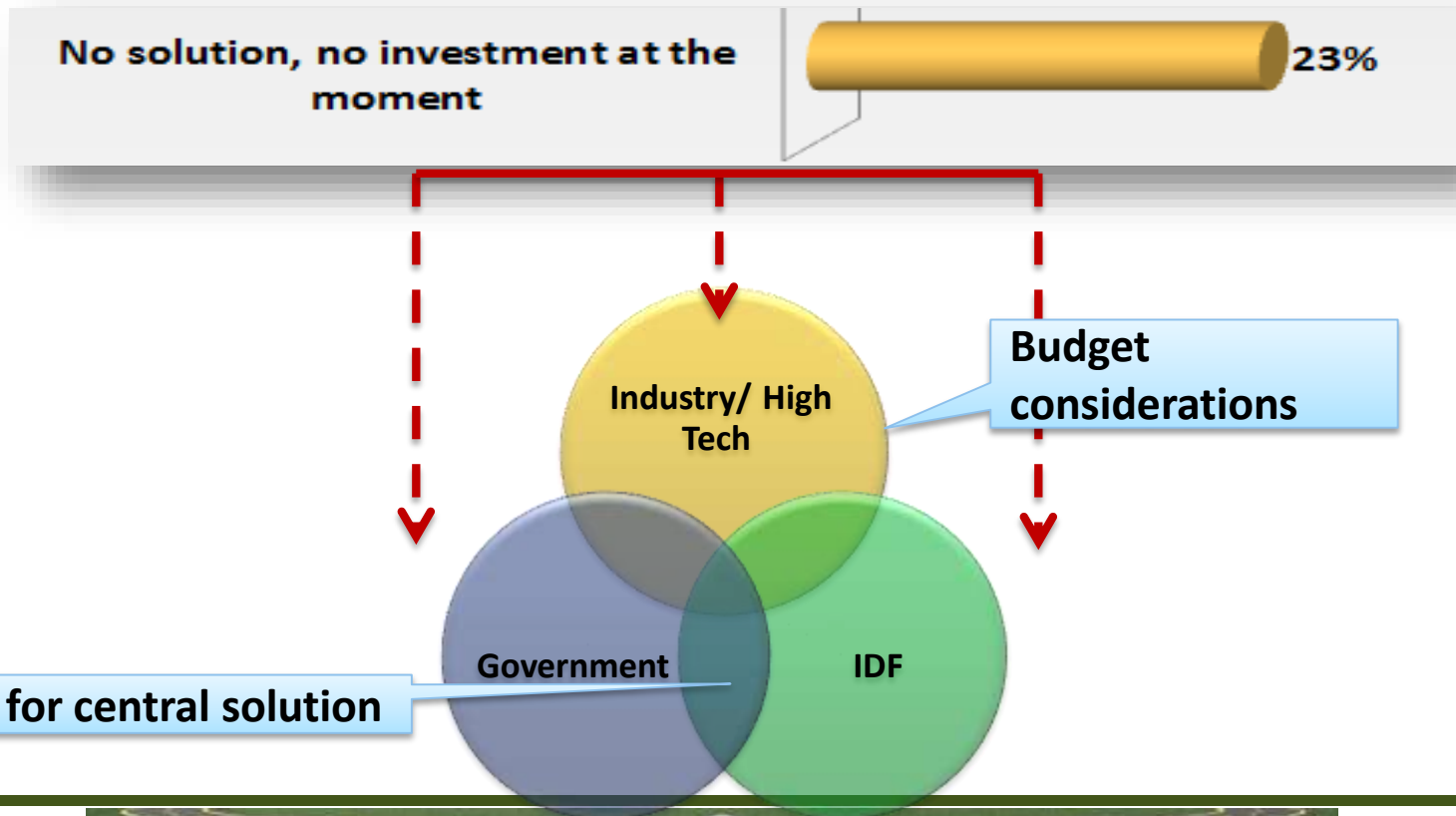
PPM Tools - Positioning of the Israeli Market

PPM Tools & Integrators in Israel

	Clients	New Clients 12'	Integrators
Clarity (CA)	Ministry of Tourism, Clalit, SanDisk, Leumi Card, Harel, Jewish Agency, Strauss, Bank Leumi, Orange	Pelephone, Bank Mizrachi, Playtech, Bank Hadoar	Proceed
	Teva		CA
		Playtech	Orantech
MSP	Menora, IAI, Ayalon-ins, Cellcom, Phoenix, Leumit, Justice Department, Clal Bit, Bank Igud, Delek, Paz, YES, Min.of the Environment , Visa CAL, BDO <u>CIO Dashboard:</u> Random Logic, IDF, Elbit. iTeam (budget planning)	Bank Discount, Migdal, MOD, Prime Minister's Office	ONE1
Sciforma	Bank Discount, Menora, Teva, Visa Cal, BVR, Nova, Evogene, Leadcom Hazera Genetics, Bid Band Networks, IDE, Veraz, Opgal, Teva Tech, HOT, ZIM, Isracard, Machteshim agan eng, Intel ISDC, Plasson Given Imaging	ICL, Solaredge, Teva API CM	Xioma Signifer, Aman

