IT Transformation’s Value
Research Proves a Persistent Link to Agility, Innovation, and Business Success in the United Kingdom

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Introduction

ESG, in partnership with Dell EMC and Intel, has done extensive research on the topic of IT Transformation. IT Transformation is the act of modernizing and automating information technology systems and software holistically to improve IT operations and refine relevant business processes. It’s a major endeavor, but ESG’s research shows a meaningful link between IT Transformation progress and positive IT and business results.

The overall research effort consisted of a survey of 4,000 IT decision makers from 16 countries; however, this report summarizes the findings derived specifically from respondents based only in the United Kingdom—a subset of 502 respondents.

The goal of this report is to quantify and summarize the benefits that IT Transformation is delivering for these U.K. organizations. It also identifies the components of IT Transformation maturity and examines the progress organizations in the U.K. have made compared with other organizations across Europe.

ESG, Dell EMC, and Intel have also developed a complimentary online IT Transformation self-assessment to help an organization assess its own IT Transformation maturity. The assessment combines the research data with your unique inputs to provide customized recommendations on where you should focus transformation efforts based on your organization’s status. The assessment also allows you to access more specific insights by allowing you to compare your organization to others in your region only, or within your industry only.

Market Overview

IT Transformation is a concept with strong and increasing momentum in the United Kingdom. When ESG asked respondents to agree or disagree with the statement: “If my IT organization does not embrace IT Transformation, we will not be a competitive company,” 81% of U.K. respondents agreed. More than four out of five U.K. respondents agreeing with that statement is a powerful finding in its own right, but made more so when one considers the rate at which agreement has increased: Research conducted a year prior showed 74% agreement in the same geographic region.

Why IT Transformation Matters

ESG was able to assess the level of IT Transformation progress for each organization participating in the research. In its analysis, ESG grouped organizations into one of four categories based on their progress: Legacy, Emerging, Evolving, and Transformed.

In addition to asking questions that allowed ESG to assess transformation progress, ESG included many questions related to the organization’s IT efficiency, business success, and outlook. Examining the correlation between IT Transformation progress and positive business and IT outcomes, it is very clear that organizations should be implementing IT Transformation with a high degree of urgency.

Moreover, several of these correlations were stronger in data from respondents in the U.K. compared with the rest of the European region (see Figure 1).

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1 Please see the global research report here.
How ‘IT Transformation’ Differs from ‘Digital Transformation’

In this research, ESG noted a strong correlation between IT Transformation progress and mature “Digital Transformation” initiatives. While these terms sound similar, it is important to note they are different:

- **Digital Transformation** emphasizes evolving to thrive in a digital economy—for example, using smart devices, connected sensors, and data-driven insights to out-innovate, out-think, and out-pace competitors. Digital Transformation focuses on embracing change to become the disruptor, not the disrupted.

- **IT Transformation** centers on modernizing and automating the underlying technology infrastructure. The business becomes “more transformed” by growing beyond its reliance on rigid, manual, hard-to-maintain legacy technologies. IT Transformation enables speed, efficiency, scale, and cost-effectiveness—automating manual tasks and streamlining operations to free up resources and fuel Digital Transformation initiatives.

It is also important to note that ESG believes, backed by this data, that IT Transformation is a foundational enabler of Digital Transformation projects.

**Defining and Measuring IT Transformation Maturity**

As noted, ESG segmented organizations into four tiers of IT Transformation maturity. It did so via a data-driven maturity model that ascribed maturity points to an organization based on how its respondent answered key survey questions on behalf of his or her organization. These questions related to the level of adoption and sophistication of:

- **Modernized data center technologies**—*Transformed* organizations take steps such as virtualizing their servers. They use all-flash storage where appropriate. They run a considerable portion of their workloads using scale-out and converged or hyper-converged infrastructure platforms. They commit to a software-defined approach for networking and storage. And they adhere to a comprehensive and well-tested data protection strategy with the best-available backup, deduplication, and archiving tools at its foundation.
Automated IT processes—*Transformed* organizations automate their environments to help them deliver IT-as-a-Service in a cloud operating model for cost transparency, efficiency, and responsiveness. They incorporate automation to support server change configuration and storage provisioning. And they offer self-service capabilities so end-users can order and manage on-premises resources as needed.

