The Future-Ready Enterprise

Driving Business Results Today While Preparing for the Challenges of Tomorrow

An IDC White Paper, Sponsored by Dell

October 2015
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Executive Summary

In today’s digital economy, enterprises depend on information technology (IT) not just to drive new sources of competitive differentiation but also to support ongoing business processes. Business success or failure ties directly to the effectiveness and timeliness of the business’ IT service delivery environments. A “future-ready” organization is one that is always extending the abilities of its IT infrastructure and applications while also pursuing IT organizational practices that enable it to identify and address changing business and technology needs. These future-ready organizations not only react quickly to market changes but also are better able to become disruptors themselves.

A recent IDC study quantified the extent to which future readiness matters in today’s digital business world. IDC identified four levels of enterprise future readiness: Future Creators, Future Focused, Future Aware, and Current Focused. The more future ready the organizations in the study were, the stronger their business outcomes across a wide range of key performance indicators (KPIs), from revenue growth and profitability to employee productivity and retention. Future Creators, the most future-ready organizations, outperformed all other groups and significantly outperformed Current Focused in all business metrics studied. Today, only 18% of companies fall into the Future Creators category.

The remaining 82% of companies are missing out on the complete benefits of future readiness, but IDC identified four areas where the right investments can speed the journey to a more successful future.

The four key IT aspects that define future-ready companies are converged infrastructure, cloud, Big Data and analytics (BDA), and future-minded IT organizational practices. In detail:

» Converged infrastructure enables simpler, more efficient, and more scalable IT infrastructure within an organization’s own datacenters.

» Cloud provides greater agility, flexibility, and data control at the application level and the business level, improving productivity and enabling resource-intensive applications no matter where they are.

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Future Creators, the most future-ready organizations, outperformed all other groups and significantly outperformed Current Focused in all business metrics studied. Today, only 18% of companies fall into the Future Creators category.
Future-Ready Enterprise: Driving Business Results Today While Preparing for the Challenges of Tomorrow

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Organizations’ future-ready efforts can also deliver major benefits even if the organizations focus on improving whichever specific aspects of their IT infrastructure (converged, cloud, BDA) are most important for their needs today.

BDA enables better and faster business decisions by getting the right data to executives, frontline employees, and (increasingly) customers at the right time, with most advanced organizations also using BDA to automate critical business functions for improved accuracy and efficiency.

Future-minded IT organizational practices are the foundation that ensures the sustained effectiveness of investments in the other three areas.

The most important finding from IDC’s study is that future readiness is an ongoing journey. No matter where one’s organization is today, taking the next step will deliver significant and immediate IT and business benefits. One doesn’t have to wait to reach the top of the index.

Organizations’ future-ready efforts can also deliver major benefits even if the organizations focus on improving whichever specific aspects of their IT infrastructure (converged, cloud, BDA) are most important for their needs today. Regardless of the level or scope of focus on the three technology aspects, an effective IT organization that can work closely with lines of business (LOBs) is critical to becoming a truly future-ready enterprise.

About This Study

This study is based on a global survey of 2,529 IT executives, line-of-business executives, and information workers. They came from organizations of 100 employees or more across a broad range of industries. The survey was supplemented with two focus groups with IT and line-of-business executives.

For a more detailed description of the study methodology, see the Appendix.

Future Readiness Drives Improved Business Results

In today’s economy, the success of organizations is driven by their ability to innovate and to adapt to change. A future-ready organization has the IT infrastructure and organizational practices in place to both initiate change and adapt to outside disruptions. IDC works with a wide range of organizations that are pursuing future-ready strategies; they can expect better outcomes across a range of metrics based on these efforts. Unfortunately, many organizations that IDC speaks with are not future ready today, and they risk falling further behind if they don’t take steps to begin their future-readiness journey.
IDC’s Four Levels of Future Readiness

To characterize gaps and opportunities, this study categorized the level of future readiness at large and midsize organizations based on four aspects: use of converged infrastructure, adoption of cloud, capitalization on Big Data and analytics, and commitment to future-minded IT organizational structures and practices. Organizations were measured and ranked by behaviors in each aspect that were most closely linked to positive business outcomes.

