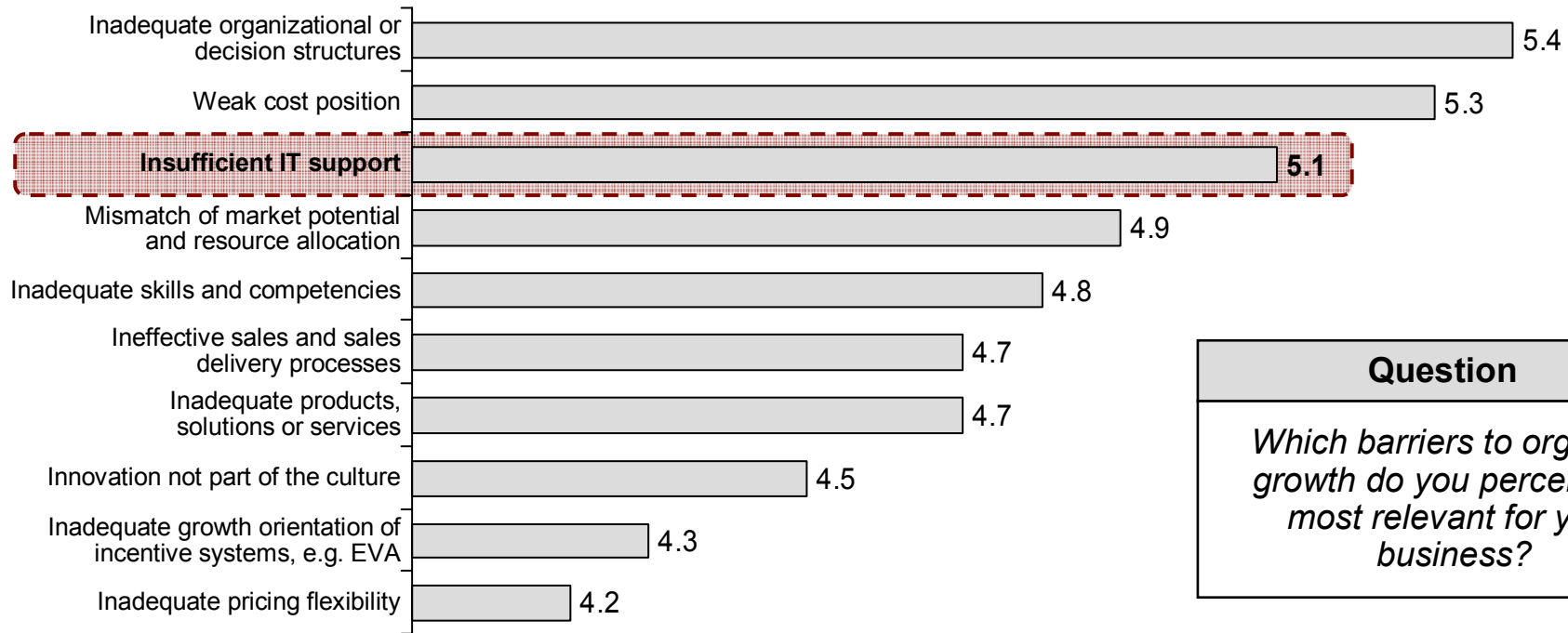

To what degree is IT enabling corporate growth?

A.T. Kearney's European IT Growth Study

- October 2007 -

The A.T. Kearney/Handelsblatt Growth Excellence Survey pinpointed insufficient IT support as a key barrier to growth