Strategically aligned organizational dynamics—*Transformed* organizations believe in tight business and IT alignment, and business units regularly inspect IT outcomes for effectiveness. The IT organization’s executives almost always report directly to the C-suite leadership team, making it easier for IT to contribute to business strategy. *Transformed* organizations also often adopt DevOps principles and methodologies.

See *Criteria for Evaluating Respondent Organizations’ IT Transformation Maturity* in the Appendices section of this report to review the full list of dimensions of IT Transformation maturity upon which ESG evaluated respondents.

Given the business outcomes that can be unlocked by full IT Transformation, there is an incentive for organizations to maximize their IT maturity. Much like the aggregate European respondent base, few organizations in the United Kingdom (5% versus 4% for the rest of Europe) have achieved fully *Transformed* status. On the other hand, few organizations in the U.K. were rated *Legacy* (4% in both the U.K. and in the rest of Europe). Figure 2 shows the percentage of organizations in the U.K. in each transformation category. Much like the rest of Europe, the vast majority of organizations fell within stages 2 and 3.

**Figure 2. IT Transformation Distribution: The Maturity Curve in the United Kingdom**
Respondents Say Progress Must Accelerate

As noted, positive sentiment for IT Transformation is strong, with U.K. respondents broadly agreeing that it is vital to overall competitiveness. ESG asked the respondents if they agreed or disagreed that: “If we don’t embrace IT Transformation, we will not be a competitive provider of IT services to the business.” In this case, 84% agreed with the statement, up notably from prior research (67%).

ESG believes three macro trends are helping IT leaders in the United Kingdom realize the importance of IT Transformation:

- **The relationship they see between IT Transformation and Digital Transformation.** An overwhelming 96% of respondents said they have Digital Transformation initiatives underway—either at the planning stage, at the beginning of implementation, in process, or mature. Those initiatives are linked to IT Transformation progress: 72% of U.K. respondents whose organizations have achieved Transformed status also report having mature Digital Transformation projects underway compared with just 10% of Legacy U.K. companies. This means the typical Transformed company is eight times more likely to have made significant Digital Transformation progress compared with the typical Legacy company.

- **Time-to-market pressures.** Overwhelmingly, 87% percent of U.K. respondents said their companies are under pressure to deliver products and services faster, which requires having an agile approach to IT. Successful IT must allow the organization to deploy and scale digital services at the pace of business.

- **A pervasive requirement to reduce costs.** Even Transformed IT organizations in the U.K. are measured on keeping costs low and delivering projects on or under budget. Success depends on having a reliable, highly automated, easy-to-deploy, and easy-to-manage infrastructure.

The research also showed a strong link between Digital Transformation and business confidence. When ESG asked U.K. respondents to characterize their company’s forward-looking competitive position from “very strong” to “extremely poor,” 79% of respondents with mature Digital Transformation initiatives underway said they were in a strong/very strong position to compete and succeed compared with the 38% of U.K. respondents that are not pursuing Digital Transformation initiatives that reported the same.

Outcomes Associated with Increasing IT Transformation Maturity

Numerous, strong, positive correlations exist between IT Transformation maturity and various IT and business outcomes and key performance indicators. When responses from the U.K. are isolated, these correlations hold: Organizations that have transformed their IT consistently outperform those with lower maturity scores.

Business Performance and Driving Growth

ESG asked all respondents how their organization performed against revenue goals. Respondents from Transformed organizations in the U.K. were nearly 2.5 times as likely to have exceeded their revenue targets in the past year compared with Legacy U.K. organizations (92% versus 38%). Note that, for U.K.-based respondents, the delta observed between Transformed and Legacy organizations on revenue attainment is even larger than the rest of Europe (90% versus 54%).

Respondents from Transformed organizations in the U.K. were also about 2.5 times as likely to believe their companies will be strongly competitive over the next few years than respondents from Legacy companies (see Figure 3). Again, it is worth noting that, for U.K.-based respondents, the delta observed between Transformed and Legacy organizations on business...
sentiment is even larger than the rest of Europe, where Transformed organizations were twice as likely as Legacy organizations to report they were in a strong position.

