ENHANCE YOUR IT STRATEGY

DIGITAL LEADERS

DRIVE YOUR BUSINESS FORWARD

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include both technical and ‘softer’ skills; with communication and negotiating skills as important to business success.

CEOs increasingly recognise the benefits of technology to their business structure, bringing about disruptive innovation, efficiency, cost-saving and growth. Therefore it is important that the organisation has a strong CIO to lead business transformation to ensure success. With CIOs holding such a central role, they need to be able to command a diverse team with strong technical skills and business acumen.

For many technology-driven organisations, the important role that the CIO now holds makes them an obvious choice for the next CEO. This is already a reality; CIOs are taking the helm at organisations of various sizes. Their teams permeate all elements of the business and their multifaceted role means they have a vast knowledge of the business as a whole.

All of this shows how far the profession has come and that we’re now entering a new phase of maturity.

Adam Thilthorpe
Director of Professionalism,
BCS, The Chartered Institute for IT

Welcome to Digital Leaders 2014, our annual IT strategy publication.

The IT profession was born over 80 years ago and has since moved into a pinnacle position within every single organisation across the world. As we all know, ‘with great power comes great responsibility’ and the IT profession is no exception. It is at the heart of our society and business; it affects every aspect of life and as such we’re working to ensure that those in IT are recognised for their contribution alongside other established professions.

Individuals with the right skills and attributes to drive the business forward are invaluable but finding those people can be a challenge in itself. This is why BCS, The Chartered Institute for IT, promotes professional development, encouraging those within our profession to be recognised for their skills and achievements.

The all-encompassing term ‘IT professional’ covers a multitude of roles, from business analysis to software testing, and often, these are not clear-cut. The IT team is becoming more multi-faceted and because of this the skills required need to be more cross-functional. To this end, we have seen a growth in demand for certifications such as agile, where teams develop skills and knowledge that allow them to work collectively across the organisation.

Structures such as SPIA and SPIAplus are also important as they enable those working in the industry to identify their current skillset against a recognised framework and make sure they are on the right path for career success.

For the CIO, it is an opportunity to assess their team and enable them to build teams that will meet business needs. The attributes needed to drive a business forward are constantly evolving. We are now fully immersed in the fifth wave of computing, with phrases such as bring your own device (BYOD) and cloud computing commonplace in all organisations.

What was once next practice is now best practice. More than ever it is important that businesses stay ahead of the curve. When it comes to changes in technology and workflow a good CIO will have in mind what the next wave of computing will hold including trends such as cognitive computing, augmented reality and 3D printing and how it will affect their organisation.

With each technological advance comes a need for different and more diverse skills that will also influence how the CIO recruits and develops their team. These include both technical and ‘softer’ skills; with communication and negotiating skills as important to business success. CEOs increasingly recognise the benefits of technology to their business structure, bringing about disruptive innovation, efficiency, cost-saving and growth.

Therefore it is important that the organisation has a strong CIO to lead business transformation to ensure success. With CIOs holding such a central role, they need to be able to command a diverse team with strong technical skills and business acumen.

For many technology-driven organisations, the important role that the CIO now holds makes them an obvious choice for the next CEO. This is already a reality; CIOs are taking the helm at organisations of various sizes. Their teams permeate all elements of the business and their multifaceted role means they have a vast knowledge of the business as a whole.

All of this shows how far the profession has come and that we’re now entering a new phase of maturity.

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Director of Professionalism,
BCS, The Chartered Institute for IT
What management issues and IT trends are being prioritised in the near and mid-term future by digital leaders? What additional resources, if any, are needed? Brian Runciman MBSc looks at the latest BCS Digital Leaders survey – now in its third year - to assess the strategic needs of the IT nation.

**Most important management issues**

The headline management issues for digital leaders have stayed consistent for three years now, namely: business transformation and organisational change; strategy and planning; operational efficiencies. Only the order has changed. In 2011, operational efficiencies took precedence, but by 2013 it’s business transformation and organisational change.

This year’s survey had 64 per cent of respondents rate business transformation and organisational change as among their top three management issues for the next 12 months, followed by strategy and planning at 49 per cent and operational efficiencies at 47 per cent. As the economy slowly nosed out of the double- or triple-dip recession, depending who you ask - it makes sense that organisations are now looking to their IT leaders for assistance with their transformation and organisational change, rather than asking a department that should be adding value to fight a rear-guard action to save money – although operational efficiencies are still a top three item.

**Key IT trends for 2014**

We asked the digital leaders this year to take a near-future and mid-term future look at key trends. Unsurprisingly, the greatest number of respondents (57 per cent) rate mobile computing as among their organisation’s top three IT topics for the next 12 months. This is followed closely by information security (53 per cent) and cloud computing (49 per cent). However, as we will see below, although this shows on the face of it an admirable forward-looking attitude – whilst also clearly indicating an addressing of the ‘bring your own device’ issues – when respondents had an opportunity to discuss their concerns, it was the security issues that were evidently uppermost in mind.

The strong showing for cloud computing – at number three in the key trends – indicates the growing acceptance of this area as something more than a marketing term – a potential delivery of real value to the business.

Better utilisation of existing corporate systems was a consistent theme when contributors had the opportunity to vent their feelings in the ‘free’ field of the survey, too. Other items that appeared were re-platforming legacy systems, data-as-a-service and integration strategies - with one IT director talking about ‘joining checking the Cabinet Office’s ‘Digital by Default’ strategy.

**Longer-term IT trends**

The longer-term view, interestingly, was not necessarily an optimistic one. When respondents had an opportunity to discuss their concerns it was security issues that were evidently uppermost in mind.

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Professional standards and concerns about adept use of social media to address corporate goals also featured. One participant said, ‘too often there is a high-level view of the requirements and needs from IT that do not reflect the challenges of delivering new services and the complexities of moving from the existing services to the new services.’

Seen as key areas for upskilling were data management awareness, data lifecycle and data modelling. Usage of IT and how to configure and align IT to the business requirements are still seen by some as areas for further education – and ever-present criticism of the other board-level staff is seen in comments on the lack of board awareness and of how to configure and align IT to the business requirements.

**Where are we with resource?**

A near-universal agreement can be found in the thorny issue of resources. Only 10 per cent of respondents felt that their organisation had enough resources to address the management issues and IT trends that the company prioritised. This resource shortage came under two general headings – staff numbers and staff skills.

