

CIOs: Executive Champions for the Workplace of the Future

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Cognizant Thesis

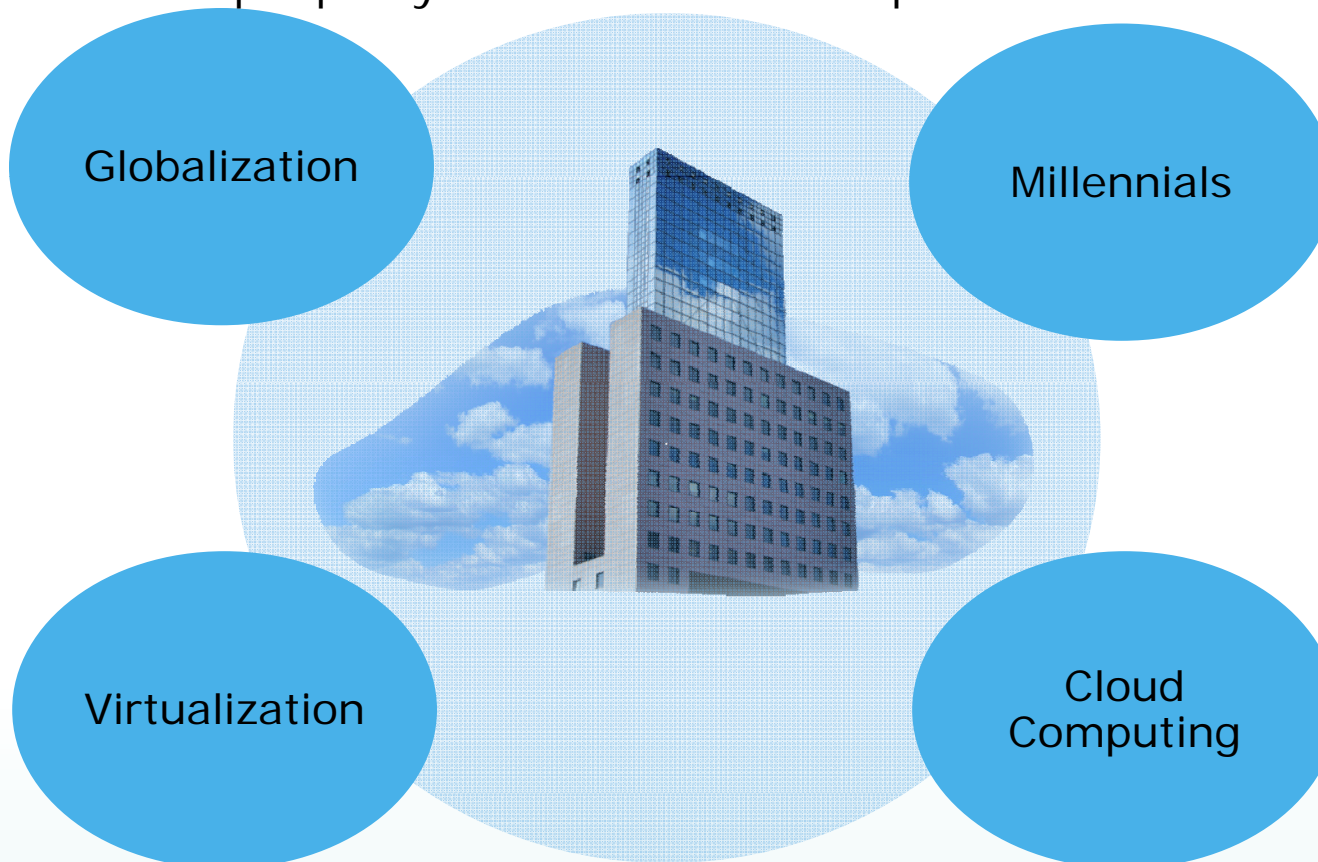
The confluence and joint occurrence of

Globalization, Virtualization, Demographics, and Technology

have caused the speed of change in the way we work to pick-up dramatically, and are changing the fundamental nature of organization and work itself

There are four forces changing the fundamental nature of organization and work

Today, these four elements tend to be at the periphery of the traditional corporate model



By 2015, these forces will become central and transformative to most organizations

Significant Impact:

- Discretely, and simultaneously
- New contributions and roles from IT

Globalization

Knowledge work, of ALL forms, begins to migrate to its right location worldwide

Millennials

New Social and Operating norms dominate the enterprise

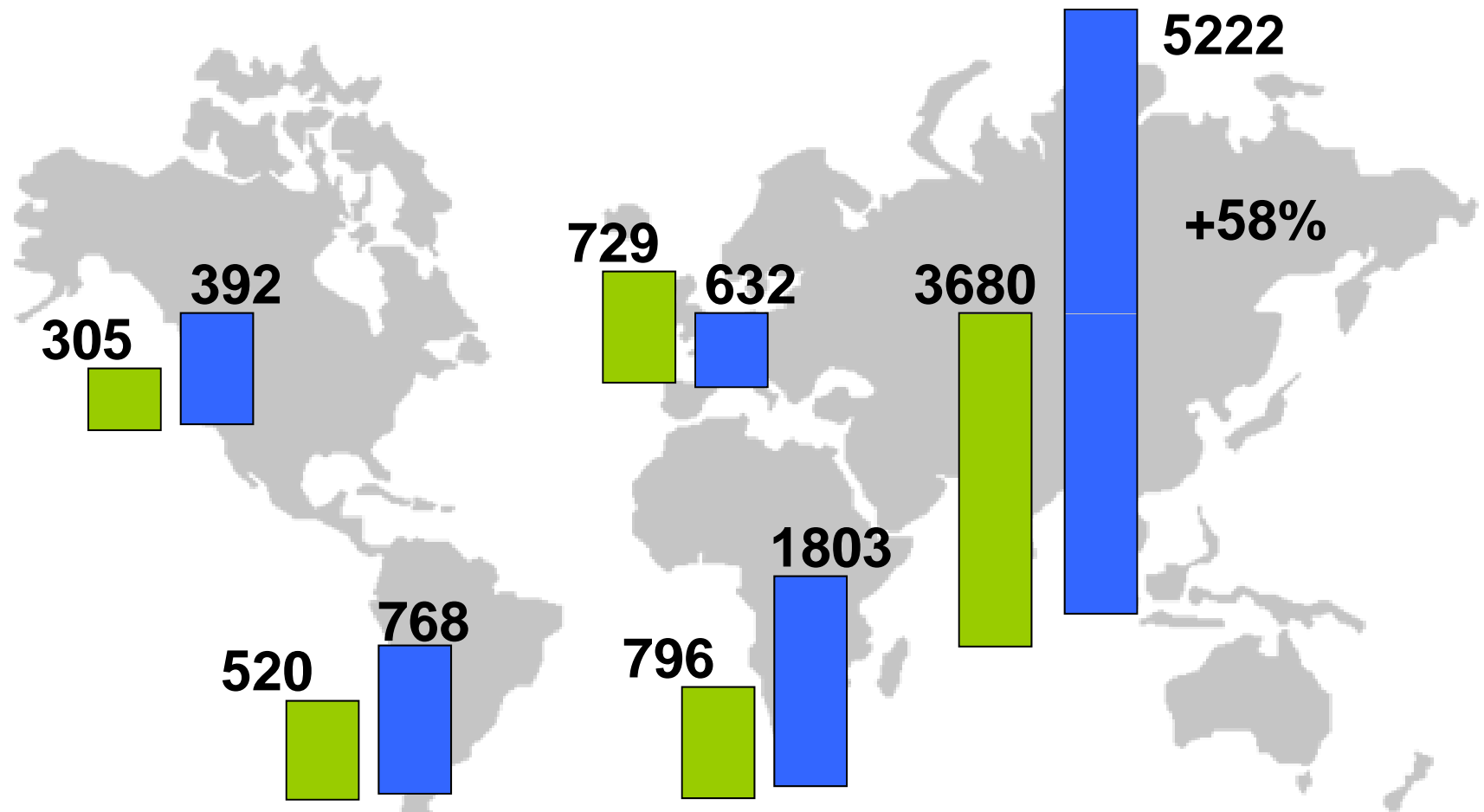
Virtualization

Of Organization, Processes and Technology

Cloud computing

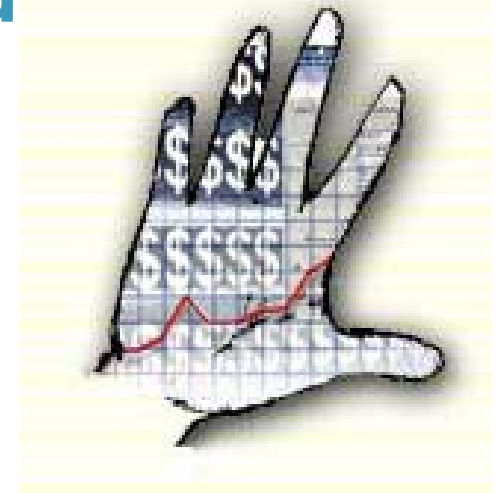
Cloud X Social X
Broadband X
Mobility
=
New Computing model

Globalization: Population changes by 2050



- Most of the global population growth will be outside of the US and primarily in India and China.
- Teams will become more and more virtual, particularly for those of us here in the US.
- Many future leaders will come from outside the US.

Globalization: The Invisible Hand



- Like the invisible hand of a “market” economy directing resources to the most optimal use
- Production of goods and services no longer recognizing political boundaries
 - Corporate DNA is task-based, not geography-based
 - Increased mobility, the internet, and low-cost telecommunications are fueling this trend
- Well-codified processes are broken into sub-components, and then delivered wherever there is:
 - Highest Quality
 - Greatest Efficiency
 - Optimal Talent
- Ignoring or fighting today’s Invisible Hand is a losing game

Demographics: The Millennials

- 1/3 of the world's population, 1/4 of the US population
 - The biggest generation in the history of the world, at a time of the greatest change in history
- Born between 1977 and 1994
 - 16 to 33 years old today
 - Becoming management in the next decade
- Grew up tech-savvy with globalization and virtualization as the norm, not the exception
 - Mindset list for the class of 2014 (Beloit College)
 - Few in the class know how to write in cursive
 - Email is just too slow
 - Korean cars have always been a staple on American highways
 - DNA fingerprinting and maps of the human genome have always existed
 - American companies have always done business in Vietnam
 - Russians and Americans have always been living together in space
 - Czechoslovakia has never existed

How are Millennials important and different?