Figure 3. Business Competitiveness and Driving Growth in the United Kingdom

Speeding Time to Market through Better IT Agility

At many companies, the time it takes for a product or service to go from concept to general availability depends on the IT function. The IT group is responsible for making sure the applications that employees use perform reliably and meet functional requirements. IT also is responsible for giving the developers the right tools and capabilities to meet all product release target dates.

In short, when IT gives internal end-users and partners what they need, when they need it, IT is also helping the business as a whole to give external customers what they want, when they want it.

As mentioned, 87% of U.K.-based respondents reported feeling a need to move at an accelerated pace. The research showed that their success in doing so is tied to their IT Transformation maturity. ESG asked the respondents to characterize their companies’ timeliness in developing and launching products and services relative to competitors. Transformed companies in the U.K. were six times more likely to report being significantly ahead of the competition compared with Legacy organizations—specifically, 60% of Transformed U.K. companies report being significantly ahead of the competition, compared with 10% of Legacy U.K. organizations (see Figure 4).
Using Data to Drive Decision Making

In addition to time to market, ESG questioned respondents about decision-making speed and quality. Respondents at Transformed companies in the U.K. were nearly 6.5 times more likely than Legacy organizations (64% versus 10%) to say their company almost always makes better and faster data-driven decisions (see Figure 5).

Figure 5. Making Data-driven Decisions in the United Kingdom

Generally speaking, how would you characterize your company’s success at utilizing data to make effective business strategy decisions relative to its competition? (percent of respondents)

- Stage 1 - Legacy
- Stage 2 - Emerging
- Stage 3 - Evolving
- Stage 4 - Transformed

Stage 4 companies are nearly 6.5X more likely to make better, faster data-driven decisions compared to Stage 1 organizations.

Source: Enterprise Strategy Group
Timely Application Deployment

On a similar note, ESG looked into the timeframes organizations operate under when deploying applications to their internal end-users and customers, work that typically encompasses infrastructure installation, integration, provisioning, and configuration—activities that all can be streamlined by automation. Transformed companies in the U.K. showed very strong performance here—they were nearly 14.5 times more likely to report that most of their application deployments happen ahead of schedule than respondents at Legacy organizations (72% versus 5%, see Figure 6). In fact, this multiple is higher when isolating U.K.-based respondents compared to the rest of Europe. Across the rest of Europe, Transformed organizations were 10 times more likely than Legacy organizations to report that the majority of deployments happen ahead of schedule.

Figure 6. Application Deployment Timeliness in the United Kingdom

Keeping IT Projects on Schedule

ESG asked the U.K. respondents to assess how many of the IT projects and initiatives they undertook over the past few years were completed ahead of, on, or behind schedule.

The further along a company is on its IT Transformation journey, the larger the proportion of projects it has finished ahead of schedule, on average. Specifically, Transformed organizations in the U.K. reported completing, on average, 32% of their IT projects ahead of schedule in the past few years, versus 5% for Legacy organizations (see Figure 7). This means that Transformed organizations in the U.K. complete 27% more of the projects they start ahead of schedule than their Legacy counterparts. In the rest of Europe, Transformed companies complete just 20% more of their projects ahead of schedule than Legacy organizations.
Figure 7. IT Project Completion Timeliness in the United Kingdom

Please consider the IT projects and initiatives your IT organization has undertaken over the last few years. Roughly what percent of these projects have been completed in each of the following timeframes? (Mean)

<table>
<thead>
<tr>
<th>Stage 1 - Legacy</th>
<th>Stage 2 - Emerging</th>
<th>Stage 3 - Evolving</th>
<th>Stage 4 - Transformed</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>17%</td>
<td>26%</td>
<td>32%</td>
</tr>
<tr>
<td>65%</td>
<td>58%</td>
<td>45%</td>
<td>47%</td>
</tr>
<tr>
<td>30%</td>
<td>25%</td>
<td>30%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

IT Projects Under, On, and Over Budget

ESG asked respondents what percentage of their IT projects over the last few years have been completed under, on, or over budget. Respondents at Transformed organizations in the U.K. said they are completing 26% of their IT projects under budget versus 7% for U.K.-based Legacy companies. Comparing this finding to the rest of the European data shows that U.K. respondents report a larger disparity between Transformed and Legacy success. While in the rest of Europe, Transformed companies complete 7% more of their projects under budget than Legacy companies, in the U.K., the difference is more than 2.5 times larger (19% more projects).