More than half, 57 per cent, indicated that they need enhanced IT skills among their existing workforce and 48 per cent think they need additional IT staff that are suitably qualified. Another factor was budget issues, with 37 per cent indicating they would welcome a bigger budget.

**Gaps in IT skills**

As The Chartered Institute for IT we at BCS are very interested in the skills requirements that organisations have. To that end, we asked a ‘free text entry’ question on this to allow respondents to express themselves. The results were interesting in that, compared to the ‘what keeps you up at night’ question (see below), the answers were very diverse.

Certainly the ones you may expect cropped up: skills related to big data, agile development, mobile security and general bring-your-own-device (BYOD) issues. Professional standards and concerns about adept use of social media to address corporate goals also featured. One participant said, ‘too often there is a high-level view of the requirements and needs from IT that do not reflect the challenges of delivering new services and the complexities of moving from the existing services to the new services.’

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**It’s about the business**

The idea that the business and IT need to work hand-in-hand is evidently a message that is getting through, as shown by some of the comments BCS received on this research. One director drew attention to the pace of change and how best to utilise it, needing to understand ‘the impact of digital multi-channel trading and marketing and what to do about it’.

Others commented on needing the ability to get ‘beyond the now’ into a continuous improvement cycle and keeping up to date with current and emerging technologies. One of the problems is that there is a knowledge gap ‘concerning differences between platforms and how best to exploit them’ and the problems associated with the breadth of knowledge of technologies that need to be investigated.

Agile software development came up several times with other buzzy expressions like ‘everything as a service’ and ‘data-as-a-service.’

One of the skills gaps in business is still around communicating ideas. Evidently getting buy-in is still difficult when the techie and the business person come face-to-face. Specific areas mentioned...
Beyond XP: do more than migrate

Microsoft is pulling support for Windows XP and Office 2003 on 8 April 2014, with thousands of businesses around the UK putting themselves at risk if they continue to use this old software.

Many small businesses take the “if it ain’t broke, don’t fix it” approach, but as contributing editor Simon Jones pointed out in a recent PC Pro column, that’s a risky attitude.

“If a fire took out your company’s offices and destroyed your paper records – the only records you had – you wouldn’t know, and certainly couldn’t prove, who owed you what money, and you’d go out of business,” wrote Simon. “If you had computer records, you’d be in the same boat if you lost those computers in a fire and didn’t have off-site backup.”

“The bad news is that a serious malware infection can wreak much the same havoc: it can hold your data to ransom by hiding your files, giving them back only if you pay the malware’s writer for ‘support.’”

Greater chance of attack

Anyone still running Windows XP could also find themselves open to attack. From April, there will be no new security updates and no non-security hotfixes for both products, making it more likely – Microsoft believes – that hackers will target businesses running the ageing operating system.

“One risk is that attackers will have the advantage over defenders who choose to run Windows XP, because attackers will likely have more information about vulnerabilities in Windows XP than defenders,” says Tim Rains, a Microsoft director who specialises in security.

“The data we have on malware-infection rates for Windows operating systems indicates that the infection rate for Windows XP is significantly higher than those for modern-day operating systems like Windows 7 and 8.”

Wide choice of formats

Rather than an all-out threat, this should be seen as an opportunity to replace older machines with lightweight, flexible computers that better meet employees’ current needs. Nor do they have to cost much.

Take the Dell Venue 11 Pro tablet. Three devices in one, this quad-core Windows 8.1 system gives the portability of a tablet, the power of a laptop and the experience of a desktop if you buy the optional dock. Prices start at £399 ex VAT, and that includes a full HD 11in screen.

For even greater portability, there’s the 8in Dell Venue 8 Pro. This again includes Windows 8.1, while an optional keyboard gives the versatility of a laptop when you need it. Prices begin at £199 ex VAT.

As you’d expect from Dell, there are many other affordable choices for a rollout, whether it’s a durable Latitude 3000 Series laptop or an OptiPlex 3020 desktop. All of these are available with your choice of Windows 7 or 8.

Dell’s helping hand

You don’t need to face these decisions alone. If you need to migrate systems from Windows XP, talk to a business expert from Dell who can help you work out which route is best for your needs.

You can even get up to £2000 cashback on PCs via Dell’s Trade to Save initiative (newdell.co.uk/tradelog). And don’t forget that Dell offers a variety of leasing and financing options, turning an upfront cost into one that’s managed.

We’ll leave the final words to Simon. “Whatever you choose to do, do something – or accept, like the owner of a classic car, that you’re going to have to be prepared for it to crash and burn at any moment, and that if it dies, you’re on your own.”
LEADING IT

Wave or tsunami?
Roger Marshall (BCS President 2013-2014)

The next great wave of technology in business is upon us, but are we prepared? There is not even a meaningful or convenient name for it, but the digital agenda can be expected to dominate business thinking for years to come. There is a temptation among those of us who have been around a bit to assume that CEOs will seamlessly take over ‘digital’. Once the early adopters have done the conference talks, made their names and disappeared, the rest of us will quietly adapt, adopt and absorb, just like we did with previous waves, like the move from hand-crafted to packaged software, mainframes to client-server and in-house to out-sourcing.

So what’s different this time? Firstly, CEOs are personally interested. They have seen what has happened to companies that did not see the tsunami coming and adapted in time. Secondly, much of the digital action is taking place outside the established IT organisation because it is not seen as an IT issue. Thirdly, related to both, the CIO is losing influence over what should be a key competency. Few CEOs are looking to their CIO for advice on digital.

Our competencies in areas such as programme management, service management, business process redesign, integration and security are needed more than ever in the digital business. Are we being too compliant?

The IT value challenge
Dolm Basu (South-East Region Chair, BCS ELITE; Director, 2SL Risk Management Consultancy)

IT leaders are facing unprecedented challenges about the relevance of their roles and their value to the organisation. What can help? The initial answer is simple: as well as sharpening their expertise about their own organisation’s technology needs, they should seek to broaden their wider IT-related capability, enhance their business knowledge and improve their ‘soft skills’.

Their expertise about the organisation’s technology needs may include optimised adoption of standardised policies (for example, international standards or ISOs) and frameworks (for example, COBIT, ITIL, PRINCE 2) for organisational processes. They may also be able to improve the use of automation, for example, GRC (governance, risk and compliance) and auto-audit tools, self-inspection and continuous assessment to reduce audit workloads and costs.