Only 18% of the organizations in our study displayed the greatest degree of future readiness and were classified as Future Creators. They excelled across all four key aspects and reported the strongest results. A summary of the four levels as well as their key characteristics is provided in Figure 1.

FIGURE 1
Future-Readiness Category Profiles

<table>
<thead>
<tr>
<th>% of sample</th>
<th>Current Focused</th>
<th>Future Aware</th>
<th>Future Focused</th>
<th>Future Creators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16%</td>
<td>32%</td>
<td>33%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Converged Infrastructure
- Evolutionary approach to IT infrastructure
- Individualistic-driven IT transformation
- No cloud efforts driven by IT organization
- Ad hoc use of public SaaS, PaaS, and IaaS clouds by business units
- Pilot/limited private cloud deployment by IT organization
- IT notification of cloud use by business units
- Well-defined public and private cloud service catalogs
- IT organization tracking use and implementing showback/chargeback across multiple clouds
- Cross-cloud catalogs, audit/security, and data control
- Usage/performance tracking and automated balancing across diversified clouds

Cloud
- Evolutionary approach to IT service delivery
- Team-driven IT transformation
- Evolutionary approach to IT service delivery
- Team-driven IT transformation
- Evolutionary approach to IT service delivery
- Team-driven IT transformation
- Well-defined public and private cloud service catalogs
- IT organization tracking use and implementing showback/chargeback across multiple clouds
- Cross-cloud catalogs, audit/security, and data control
- Usage/performance tracking and automated balancing across diversified clouds

Big Data & Analytics (BDA)
- Little or no BDA strategy
- BDA outputs have little influence on decision makers
- Department-level BDA strategy
- BDA outputs have some influence on decision makers
- Business unit-level BDA strategy
- BDA outputs have strong influence on decision makers
- Enterprisewide BDA strategy
- BDA outputs have significant influence on decision makers

IT Organization
- IT/LOBs operate on a "request/requirement" basis
- Less likely to engage in IT workforce planning
- IT/LOBs are aligned for specific functions
- IT workforce planning is a 12-month hiring plan
- IT/LOBs are aligned across all meaningful activities
- IT workforce planning considers future IT infrastructure and career planning
- IT/LOBs are aligned across all meaningful activities
- IT workforce planning includes career planning and infrastructure scenarios

n = 2,529
Note: Figures may not add to 100% due to rounding.
Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell
Future-Ready Organizations Enjoy Better Business Results

IDC’s Future-Readiness Enterprise Study showed that the higher organizations move on the future-readiness scale within individual aspects and across multiple aspects, the better their business outcomes across a range of metrics. The difference can be seen by comparing business outcomes between the most future-ready organizations and the least future-ready organizations. Future Creators ranked significantly higher across every KPI in the study compared with Current Focused organizations. Notably, Future Creators experienced almost double the increase in revenue over the past three years compared with Current Focused (37% versus 18%). Employee productivity gains show a similar gap, with Future Creators experiencing 39% gains compared with 20% for Current Focused (see Figure 2).

FIGURE 2
KPI Improvements Seen over the Past Three Years

| KPI                              | % of respondents
|----------------------------------|------------------
| Increase in customer satisfaction| 47%              |
| Increase in revenue from new products| 42%            |
| Increase in employee productivity| 39%              |
| Increase in employee retention   | 38%              |
| Increase in new customer acquisition| 37%          |
| Reduction in time to market for new products and services| 37% |
| Increase in revenue or sales/bookings| 37%        |
| Increase in profit margin        | 33%              |

Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell
The Future-Readiness Journey

The economic benefits are clear — future readiness corresponds to better business outcomes. But organizations that don’t find themselves at the top of the scale should not be disheartened. Future readiness is an ongoing journey, and organizations can see significant improvements in business outcomes from increasing their future readiness regardless of their starting point. Companies can also drive business results by choosing to focus on improving the specific aspect of their IT future-readiness landscape — converged infrastructure, cloud, BDA, and future-minded IT organizational practices — most relevant to their needs.