IT Staff Focused on Development and Strategy versus Operations

ESG asked respondents to place their IT staffs’ focus areas into three categories: operations, strategy/architecture, and application development. On average, Transformed organizations in the U.K. don’t spend as much time on infrastructure operations. They shift staff from classic IT operations such as infrastructure deployment, management, and monitoring to higher-value activities such as strategic planning, architecture, and application development. The data showed that Transformed companies in the U.K. have, on average, 16% fewer staff dedicated to routine operations (40% versus 56% for Legacy companies), 12% more staff dedicated to high-value application development (34% versus 22% for Legacy companies), and 3% more staff focused on strategic-level planning and architecture (25% versus 22%). This finding is in line with the European market in the aggregate, in which Transformed organizations shift 13% more of their staff to high-value functions.

IT Staff Allocation

Transformed companies are able to shift 16% of their IT staff to higher-value activities.

But what does that mean from a real-world standpoint?

Consider a 5,000-person company with a 250-person full-time IT staff. If it’s a Transformed company, roughly 40 more of those staffers are allocated to strategic endeavors such as planning, application development, architecture enhancement, and digital transformation compared to a similarly sized Legacy organization.
Innovation versus Keeping the Lights On

ESG asked respondents to split their IT budget into two categories: budget for new projects or initiatives, and budget for maintaining existing systems and services. On average, Transformed organizations in the U.K. are spending 48% of their annual IT budget on innovation. The U.K.’s Legacy companies, on the other hand, are allocating on average just 27% of their budgets to new projects/initiatives (see Figure 8). In fact, the amount by which Transformed organizations in the U.K. outspend Legacy organizations on new projects (by allocating 21% more of their budget) is wider than in the rest of Europe (8% more of their budget).

Figure 8. Budgeting for Innovation versus Ongoing Maintenance in the United Kingdom

Cost Competitiveness versus the Public Cloud

ESG noted a strong correlation between IT Transformation maturity and respondents’ sentiments about how cost-competitive they think their on-premises compute infrastructure is compared with a public cloud service. Three-fifths (60%) of the respondents working at Transformed companies in the U.K. believe their IT infrastructure is highly competitive—in other words, as good as or even better than a public cloud in terms of operating cost. But only 5% of Legacy organizations thought the same (see Figure 9).
By operating a cost-competitive, on-premises environment, the U.K.’s *Transformed* organizations are giving themselves great flexibility to leverage the public cloud where it makes sense, or keep workloads on-premises if those workloads are better served by local control and performance—without incurring incremental costs. In fact, while *Transformed* organizations in the U.K. are more than 12 times as likely as *Legacy* companies to be highly competitive with the public cloud on costs, those in the rest of Europe are only seven times as likely.

**IT Spend per Business-critical Application**

*Transformed* companies in the U.K. run a higher number of critical applications and generally have more sophisticated IT environments and spend less than other companies do on a per-application basis. To normalize expenditures regardless of organization size, ESG divided respondents’ IT budgets by how many business-critical applications they manage (see Figure 10). The U.K.’s *Transformed* organizations spend a remarkable 80% less per application than *Legacy* companies do. They are spending, on average, £542,981 per business-critical application versus the average £2.72 million that *Legacy* companies spend per application. Note that in the rest of Europe, *Transformed* organizations only reported spending 41% less than their *Legacy* counterparts.

ESG believes that by making extensive use of automation and advanced IT solutions (as well as being smarter about organizational structure), *Transformed* companies in the U.K. have been uncovering major cost efficiencies and don’t need to spend as much on the routine maintenance of their environments.
Figure 10. IT Spend per Business-critical Application in the United Kingdom

ESG tested the idea that IT leaders who work at forward-thinking *Transformed* companies are “invited to the table” earlier and more frequently to provide input to business-strategy decisions. The findings definitively confirmed this supposition.

