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Les entreprises européennes se sentent plus exposées aux perturbations liées au marché des nouvelles technologies

- D'après un nouveau rapport de McKinsey, « Time to Raise the CIO's Game: A Call to Action for European Companies », 74% des dirigeants d'entreprises européennes estiment que leurs entreprises sont « très » voire « extrêmement » exposées aux perturbations des marchés d'origines technologiques.
- Malgré le pessimisme des entreprises européennes sur l'économie, 31 % des dirigeants européens ont fait une priorité du développement de nouveaux produits et services en réponse à l'évolution des modes de consommation.
- McKinsey s'attend à ce que l'environnement reste difficile et prône un meilleur alignement entre les technologies de l'information et la stratégie d'entreprise (qui doit être étayé par des processus de gouvernance améliorés et une augmentation importante des compétences).

European Businesses Feel More Exposed to IT-Driven Market Disruptions

McKinsey Research Paper Suggests Technology Can Play Greater Role in Helping European Organisations Meet Higher Performance Expectations

LONDON – November 11, 2009 – European business leaders believe their companies are more vulnerable to IT-enabled market disruptions than companies anywhere else in the world, according to a new research paper released today by McKinsey & Co.

The McKinsey paper, 'Time to Raise the CIO's Game: A Call to Action for European Companies', found that 74 per cent of European business leaders believed their company was 'very' or 'extremely' exposed to IT-based market disruption, yet only 18 per cent of European IT executives believed their companies were very effective at introducing technologies faster and better than their competitors.

According to McKinsey, European companies need to grasp the opportunity to make bold, transformative moves to ensure their business continues to thrive in the 'new normal' economic environment. A significant number of businesses have recognised the need to adapt,

with 31 per cent of European executives saying the development of new products and services in response to changing consumption patterns was a priority.

However, the McKinsey paper found that the attitude of European business leaders towards IT must shift. McKinsey notes that to date, European IT functions have achieved 'satisfactory' results by attaining some success in improving IT productivity, operational productivity, or innovation. However, in the 'new normal', the performance bar is much higher and 'IT must truly excel in all of these dimensions to support a winning company'.

Cisco's experience echoes the McKinsey findings. Cisco believes that reinventing the customer experience through new business models, value propositions and service delivery, coupled with creating a borderless organisation that overcomes cross-functional and cross-border barriers, is crucial for business success in the new normal economic environment.

To succeed in the 'new normal', McKinsey recommends that European companies:

- Align IT and the business
 - Improve governance models to facilitate joint decision making and strategic planning between IT and the business
 - Upgrade business skills of IT leaders
- Close performance gaps
 - Fundamentally restructure the IT function to dramatically improve productivity
 - Transform the company's operating model and cost structure with IT-enabled business processes
- Enable transformative moves
 - Identify opportunities for IT-enabled innovations and be prepared to respond to competitors' disruptive moves
 - Promote a mindset that fosters and rewards experimentation with new ideas

Key Facts / Highlights

- McKinsey says companies have begun to recognise that the current recession is 'not simply another turn of the business cycle but a restructuring of the economic order' and that they need to look beyond relieving short-term cost pressures to maximise their ability to respond to long-term change. The current economic environment should be treated as the 'new normal' conditions.
- The paper found that business leaders in Europe expect the operating environment to remain challenging despite recent data pointing to a bottoming out of the economic downturn.
- Despite pessimism from European companies about the economy, 31 per cent of European executives placed a priority on the development of new products and services in response to changing consumption patterns.
- CIOs tend to report to CEOs less frequently in Europe than they do in other parts of the world: Only 31 per cent of CIOs report to CEOs in Europe, as opposed to 56 per cent in North America. Seventy-one per cent of European IT and business executives told McKinsey that IT and business strategy should be tightly integrated, but only 27 per cent considered that to be the case at their companies. The data suggests a continued bias on the part of business leaders for IT to focus on back-office operations, rather than on leading strategy and growth.

- Some executives do not believe IT is a critical enabler of business success: a third of European IT and business executives in the McKinsey paper did not view IT as among the top three levers in creating a competitive advantage.
- However, business executives do believe there is room for improvement in partnering with business leaders to deliver new ideas or enhancements to existing processes and systems (81 per cent) and new business capabilities supported by technology (77 per cent).
- McKinsey found that using IT to support operational improvements in the business can provide up to 10 times the impact of efficiency programs in the IT function alone. Technology enablement allows companies to radically transform their operating models and cost structures.
- European CIOs must overcome not only performance issues similar to those faced by other CIOs around the world, but also structural factors in Europe that pose significant hurdles to pan-European productivity and efficiency. They include cultural, language, regulatory and legislative differences across countries, and the legacy of mergers and acquisitions activity that has left many organisations with complex IT environments / governance issues.
- The McKinsey paper finds that achieving closer alignment between IT and business requires improving governance processes and increasing the breadth of skills within the IT leadership group. McKinsey says companies must recognize that technical skills are no longer sufficient for leadership within the IT function and need to be supplemented with business skills.
- McKinsey research has shown that downturns are times when industry leadership often changes. Forty-eight per cent of global IT companies and 40 per cent of U.S. industrial companies that were leaders before the 2000-01 recession did not retain their leadership positions afterward.
- 74 per cent of European business leaders believed their company was 'very' or 'extremely' exposed to IT-based market disruption, yet only 18 per cent of European IT executives believed their companies were very effective at introducing technologies faster and better than their competitors.

Supporting Quote

- **Chris Dediccoat, president, European Markets, Cisco**

"The economic downturn has spurred new thinking in technology and its impact on the bottom line. As European businesses adapt to the 'new normal', technology provides unprecedented opportunities for CIOs to transform their businesses. More than ever, technology underpins every move a business makes and game-changing technology-based innovations can disrupt markets and change competitive landscapes. In this economic environment, the role of the CIO will become critical to a business's ability to embrace change, increase business agility and drive growth."

Link to McKinsey Research Paper:

http://www.mckinseyquarterly.com/Time_to_raise_the_CIOs_game_2447

About Cisco

Cisco, (NASDAQ: CSCO), is the worldwide leader in networking that transforms how people connect, communicate and collaborate. Information about Cisco can be found at <http://www.cisco.com>. For ongoing news, please go to <http://newsroom.cisco.com>. Cisco equipment in Europe is supplied by Cisco Systems International BV, a wholly owned subsidiary of Cisco Systems, Inc.

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