Further, the road doesn’t end even for Future Creators. As technologies, business practices, and market demands change over time, the concept of future readiness will also evolve. To maintain future readiness, organizations can’t become complacent — they will need to think of future readiness as an ongoing journey and stay nimble, adaptable, and innovative to maintain their competitive edge.

Converged Infrastructure

Converged Infrastructure Provides Direct IT Infrastructure Benefits

Converged infrastructure — integrated bundles of hardware and software components grouped into a single optimized package — allows organizations to better utilize their existing IT assets. It provides an agile, scalable foundation organizations can rely on as they change business processes and launch new services. For example, a healthcare organization can more quickly and cost effectively implement mandated electronic medical records systems while also implementing an infrastructure for the rapid development of new, data-intensive personalized medicine services.

Organizations in our study cited a range of business benefits from their converged IT infrastructure strategies, including lower operating costs (45%), greater IT staff productivity (44%), and improved business agility (41%) (see Figure 3). Speed and agility are clearly important, and automating the management of compute, network, and storage resources into a single management pane is critical to improving availability and reducing costs via increased asset utilization across each datacenter resource.
FIGURE 3

Converged IT Infrastructure Benefits

% of respondents

- Lower operating costs: 45%
- Greater IT staff productivity: 44%
- Greater resource utilization: 43%
- Improved business agility: 41%
- Greater flexibility to adapt to changes in the market: 39%
- Higher application availability: 38%

$n = 1,452$

Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell

Future-Ready Organizations Have a More Sophisticated Approach to Use of Converged Infrastructure

While many organizations cite converged infrastructure benefits in terms of IT improvements, a higher percentage of future-ready organizations are seeing business benefits from their converged infrastructure. For example, comparing Future Creators with Current Focused, we see:

» 60% of Future Creators see greater IT staff productivity as a significant benefit delivered by converged infrastructure, while only 30% of Current Focused see it as a significant benefit.

» Compared with 25% of Current Focused, 51% of Future Creators see the ability to allocate IT staff to innovative projects as a significant benefit of converged infrastructure.

» Compared with 25% of Current Focused, 49% of Future Creators see greater business agility as a benefit of converged infrastructure.

How are Future Creators getting more value from their converged IT infrastructure? It starts with accurately measuring utilization rates for compute, storage, and networking. Future Creators are
Future Creators are increasingly able to predict both where and when they will need capacity and where and when to add, so they are also the most agile and responsive to business needs.

Future Creators are measuring not only more frequently but also more accurately. They are most likely to use an integrated suite of tools to measure utilization rates (66%) and not rely on ad hoc or manual processes for measurement (66%) compared with Current Focused (35%).

Future Creators differ from less future-ready organizations in other ways as well. They are more likely to treat their IT infrastructure as a resource pool with common provisioning (23% of Future Creators versus 11% of Current Focused). Future Creators are also more likely to have a programmatic, predetermined upgrade path for infrastructure compared with all other segments; for example, 33% of Future Creators upgrade datacenter infrastructure at predetermined intervals versus 15% of Current Focused.

IDC notes that even though Future Creators are most likely to have a predetermined upgrade path for their datacenter infrastructure, they are also most likely to upgrade their datacenter infrastructure on an ad hoc basis (37% of Future Creators upgrade datacenter infrastructure on an ad hoc basis compared with 24% of Current Focused). Future Creators are increasingly able to predict both where and when they will need capacity and where and when to add, so they are also the most agile and responsive to business needs.
and when they will need capacity and where and when to add, so they are also the most agile and responsive to business needs.

A look across all the benefits organizations see from their converged infrastructure shows that operating costs are the only area cited as a greater benefit by the least future-ready organizations: 57% of Current Focused organizations see lower operating costs as a significant benefit of converged infrastructure compared with only 46% of Future Creators. This implies that the least future-ready organizations are more focused on using converged infrastructure for cost take-out in comparison with future-ready organizations, which are more likely to consider their IT infrastructure as a way to drive business agility and productivity and treat it as a source of differentiation and competitive advantage.