IT groups at *Transformed* companies in the U.K. are 17 times more likely to be involved in business-strategy development compared with their counterparts at U.K. *Legacy* companies (84% versus 5%, see Figure 11). It is interesting to note that the likelihood of respondents at U.K.-based *Transformed* organizations to be included in business-strategy development is even higher than the likelihood observed among *Transformed* organizations in the rest of Europe (84% versus 58%).

Figure 11. IT Involvement with Business Strategy in the United Kingdom

IT groups at Stage 4 companies are nearly 17X more likely to be involved in business strategy development compared to Stage 1 organizations.

**IT/Line of Business Cooperation**

Respondents described the degree of cooperation and collaboration they believe exists between the IT department and other lines of business. Decision makers at *Transformed* companies in the U.K. were 7.6 times more likely to report high levels of cooperation than *Legacy* organizations were (76% of respondents at *Transformed* companies reported high cooperation levels versus 10% of the *Legacy* companies).
Maturity Characteristics Compared with the Rest of Europe

Clearly, the evidence is overwhelming that for organizations in the United Kingdom, IT Transformation correlates with improved IT and business outcomes. Understanding how these firms compare with companies across the rest of Europe in terms of IT Transformation can also help other organizations in the region to decide where and how to focus their own modernization efforts and enhance their own outcomes (see Figure 12).

Figure 12. Summarized IT Transformation Technology Progress, United Kingdom versus the Rest of Europe

Some aspects of IT Transformation maturity in the U.K. could be described as “mixed.” U.K.-based organizations appear to be ahead of their counterparts across Europe in some areas, but behind in others. For example:

• U.K.-based organizations appear less apt to use any All-Flash or hybrid arrays. However, the difference is not statistically significant (70% versus 73% for the rest of Europe).

• U.K.-based organizations lead compared with the rest of Europe in scale-out storage utilization, but the difference is again not statistically significant (63% versus 61% for the rest of Europe).

• U.K.-based organizations were more likely to be committed to the use of software-defined data center technologies such as software-defined networking and software-defined storage (53% versus 48% for the rest of Europe).

• However, U.K.-based organizations were more likely to report not using either converged or hyper-converged infrastructure (17% versus 12% for the rest of Europe).

• U.K.-based organizations are almost exactly as virtualized as other European organizations are (48.36% of the U.K. respondents’ production servers are VMs versus 48.19% on average in the rest of Europe).

In addition to modern data center technologies, the evidence was promising (but again, mixed) in regard to automation usage in the U.K. relative to the rest of Europe:

• U.K.-based respondents were more apt to report excellent progress toward infrastructure automation (16% versus 11% for the rest of Europe).

• U.K.-based organizations were also slightly more likely to have extensive or moderate self-service infrastructure capabilities (35% reported extensive/moderate capabilities versus 32% for the rest of Europe).
• However, U.K.-based respondents said their organizations are less likely to have entirely automated server updating (13% versus 19%) and troubleshooting processes (10% versus 14%).

Finally, U.K. organizations are on par with or exceed their other European counterparts in these process-related areas:

• ESG asked respondents to qualitatively describe how extensively their organizations have adopted formal DevOps principles and practices. U.K. organizations were more apt to have extensive or good adoption (59% versus 53% for the rest of Europe).

• U.K.-based organizations were more apt to report having weekly and/or monthly IT outcome inspections by line-of-business leadership (47% versus 43% in the rest of Europe).

The Bigger Truth

The themes uncovered in ESG’s global research also ring true for respondents from the United Kingdom specifically. IT Transformation is correlated to superior organizational performance across a broad cross-section of outcomes and KPIs. However, on balance, it appears several specific aspects of IT Transformation exist which U.K.-based organizations could advance further to achieve even more success.