John Della Volpe,
Harvard University

***“Millennials
are...***

digital natives,

***fierce multi-
taskers***

***who crave
collaboration,***

***have trust issues
with traditional media
& old institutions,***

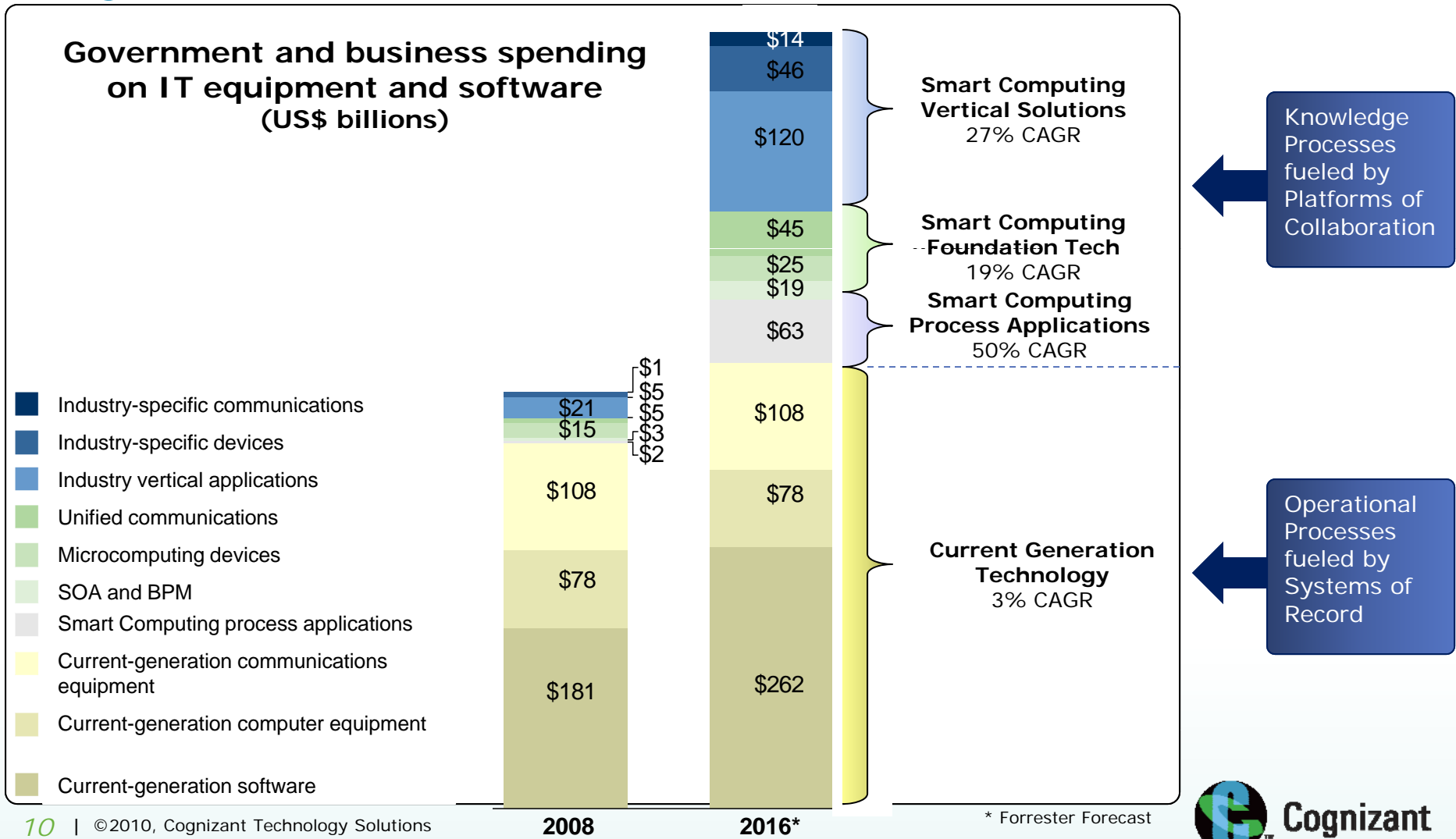
***live in a sea of
technology,***

***and don't mind
status.”***

Cloud is not just about Computing

- Processes, systems, and portions of businesses move “into the cloud” and become more virtual
- “Anywhere IT” will enable the user to work from any location on any device, enabled by
 - Cloud computing
 - Application mobility
 - Social media
 - *Source: Yankee Group, February 2009*
- All of these factors continue to change the nature of work and create a more virtual workforce

Knowledge Processes – enabled by Cloud/ Social computing – are driving growth in IT spend over the next six years





Enabling Virtual Teams

Embrace Workforce Virtualization



It's hard to separate the issues

Virtual teams are:

- Often global
- Typically multi-cultural
- Usually multi-generational
- Often operate in different time zones
- Sometimes cross organizational boundaries

Physical distance is just one factor affecting the performance of virtual teams – IT Leaders must deal with all of them at once.

Enable Techno-Dexterity



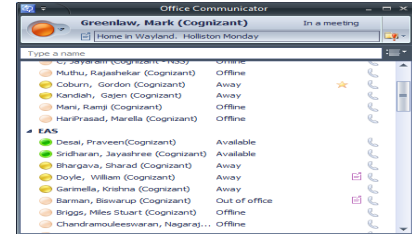
Phone



Audio Conferencing



Email



Instant Messaging



Web Conferencing



Telepresence & HD Video



Collaboration Spaces



Blogs, Wikis (CH1Blogs)



Streamed Media (Ctube)



Social Networking Tools



Collaborative Work Environments (C2.0)