PPM Tools & Integrators in Israel

	Clients	New Clients 12'	Integrators
EPM (Microsoft)	M-system, Leumit, IAI, IAA, Lotem, Bezeq, Mekorot, Orbotech, Bank Leumi, Coca-Cola, Nice, <u>Matan</u>: Machteshim Agan, Prime Minister, Maccabi, Alvarion, IAA, Better Place, Tnuva, Random Logic; <u>Orantech</u>: Netafim, ECI, Ceragon, Logic, AD Gency ,Sol gel ,Rocar ,Playtech, Sandisk; KAKAL, MODU, Kodak, RAD; <u>PZ Projects</u>: Min. of Foreign Affers; Proceed: Malam	MS 2010 Amdocs, Defense <u>Matan</u>: Strauss, Tel-Aviv Municip. Elta, Marvell <u>Orantech</u>: Navy, Shabas, Teva R&D, Sorek, Leumi Le'Mashcantaot <u>PZ Projects</u>: Justice Department, Elisra	Matan, Orantech, PZ Projects
SAP PPM		IEC	SAP, other potential SAP integrators
PPM (HP)	Mataf, Motorola(Global), LivePerson		HP, BDA

PPM Tools & Integrators in Israel

	Clients	New Clients 12'	Integrators
Approach PPM on Force.com	Netafim		Approach, SalesForce.com
Clarizen	Tnuva	SMBs	Clarizen
Compuware Changepoint	Jacada (Global), Retalix (Global)		Matrix
ITCC		ECI, Tama, Metro Motor	that's IT
EPMLive			Methoda

Open System PPM Systems

OS PPM SW	Web Site
OpenPPM	openppm.sourceforge.net
Clarizen	clarizen.com
PPM Central	metier.com
AtTask	attask.com

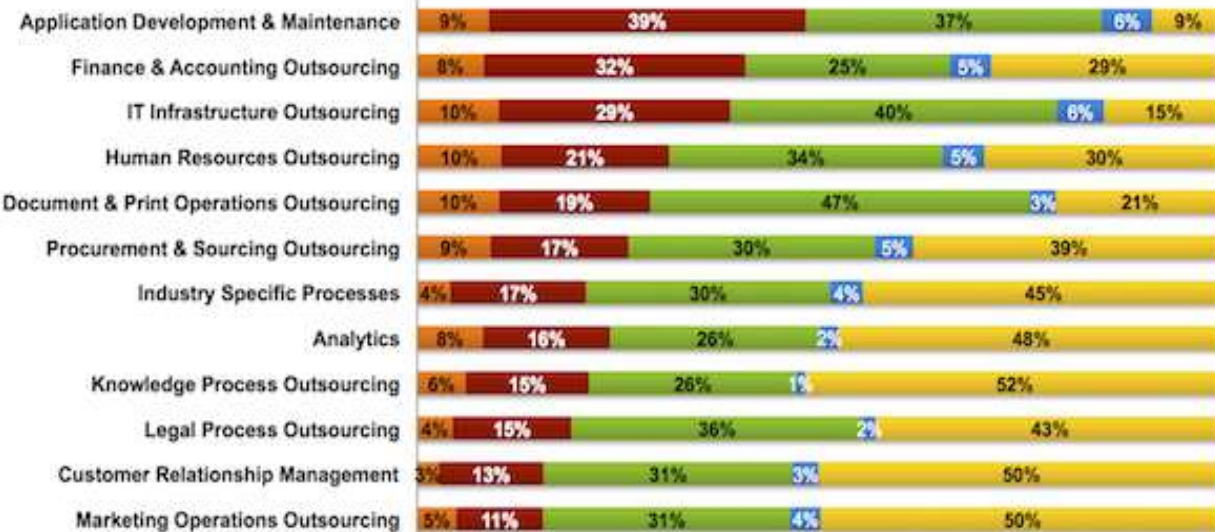*More info on Project mngt: http://en.wikipedia.org/wiki/Comparison_of_project-management_software*

Sourcing Strategies Trends

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IT Knowledge Integrators

Plans to Outsource in 2013

Q. Are you likely to increase or decrease your outsourcing activity across the following areas in the next 12 months?

- Start for first time
- Increase scope
- Stay the same
- Decrease scope
- No plans to outsource

	Start for first time	Increase scope	Stay the same	Decrease scope	No plans to outsource
Application Development & Maintenance	9%	39%	37%	6%	9%
Finance & Accounting Outsourcing	8%	32%	25%	5%	29%
IT Infrastructure Outsourcing	10%	29%	40%	6%	15%
Human Resources Outsourcing	10%	21%	34%	5%	30%
Document & Print Operations Outsourcing	10%	19%	47%	3%	21%
Procurement & Sourcing Outsourcing	9%	17%	30%	5%	39%
Industry Specific Processes	4%	17%	30%	4%	45%
Analytics	8%	16%	26%	2%	48%
Knowledge Process Outsourcing	6%	15%	26%	1%	52%
Legal Process Outsourcing	4%	15%	36%	2%	43%
Customer Relationship Management	3%	13%	31%	3%	50%
Marketing Operations Outsourcing	5%	11%	31%	4%	50%

Source: HfS Research 2013, *n* = 399 Buy-side Enterprises
"2013 State of Outsourcing" Study, conducted with the support of KPMG

- **Although 2012 was pretty dire for the WW outsourcing, it's planned to be more embedded than ever in IT strategy**

  - 50% looking to *increase* application services

  - 40% - finance and accounting; infra

  - 30% - HR

2000

Same goals for 7-years agreement

- **Cost reduction and focus on core business**

2013

Continually increasing contributions to the business

- **Business process effectiveness and transformation**

Cloud and Outsourcing – not the same!