Assess Your Own IT Transformation Maturity

To enable greater IT Transformation maturity and realize the positive business outcomes that come with mature IT, you must first understand where you stand today. Dell EMC, Intel, and ESG have made an interactive online assessment available based on this research. This free-of-charge tool allows you to see where you stand in relation to your peers and helps you understand your strengths and weaknesses.

Start the journey toward transforming your IT organization, accelerating the pace of innovation, and fueling tomorrow’s digital transformation initiatives today.
Appendices

Research Methodology

The data summarized in this report comes from a subset of a 1,569-respondent European survey conducted by ESG between September 19, 2017, and November 6, 2017. The U.K. findings detailed in this report were provided by 502 senior IT executives who work at private- and public-sector organizations located throughout the United Kingdom.

To qualify for the survey, respondents were required to be familiar with their organizations’ current and future IT budget and spending plans and involved in their organizations’ infrastructure (e.g., storage, servers, networking, virtualization, and/or data protection) purchase processes.

ESG filtered out unqualified respondents, removed duplicate responses, and screened the remaining completed responses (on several criteria) for data integrity.

All respondents were provided an incentive to complete the survey in the form of cash awards and/or cash equivalents. Note: Totals in figures and tables throughout this report may not add up to 100% due to rounding.

To calculate maturity levels, ESG asked each respondent questions about her IT environment and processes—allocating a corresponding number of maturity points to each question and answer. The sum of the points represented an organization’s total maturity score.

An organization could earn 0 to 100 points. Those with 0 to 25 points were classified as Stage 1 (or Legacy) organizations. Organizations earning 25.5 to 50 points were Stage 2 (or Emerging) organizations. If they earned 50.5 to 75 points, they were Stage 3 (or Evolving) organizations, and if they earned 75.5 to 100 points, they were Stage 4 (or Transformed).

Criteria for Evaluating Respondent Organizations’ IT Transformation Maturity

ESG’s maturity model determined organizations’ IT Transformation maturity based on respondents’ answers to a subset of questions included within the more than 60 questions in the survey. The figures that follow detail these questions.

Figure 13. Organizational Adoption of DevOps in the United Kingdom

<table>
<thead>
<tr>
<th>Extensive adoption</th>
<th>8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good adoption</td>
<td>51%</td>
</tr>
<tr>
<td>Some adoption</td>
<td>25%</td>
</tr>
<tr>
<td>Limited adoption</td>
<td>10%</td>
</tr>
<tr>
<td>No adoption</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group
Figure 14. Percentage of Production Servers Virtualized in the United Kingdom

Of all on-premises production servers in your environment, approximately what percentage are virtual machines (VMs)? (percent of respondents, N=502)

![Bar chart showing the percentage of production servers virtualized in the United Kingdom.]

Source: Enterprise Strategy Group

Figure 15. Assessment of Organization’s Infrastructure Administration Automation in the United Kingdom

How would you describe your IT organization’s progress towards automating infrastructure provisioning, configuration, and change management tasks? (percent of respondents, N=502)

- Excellent progress: 16%
- Good progress: 45%
- Some progress: 35%
- Little or no progress: 3%

Source: Enterprise Strategy Group
Figure 16. Assessment of Organization’s Enablement of Self-service Infrastructure Provisioning in the United Kingdom

Does your IT organization enable developers and/or line-of-business end-users to provision on-premises IT resources (VMs, storage capacity, network connectivity, etc.) in a self-service fashion? (percent of respondents, N=502)

- Yes, we have extensive self-service capabilities: 9%
- Yes, we have moderate self-service capabilities: 26%
- Yes, we have limited self-service capabilities: 39%
- No, but we are interested in offering self-service provisioning capabilities in the near future: 15%
- No, all provisioning requests are submitted to IT and this is unlikely to change in the near future: 11%
- Don’t know: 1%

Source: Enterprise Strategy Group

Figure 17. Solid-state Storage Utilization in the United Kingdom

For workloads that utilize solid-state storage, what is the primary implementation type (i.e., the implementation that supports the largest number of workloads)? (percent of respondents, N=502)