Objective of the Study



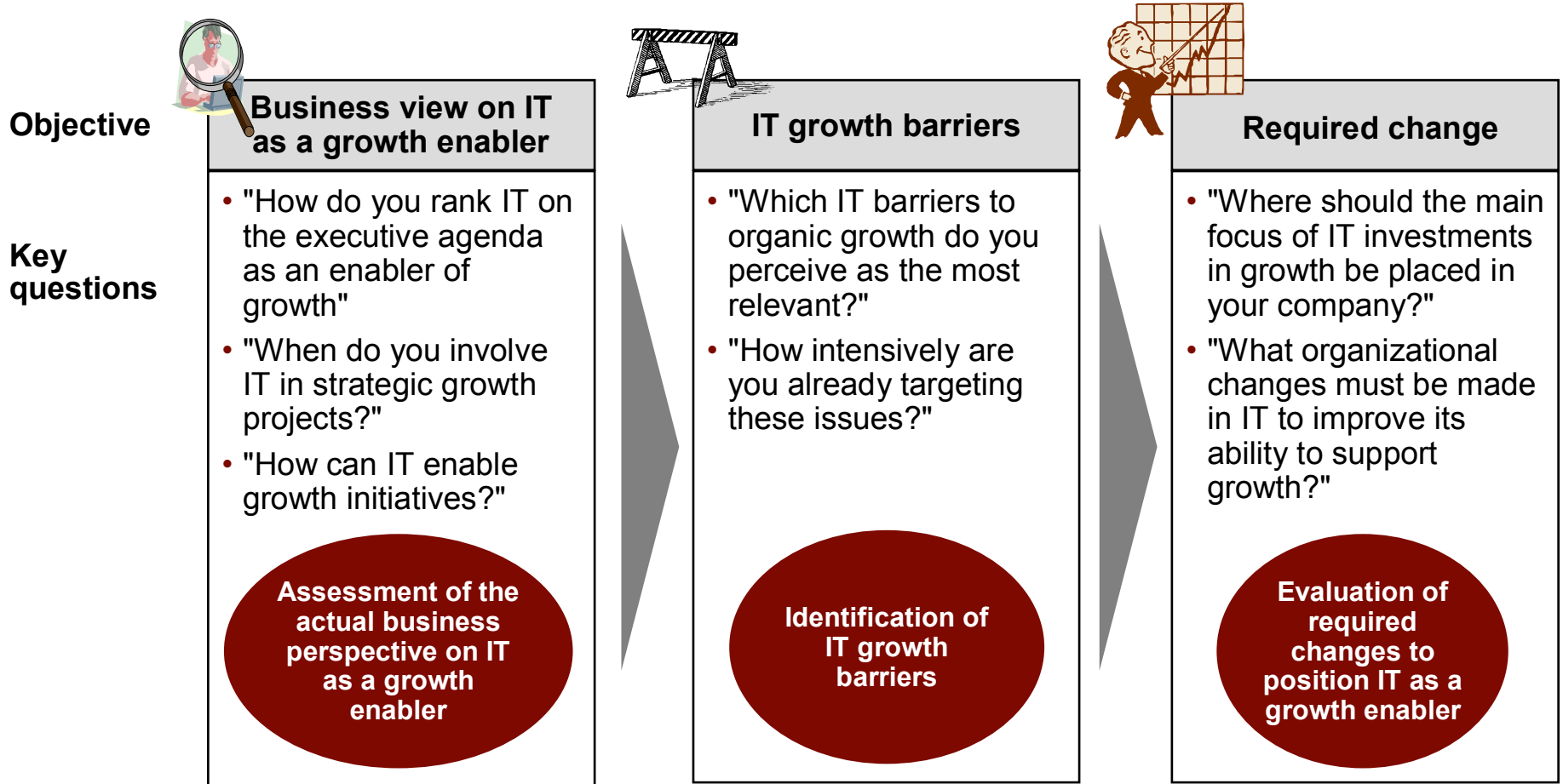
Question

Which barriers to organic growth do you perceive as most relevant for your business?