To broaden their wider IT-related capability, they need to be able to understand and advise the CEO and senior management about relevant advances (Big data, IoT, cloud, social media and so on) and their implications for business collaboration and competition.

They should enhance their knowledge of business drivers, strategy, processes, risks and controls; and be able to present IT-enabled business benefits and ROI (return on investment) to stakeholders. They could benefit from improving soft skills such as design and presentation skills, which contribute to management information and business cases, as well as marketing, communication, leadership, motivation and networking skills. This is indeed a challenging workload for future-focused IT leaders. But help to lighten the load could be at hand via networking and knowledge-sharing with one’s own peer group, including those at BCS ELITE and other groups of the Chartered Institute for IT.

Where does all the money go?
Steve Burrows (Vice Chair, BCS ELITE; Principal Consultant, SBA Ltd)

Almost any CIO will tell you that IT is expensive. Almost any IT director will tell you that they are under pressure to reduce IT costs. For the past decade IT leaders have been asked to reduce the cost of IT without reducing its benefits. Cost reduction has been the path to improved ROI from IT. Most IT leaders will confess that this pressure has inhibited business IT innovation.

There has been technological innovation, necessary to reduce costs, but business innovation has been sluggish at best. The enablement that IT brings to business and workers has not generally increased in the past decade and the contribution of IT cost reduction to improving ROI has stagnated. The potential benefits of IT are clear; improved information exploitation, communication and collaboration, and worker enablement. The value of gains in these areas demonstrably outweighs the benefits of cost reduction.

The value of each innovation is multiplied by the number of businesses and workers who exploit it. It is time to stop trying to cut the costs of IT and instead ask how we can spend our money to enable more people to do better things.

The great IT leaders of the future will be those who provide great customer service in delivering worker and organisational enablement.

Goldilocks governance
Craig Cockburn (Independent IT consultant)

Too much governance or too little? How much is just right?

Many large IT projects with volumes of paperwork have failed. Many small agile projects with small lightweight governance have succeeded. For many organisations in a compliance-driven environment the answer is usually some blend of corporate governance that allows projects to be coordinated and tracked and ensures the appropriate amount of accountability if things go wrong and the shareholders, auditors or compliance officers want to know why. However, too much governance is also a risk. Paperwork goes unread. Resources to write the paperwork might be in short supply. Paperwork becomes out-of-date. Projects that would normally add value to the enterprise get log-jammed in committees and change boards, and projects become management top-heavy. What to do? Consider measuring the cost of a project’s governance, review this regularly and tune accordingly in line with the project’s outcomes to the appropriate amount, in line with legal requirements to optimise ROI for the organisation.

A new generation of followers?
Jon Hall (Chair, BCS ELITE; Senior Lecturer, The Open University)

Without a concerted effort today on the part of IT leaders, future IT generations could dwindle to nothing.

The new computing curriculum may be a watershed for the health of our
profession. The rapid decline in those whose first-choice career is IT could be reversed by it. Teachers have a primary role in implementing the curriculum and making it work.

Yet a healthier IT profession is simply not going to come about with only the educators’ push, no matter how good they are. For, without the intervention of the profession, there can be no pull to drag students through their studies. Without express IT leadership and role models in schools and universities, students’ experiences of the difference IT can make will be limited to book work and toy projects. When was the last time you contributed to the future health of your profession by working with a local school to inspire? When was the last time you were a role model? As a leader when did you last think of who, outside your organisation, needed your skills? And when did you last give the opportunity to the new generation to be your followers?

Without inspiration the next generation will turn to other disciplines to express themselves. So who are your future followers and what are you doing to inspire them?

The new computing curriculum is available from http://tinyurl.com/q8avkeb

Impact of social media on the way we work Jacqui Hogan (MD of Cocreative Ltd)

Can anyone doubt the impact of social media of our lives outside of work? To the older generation it is a communications lifeline; to the younger generation it is a way on life. It is the latter that leads to employees increasingly expecting the same freedom of communication inside work as they have outside. Organisations can respond in one of two ways: allow unprecedented communication freedoms or clamp down hard. In either case, IT departments bear the brunt of monitoring and control.

Social media presents organisations with a tremendous opportunity, offering, for instance, a richness of communication between customers and suppliers who can now bypass hierarchical structures in a way never before seen. Organisational boundaries are becoming permeable. In the short-term there are opportunities for direct communications capabilities; human factors dominate. This is no longer about automating existing administrative work. This is about changing the way people behave; changing practices that have built up over hundreds of thousands of person years of effort, which need to be unlearnt and replaced with new approaches. This is many orders of magnitude more complex than buying and installing equipment. Considering the business change, development, running and maintenance costs and applying risk factors for imprecise estimating, planning and managing these programmes, it is extremely likely that they are significantly under-budgeted, perhaps by a factor of ten or more. Most were always unaffordable. But in whose interest is it to stop future naïve decision making when the IT industry is booming?

Business transformation is an extremely complex and expensive activity. Until decision makers understand that, billions will inevitably be wasted.

Not learning from failure

Chris Tiernan (Membership Secretary, BCS ELITE; Managing Partner, Grosvenor Consultancy Services LLP)

Again we hear of yet another public sector IT scandal. After millions have been spent, an official report is unveiled with all the usual criticisms. Why?

Typically, the central issue seems to be lack of comprehension by decision makers, from the outset, of the enormous complexity inherent in transforming public services. Rarely is it about technological human factors dominate. This is no longer about automating existing administrative work. This is about changing the way people behave; changing practices that have built up over hundreds of thousands of person years of effort, which need to be unlearnt and replaced with new approaches. This is many orders of magnitude more complex than buying and installing equipment. Considering the business change, development, running and maintenance costs and applying risk factors for imprecise estimating, planning and managing these programmes, it is extremely likely that they are significantly under-budgeted, perhaps by a factor of ten or more. Most were always unaffordable. But in whose interest is it to stop future naïve decision making when the IT industry is booming?

Business transformation is an extremely complex and expensive activity. Until decision makers understand that, billions will inevitably be wasted.