Future-ready enterprises are making the organizational changes necessary to get the most benefits from their converged infrastructure. They are actively looking to differentiate their business using applications, data, and infrastructure while deferring more responsibility for IT automation and configuration management to their development teams. This effort is often associated with the second aspect — cloud — of the future-ready enterprise. They are aggressive adopters of a ‘cloud first’ model for application development and delivery.

**Cloud**

**Cloud Provides Agility, Flexibility, and Control**

Cloud adoption isn’t about a specific product or service delivery model. It reflects an approach to application design, deployment, and delivery that allows organizations to get more effective use out of their own IT and data assets. For example, a retail organization can leverage public cloud services to quickly extend services into new mobile-centric geographies while developing its own private cloud to create advanced customer behavior analytics systems for business leaders and supply partners.

The benefits of cloud for future-ready enterprises go beyond simply lowering infrastructure costs. Cloud provides a platform for greater levels of organizational flexibility, availability, and control at the business level by extending business reach. Organizations in our study saw more effective use of their infrastructure (46%), but they also identified better enablement of resource-intensive applications like BDA (42%), improved business agility (42%), and greater developer productivity (39%) as key cloud benefits (see Figure 5).
Cloud gives organizations the ability to scale services up and down more quickly to better align with real business cycles and meet fluctuations in demand. This agility is critical in reducing the barrier that business risk imposes on innovation. When organizations trust their infrastructure to adapt quickly, they are more likely to experiment with new applications since it removes the risk of having to make large infrastructure investments to support initiatives that may or may not pan out.

**Future-Ready Organizations Adopt a Diversified Cloud Strategy**

Future Creators are the most extensive users of all types and combinations of cloud (public and private), supporting 60% of their IT infrastructure with cloud and only 20% with traditional (nonconverged) IT infrastructure. The biggest gap in cloud usage is between Future Creators and Current Focused, as Current Focused organizations still support 41% of their needs with traditional IT infrastructure and use cloud for 40% of their needs.

Future Creators utilize a wide range of public and private cloud catalog services, with 57% using a range of general compute and storage options as well as predefined configurations for key public
cloud applications compared with only 20% of Current Focused organizations. 53% of Future Creators use a wide range of key private cloud applications compared with 25% of Current Focused. For many companies, the use of public and private cloud is thought of as hybrid cloud. For Future Creators, this represents a well-defined effort to use a diversified set of cloud-based resources that they can quickly rebalance to extend services, address new security/compliance requirements, and optimize resources.

Future Creators not only are making more extensive use of cloud but also have more sophisticated cloud strategies using the right cloud option for each requirement. 32% of Future Creators have highly diversified cloud strategies, meaning they can easily choose among three or more cloud options to match specific capacity, costs, and performance requirements while managing them as a single cloud resource, compared with only 4% of Current Focused (see Figure 6).

FIGURE 6

Future Creators More Likely to Have Highly Diversified Cloud Strategies

% of respondents

Can Easily Choose Among Three or More Cloud Options While Managing Them as a Single Resource

Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell
This approach gives Future Creators a competitive advantage compared with less future-ready organizations, for example:

» Compared with 41% of Current Focused, 58% of Future Creators say cloud provides more effective use of infrastructure and resources, enabling them to achieve more with the same IT budget.

» Compared with 31% of Current Focused, 59% of Future Creators see enablement of Big Data and analytics as a significant cloud benefit, enabling them to monetize both old and new data sources.

» Compared with 36% of Current Focused, 56% of Future Creators say cloud improved business agility, enabling them to respond faster to competitors and be the leader in industry transformation.

Future Creators are also most likely to be their own cloud providers, with 28% having a single instance of cloud that they manage in-house for their own business units. A large number of Future Creators are pursuing a strategy of acting as cloud providers for their customers and believe they are best aligned in terms of costs, service, and data control to be the cloud for their customers, compared with public cloud providers.

As was the case with their converged infrastructure, Future Creators have sophisticated methods of measuring cloud utilization rates, with 56% monitoring cloud portfolio performance end-to-end (compared with less than 1% of Current Focused). This granular understanding of their cloud environment gives them confidence to be cloud providers for their customers. This confidence is especially important in the area of Big Data and analytics, where a future-ready cloud foundation can play a critical role in the ability of organizations to use data to change business outcomes for themselves and their customers.