- Not a business differentiator

- Common, high volume requests

- **Niche, separate from business**

  SaaS — **Common app**

  PaaS — **Unique app**

  Cloud IaaS — **Legacy app**

- **DC transformation**

- **Big projects**
  - Complex SW delivery

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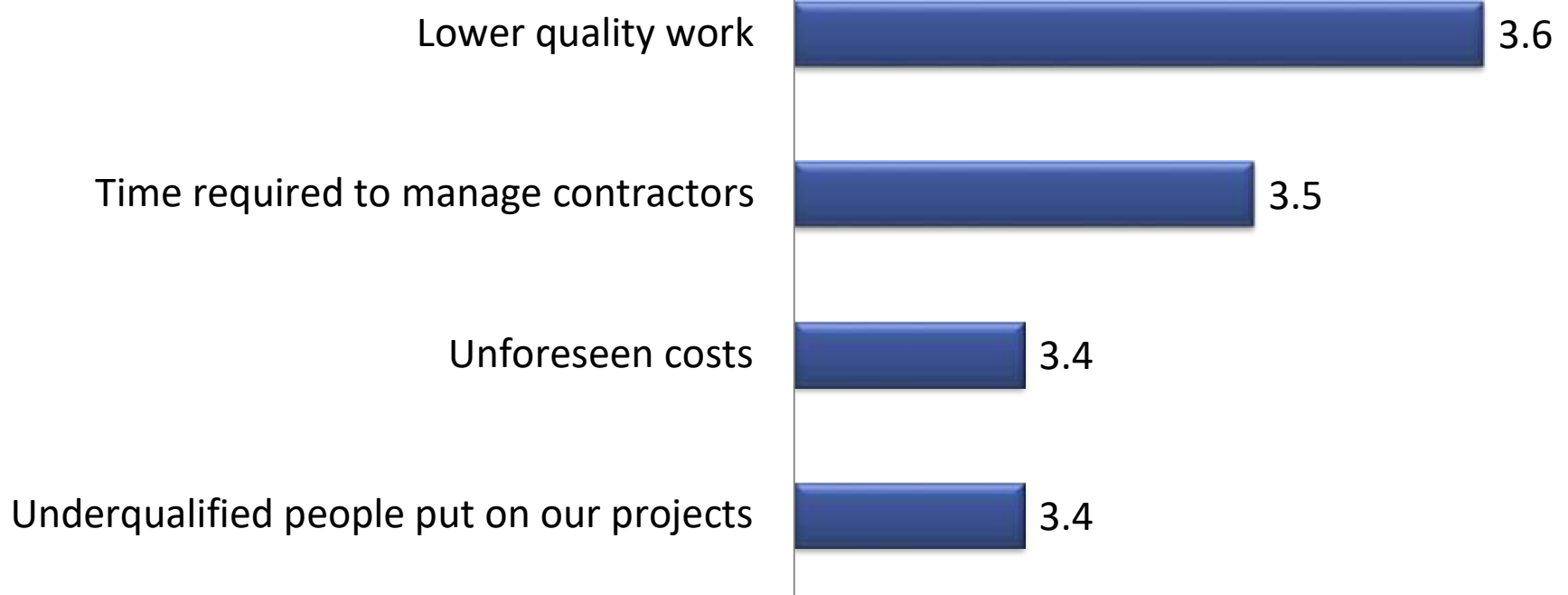
- Low-cost cloud services will cannibalize outsourcing players' revenue

- IT outsourcers that not investing enough in cloud value-added services will disappear through merger and acquisition

- Outsourcing providers will shift to services "sourced from the Net" and paid on the outcome, not on an employment basis

Sourcing Concerns

Lower quality work	3.6
Time required to manage contractors	3.5
Unforeseen costs	3.4
Underqualified people put on our projects	3.4

Use of Outsourced IT Services in Israel

Does your company use outsourced IT services? (This could include staffing, support, development, management, etc.)

Outsourcing — 78%
Nearshore — 27%
No — 22%
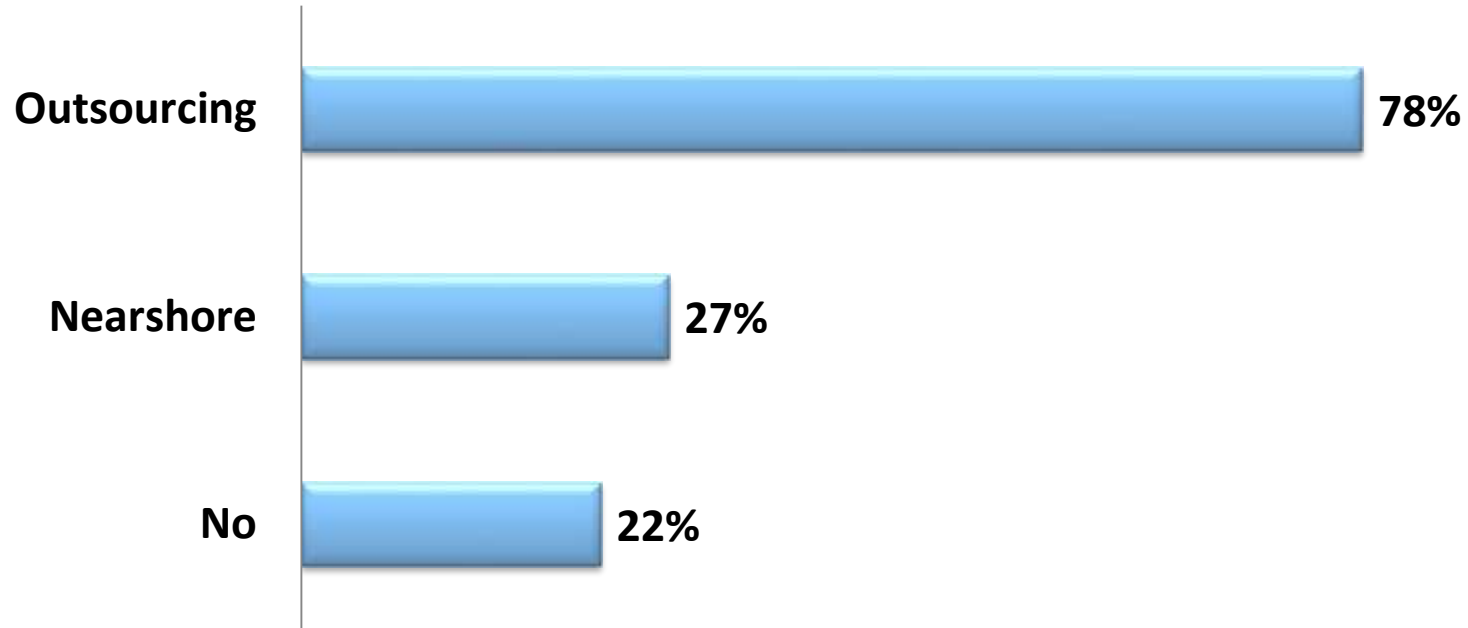
- 2012 was a year of contract workers reassessment:

  ▸ Crises in employer - employee relations

  ▸ Stricter regulations

  ▸ Demand for opex reduction

  ▸ Hashkal

- Backsourcing, contracts re-opened

  and recruiting again

Permanence

Justice

Equality

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www.marktoon.co.uk
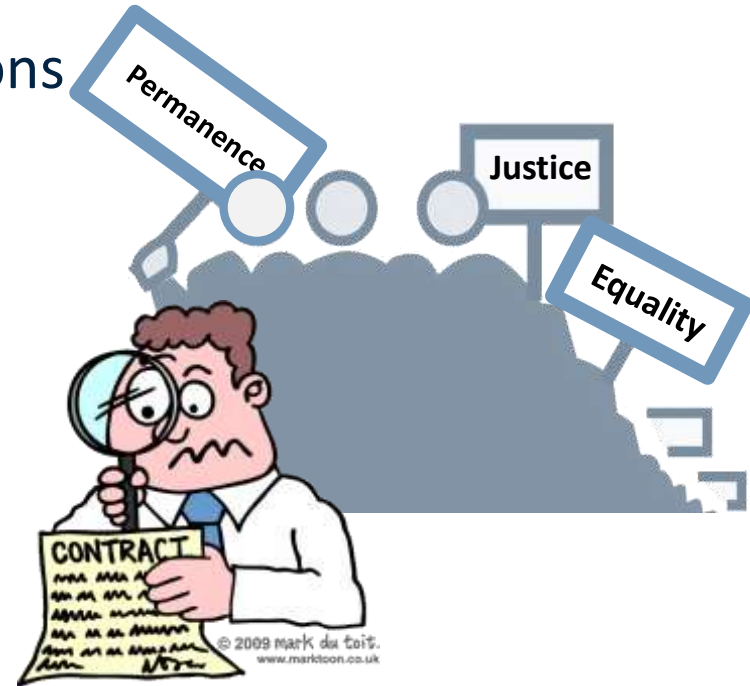
CONTRACT

