

FOR IMMEDIATE RELEASE

CONTACT:

Rob van der Meulen

Gartner

+44 1784 267 738

[rob.vandermeulen@gartner.com](mailto:rob.vandermeulen@gartner.com)

## **Gartner Reveals Top Predictions for IT Organisations and Users for 2013 and Beyond**

### ***Analysts Examine Latest Industry Directions at Gartner Symposium/ITxpo 2012, 21-25 October in Orlando***

ORLANDO, Fla., 24 October, 2012 — Gartner, Inc. has revealed its top predictions for IT organisations and IT users for 2013 and beyond. Gartner analysts presented their findings during Gartner Symposium/ITxpo, being held in Orlando through 25 October.

Gartner's top predictions focus on economic risks, opportunities and innovations that will impel CIOs to move to the next generation of business-driven solutions. Selected from across Gartner's research areas as the most compelling and critical predictions, they address the trends and topics that underline the reduction of control that IT has over the forces that affect it.

"The priorities of CEOs must be dealt with by CIOs who exist in a still-turbulent economy and increasingly uncertain technology future," said Daryl Plummer, managing vice president and Gartner fellow. "As consumerisation takes hold and the Nexus of Forces drives CEOs to certain expectations, CIOs must still provide reliability, serviceability and availability of systems and services. Their priorities must span multiple areas. As the world of IT moves forward, it is finding that it must coordinate activities in a much wider scope than it once controlled, and as a result, a loss of control echoes through several predictions we are making."

Gartner's top predictions for IT Organisations include the following:

#### **Through 2015, 90% of enterprises will bypass broad-scale deployment of Windows 8.**

Windows 8 is Microsoft's attempt to bring the touch interface to its flagship product to counter gains by Apple in rapid-growth markets. Microsoft had to make this change to modernise its offering, and its approach is to push IT Organisations to this new interface as quickly as possible. However, most organisations and their trusted management vendors are not yet prepared for this change, and Gartner predicts that organisations will want to wait for more stability before proceeding. While Microsoft as a technology company can make these changes at a more advanced pace, the preponderance of the customer base cannot move so quickly. The market will take time to mature, and most enterprises will sit on the sideline for now.

#### **By Year-End 2014, three of the top five mobile handset vendors will be Chinese.**

Mobile phone penetration in emerging markets has resulted in a changing of the guard in terms of the leading vendors. The openness of Android creates new markets for OEMs that previously did not have the necessary software expertise and engineering capabilities. The market continues to consolidate around Android and iOS, with other ecosystems struggling to gain traction, and, with most vendors committed to Android, it has become difficult to differentiate. The result is that the traditional mobile phone players are getting squeezed, being unable to compete with Apple and Samsung at the high end and struggling to

differentiate from aggressive new vendors, most notably Huawei and ZTE, which are using the same Android platform for their models. Chinese vendors have the opportunity to leverage their strong position in the domestic Chinese market for entry-level smartphones and expand to other regions, because this is not just an emerging-market phenomenon.

**By 2015, big data demand will reach 4.4 million jobs globally, but only one-third of those jobs will be filled.**

The demand for big data is growing, and organisations will need to reassess their competencies and skills to respond to this opportunity. Jobs that are filled will result in real financial and competitive benefits for Organisations. An important aspect of the challenge in filling these jobs lies in the fact that organisations need people with new skills — data management, analytics and business expertise and non-traditional skills necessary for extracting the value of big data, as well as artists and designers for data visualisation.

**By 2014, European Union directives will drive legislation to protect jobs, reducing offshoring by 20 per cent through 2016.**

An upward trend in unemployment has continued in the European Union during the ongoing financial crisis. With little expectation of a short-term recovery, Gartner expects to see the European Union introducing directives before the end of 2014 to protect local jobs. The impact of this protectionist legislation would be a net reduction of offshoring by 20 per cent through 2016. This does not mean that Organisations would abandon the use of global delivery models, but it would result in the rebalancing of where labour is located with such models. Opportunities would be created for firms to invest further in lower-cost parts of Europe, or in areas within their domestic location, where costs may be lower.

**By 2014, IT hiring in major Western markets will come predominantly from Asian-headquartered companies enjoying double-digit growth.**

An increasing number of successful Asian companies — particularly from China and India — are enjoying double-digit growth rates and will substantially grow their geographic footprints, making significant investments in major Western markets through 2015. Consequently, these organisations will be responsible for major hiring of IT professionals to support their growth at a time when Western companies will still be coping with the impact of the economic crisis. Exacerbating the disparity between the hiring practices of Western and Asian organisations will be the increased use of industrialised IT solutions, which will further reduce the IT staffing needs of Western firms.

**By 2017, 40 per cent of enterprise contact information will have leaked into Facebook via employees' increased use of mobile device collaboration applications.**

Facebook is one of the top five applications installed on smartphones and tablets, and many organisations are being pressured to permit interlinking with Facebook and similar products, because those products provide a high degree of leverage for new contacts. While many organisations have been legitimately concerned about the physical coexistence of consumer and enterprise applications on devices that interact with IT infrastructure, there has been little discussion about the underlying technologies that permit transfer of information between legitimate enterprise-controlled applications and consumer applications. These interactions are difficult to track, and the technologies to control the transfer are more difficult to build, deploy and manage.

