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LEADINGedgeforum

EXECUTIVE PROGRAMME

Preparing for a Post-PC World

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Executive Summary

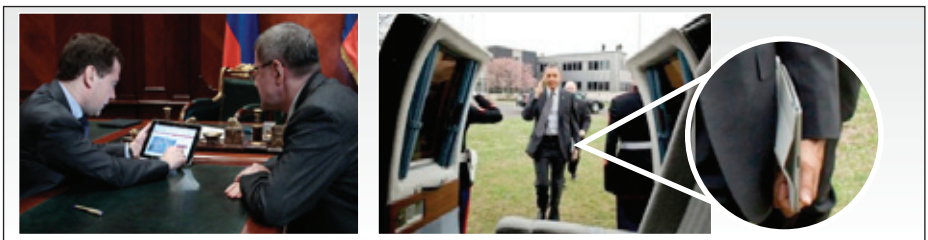
CSC



Since our initial Mobility Study Tour to Scandinavia and Asia in 2000, we have written a great deal about the consumerization of information technology. However, it is only in the last few years that consumerization has moved beyond the committed *early adopters* and entered the always critical *fast follower* phase. The *mass-market* era of consumerization is no longer far away.

Obviously, technology is a major driving force. Smartphones and tablets are powerful, easy to use, and selling in record-breaking numbers. Social media services such as Facebook and YouTube, the explosive growth of applications available in the 'cloud', and ever-better mobile connectivity are changing the way we all live and work. Many of the latest cars from Audi and other manufacturers can come with their own WiFi hotspot. These improvements will continue.

But perhaps most symbolically, many individuals, even many top executives, who never wanted to use or carry a PC, are enthusiastic iPhone and iPad customers. They want these new touch-enabled devices because they are fundamentally different from previous generations of IT equipment. There is something compelling about the touch interface that allows direct manipulation of an object. For the first time, computing seems to be appealing to the right side of the brain, and, rather than feeling like a chore, it is seen as enjoyable by people who are not 'techie's'. This is an enormous change for our industry.

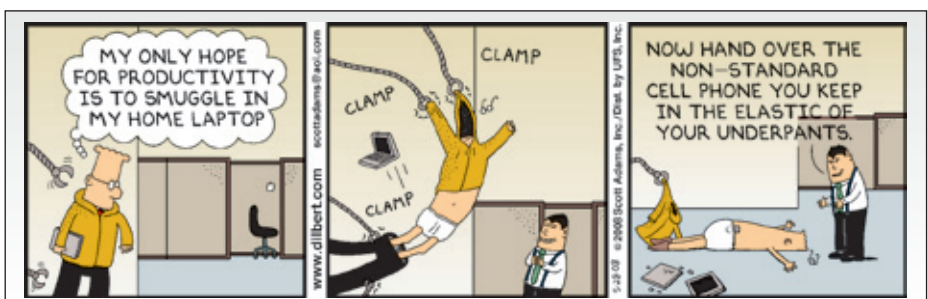


The presidents of Russia and the US are both iPad fans

There are also strong individual incentives. These days, employees need to be knowledgeable about technology as well as their jobs – what we call *double-deep*. To compete in today's global economy, they need to maximize their productivity, and this often means using technology in ways that make sense for them. They don't want to compete with their global rivals with one hand tied behind their back.

The net of these technological, psychological and competitive changes is that we are entering a new, *post-PC* world. The old world of standard-issue corporate PCs and BlackBerries, all controlled by a pervasive IT *nanny state*, is no more.

During this transition, cherished practices and assumptions about enterprise IT will be radically altered. For example, businesses today increasingly collaborate with employees, partners and customers across the globe. But if we need to support a wide range of consumer devices as part of making ourselves easy to do business with, then why not do this for our employees as well?



Some of the other key changes we expect during the post-PC era transition are identified in the table below.