Objective of the "Growth blocker IT" study is to conduct a detailed analysis of IT as a key barrier to organic growth

Objective of the "Growth blocker IT" study was to understand how IT enables corporate growth

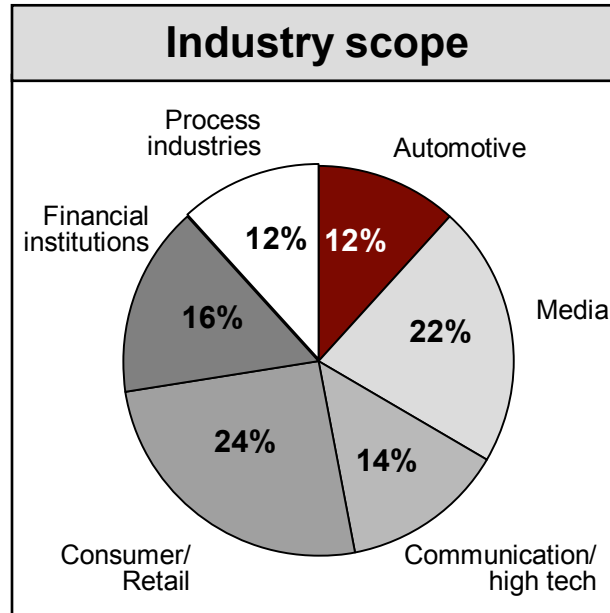
Objective of the Study



The study considers the business department view and covers multiple industries and countries

Scope of the study

Method
<ul style="list-style-type: none"> • 65 interviews with business representatives based on questionnaire (45 – 90 minutes) • Focus on business view: Interviewees mainly part of sales, marketing, and corporate development • Interviewees from top (80%) - and middle (20%) management



Companies
<ul style="list-style-type: none"> • Global Player • Revenue > € 1 bn. • # employees > 15,000
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Example</div>

IT is a key enabler for company growth if IT organizations simply applying three rules



On average, 6% of revenue growth opportunities remained untapped due to insufficient IT support and misalignment between business and IT alignment



Main inherent IT growth barriers are

- inconsistent data,
- IT's slow response to business requirements and
- missing transparency regarding IT value-added.

However, the problem goes beyond the IT function:

- only a small fraction involves IT in strategic discussions
- IT requirements are not sufficiently formulated as part of the company's targets
- companies lack a vision of how to leverage IT to support business growth.