About BCS ELITE

BCS ELITE provides a pressure-free, non-commercial setting for networking, problem solving and discussion between IT thought-leaders. Find out more about BCS ELITE at http://elite.bcs.org

...an amazingly powerful solution for companies that need to deploy and maintain enterprise-class applications more effectively [and] avoid cloud lock-in.

Rogério Campos Henriques, CIO of Fidelityade

Companies across 22 industries use the OutSystems Platform to rapidly deliver their custom, mission critical web and mobile applications.
RAISE STANDARDS

Adopting TickITplus will make compliance to different management system standards a lot simpler because of the way it is structured; it is designed around integrated management systems. Phil Willoughby, ICT Manager of LRQA, discusses TickITplus and how it will make standards implementation easier.

TickITplus was launched in 2011 as the successor to the much loved TickIT sector scheme introduced in 1991 to encourage greater focus on quality within the IT industry, especially software development. The TickIT scheme provided extensive guidance on applying the requirements of ISO 9001 to software development and IT-related activities, using ISO 9500-3 and ISO 90003 as primary reference data for the TickIT Guide. The scheme also targeted the experience and capability of assessors to the associated standards. These descriptions are not copied from the standards, but reflect their requirements in a business readable form.

The TickITplus scheme was developed with inputs from DNV, LRQA, Nexor and Omniprove. Significant contributions from BSI, CSC, DNV, LRQA, Nexor and Omniprove.

TickIT has brought tangible benefits to the IT sector, with many IT and software suppliers opting to be certified to ISO 9001. As a result, certification has become more complex with organisations not only requiring ISO 9001, but also ISO 27001 and ISO 20000-1. There are others set to implement the IT industry such as energy and environmental management.

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TickITplus also introduces the ability to quantify improvement through the use of maturity levels and hence help organisations differentiate themselves and better evaluate their return on investment.

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TickITplus plus BPL has been developed taking input from the following standards:

- ISO/IEC 12207 on software life cycle processes;
- ISO/IEC 15288 on life cycle management;
- ISO/IEC 27001 for information security management;
- ISO 9001 for quality management;
- ISO/IEC 20000-1 for IT service management.

The BPL has been developed taking input from the following standards:

- ISO/IEC 12207 on software life cycle processes;
- ISO/IEC 15288 on life cycle management;
- ISO/IEC 27001 for information security management;
- ISO 9001 for quality management;
- ISO/IEC 20000-1 for IT service management.

Each process has a defined purpose, outcomes, base practices, work products and references to the associated standards. These descriptions are not copied from the standards, but reflect their requirements in a business readable form.

By referencing ISO standards requirements rather than copying them, the processes do not need updating every time a new version of a standard is released, but ensures that where compliance to a standard is required, it is referenced.

TickITplus has brought tangible benefits to the IT sector, with many IT and software suppliers opting to be certified to ISO 9001 through the scheme. However, the IT landscape has changed significantly since the schemes inception (e.g. monolithic systems development has given way to agile methods and the App store model). The TickIT Guide tried to keep pace with these changes, being republished several times up to the final version 5.5, which references ISO 12207 for software processes and ISO 15504 for CMMI styled capability assessment frameworks. The IT market has also changed dramatically with many customers choosing to outsource their IT services to gain greater return on their IT investment. While software quality remains critical, we have seen the development of other standards for the IT sector. The ITIL framework has established itself with ISO/IEC 20000-1 for IT service management, and latterly ISO/IEC 27001 for information security has come to the forefront.

As a result, certification has become more complex with organisations not only requiring ISO 9001, but also ISO 27001 and ISO 20000-1. There are others set to impact the IT industry such as energy and environmental management.

The Joint TickIT Industry Steering Committee (JTISC) responsible for TickIT, recognised a need to create a framework that could cope with this changing landscape and address industry concerns that TickIT was no longer a market differentiator.

Importantly, it was recognised that a capability maturity dimension was needed to promote increased maturity of processes. TickITplus was conceived.

How does TickITplus work?

The foundation of the TickITplus scheme is the Base Process Library (BPL). The BPL contains a set of 40 different processes that unify the requirements of the IT sector activities and the most common certification standards into a single framework. The TickITplus provides an integrated framework to unify frequently applied IT management system standards, which will make it simpler for organisations to develop their management systems, while streamlining assessment and certification activities against these standards.

TickITplus introduces the ability to quantify improvement through the use of maturity levels and hence help organisations differentiate themselves and better evaluate their return on investment. Annex 5L of ISO/IEC Directives, Part 1, Consolidated ISO Supplement, addresses this problem by defining a common structure and common test for management system standards. Discipline specific text is then inserted into the relevant sections.

Significant changes include mandating risk management, forcing stronger requirements on determining the ‘context of the organisation’ as well as step changes to ‘leadership’ and ‘performance evaluation’.

ISO/IEC 27001 is the first standard to fully comply with this structure and, in a recent exercise by JTISC, it was mapped into the TickITplus BPL.

The result demonstrated that the TickITplus design can cope with these significant changes. The latest version of the BPL recently published includes mappings onto both the old and new versions of ISO/IEC 27001.

TickITplus is currently being assessed against the model, you are also assessed against ISO 9001 and other selected standards. So if you require ISO 27001 then you must also implement the security management process.

The core scheme requirements (CSR) fully describe the scheme rules. This includes a requirement for an organisation to map its procedures and processes onto the BPL, in a process reference model (PRM), to demonstrate how its integrated management system (IMS) meets the TickITplus requirements. The auditor has to create a process assessment method (PAM) to perform and record the assessment.

The scheme may seem complex, but like its predecessor, auditors require formal training before they can deliver TickITplus assessments. One of the scheme’s strengths has been in recognising that organisations need expertise to use the model effectively, and so uses the same training course for both auditors and practitioners.

In comparing TickIT to TickITplus, the latter can be seen to be far more structured and prescriptive (requirements rather than guidance) that should ‘raise the bar’ to make it a real differentiator again.

Where does ISO/IEC 27001:2013 fit?

Over recent years, and in parallel (but not linked) with the TickITplus development, the International Standards Organisation has recognised a need to ‘standardise’ the structure of management systems standards. In the past these specifications have loosely followed the Deming ‘Plan-Do-Check-Act’ model, but with each incarnation developing its own requirements for activities that should be the same.
APP DEVELOPMENT
TALENT SHORTAGE

Zahid Jiwa, VP UK/I OutSystems UK, sums up the scale of the IT skills shortage, with a particular focus on how organisations can take positive steps to cope with a lack of application development talent.