Big Data and Analytics

BDA Drives Business-Level Benefits for Future Creators

Big Data and analytics (BDA) is critical for business innovation and transformation. It allows organizations to capture insights from, and better monetize, their data by getting the right information to the right individuals at the right time. BDA benefits go beyond data democratization, with benefits including better ability to predict events (47% cite as a benefit), faster reaction time (45%), and better performance (44%) (see Figure 7).
FIGURE 7

**Big Data Benefits**

<table>
<thead>
<tr>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better information sharing throughout the organization</td>
</tr>
<tr>
<td>Faster access to relevant information</td>
</tr>
<tr>
<td>Better ability to predict events or outcomes</td>
</tr>
<tr>
<td>Faster reaction time to external events</td>
</tr>
<tr>
<td>Faster data preparation and data cleansing processes</td>
</tr>
<tr>
<td>Better performance due to availability of fit-for-purpose, optimized technology</td>
</tr>
</tbody>
</table>

*Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell*

Organizations are using BDA in myriad ways to obtain business benefits. Most companies (77%) are using BDA for real-time operational intelligence, enabling frontline employees or systems to make real-time operational decisions. 72% of organizations use BDA for performance management via reporting and dashboards, and 41% use it for exploration by analysts to uncover insights from large volumes of diverse data.

**Future-Ready Organizations Get the Most Benefit from BDA**

While many organizations use BDA in some way, the most future-ready organizations are seeing the biggest business benefits. 62% of Future Creators cite better ability to predict events or outcomes as a significant benefit of Big Data and analytics compared with 34% of Current Focused, and 52% of Future Creators cite faster reaction time to external events versus 38% of Current Focused.

Future Creators have made strategic decisions about BDA that enable them to realize these benefits. For example, 57% of Future Creators have a single BDA strategy across the entire enterprise, while only 38% of Current Focused have a single BDA strategy.

Access to BDA is another area that sets Future Creators apart. They are providing access to BDA across all levels of the organization from executives to operational staff (see Figure 8). By providing high
levels of BDA access to operational staff (90%), Future Creators are democratizing data and making it available for decision making across the enterprise. This is the biggest difference between Future Creators and Current Focused; only 21% of Current Focused provide access to BDA to operational staff to a significant extent.

Future Creators are also most likely to provide access to BDA directly to executives to a significant extent, with 94% providing access compared with only 49% of Current Focused. This implies that Future Creators have trust in the data. Staff don’t have to spend time cleaning and checking data and making data actionable before “sending it upstairs” for decisions.

**FIGURE 8**

**Future Creators Providing More Access to BDA at All Levels**

% of respondents

<table>
<thead>
<tr>
<th>Have Access to BDA at the Right Time to a Significant Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
</tr>
<tr>
<td>Current Focused (n = 208)</td>
</tr>
<tr>
<td>Future Aware (n = 527)</td>
</tr>
<tr>
<td>Future Focused (n = 523)</td>
</tr>
<tr>
<td>Future Creators (n = 198)</td>
</tr>
</tbody>
</table>

Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell

It’s no surprise that with higher levels of access across the board, Future Creators are using BDA for more types of decisions than organizations in other future-readiness categories. 95% of Future Creators say BDA influences strategic decisions by executives versus only 53% of Current Focused. Again, this indicates higher trust and confidence in their data, is a sign of a data-driven culture, and allows Future Creator executives to react to the market and make decisions in real time.

Further, 96% of Future Creators cite BDA as influencing operational decisions by managers versus only 47% of Current Focused. This is further testimony to their greater level of confidence in the data to make decisions across all levels of the organization.
Future-Minded IT Organizational Practices

IT Organizational Practices Are the Catalyst for Future Readiness

While successful converged infrastructure, cloud, and BDA strategies are the technological underpinnings of future-ready organizations, effective and aligned IT organizations are also essential. An effective IT organization contains the right people with the right skills to implement and maximize the benefits of those technologies. To move up the future-ready spectrum, the IT organization must increasingly work strategically with every LOB. Organizing to be fully responsive to LOB requirements is the critical first step of the future-ready enterprise journey.