Operational Temps Pendulum

Upswing - Hiring temps → Ready to pay premium for flexibility

↓

Downturn –
Re-negotiation contracts/Big discounts
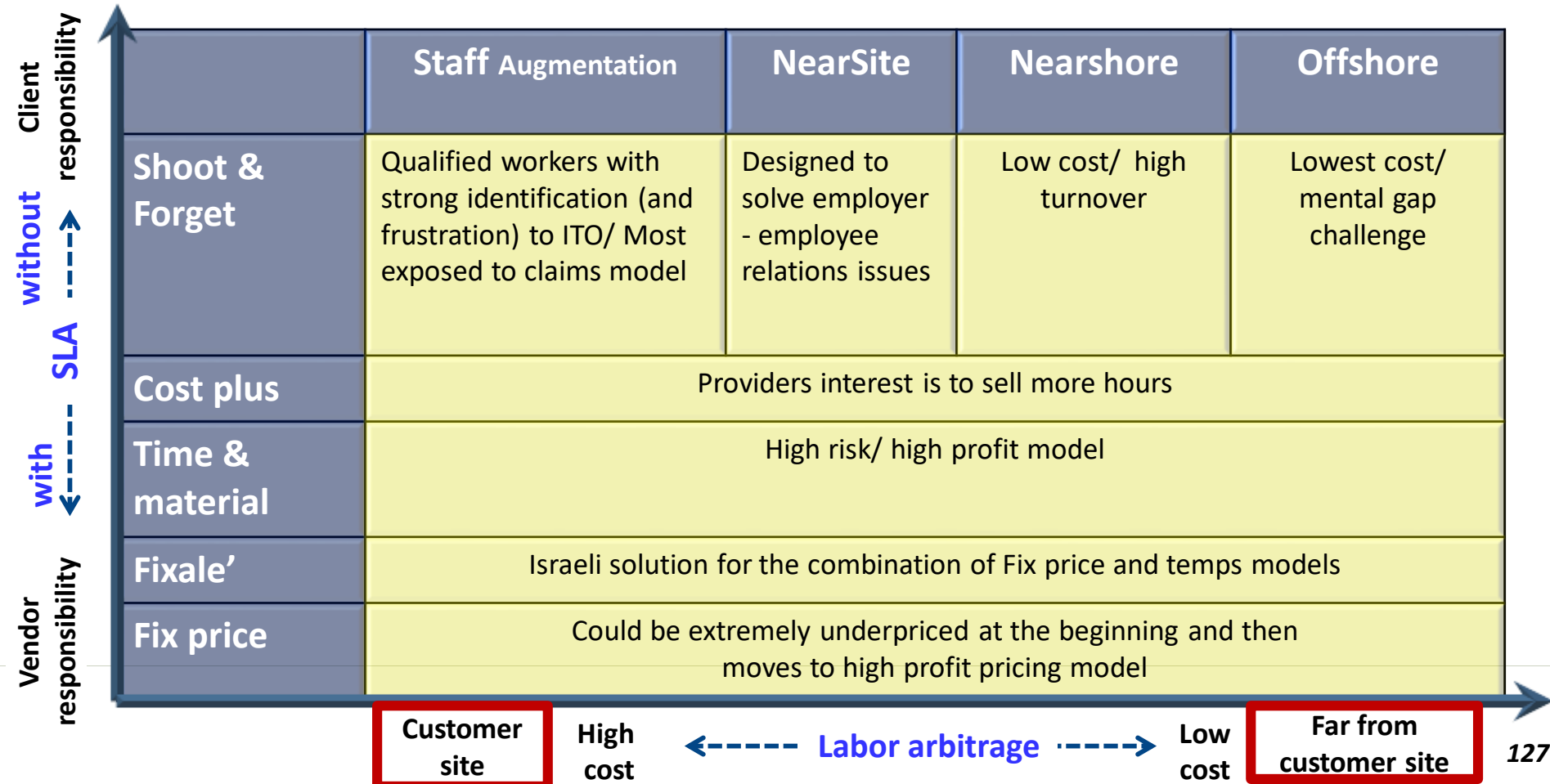
←

Poor quality/ Layoffs

↓

Need for flexibility → Hiring temps

Assessment problem of Operational temps quality work

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New Models Flood

	Staff Augmentation	NearSite	Nearshore	Offshore
Shoot & Forget	Qualified workers with strong identification (and frustration) to ITO/ Most exposed to claims model	Designed to solve employer - employee relations issues	Low cost/ high turnover	Lowest cost/ mental gap challenge
Cost plus	Providers interest is to sell more hours			
Time & material	High risk/ high profit model			
Fixale'	Israeli solution for the combination of Fix price and temps models			
Fix price	Could be extremely underpriced at the beginning and then moves to high profit pricing model			

Client responsibility

without ----➤

SLA

with ----➤

Vendor responsibility

Customer site | High cost | ◄----- Labor arbitrage -----➤ | Low cost | Far from customer site

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Choosing a Contract Type

Source: ComputerEconomics

SOW is well defined and has low procurement risk → **Fixed-price contract**

Specifications are vague change in requirements → **Cost plus**

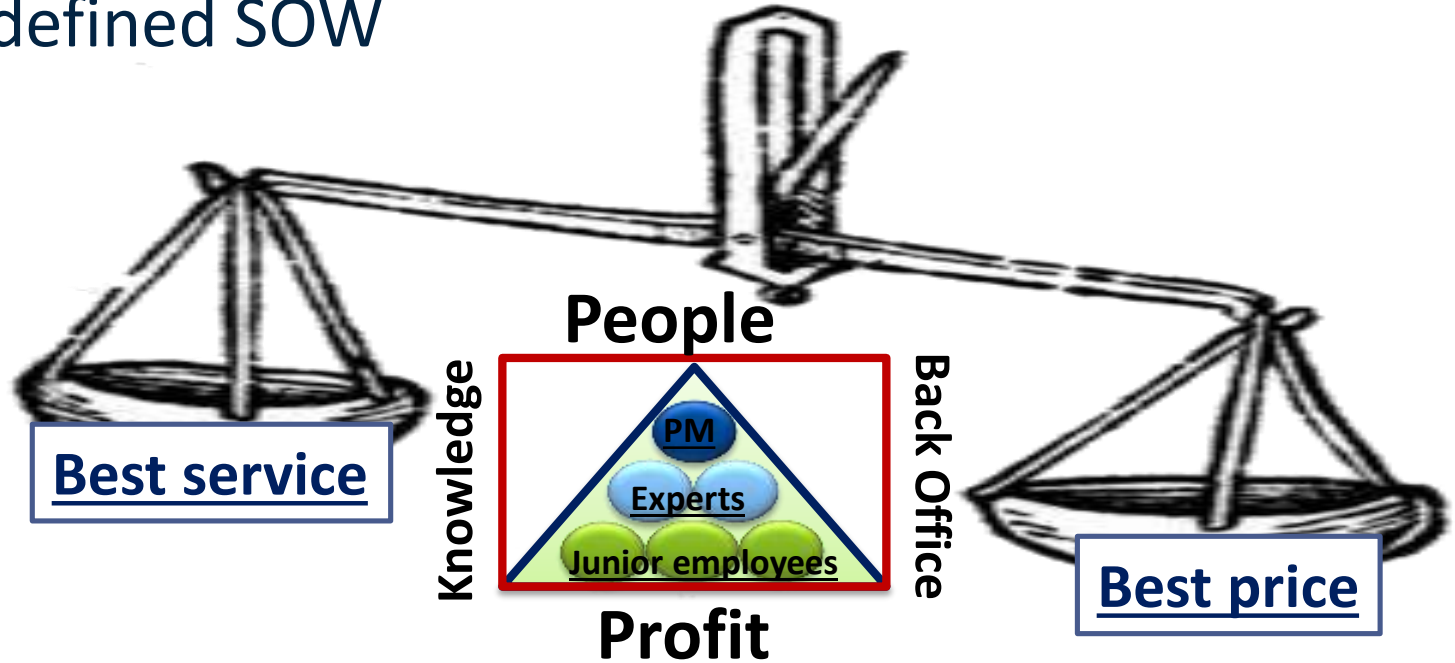**Project needs flexibility** → **Time and Materials Contracts**