With exponential growth in the digital economy and the recent explosion of new technologies including mobile, cloud and big data, we have entered an age of unprecedented demand for skilled IT workers, particularly in the application development space.

According to the European Commission, the number of IT jobs is growing at a rate of 100,000 a year. By 2015, there are expected to be a total of 900,000 vacancies across Europe. However, despite this unprecedented demand, the number of skilled IT graduates is failing to keep pace.

The Royal Academy of Engineering has estimated that there are only 90,000 STEM (science, technology, engineering and maths) graduates a year in the UK - and up to a quarter of these go on to choose non-STEM careers.

For businesses this is not good news. A recent CBI survey showed that 39 per cent of firms are already struggling to recruit STEM workers and 41 per cent believe the problem will persist. Technology firms in London are also reporting that they are having to pay increasingly higher salaries to recruit talent. In the last year alone salaries for technology jobs have risen by 26 per cent.

The government has recognised the deficit and is making changes to the education system to correct it. Industry too is getting involved in helping to sell more young people on the benefits of a career in IT. While this will certainly help address the problem for future generations, it will do little to help organisations today.

Addressing short-term requirements

As IT departments continue to struggle on, what can be done today to address the skills shortfall in the application development space?

The application development market has been going through radical change. Not only does technology continue to increase in complexity, but there are also many new tools to get to grips with. Meanwhile, constant demands from business continue to roll in. It’s hard for most developers to keep pace with the current rate of change. IT departments are expected to continually modify applications and the number of new projects per developer just keeps growing.

This creates an accumulation of new service or change requests from the business, which puts a massive strain on already overloaded resources. These issues will only become further exacerbated by the IT skills shortage and will impact heavily on the productivity of the application development team.

IT departments will need to take a different approach because the current way of doing things is clearly already breaking under the strain. Key steps that organisations should consider include:

- Understand where and when to automate – With 80 per cent of IT spend still focussed on ‘keeping the lights on’, freeing developers from low-level low-value technical tasks will help to raise productivity and improve business efficiency.
- Invest in staff training – Organisations need to continue to invest in training programmes to ensure that staff are equipped and able to cope with the demands of the business and skilled to be more productive and capable of driving innovation.
- Leverage outside resource (where it makes sense) – Using outside resources to fulfil commodity IT should be a key focus: for example, using the cloud for non-mission-critical functions.
- Consider platform as a service (PaaS) – With PaaS, operational teams can deliver massively scalable, complex applications that are simple to change and can easily integrate existing systems and gain the help of the team to be more productive.
- Look for ‘out of the box’ solutions – ‘Out of the box’ software is traditionally used to address common processes, such as horizontal business functions. If you can buy a solution from a vendor that is replicable across a large number of organisations, then you are benefiting from the skillset of vendors, rather than employing these skills in-house. Again, this will help to address any hefty start-up development requirements as well as ongoing upgrades and maintenance.

The research concluded that over 80 per cent of this productivity advantage is explained by better use of IT and that if Europe increased its IT capital stock to the same level GDP would increase by five per cent.

IT offers the UK continued economic opportunities. Today IT has to focus on building a more agile environment, one that has the ability to adapt to business change quickly. Where IT skills are concerned, IT departments will have to do more with less and this means automating as much as possible.

According to the European Commission, the number of IT jobs is growing at a rate of 100,000 a year.

A shortage of IT development talent doesn’t have to hurt the business in the short-term. Instead, organisations need to look for pragmatic and flexible solutions today.

Realigning the focus and direction for application developers to enhance productivity within any organisation is critical, as is approaching application development in a new way.

Here are some top tips for organisations who are already witnessing a shortage of application development talent:

- Evaluate how you can do more with less with your current application development talent. Be prepared to up-skill where it makes sense and plan to invest in the high-value developers that you want to retain in the business.
- Automate wherever possible and seek out more intelligent and effective ways to develop applications. This is where high performance application development platforms for delivering web and mobile applications can really help to support your needs.
- Look at different service models and development options as this will help keep your resource requirements down and provide more flexibility and choice. For example, there are platforms that enable you to build and test in the public cloud, deploy in a private cloud or an on-premise environment, or any combination desired.
- Adopt a more iterative and agile development approach to your development needs rather than the traditional waterfall development style.
- Develop a model where vendors can step in and step out to support the organisation’s application development requirements as and when needed.
- Use external choose tools that easily integrate with existing systems and can quickly be extended with custom interfaces. This will keep legacy systems safe with no need to customise.
- Finally, choose a vendor that enables you to incorporate applications into your portfolio that are ‘built to change’. The ability to change applications quickly without breaking anything will help to keep your resource requirements down.
Agile development has become more common place in industry today, which can have an impact on the way testing is delivered. The question then is how do you create your strategic plan or, given the nature of the delivery method, how can you ensure your strategy is not only effective but also manages risk appropriately? Matt Robson, Testing Solutions, has the answers.

One of the biggest movements to emerge in technology and business change delivery in recent years, agile continues to gather momentum. It promises improved engagement across those involved in change delivery, more cost-effective delivery and a faster turn-around on change. The challenge is that purely following a process isn’t enough, and to ensure that agile as a method is rolled out and effectively embedded the organisation needs cultural and management change. Further, there are requirements beyond the basic process in order that agile methods can work effectively in complex, large-scale and established business and technology contexts.

There is a common perception that agile means an end to rules and process. This is not the case – agile teams who abandon basic good practice in development create significant product and project risk. It also compromises the ability to control development and it can be particularly challenging in multi-stream delivery. The biggest shift in moving to agile methods is cultural and yet this is the angle often forgotten as the approach is adopted.

**Agile – some challenges to consider**

Testing and governance has to be carried out in appropriate ways to maximise and draw out the benefits of agile, otherwise additional problems can arise. These are often quite different to the traditional methods. Teams are typically small, cross-functional and self-organising, with testers working alongside developers and business users.

No agile solution will be exactly the same, however there are some common scenarios that arise and your planning should be designed to manage these effectively; key to this is ensuring that the necessary enabling capability and infrastructure, including environments, tools, resource plans and reporting, are set up correctly right at the beginning and are able to support the pace of agile delivery. There is a tight focus on strategic alignment to realise the added value. This means dealing with complicated risk management profiles and the service always being centred around achieving the right business and technical outcomes.