Future Creators’ IT organizations do a better job supporting business needs than companies at other levels, with 98% citing high levels of support for business needs, compared with only 43% of Current Focused (see Figure 9). In high-performing organizations, IT is working effectively with LOBs to identify new ways to use technology to move the business forward.

FIGURE 9

IT Organizations Most Supportive at Future Focused and Future Creator Organizations

<table>
<thead>
<tr>
<th>% of respondents</th>
<th>IT Organization Very/Extremely Capable of Supporting Business Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>43% (n = 417)</td>
<td>Current Focused</td>
</tr>
<tr>
<td>82% (n = 830)</td>
<td>Future Aware</td>
</tr>
<tr>
<td>95% (n = 816)</td>
<td>Future Focused</td>
</tr>
<tr>
<td>98% (n = 417)</td>
<td>Future Creators</td>
</tr>
</tbody>
</table>

Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell
Future Creators Have a “Continuous Improvement” Approach to IT

Just as with their technology infrastructure, Future Creators continually work to improve their IT departments. This includes regularly and continuously improving the skills of the IT staff and measuring the success of the IT organization through the lens of the LOB stakeholders. Organizations that maximize the value they receive from technologies like sophisticated converged IT infrastructures, cloud, and BDA consistently include training as part of the strategic planning and key initiatives. In fact, 98% of Future Creators incorporate IT employee training into IT’s overall strategic planning and key initiatives, compared with only 35% of Current Focused.

In addition, organizations with the best IT utilization measure their service performance against that of other firms. Future Creators are three times more likely to track and competitively benchmark IT service levels on key metrics compared to Current Focused (see Figure 10). This leads to more continuous improvements and ultimately leads to better partnerships with various LOBs.

FIGURE 10
Future Creators More Likely to Track IT Service Effectiveness
% of respondents

IT Organization Has Service-Centric Culture, Tracked “Outside In”

Source: IDC’s Future-Readiness Enterprise Study, June 2015, sponsored by Dell
The focus on continuous improvement for both technologies and IT organizational practices suggests the journey never ends for future-ready enterprises. Successful organizations are constantly creating, innovating, and adapting to maintain their competitive advantage.

**Pitfalls to Avoid**

Achieving greater levels of future readiness does not come without risks and pitfalls to avoid. These include:

» **Going in without a plan.** Companies need to be deliberate and thoughtful about their approach to becoming more future ready. Becoming future ready involves more than simply throwing new technology into the IT mix. It requires having in place the organization, skills, and practices to take advantage of that technology, and it requires that the technology support critical business initiatives.

» **Proprietary system.** Key to being future ready is the flexibility to adapt to unforeseen circumstances. Locking into a proprietary offering or framework limits the organization’s flexibility and increases the risk of choosing a technology dead end.

» **Big bets.** Organizations should take a stepwise approach to improving their future readiness, building incrementally on the IT infrastructure and practices they have in place. With so much of the business dependent on IT, upgrading the infrastructure amounts to performing an organizational heart transplant. Wholesale change-outs while promising the ability to leapfrog to the front of the pack also introduce risks that could impact the business.

**Essential Guidance**

Future readiness is critical to business success in today’s mobile and data-driven world, yet this study found that only one in five companies is in the Future Creators group, which is made up of organizations with the highest level of future readiness that get the most impact out of their technology investment. With a future-ready IT infrastructure and strong IT organizational best practices, Future Creators innovate and adapt and drive superior business outcomes.

What about the rest of us? Are the four-fifths of organizations that aren’t at the Future Creators level precluded from capitalizing on the future? The simple answer is no. Organizations at all levels, not
just the most advanced group, can improve their future readiness and also see business benefits. To do so, companies must take several steps, including:

» **Focus on long-term outcomes.** Future-ready enterprises are less focused on cost take-out and more focused on strategic business outcomes like enhanced organizational agility, greater service availability, and more effective IT staff allocation. Future Creators understand that investing in the right infrastructure reduces business risks and drives innovation and future growth.