**Through 2014, employee-owned devices will be compromised by malware at more than double the rate of corporate-owned devices.**

Corporate networks will become more like college and university networks, which were the original "bring your own device" (BYOD) environments. Because colleges and universities lack control over students' devices, they focus on protecting their networks by enforcing policies that govern network access. Gartner said that businesses will adopt a similar approach and will block or restrict access for those devices that are not compliant with corporate policies. Businesses that adopt BYOD initiatives should establish clear policies that outline which employee-owned devices will be allowed and which will be banned. In the

BYOD era, security professionals will need to diligently monitor vulnerability announcements and security incidents involving mobile devices and respond appropriately with policy updates.

**Through 2014, software spending resulting from the proliferation of smart operational technology will increase by 25 per cent.**

Previously "dumb" operational devices or objects, like a vending machine, medical device, marine engine or parking meter, are now having software embedded in them, and sensors are being linked to the internet to create and receive data streams. This machine-to-machine communication has the potential to trigger significant new software costs for four reasons: (1) because of the amount of software like light databases or operating systems embedded within large numbers of operational devices; (2) because of the traditional software vendors starting to charge license fees, in certain circumstances, if the devices even indirectly hit their applications; (3) because operational technology vendors are developing IT-like platforms and getting away from hardware sales and into annuity software sales; (4) because the people buying and paying for this may not even be in IT, are not experts in software procurement, and may make expensive mistakes signing license agreements with hidden, or not so hidden, costs and risks.

**By 2015, 40 per cent of Global 1000 Organisations will use gamification as the primary mechanism to transform business operations.**

Seventy per cent of business transformation efforts fail due to lack of engagement. Gamification addresses engagement, transparency of work, and connecting employees' actions to business outcomes. Companies apply feedback, measurement and incentives — the same techniques that game designers use, to keep players interested — to achieve the needed engagement for the transformation of business operations. Diverse industry segments are already finding gamification effective, and Gartner predicts that the worldwide market will grow from \$242 million in 2012 to \$2.8 billion in 2016, with enterprise gamification eclipsing consumer gamification in 2013.

**By 2016, wearable smart electronics in shoes, tattoos and accessories will emerge as a \$10 billion industry.**

The majority of revenue from wearable smart electronics over the next four years will come from athletic shoes and fitness tracking, communications devices for the ear, and automatic insulin delivery for diabetics. Wearable smart electronics, such as fitness trackers, often come with data analysis applications or services that create useful insights for the wearer. Applications and services will create new value for consumers, especially when combined with personal preferences, location, biosensing and social information. CIOs must evaluate how the data from wearable electronics can be used to improve worker productivity, asset tracking and workflow. Wearable electronics will also provide more-detailed information to retailers for targeting advertisements and promotions.

**By 2014, market consolidation will displace up to 20 per cent of the top 100 IT services providers.**

A Nexus of Forces, including cloud, big data, mobility and social media, along with continued global economic uncertainty, will accelerate the restructuring of the nearly \$1 trillion IT services market. By 2015, low-cost cloud services will cannibalise up to 15 per cent of top outsourcing players' revenue, and more than 20 per cent of large IT outsourcers not investing enough in industrialisation and value-added services will disappear through merger and acquisition. This will limit and endanger the typical offshore/nearshore approach run by dedicated IT services providers and create low-cost options onshore or facilitate a globalised approach to staffing. CIOs should re-evaluate the providers and types of providers used for IT services, with particular interest in cloud-enabled providers supporting information, mobile and social strategies.

**About Gartner Symposium/ITxpo**

Gartner Symposium/ITxpo is the world's most important gathering of CIOs and senior IT executives. This event delivers independent and objective content with the authority and weight of the world's leading IT research and advisory Organisation, and provides access to the latest solutions from key technology

providers. Gartner's annual Symposium/ITxpo events are key components of attendees' annual planning efforts. IT executives rely on Gartner Symposium/ITxpo to gain insight into how their Organisations can use IT to address business challenges and improve operational efficiency.

Additional information about Gartner Symposium/ITxpo 2012 in Orlando, is available at [www.gartner.com/symposium/us](http://www.gartner.com/symposium/us). Video replays of keynotes and sessions are available on Gartner Events on Demand at [www.gartnerondemand.com](http://www.gartnerondemand.com). Follow news, photos and video coming from Gartner Symposium/ITxpo on Facebook at <http://www.facebook.com/GartnerSymposium>, and on Twitter at [http://twitter.com/Gartner\\_inc](http://twitter.com/Gartner_inc) and using #GartnerSym.

Upcoming dates and locations for Gartner Symposium/ITxpo include:

29-31 October, Sao Paulo, Brazil: [www.gartner.com/br/symposium](http://www.gartner.com/br/symposium)

5-8 November, Barcelona, Spain: [www.gartner.com/eu/symposium](http://www.gartner.com/eu/symposium)

12-15 November, Gold Coast, Australia: [www.gartner.com/au/symposium](http://www.gartner.com/au/symposium)

5-7 March, 2013, Dubai, UAE: [www.gartner.com/technology/symposium/dubai/](http://www.gartner.com/technology/symposium/dubai/)

### **About Gartner**

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in 12,000 distinct Organisations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,200 associates, including 1,280 research analysts and consultants, and clients in 85 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

###