**Communication**

The culture and values of an agile team encourage strong communication as well as creating effective understanding, collaboration and ensuring knowledge transfer so that any gaps or anomalies can be quickly resolved. Where your development and testing teams cannot be co-located, appropriate processes and technologies to support good communications need to be put in place. If your agile team is working in a distributed environment, this can offer particular challenges of communication and collaboration. However, it also means the organisation can choose the right people for the team whatever their location and time zones, as these can often be leveraged to shorten the delivery cycle. Larger-scale agile implementations require a greater degree of governance and control points than those on a smaller scale. They also require greater discipline, planning and structure.

For instance in a hierarchy of Scrum teams, regular release plans establish a baseline that drives the overall structured release plan. Below this, teams have the freedom to structure how they deal with backlog as long as they meet the business needs defined in the release plan. Integrating agile programme streams with Waterfall or V Model programme streams means designing and implementing the delivery framework and governance processes to ensure they synchronise, integrate and harmoniously deliver across dependencies, which can often be the case in large-scale scenarios.

In this case, we believe that rolling systems testing and rolling integration testing is essential because it means that there will always be a solution available and developed components can be added to the solution immediately. The implementation of the delivery framework and governance processes to ensure they synchronise will be key to the success of these programmes.

**Being and doing can be different**

Being agile and doing agile are not necessarily the same thing. Ask yourself the question: how do you approach your testing now and is this approach successful? If you were asked tomorrow to demonstrate how you govern and control system releases in your environment, what would the answer be? If the answer is not available or easy to demonstrate, you may want to review your agile strategy.
Most people are part of the consumerisation of technology in one way or another, and the workforce in general is becoming more engaged with IT. The ‘Facebook generation’ also called Millennials or Gen Y now expect to be able to use the same technology at work as they do at home: they expect to be able to use social media at work, and they expect software to look and work in a certain way. They are completely turned off by the clunky interfaces of older business applications.

**Productivity: employee engagement is key**

Getting the best out of staff, by which I mean productivity, engagement, quality, and consistency of work, is key for organisations to prosper.

Motivated staff are more productive, provide a better service and generally are happier at work. The difference in productivity between those that are motivated or engaged and those that are not, has been reported as high as 90 per cent. This seems a very high figure, but if it was actually closer to 50 per cent, it is still a significant difference and a potential opportunity to improve.

According to a 2012 Gartner survey only 29 per cent of employees were engaged at work, with 52 per cent identified as unengaged and 19 per cent as disengaged. Gamification has the potential to improve employee engagement, thereby improving productivity.

How gamification helps

Gamification uses game theory to introduce a competitive element to work operations that use social capital, self-esteem and fun to appeal to the workforce. An important aspect of employee reward and recognition schemes is that they encourage and incentivise staff to work towards corporate goals. Gamification is the ideal tool for this as it can be used to design collaborative or competitive games that maximise business outcomes and recognise everyone to some degree, rather than rewarding just a few top performers.

Employee performance feedback goes from being a top-down and periodic event (for example, a yearly appraisal) to being social, peer-based and real-time.

**Gamification of business processes**

Many workers start their careers in customer-facing roles such as service desks. Customer support desks or call centre environments, making these ideal places to harness gamification techniques. Not only does the more modern style of working appeal to younger staff, but it also helps to keep staff motivated.

Gamification for the customer-facing departments integrates components often more typically seen in console gaming like leader boards, badges, challenges, quests and levelling.

Service desk agents can gain points and badges as they resolve customer issues, meet customer service level agreements, gain positive feedback or complete projects. Typically systems are completely configurable, allowing each organisation to incentivise staff as they see fit - celebrating both individual and team achievements.

The top business benefits of introducing gamified processes to employee reward and recognition schemes is that they

- help ensure that everyone is working towards corporate goals.
- By engaging with their staff, organisations are far more likely to achieve their stated business goals.
- Location inclusivity – employees can be based in any location and still take part.
- Motivating and retaining staff – improved recognition helps to motivate and retain staff. Minimising staff turnover improves knowledge retention and in turn customer service.

**Top tips for introducing gamification**

Understanding gamification is one thing, but making it a viable option that works in a real-life business environment is the next challenge. Here is a simple three-step methodology that will put you on the road to successful gamification.

**Gain buy-in**

- Don’t assume everyone understands the concept of gamification and make sure they do.
- Start simple
  - Wait until everyone is familiar with gamification before introducing more complex, longer-term goals and rewards.
  - Go slowly to build confidence and keep players keen.
- Decision criteria for determining winners should be based on measurable statistics.
- Make first-time rewards attainable to keep new players motivated.
- Create tiered rewards that motivate players to continually do better.
- Mix it up – apply different rewards for different groups at different times but make sure players are competing against colleagues performing similar tasks.
- Minimise the opportunities to cheat by keeping rewards criteria clear and strict.
- Align gaming scenarios with business objectives to keep them real and meaningful.

**Monitor and iterate**

- Continually review the effectiveness of your gamification techniques.
- Listen to staff feedback – they will know what works and what does not, and come up with fresh ideas.
- Constantly tweak and rollout new challenges and rewards to keep up momentum.

In a business world where many organisations are looking to do more with less, staff productivity is crucial. Anything that increases motivation and reduces employee turnover will improve productivity, leading to the twin benefits of raising customer service and cutting the cost of recruitment.

While it may sound like the latest overhyped technology, time will show that gamification actually has a lot to offer.

**The productivity in productivity between those that are motivated and those that are not, has been reported as high as 90 per cent.**
Over the last two decades we have witnessed a substantial growth in the use of outsourced IT services and the development of a vast globalised IT services industry. CIOs have faced a complex set of choices between carrying out IT functions in-house or outsourcing to a third party; either option may see IT staff based in the UK, nearshore in Europe or offshore in lower wage countries. CEDs (and customers) may press for the lowest cost IT services, but CIOs will be aware of the hidden costs and risks of outsourcing and offshoring that can cancel out many of the benefits.

The main driver behind the move to offshore IT services has been economic, based on the significantly lower wage rates and large skilled IT workforce available in some developing countries. However, recent economic and political developments have called into question whether these arguments are still valid. In recent years we have seen a small, but noticeable shift towards onshoring; bringing IT services back to the UK, Western Europe and the USA.