Economist Intelligence Unit and Cognizant Business Consulting conducted a survey

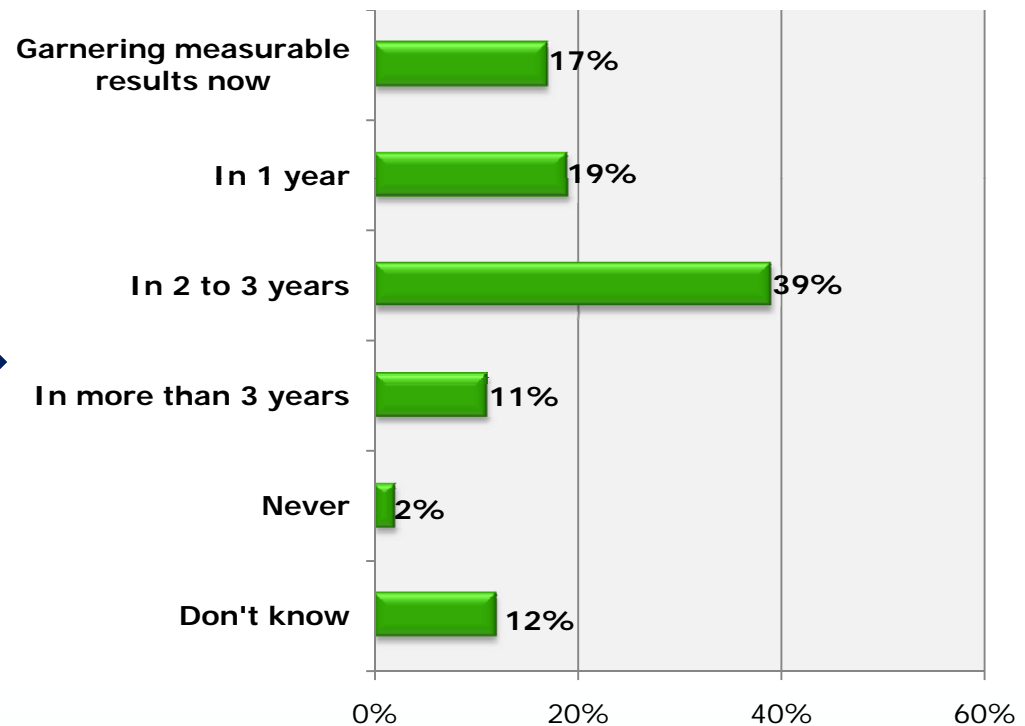
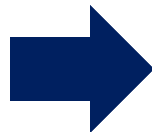
- Transformations required to promote growth in the face of the converging forces of globalization, virtualization, changing technologies and Millennials
- Global Survey of 350 interviews
 - Split between US and Europe
 - 50% companies with \$500M+ annual revenue
 - Range of industries
 - 50% C-level and equivalent (e.g., CIO, CTO, COO, CEO, CFO, Board members)
 - 50% IT/non-IT

Companies leading the transformation to the Workplace of the Future already see results today

Leaders are already seeing the results:

Q: When will changes brought on by greater collaboration and a more virtual environment result in a measurable return on investment?

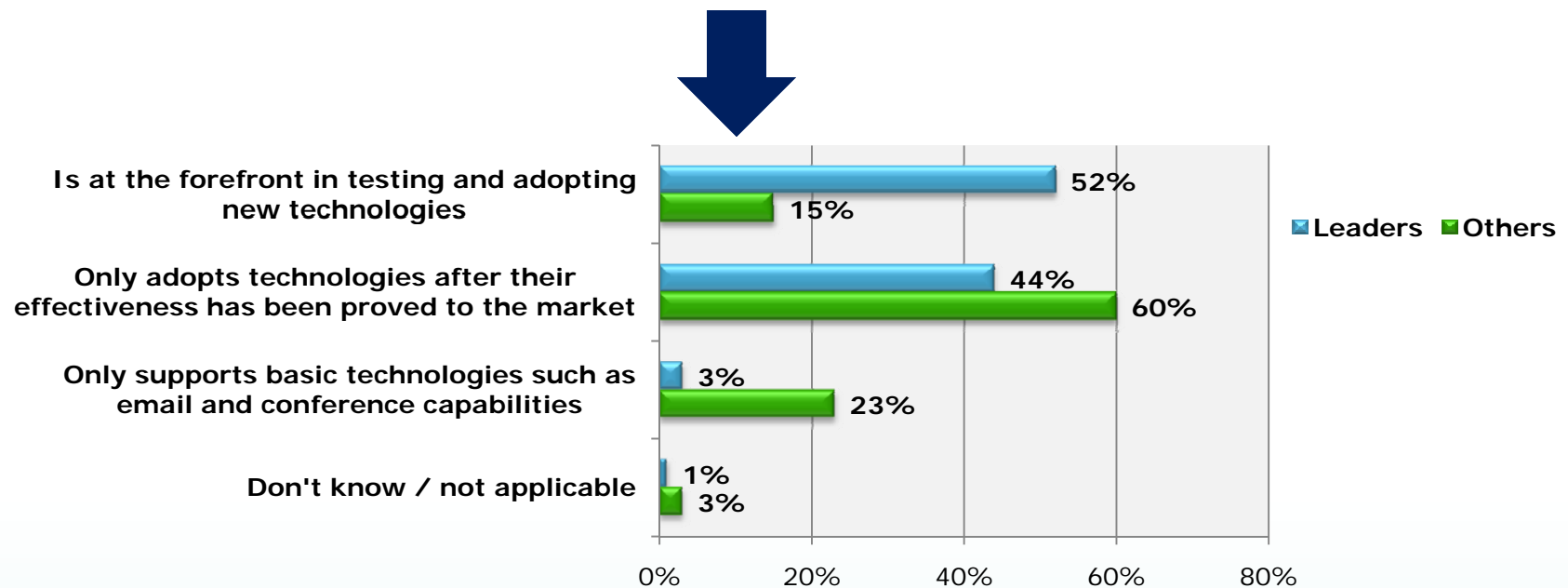
(“Leaders” are defined as those that are already reporting ROI from collaborative virtual teams).