» **Take steps to improve your future readiness, no matter your starting point.** Set well-defined intermediate goals aligned with your long-term strategy to become more future ready. Regardless of where your organization is now, moving up a single level or focusing on a specific aspect leads to significant improvements; you don’t have to immediately become a Future Creator across all aspects to see business benefits.

» **Start your future-readiness journey by developing an overall strategy.** Future Creators have a strategy that drives their business decisions across technology, processes, and IT organizational practices. Any company looking to move up the future-readiness scale should develop (or align with) their business strategy first. They will gain business benefits as they execute against that strategy.

» **Focus on the areas that will have the biggest impact on your business.** Though future readiness is a journey, there is no single path to get there. Identify the area most impactful to your business and execute it to begin to see business benefits.

» **Explore and learn from the success of others on the same journey.** Assess your own state of future readiness, and get help if you aren’t where you need to be. IDC has developed a Future-Ready Enterprise Index tool, which is available at [www.dell.ie/futurereadyindex](http://www.dell.ie/futurereadyindex). You can use this tool to assess where you are on the future-readiness curve today. If you are not where you need to be to maximize your business success, you should work with expert vendors that can provide the guidance, technologies, and organizational change management expertise to help you achieve your goal.

The relationship between specific practices and key performance indicators and positive business outcomes suggests useful relationships and action steps. While this research cannot demonstrate precise causation between these activities and outcomes, the relationship is strong enough that IDC recommends enterprises consider and act upon these recommendations or risk losing market position to firms that leverage future-ready behaviors more consistently.
Conclusion

Future-ready IT is a key enabler of today's enterprise, and four key components — converged infrastructure, cloud, Big Data and analytics, and future-minded IT organizational best practices — are critical to success. Future Creators, the organizations with the highest levels of future readiness, excel across all four areas. This allows them not only to quickly adapt to disruptions but also to drive innovation. Future Creators also have the strongest business results across a wide range of KPIs.

Fortunately, organizations lower on the future-readiness scale don't need to achieve the highest levels of future readiness to begin seeing improvements. Future readiness is a journey, and moving up a single level regardless of your starting point improves business outcomes. Companies can also choose to focus on the technology or practice area most appropriate to their business needs and still see improvements. However, two elements are fundamental for success across all levels: a strategic approach that drives business decisions (versus a short-term focus on cost reduction) and an IT organization that can work closely with LOBs to address the needs of the organization.

Appendix

Methodology

The information for this white paper came from IDC's June 2015 global Future-Ready Enterprise Study, sponsored by Dell. IDC surveyed 2,529 members of senior and executive management in IT and lines of business as well as information workers with knowledge of converged infrastructure, Big Data, and/or cloud. They came from organizations of 100 employees or more across a broad range of industries. Survey respondents were asked about their current use of converged infrastructure, Big Data, and cloud as well as their IT department organizational practices. In addition, they were asked about a variety of KPI metrics, enabling IDC to create an index linking IT infrastructure and organizational metrics to KPIs.

IDC developed the future-readiness levels — Future Creators, Future Focused, Future Aware, and Current Focused — using the following methodology:

» Responses to all questions in the survey were scored on a four-point maturity scale. For example, for the question “What percentage of infrastructure is supported by hybrid cloud?” $0\% = 0$ points and $50\%+ = 3$ points. Break points were manually normalized.

» IDC performed statistical analysis to identify questions best correlated to positive business outcomes. For example, the question “What is the virtualization rate of your IT infrastructure?” is highly correlated to the business outcome “% revenue growth over the past three years.”
IDC then selected a subset of 16 questions with the highest statistical correlation that also balanced the four key areas: converged infrastructure, cloud, BDA, and future-minded IT organizational best practices.

Next, IDC created a maturity scoring histogram for all responders for the 16 questions to identify and score ranges for the four maturity categories and identified natural cutoffs based on mean and standard deviations.

The survey was supplemented with two focus groups, one with senior IT managers and one with senior line-of-business managers.