**Economic and political environment**

In recent years both Western Europe and the USA have been badly hit by recession and many enterprises have had to work especially hard to drive down costs, with some struggling to survive. This could have been a spur for growth in offshoring were it not for the fact that the world is experiencing social and political unrest, particularly in many developing markets. This has highlighted the geopolitical risk of locating critical business services overseas and alerted business leaders to the potential of denial-of-service attacks and related business challenges. There has also been an increased sense of protectionism with governments introducing policies to encourage job creation at home and tackle increasing levels of unemployment. The trend towards offshoring has perhaps been most visible in the manufacturing sector in the USA. As wages rose in China, they fell in some states as manufacturers negotiated new lower pay deals with the unions. Add in the greater productivity in American plants, the huge reserves of shale gas and oil in North America keeping energy costs low and reduced transportation costs and the arguments in favour of transferring manufacturing back from China to the USA become persuasive.

It would, however, be wrong to suggest we are witnessing a return to past practices. The new jobs created in America are typically lower paid and with fewer benefits than those lost when work moved to China. This is probably most accurately seen as yet another rebalancing of employment as world trade grows and develops.

The economic woes experienced in America and Europe have also had a significant impact on Asia Pacific countries. IDC reports that India is currently in choppy waters with a weak investment environment, a depreciating rupee and tight credit conditions.

Enterprises that have moved work offshore are finding few guarantees of continued cost savings. McKinsey reports that a decade ago global companies found lower IT pay rates in Ireland than elsewhere in Western Europe but the supply of skilled workers was finite and, as more companies based IT functions in Ireland, wages rose.

Taking a long-term view, however, there are few signs of a serious threat to the outsourcing and offshoring industries.

**In recent years we have seen a small, but noticeable shift towards onshoring; bringing IT services back to the UK and Western Europe.**

Enterprises will continue to expand globally. As markets mature buyers are becoming more skilled at choosing the right sourcing model for each IT service, often combining contracts of shorter duration from best-of-breed suppliers for different sets of IT functions.

**Recent market developments**

There is little doubt that rising salary levels and increased competition for the most skilled staff are having an impact on the cost advantages of offshore services. Infosys and Wipro have both recently announced pay rises across their workforces in India. Computer Weekly reported that Infosys will be increasing salaries by an average of eight per cent in India compared with an average of three per cent in other regions. Atradius has become a problem in India with lower growth in the major IT service companies. Wipro also announced average pay rises of up to eight per cent. Indian IT services firms are increasingly recruiting staff in countries where their customers operate. There remain potentially significant savings to be made by transferring IT work overseas, either in-house or outsourced to a service company. Gartner’s key metrics for 2013 indicate that the average contractor rate per hour for a developer with three to eight years of experience (based on an eight-hour workday) is $113 in Western Europe, $95 in the USA and $44 in India.

Gartner finds that rates in the UK, Switzerland, the Benelux and the Nordics are around ten per cent higher than rates from France, Germany and Austria; with Italy, Spain and Portugal noticeably lower still. Eastern Europe rates are commonly lower than those in the USA.

IDC found strong growth in the Indian IT services market in 2012 despite the weak investment environment. Discrete outsourcing services such as application hosting and network management also saw vibrant growth with the total outsourcing services market in India growing by 12.5 per cent in 2012.

A global survey by Deloitte in 2012 found that 48 per cent of respondents had terminated an outsourcing contract either for a specific cause or, more generally, for convenience. But Deloitte also found that, having terminated their outsourcing contract, a large majority of respondents chose to move to another service provider rather than bring the work back in-house.

**Sourcing strategy**

To get the best out of your company’s supplier relationships and ensure that sourcing contributes effectively to business outcomes, all decisions on in-house, outsourcing, offshore and onshore IT functions need to be taken in the context of an overall sourcing strategy.

Developing this strategy is a continual process to ensure it remains aligned with internal change and external factors such as wider geopolitical developments and technology drivers such as cloud, mobile and social media. A sourcing strategy should contain these elements:

- A foundation based on enterprise aims and objectives; products and services that provide competitive advantage may suggest IT services that should be insourced onshore.
- Corporate values and attitudes to risk that will determine the extent to which
Developing a constructive relationship with managing supplier relationships professionals, offer greater competitive benefits. One of the classic mistakes made in some enterprises is to assume that once an IT function is outsourced no professional skills are needed in-house. This is far from the truth and has often led to failure. Gartner predicted a growing trend towards IT service industrialisation such as cloud services in 2013, providing enterprises with more sourcing alternatives than ever. There is an ongoing shift from a customised outsourcing model to an automated, standardised one. In these sourcing models CIOs need to pay particular attention to contract terms concerning IP, security, service continuity and recovery.

With increased global delivery from outsourcing suppliers, CIOs also need to ensure that contracts fully cover knowledge transfer and retention of key personnel, confidentiality, compliance with industry standards and government regulations, data integrity and data privacy issues. These can be monitored through audits and performance measures. To counter the impression that multinational use offshoring to avoid environmental, health and safety regulations in Europe and the USA, many enterprises set policies to ensure decent working conditions for employees overseas both in third party suppliers and their own facilities.

We live and work today in a truly global economy. Multinationals employ staff in different parts of the world and will look to buy IT services from best-of-breed suppliers who offer value for money and contribute to successful business outcomes. All companies need to compete with other enterprises headquartered elsewhere and may want to sell their products and services overseas. They therefore need to develop a good understanding of local markets and cultures. Moving some work offshore can aid this process.

As global markets develop and geopolitical events shape the world there is a noticeable shift in attitude towards offshoring. Once automatically seen as a vehicle for substantial cost savings, it is now, arguably, seen more realistically as a sourcing option well suited to some but not all requirements. Offshoring brings its own set of risks and hidden costs, of which today we have a more accurate and balanced understanding.

A combination of factors including salary increases in key offshore locations, increased concerns about political instability, unemployment in Western Europe and the USA and a renewed focus on service quality have eroded the traditional offshoring value proposition. Only a small number of companies are bringing work back onshore or back in-house from outsourcing deals but these do indicate our improving understanding of how to get the best out of supplier relationships and the most profitable use of each sourcing model.