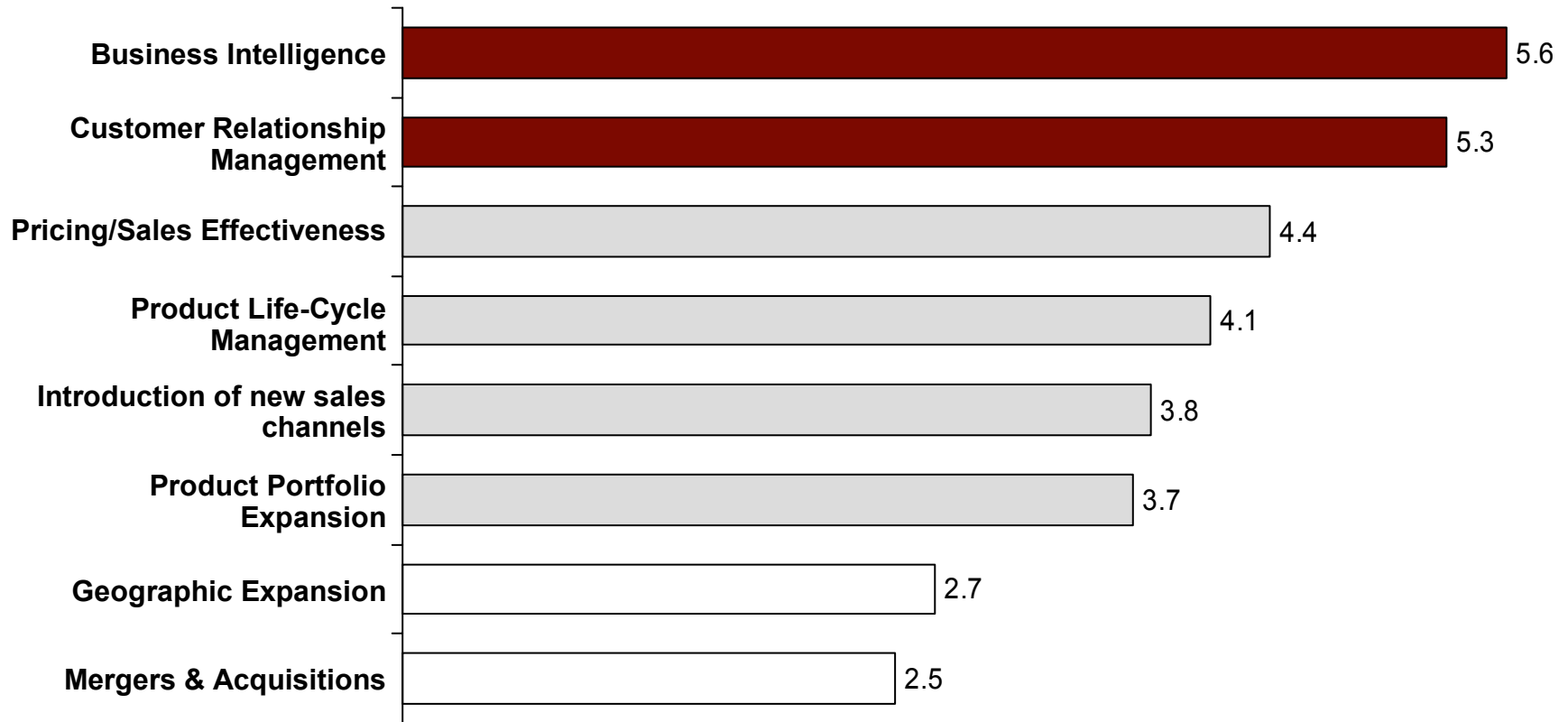


To tap this identified growth potential, companies need three key levers:

- I Ensure transparency of IT value & develop a joint vision between business and IT
- II Define benefit-oriented IT business models
- III Deploy a stable and reliable platform with benefit-oriented functions

Growth initiatives in BI and CRM are mainly blocked by insufficient IT support

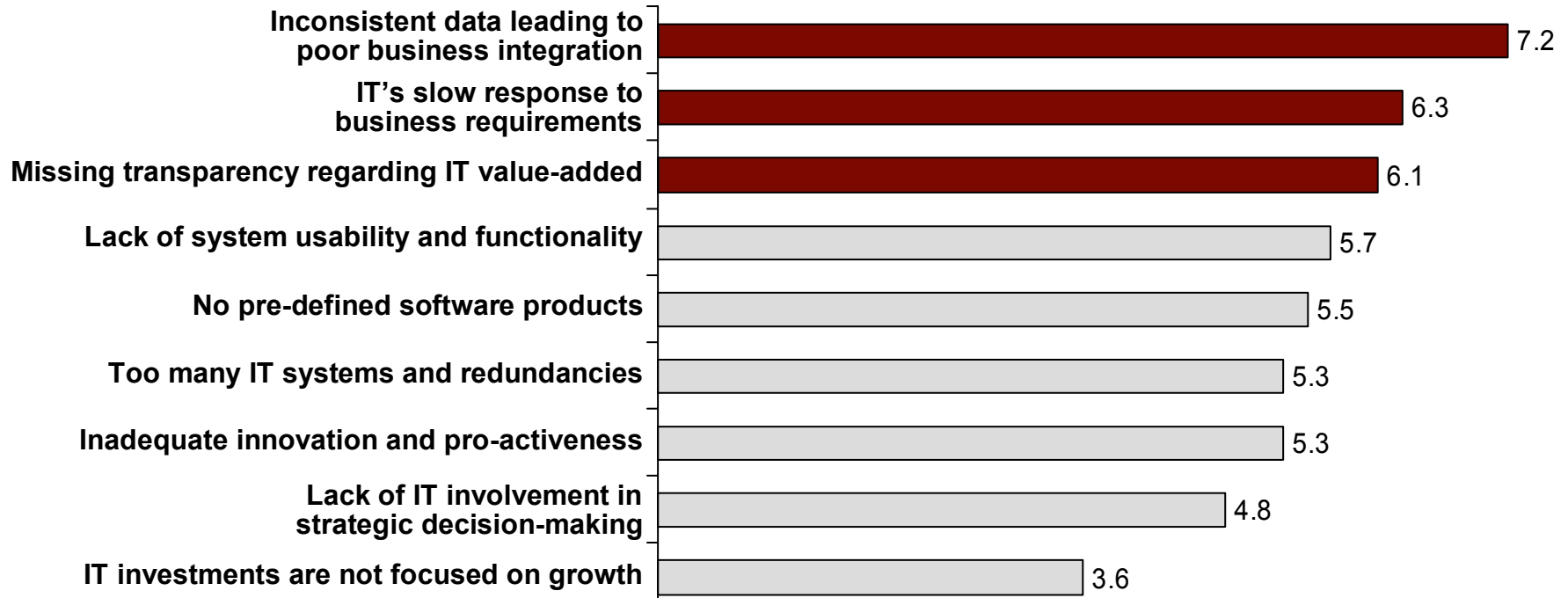
To what degree has IT blocked growth initiatives in your company?