Source: Economist Intelligence Unit, May 2010.

“Leaders adopt and deploy tools & technologies that enable virtual collaboration”

Q: Which statement best describe your organization's approach to adopting technologies that enable collaboration and remote work?

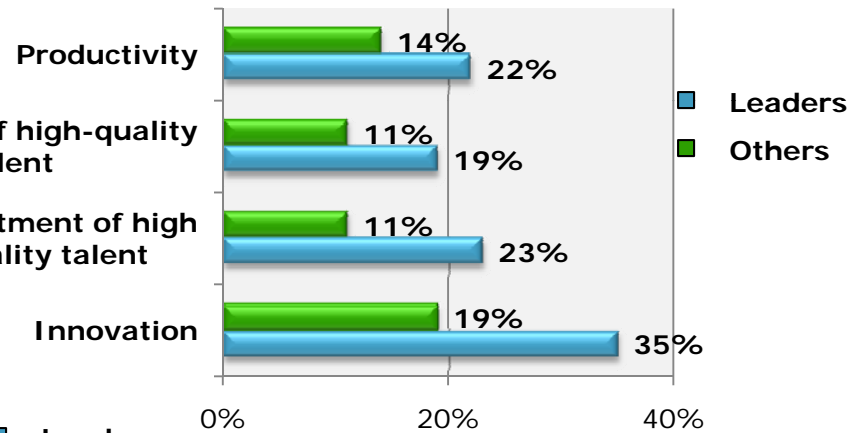
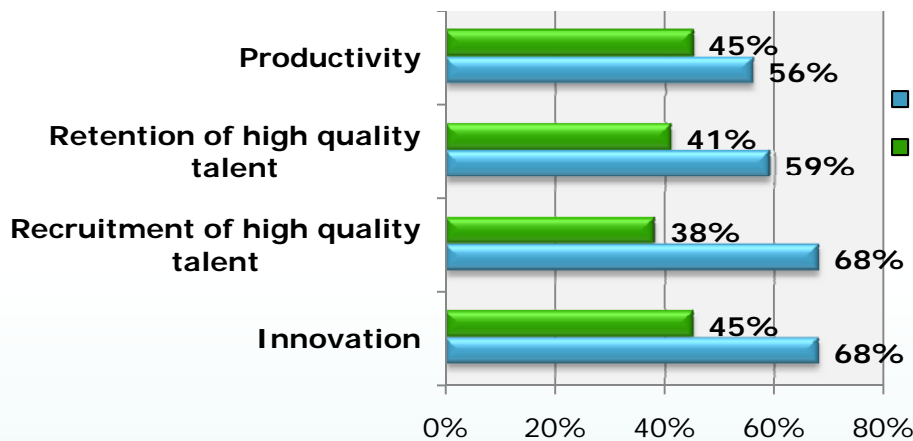


Source: Economist Intelligence Unit, May 2010.

“Leaders place important value in productivity, innovation and talent”

Q: How important are the following attributes to your organisation, and how does it compare with its peers? Rate on a scale from 1 to 5 where 1=extremely important or significantly outperform; 3=average; 5=not important or significantly underperform.