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- Small, manageable packages of work:

  ▸ different packages priced at different levels

- Specific IT operations with service provider responsibility:

  ▸ security, patches, backups, networks and apps

- Decide what you want the service provider to take care of, and what you want to handle yourself

- Fix price with a variable component

- Well defined SOW

- SLA

People

Knowledge

Best service

PM

Experts

Junior employees

Back Office

Best price

Profit

Before

- Core business
- Scalability
- Difficulties in recruiting people
- Reducing IT personnel
- Dealing with labor unions
- Reducing personnel mngt headache

Flexibility

Today

- Cost reduction
- Disconnecting employer - employee relations
- Stricter regulations
- Expense predictability
- Opex (or Capex) reduction
- Difficulties in recruiting people

Flexibility

Outsourcing

First outsourcing models

- Single-sourced
- fixed-price, all-inclusive
- resource controlling
- limiting flexibility
- even increasing costs

Multi-vendor sourcing

- Difficult to manage
- no single view of processes
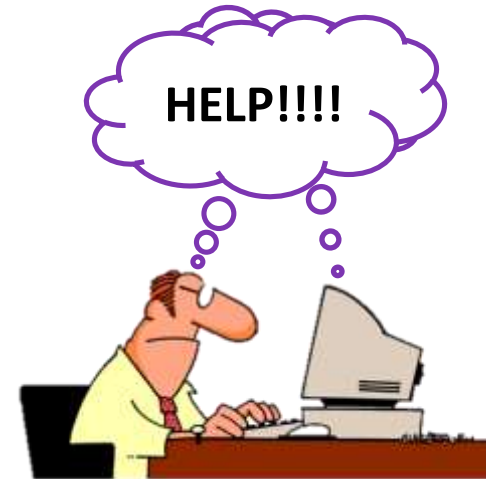- no consistent SLA
- escalating mngt costs

Cloud-based outsourcing

- Outcome focused
- usage-based
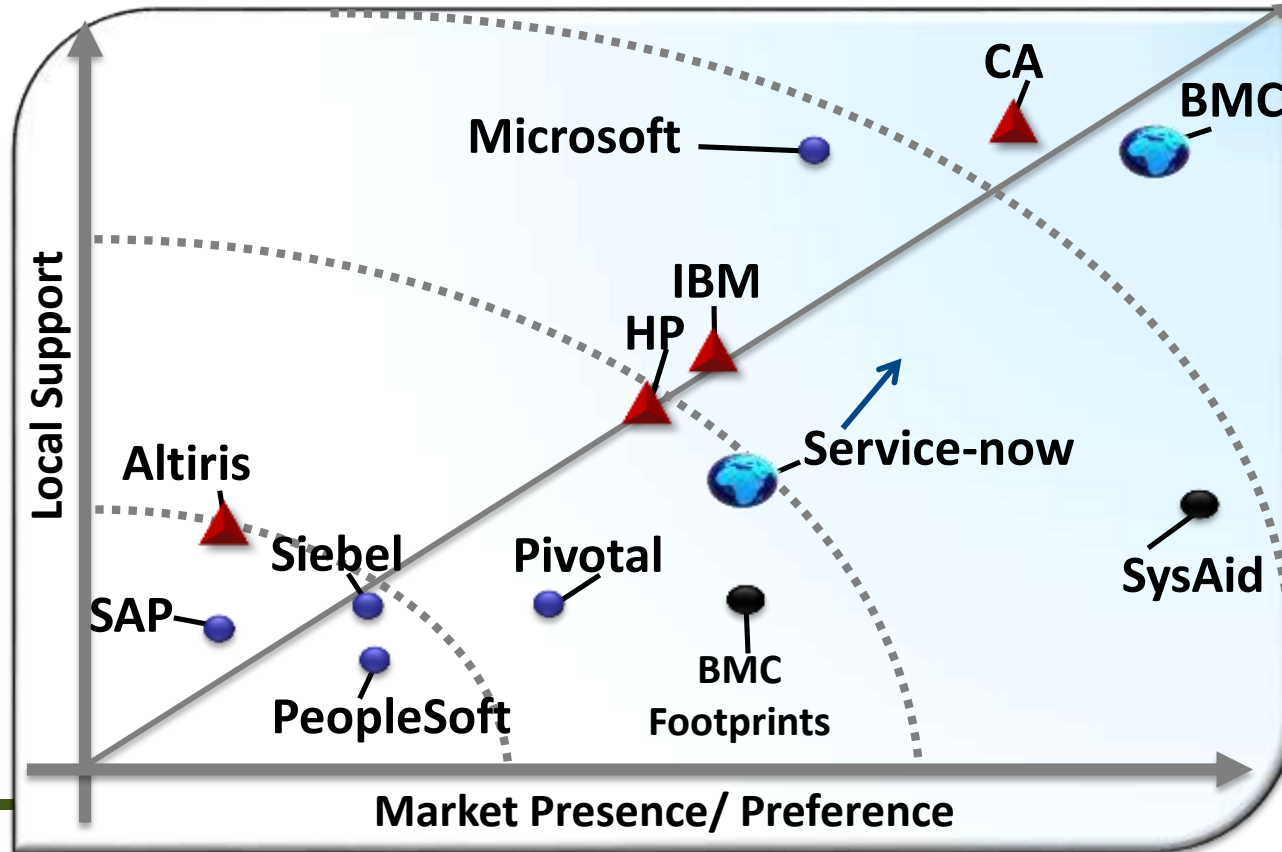- location agnostic
- virtual services
- Flexible and scaling