- None (not using solid-state storage): 30%
- Entirely hybrid array deployments: 8%
- Mostly hybrid array deployments with some all-flash array deployments: 29%
- Evenly split among hybrid array and all-flash array deployments: 25%
- Mostly all-flash array deployments with some hybrid array deployments: 6%
- Entirely all-flash array deployments: 1%
- Don’t know: 1%

Source: Enterprise Strategy Group
Figure 18. Utilization of Scale-out Storage in the United Kingdom

Approximately what percentage of your company’s applications are currently supported by storage systems that utilize scale-out architectures? (percent of respondents, N=502)

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>None (not using scale-out storage)</td>
<td>37%</td>
</tr>
<tr>
<td>1% to 10% of applications</td>
<td>2%</td>
</tr>
<tr>
<td>11% to 20% of applications</td>
<td>19%</td>
</tr>
<tr>
<td>21% to 30% of applications</td>
<td>21%</td>
</tr>
<tr>
<td>31% to 40% of applications</td>
<td>14%</td>
</tr>
<tr>
<td>41% to 50% of applications</td>
<td>6%</td>
</tr>
<tr>
<td>More than 50% of applications</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

Figure 19. Organizational Perspective of Software-defined Networking and Storage in the United Kingdom

Which of the following best represents your company’s perspective on software-defined data center technologies? (percent of respondents, N=502)

- Committed to SDDC as a long-term strategy and have begun to implement SDDC technologies | 13%
- Committed to SDDC as a long-term strategy and in technology evaluation/planning phase | 40%
- Conceptually interested in SDDC as a long-term strategy but we have no formal initiatives underway at this time | 34%
- Have evaluated SDDC technologies and have no interest at this time | 5%
- Have not evaluated SDDC technologies and have no interest at this time | 5%
- Don’t know | 2%

Source: Enterprise Strategy Group
Figure 20. Utilization of Converged Infrastructure in the United Kingdom

Approximately what percentage of your company’s on-premises applications are currently supported by converged infrastructure platforms? (percent of respondents, N=502)

<table>
<thead>
<tr>
<th>Percentage Distribution</th>
<th>Applications Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>None (not using CI)</td>
</tr>
<tr>
<td>18%</td>
<td>1% to 10% of</td>
</tr>
<tr>
<td>12%</td>
<td>11% to 20% of</td>
</tr>
<tr>
<td>5%</td>
<td>21% to 30% of</td>
</tr>
<tr>
<td>3%</td>
<td>31% to 40% of</td>
</tr>
<tr>
<td>2%</td>
<td>41% to 50% of</td>
</tr>
<tr>
<td>1%</td>
<td>More than 50% of</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

Figure 21. Utilization of Hyper-converged Infrastructure in the United Kingdom

Approximately what percentage of your company’s on-premises applications are currently supported by hyper-converged infrastructure platforms? (percent of respondents, N=502)

<table>
<thead>
<tr>
<th>Percentage Distribution</th>
<th>Applications Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>None (not using HCI)</td>
</tr>
<tr>
<td>8%</td>
<td>1% to 10% of</td>
</tr>
<tr>
<td>13%</td>
<td>11% to 20% of</td>
</tr>
<tr>
<td>9%</td>
<td>21% to 30% of</td>
</tr>
<tr>
<td>5%</td>
<td>31% to 40% of</td>
</tr>
<tr>
<td>1%</td>
<td>41% to 50% of</td>
</tr>
<tr>
<td>2%</td>
<td>More than 50% of</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group
Figure 22. Comprehensiveness of Deployed Data Protection Solutions in the United Kingdom

Has your organization deployed data protection solutions for any of the following environments? (percent of respondents, N=502)

- Endpoint devices (i.e., PCs, smartphones, tablets, etc.): 36%
- Public cloud applications (i.e., SaaS applications): 48%
- Public cloud environments (i.e., IaaS-resident VMs): 46%
- Virtual environments (i.e., on-premises VMs): 61%
- On-premises physical servers and VMs (i.e., unified data protection): 49%
- None of the above: 0%
- Don’t know: 2%

Source: Enterprise Strategy Group

Figure 23. Assessment of Server Administration Automation in the United Kingdom

To what extent would you say each of the following server infrastructure management tasks are automated within your IT operations team? (percent of respondents, N=502)