Percent of respondents who say their organizations “significantly outperform” their peers

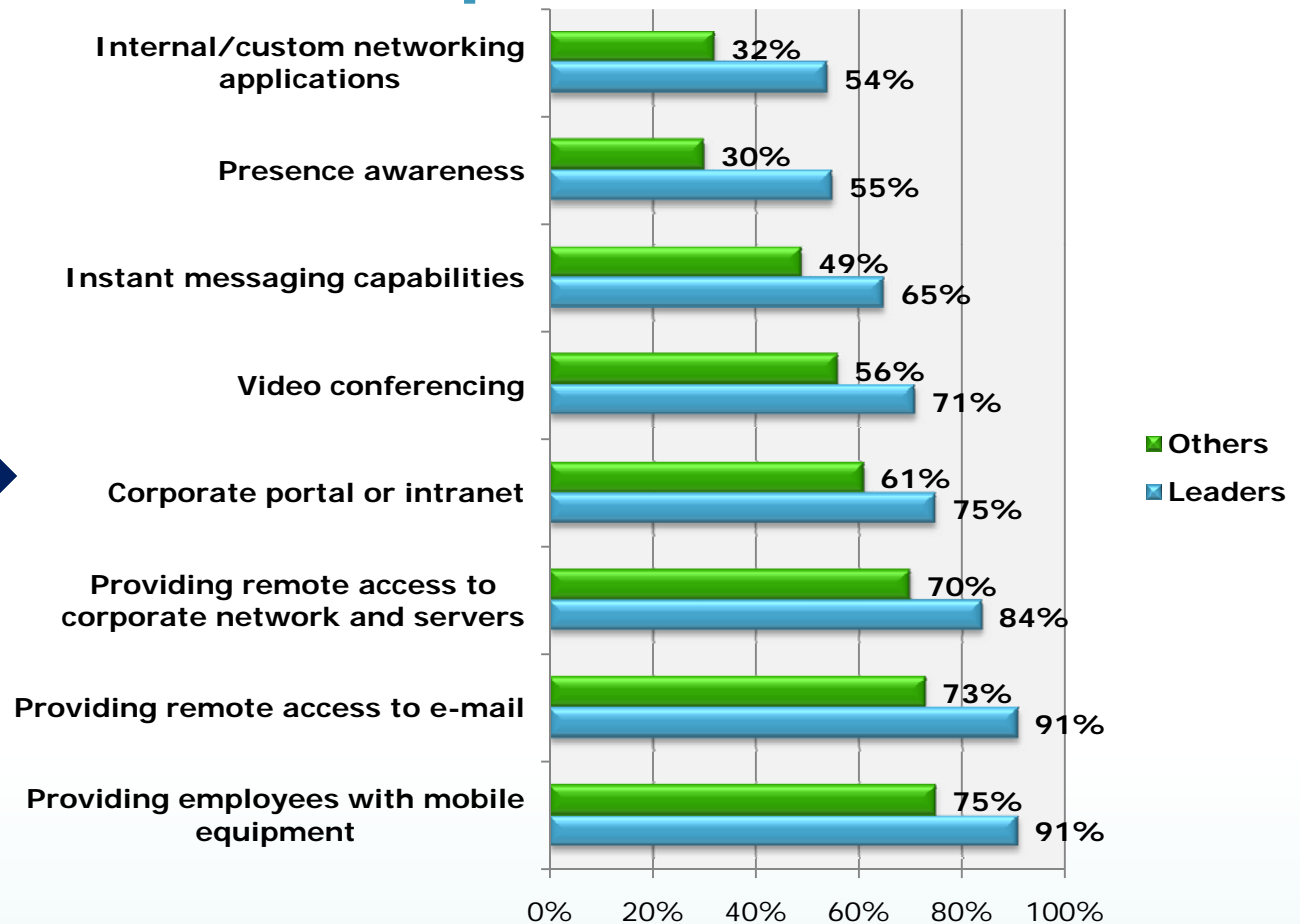
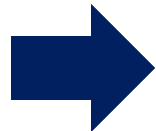


Percent of respondents who say the attribute was “extremely important”.