CHANGE	EFFECT	OPPORTUNITY
IT innovation driven by consumers.	New IT technologies and services emerge first in the consumer rather than business markets.	Productivity gains by leveraging the speed of the consumer innovation cycle.
Consumer market scale and lower prices.	Real scale is in the consumer rather than business markets, but IT vendor margins have generally been higher when selling to businesses.	Lower costs for the business when employees 'bring their own technology' to work.
Commoditization of IT equipment and software.	Commoditization brings higher reliability, so less support is needed.	Significant savings as central IT support is cut back.
Smarter workforce.	Consumer IT has created a much more knowledgeable and IT-literate workforce.	<i>Double-deep</i> employees leverage technology in new ways to impact top-line growth and enhance their value; they are also active partners in dealing with security.
Reliable global network.	The internet offers cheap and reliable connectivity as an alternative to private business networks at a fraction of the cost.	Savings as broadband connections replace expensive privately-owned circuits; productivity improvements as they enable new applications such as HD video conferencing.
Variable-cost infrastructure services.	Easy-to-use variable cost services from global digital consumer companies such as Amazon give access to large-scale computing infrastructure with no capital investment.	Capital will be freed up to concentrate on business opportunities rather than IT purchases.
Free services.	A sustainable and profitable free digital services business model is developing, where services for the majority are free and paid for by advertising and other means.	Cost savings and productivity improvements from using free, high-quality and reliable services such as Skype, instant messaging, email and collaborative applications.
Global third-party service providers.	Large-scale services that previously had to be provided in-house are available from specialist suppliers over the internet, often substantially cheaper and just as reliable.	Project capital and risk are eliminated by leveraging the SaaS model. Adopting a standard offering removes the costs and delays of customization.
Lower switching costs.	Business IT switching costs are traditionally high, characterized by long-term deals supporting custom software and services. Commoditization cuts switching costs dramatically.	Prices are kept down, as there are fewer barriers to migrating to a competitor's offer; lower acquisition costs because procurement processes are simplified.

As these changes show, the shift to the post-PC world will involve much more than just technology adoption. It requires a range of cultural and organizational shifts that challenge much of what enterprises currently think about IT. It would be counter-productive, and even dangerous, for IT executives to deny what is happening and refuse to engage in these post-PC change debates. The inevitable result would be that employees saw enterprise IT and its policies as out of touch and increasingly irrelevant. This pattern must be avoided at all costs.

For example, when computers were expensive it made sense for organizations rather than individuals to buy them and take overall responsibility. Tomorrow, employees will be increasingly expected to be self-sufficient and responsible. In many cases this will include BYOT ('bring your own technology') policies, where devices are owned by the employee (perhaps funded by the enterprise), and with varying degrees of freedom in choice.

Each organization will make its own decision about how far it goes down this track, and it is reasonable to assume that more security-dependent firms will attempt to retain more control – although we found evidence that even some of these firms are operating a policy of 'don't ask, don't tell' over the use of consumer technologies. But one way or another, every firm will need an effective post-PC strategy.

Implementing this strategy will be primarily an exercise in change management, paying attention to all the steps of change from awareness of why change is needed through to reinforcement to make the change stick. If Enterprise IT is to manage the needed transitions, it will have to think in both change and project management terms and concern itself with issues beyond its traditional territory – legal, HR, procurement, finance, training, etc. Identifying the nature and scope of these relationships is a major focus of this report.

In the post-PC world we will require different approaches to risk and security. We need to re-balance the perceived risks of consumerization against improved productivity. Employees, processes and social media must be an active part of our approach to security, not just technology. Devices and services will be moved outside the firewall in order to shrink the remaining perimeter and make it easier to defend.

Perhaps most importantly, business leaders should keep in mind that the post-PC era isn't just about devices. The combination of mobility, social media and the cloud is creating a powerful new platform for innovation and growth. As employees and customers become increasingly connected with services that are *location-aware*, new applications and value will emerge in ways that are hard to imagine today.

Embracing these new opportunities will be much easier if they are part of a sustained process of consumerization that acknowledges the emergence and importance of a post-PC world. It is best to get on board early, or at least prepare for the mass-market phase ahead. The greatest benefits will accrue to those firms that rapidly take advantage of new technologies and concepts as they become available. Tracking these opportunities and strategies will be a major focus of LEF research over the next year and beyond.

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CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.

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The company trades on the New York Stock Exchange under the symbol "CSC."

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LEF programmes provide CTOs and senior technologists with the opportunity to explore the most pressing technology issues, examine proven state-of-the-art practices, and leverage CSC's technology experts, alliance programmes and events. For more information about LEF programmes, visit www.csc.com/lef

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