Relevance: 0 = no negative impact; 10 = strong negative impact – initiative failed because of IT
 Source: A.T. Kearney Growth Blocker IT Study 2007

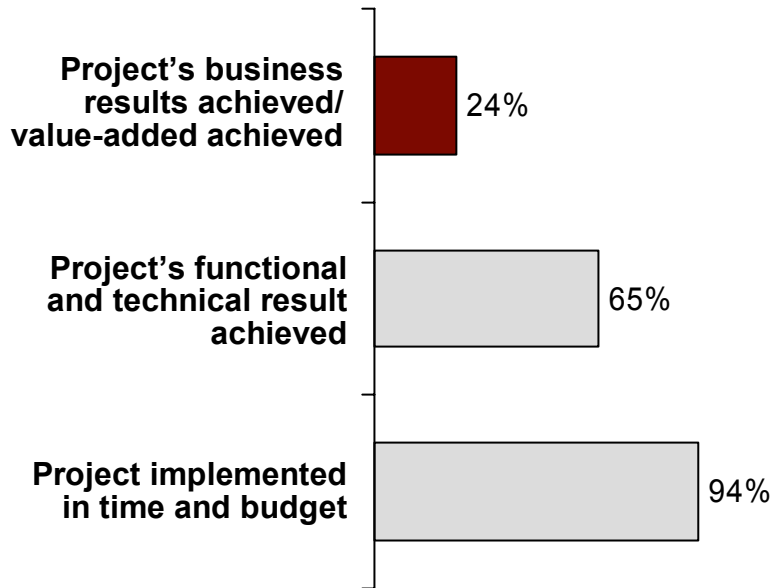
Inconsistent data, slow response times and missing value-added transparency are the main IT growth barriers

Which IT growth barriers do you perceive as the most relevant for your business?

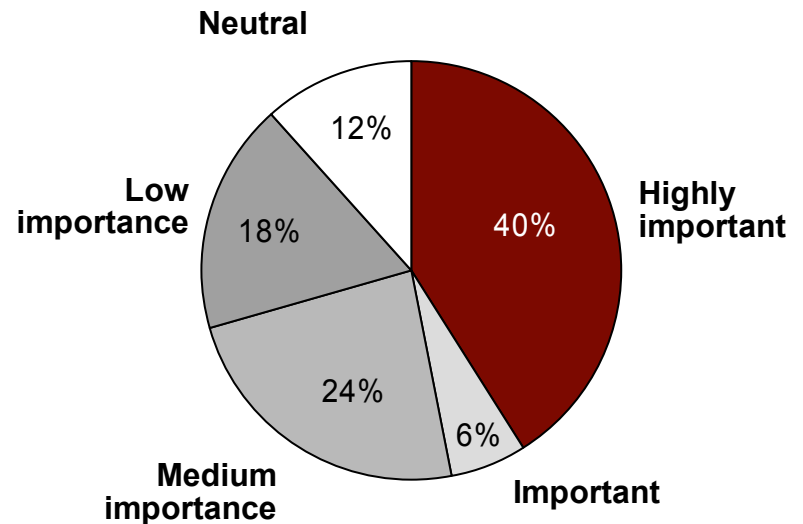


76% of the companies do not measure and track the value-added of IT initiatives

How do you measure the success of IT implementation?