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IT Service Desk Trends

- Clients become more savvy (Gen-Y): incidents' complexity increase

- Self-service: users prefer using blogs, vendor and user online support sites, and social networks to find answers instead of using service IT HD

- Mobile devices need attention: ~20% HD calls rise

- ITSM tools: Service catalog and cost mngt, first

   IT service desk SaaS enterprise solutions

HELP!!!!

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IT Knowledge Integrators

Local Support

CA

BMC

Microsoft

IBM

HP

Service-now

Altiris

Siebel

Pivotal

SAP

SysAid

PeopleSoft

BMC Footprints

Market Presence/ Preference

Worldwide IT SD Leader

Enterprise

SMB

IT HD Modules from CRM packages

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IT Service Desk Tools & Integrators in Israel

	Clients	New Clients 12'	Integrators
CA Service Desk Manager	Bank Discount, Elta, ECI, HOT, Teva, Elbit, Osem, Mekorot, DSW, Bezeq Int, Beit Berl, Israel Police, Tnuva, Central Bureau of Statistics, EL-AL, Tamas, TASE, Ministry of Health, Tel-Aviv Municipality, Herzelia Munic. Clalbit, Shabas, Rafael, Isracard, 888, 9900, Bank Hapoalim, Mifal Hapais, Ministry of Justice, Ministry of Defense, Yediot, Petah-Tikva Munic, Bank Israel, Ministry of Immigration, RASHAT, Teva (Bar), Brom, Lotem, Ness (SaaS), Haaretz, Phoenix, Bank Yahav	Clalit, Yahlam Service catalog: Mekorot, Elbit	CA, Ness, Malam -Team, Techmind
BMC Remedy	Zim, Malan, IGS, MED Nautilus, Malam, Kneset, NDS, Social Insurance, Uniliver, Creo, Intel, Motorola, Summit Design, Polycom, Cellcom- eng. HOT-eng. Partner – eng, Sandisk, Comverse, Nice, IAI, Better Place, Migdal, SCD, 012 - eng., Texas Instrum , Netvision eng.	Amdocs, Frontline, SCD, Bezeq, IEC	Matrix
BMC Footprints	Calmobile SIVA Sintech media, ביטוח איילון, עיריית ירושלים ומנועי בית שמש		Omnitech

Galit Fein's work/ Copyright@2013

IT Service Desk Tools & Integrators in Israel

	Clients	New Clients 12'	Integrators
ServiceNow		Partner, Netafim, Melanox, Ness IT	Ness, Dicomano
HP	HPOV:IDF, Netafim, Shaam, Open University, Orbotech, Tower Semiconductors, Haaretz; Service Manager: NDS, PlayTech, Shupersal Tefensoft: Menora, Prime Minister, Hadasa, Machteshim, Maman, AudioCodes	–	Aman, HP
IBM TSRM	Harel, Menora, Bahai World Center, Edgar Real-estate, Natgaz	Ministry of Health	IBM, Addon, Ludan
Altiris Symantec	Callmobile, IDF	Ormat	Aman, Bynet, Netcom, GlassHouse