- Entirely automated
- More automated than manual
- Even mix of automated and manual tasks
- More manual than automated
- Entirely manual

Server configuration/provisioning
- Entirely automated: 32%
- More automated than manual: 36%
- Even mix of automated and manual tasks: 10%
- More manual than automated: 12%
- Entirely manual: 12%

Server updates and monitoring (firmware upgrades, patching, utilization reporting, etc.)
- Entirely automated: 36%
- More automated than manual: 34%
- Even mix of automated and manual tasks: 35%
- More manual than automated: 12%
- Entirely manual: 3%

Issue diagnosis/remediation
- Entirely automated: 32%
- More automated than manual: 35%
- Even mix of automated and manual tasks: 16%
- More manual than automated: 10%
- Entirely manual: 6%

Source: Enterprise Strategy Group
Figure 24. Frequency of IT Organization Evaluation by Business Executives in the United Kingdom

How frequently is the IT organization and the outcomes it delivers (e.g., availability, agility, cost) evaluated by C-suite business executives (CEO, CFO, COO) or the board of directors? (percent of respondents, N=502)

- Weekly: 12%
- Monthly: 35%
- Quarterly: 40%
- Semi-annually: 5%
- Annually: 3%
- Ad-hoc, only when there is a compelling reason that prompts the evaluation: 3%
- Don’t know: 1%

Source: Enterprise Strategy Group

Figure 25. CIO Reporting Structure in the United Kingdom

To whom does the most senior IT executive at your company report? (percent of respondents, N=502)

- CEO or equivalent: 52%
- President/COO: 30%
- CFO: 11%
- SVP/VP: 6%
- Other: 1%

Source: Enterprise Strategy Group
Respondent Demographics

The figures below detail the demographics of the respondent base: individual respondents’ current job responsibilities, as well as respondent organizations’ total number of employees, primary industry, and annual revenue.

Figure 26. United Kingdom Respondents, by Job Responsibility

Which of the following best describes your current responsibility within your company? (Percent of respondents, N=502)

- Most senior IT executive at my company (e.g., CIO or equivalent), 38%
- Senior IT management (e.g., VP of IT, Director of IT, etc.), 38%
- IT management, 24%

Source: Enterprise Strategy Group

Figure 27. United Kingdom Respondents, by Number of Employees

How many total employees does your company have worldwide? (Percent of respondents, N=502)

- 20,000 or more: 18%
- 10,000 to 19,999: 12%
- 5,000 to 9,999: 21%
- 2,500 to 4,999: 18%
- 1,000 to 2,499: 19%
- 500 to 999: 13%

Source: Enterprise Strategy Group
Figure 28. United Kingdom Respondents, by Industry

What is your company’s primary industry? (Percent of respondents, N=502)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial (banking, securities, insurance)</td>
<td>21%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15%</td>
</tr>
<tr>
<td>Retail/Wholesale</td>
<td>13%</td>
</tr>
<tr>
<td>Government (Federal/National, State/Local)</td>
<td>9%</td>
</tr>
<tr>
<td>Health Care</td>
<td>7%</td>
</tr>
<tr>
<td>Technology (not IT hardware/software)</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>29%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

Figure 29. United Kingdom Respondents, by Annual Revenue

What is your company’s total annual revenue ($US)? (Percent of respondents, N=502)

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50 million to $99.999 million</td>
<td>3%</td>
</tr>
<tr>
<td>$100 million to $249.999 million</td>
<td>4%</td>
</tr>
<tr>
<td>$250 million to $499.999 million</td>
<td>6%</td>
</tr>
<tr>
<td>$500 million to $749.999 million</td>
<td>14%</td>
</tr>
<tr>
<td>$750 million to $999.999 million</td>
<td>16%</td>
</tr>
<tr>
<td>$1 billion to $4.999 billion</td>
<td>23%</td>
</tr>
<tr>
<td>$5 billion to $9.999 billion</td>
<td>16%</td>
</tr>
<tr>
<td>$10 billion to $19.999 billion</td>
<td>11%</td>
</tr>
<tr>
<td>$20 billion or more</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

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