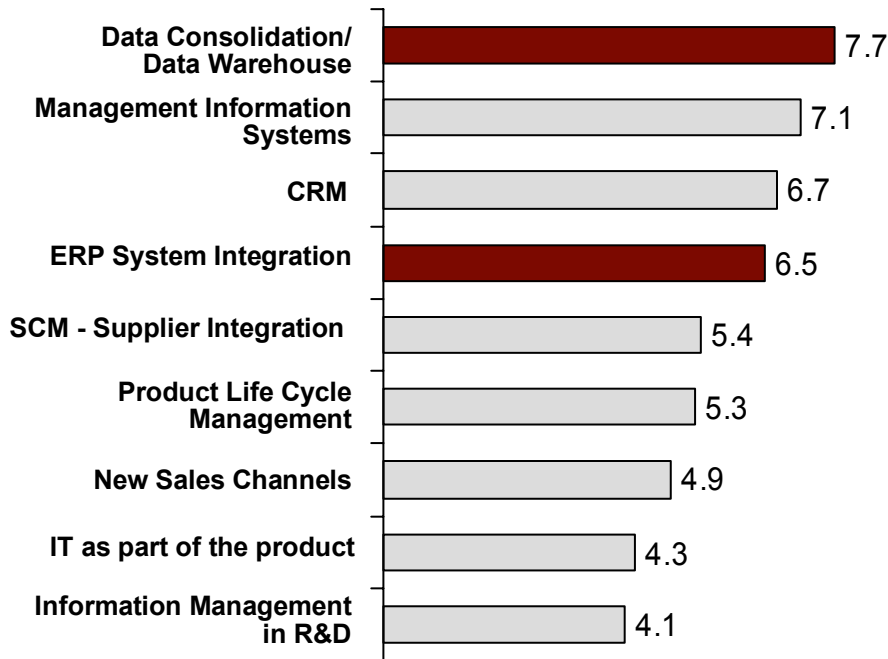
Is missing transparency regarding IT value-added an important barrier to growth?



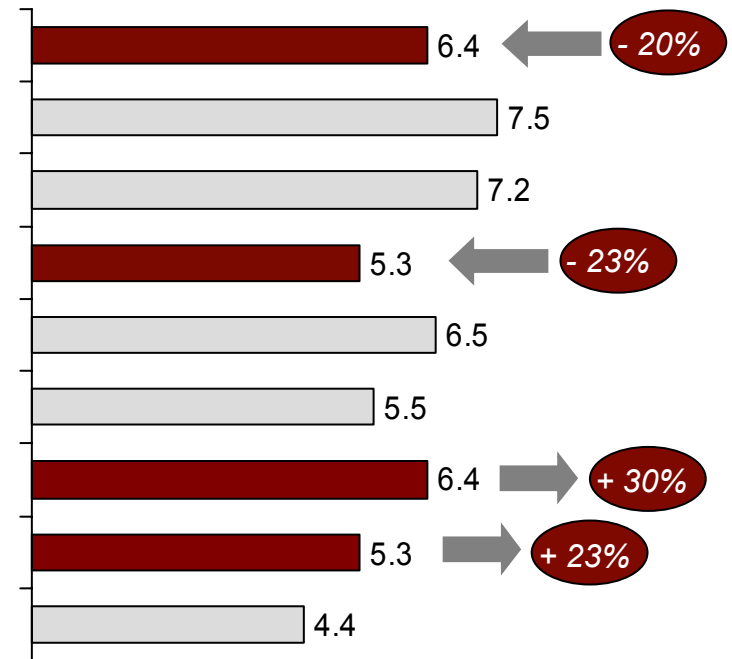
Significance of the "ERP battle" will decrease; IT investments need to focus on sales and improving product value

Where should the main focus of IT investments in growth be placed in your company – now and in the future?

Actual relevance/2007



Future relevance/2010



The IT operating model and skill level require significant improvements

What changes must be made in IT to improve its ability to support growth – now and in the future?