IT Service Desk Tools & Integrators in Israel

	Clients	New Clients 12'	Integrators
SysAid	(300 Israeli clients) Jonson & Jonson, Highway 6, Omrix, Wintegra, Sami Shimon College, Africa Israel, Mei-Eden, AIG, Electra, McCann Erickson, Diesenhaus unitours, Opal , Flash Networsks, Liveperson, Hertz, Psagot Ofek, Coca Cola, Beit Barel College, Ashdod Port, Technion, Shila, Sugat, Gadot, Bezeq Int. AeroScout, Strauss, IKEA, Delek, Tempo, 013 Netvision, Tami4 ,Bank of Jerusalem Leumi Mortgage , Bituach Yeshir, Holmes Place, Ashot Ashkelon, Netformx, Fishman, Hospital-Nahariya, halman aldubi, Eged Tour, Zoglobek, Madanes, Tempo, Beeri print, Lubensky, Shlomo Sixt, Excellence, Elul, Ophir optronics, Realcommerce, Nextcom, Fritz, LR Group, Israel Ports, Magicsoftware, Cal auto, West galilee collage, Maabarot Products, Haifa Port, PharmUp, Lageen, ICQ, Logic, Tambur, Kamada, The Nation Traffic, Elcam, Carmel container systems, Brightsourceenergy, Kavim, Gitam BBDO, Rishon Lezion Muni, Dania sibos, Baran group, Tower Semiconductors, Bee Group, Betterplace, Keshet TV, Leumi Card, FedEX, WIX, Optier, Tahal, TGS, Palram, Sapience, Orca, UPS, Beeper, Intel labs, Mivtach Saimon, Albar, EMC, Tel-o-Fun, Dash, EL-AL Sec, Sapir collage, Diplomat, Hulon Muni, Shlomo Insu, conduit, Hadssa hospital , Tradenetworks, Ceragon, Rokar, Celtro, National library, IDC, Nova, Ambar, Mediamind, UTI, Barzilay Hospital, Afimilk, David Intercontinental, Hertz, Isrotel, IKEA, IMsoft, Tmura, polymerlogistics, shastovich, , Imperva, Haifa university, mashcal, Tel-hai collage, IBI, D&B, Opgal, Madanes Insu Shlomo Sixt, Caesar stone ,Magic Cal auto West galilee collage Lageen Logic, Motorola ,Safe city, Gitam ,BBDO Danya-cebus Tower Semiconductor Tcpoit Keshet TV, FedEX WIX - Fibernet, Sapir collage Albar Intel Labs Dash El-Al Sec Div Diplomat Holon Muni Rokar Tiny love IDC NOVA IMDsoft Tmura The Council for Higher Education Imperva Netformx Ashot Ashkelon Eged Tour Environmental Services Company Ltd. (ESC) Shirbit, and many more	Netformx, עשות אשקלון, TOWER JAZZ אגד,DELEK IT,semiconductor שירבית, ESC LOGIC,תיור, מוטורולה – רכבת, תדיראן, אלטשולר שחם, יגאל ארנון, ימין אורד, אינטל פתח תקווה, ויסוצקי, jajah, מילגם, Techjet ברמד, ריסקו, קבוצת עזריאלי, מעלה אדומים, Solaredge אוברסיז, MER שופרסל, מימון ישיר, רינהולד כהן ושות', אוניברסיטת בן גוריון, פלסאן, Tradency גלעם, אינקרדימיל, מדינול, דקסל, נמל חיפה 2, HSBC, JCT, הכשרה ביטוח , Retalix, נירלט, המכללה למנהל, James Richardson ,McKesson, ORIAN , מגה, סופר פארם	Consist

IT Help Desk Modules from CRM packages

	Clients	New Clients 12'	Integrators
Microsoft CRM	Ministry of Finance, Israeli Navy, Intel, Prime Minister, Eldan Advantech: Eged, Shikunbinui, Amidar, Volcani Center, Lavi EL AD: Judicial Authority, Ministry of Transportation, Court Malam-Team: TAU Guardian: Baad15, Jewish agency Matrix-Effect: Igud, Malan, Cellcom, Visa Cal, Machteshim-Agan, Marlboro, Ministry of Education Almog: Telmap Ministry of Health, Shikun & Binui, TOTO, Osem, College of Management	Prodware: Shaam, Tax Authority; Malam-Team: Mevaker Hamedina, Kfar-Saba municip, Ashdod municip; E4D: YES	20 Partners, including: Matrix-Effect, SIT, Advantech, Malam-Team, Prodware, E4D, Bynet SW, Yael, El-AD….
Pivotal	Bat-Yam Municipality, Exlibris, Systematics, Panorama, Telmap, Ericom,FGG Radvision, Gilat, Shahal, Ritalix, Globs, Tadiran, Orad, Maccabi, Negev Ceramics		ONE1
SAP	Paz, Isr. Government, Bazan, Bank Hapoalim (modul)	–	Ness, Taldor, Advantech, Value plus
PeopleSoft	Ministry of Foreign Affairs, Mamram, Bezeq	–	Matrix
Siebel	Tnuva, Golden Pages, Bank Leumi		Taldor, IBM
SalesForce	Yad Hanadiv		Service Wise

ITSM SaaS Israeli Market 2013

Vendor	Product	Target Market
BMC	BMC Remedy OnDemand	Enterprise and service providers
	BMC Remedyforce Service Desk	All markets
CA	CA Service Desk Manager	All markets inc. service providers
HP	HP Service Anywhere	Mid-to-Large enterises
IBM	IBM SmartCloud Control Desk	Enterprise and service providers
ServiceNow	ServiceNow	All markets
SysAid	SysAid Cloud Edition	SMB

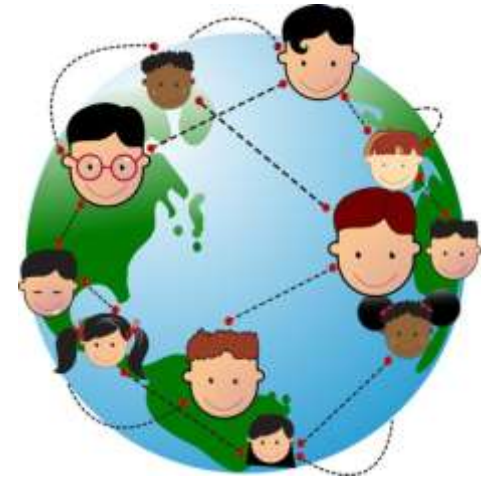http://blogs.forrester.com/category/service_desk

Open Source Help Desk Software

OS HD SW	Web Site
RT: Request Tracker	bestpractical.com/rt
Help Desk Software	freehelpdesk.org
OTRS	www.otrs.com
Triage	code.google.com/p/triage
PHP Help Desk	www.p-hd.com.ar/eng/index.php
GLPI	www.glpi-project.org
SIT!	sitracker.org

More info: http://www.opensourcehelpdesklist.com/

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- Your customers and employees are **SOCIAL, MOBILE** and live on **CLOUD**

- **Lead**, follow or get out of the way

39%
of developers spend time developing the same app/feature for multiple platforms

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Thank you!

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