Leaders put trust and tools at their employees' disposal in order to be successful in the Workplace of the Future

Most companies provide tools for virtual teams, but leaders offer more, and more advanced, choices

Q: *In what ways does organization support a virtual work environment? (Select all that apply)*

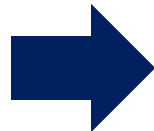


The Workplace of the Future does not come risk-free

Leaders and laggards face same challenges, but leaders more confident in abilities

Q: *What are the greatest challenges posed by a more virtual work environment?*

(select all that apply)

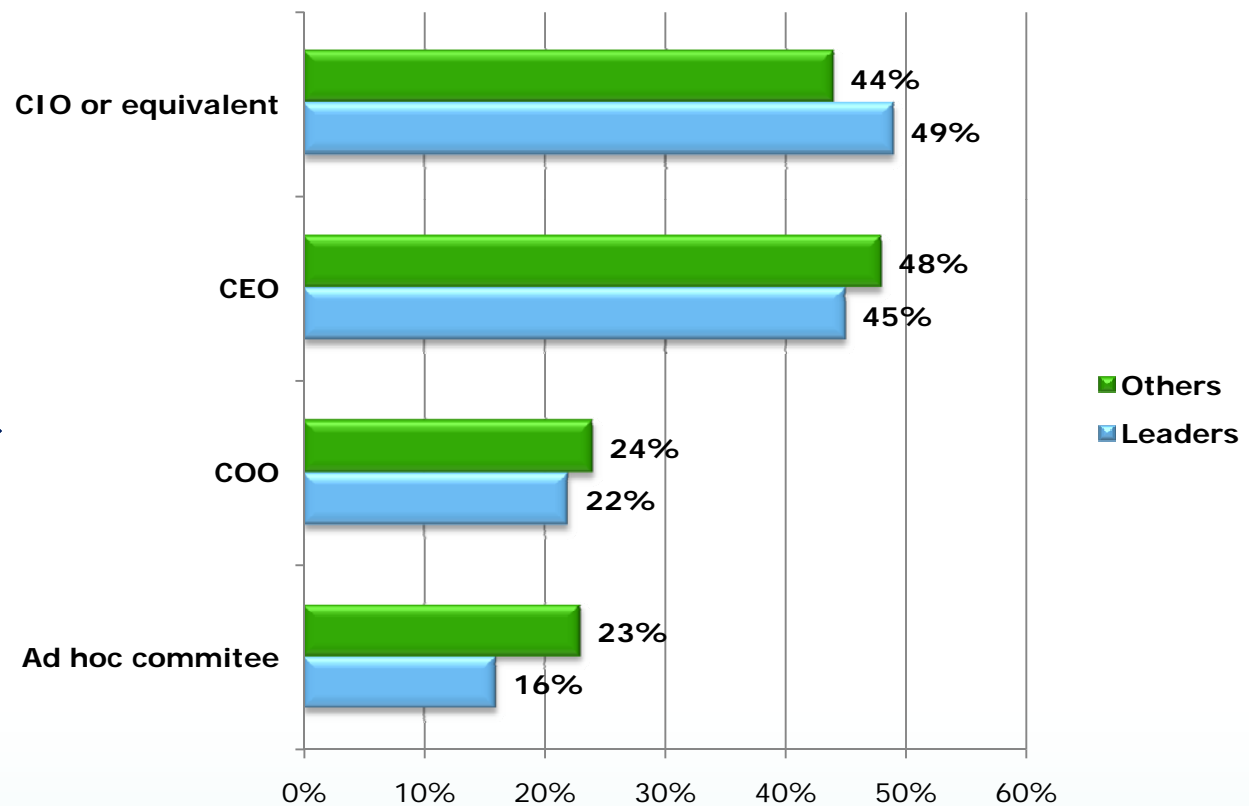
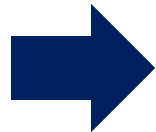


The CIO is by many seen as the executive champion for the orchestrating of the Workplace of the Future

CIO and CEO should lead implementation of virtual-teaming

Q: In your opinion, who within the organisation should lead the effort to implement the structures and tools necessary for a more virtual work environment?

(select up to two)



Source: Economist Intelligence Unit, May 2010.

CIOs are well positioned to conceive, sell, and deploy the Workplace of the Future

- Embrace the concept of virtualization
- Identify business “champions” to facilitate adoption
- Understand how new technologies will enable this change
- Start pilots for using new technologies to facilitate Workplace of the Future
- Devise ways to measure / prove ROI on the Workplace of the Future
- Focus on the most pressing challenges for Workplace of the Future and how to solve these (e.g. data leakage)

Questions