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Some enterprises find it helpful to set up internal centres of excellence for in-house IT functions. These help retain talented professionals, offer greater competitive advantage and control over key processes, but may not be cost-efficient.

Managing supplier relationships

Developing a constructive relationship with all your key suppliers is critical to the long-term success of your sourcing strategy. This requires time and effort, skilled staff being aligned with company ethos and ethics. Current and future IT service requirements should be analysed to indicate preferred methods of supply. This will need to take into account the strategic importance of each service, the degree of customer interaction, the technical expertise available in-house and the track record and maturity of various countries.

An indication of how services will be grouped within outsourcing deals; the current trend being towards shorter multi-sourcing arrangements though this is not without drawbacks and requires skilled management.

A clear alignment with the technology strategy, supporting the corporate technical architecture, corporate policies on open standards, BYOD and so on.

A defined governance structure to monitor implementation of the strategy and ensure it is modified as necessary to reflect business imperatives.

Strategic relationships

In these sourcing models CIOs need to pay particular attention to contract terms concerning IP, security, service continuity and recovery. With increased global delivery from outsourcing suppliers, CIOs also need to ensure that contracts fully cover knowledge transfer and retention of key personnel, confidentiality, compliance with industry standards and government regulations, data integrity and data privacy issues. These can be monitored through audits and performance measures. To counter the impression that multinationals use offshoring to avoid environmental, health and safety regulations in Europe and the USA, many enterprises set policies to ensure decent working conditions for employees overseas both in third party suppliers and their own facilities.

We live and work today in a truly global economy. Multinationals employ staff in different parts of the world and will look to buy IT services from best-of-breed suppliers who offer value for money and contribute to successful business outcomes. All companies need to compete with other enterprises headquartered elsewhere and may want to sell their products and services overseas. They therefore need to develop a good understanding of local markets and cultures. Moving some work offshore can aid this process. As global markets develop and geopolitical events shape the world there is a noticeable shift in attitude towards offshoring. Once automatically seen as a vehicle for substantial cost savings, it is now, arguably, seen more realistically as a sourcing option well suited to some but not all requirements. Offshoring brings its own set of risks and hidden costs, of which today we have a more accurate and balanced understanding.

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Over time as technology develops and the global economy shifts and turns, we will no doubt see further re-adjustments in the mix of in-house, outsourced, offshore and onshore sourcing models.

One of the clear lessons we can draw from these developments is that it takes experienced IT professionals, with both IT and business skills, to truly understand how best to combine different sourcing models to optimise cost efficiencies and business benefits.

CIOs must ensure that they recruit, train, motivate and retain these highly skilled staff.
The stages are preparation, commissioning, delivery/receipt and maintenance:

**Preparation**

Prior to entering into an off-shore software development or product commissioning exercise, the following points should be considered:

- **Systems conceptualisation:** The core concepts of the system need to be documented and validated; factoring the essential and desirable value-adding services you want your system to provide.
- **Two sets of documents should be maintained for protection of your intellectual property (IP).** The first is a complete system specification encapsulating business processes, target operating model, future features and so on. The second document provides information you are comfortable sharing, and controls your IP by reducing exposure to possible risk, allowing developers to produce the core components.
- **Services should be segmented into essential and desirable.** These can then be phased into a delivery project plan, allowing you to prepare a budget.

**White boarding** or mind mapping your software/process flows is a very useful tool to allow you to validate your thought processes.

**Determine the operational context of your system in terms of the business processes executed to support the operational maintenance.**

**Specify the landing platform and its support mechanisms. Is the platform for delivery the web, a thick client application or a service?** In any case, each type of development will have different cost, time and quality issues to address.

**Having thought about the above, it is now necessary to create a detailed functional and non-functional specification of the system. Numerous templates for these documents can be found on the web. This should not be outsourced if you wish to maintain control of the deliverable.**

**Break down all tasks into manageable, measurable chunks that can be individually priced if required.**

**Suggest a fixed price agreement, to avoid spiralling development costs.**

**Tasks in essence should align to the systems life cycle:**

- an analysis;
- design;
- build;
- test;
- deploy.

**Each of the above should be broken down into lower-level detail, facilitating pricing and agreeing what is manageable in terms of milestone payments for delivery.**

**A simple web search for ‘freelance developers’ then the name of the country, for example, India, will return you thousands of freelance developers or organisations.**

**It may be prudent to pick three developers and conduct similar due diligence on their services and capabilities. Where possible, always ask for references (non-local).**

**Implement a communications plan that considers email, Skype, VoIP schedules and controls.**

**Prepare a non-disclosure agreement (NDA) enforceable in the local country. The NDA should be signed before you discuss any requirements with the developers.**

**As part of the commercial agreement, have an exit strategy or switching strategy.**

The initial recommendation was to plan, do, check before acting, with each stage addressing scope in terms of cost, time and quality.

- **Time stamp your activity and set a budget!**

**Commissioning**

Commissioning activities aim to ensure that an effective agreement and associated processes are in place for a successful relationship between yourself and the vendor.

The key considerations are:

- Prior to commissioning the work ensure that you have selected the developer based on their experience, price and history of delivery - if necessary undertake further due diligence.
- The NDA must now be put in place and, again, it must be enforceable in the local country.
- Seek advice and specify your preferred development environment – integrated development environments (IDEs), tools, languages, databases you would prefer them to use, or establish their strengths in each domain to reduce time to market.
- If third-party code libraries will be used by the developer, ensure that re-use and licensing agreements are not prohibited; even if open source, you need to establish the associated cost.
- If feasible, inform the developer that all third-party libraries for your project will be sourced by yourself and licenses will be provided for development. This allows you to retain ownership of the development environment components.
- Suggest or ask the developer to use a code profiler – this will give you some guarantee of quality control over the code.
- You may want to set up a ‘code build’ platform depending on the size of the system.

Differentiate between minor and major enhancements and instigate a change request system.

**Delivery/receipt**

The delivery of the interim code drops and final packaged software requires strict quality controls, as well as measurement against both the functional and non-functional requirements. Some considerations are listed below:

- **The output from the code profiler should be used to challenge, if and when required.**
- **You should take responsibility for the user and performance testing. However, the developer must test units and performance of code.**
- **When all testing is complete and the development can be frozen; ask for the installable executable file, the source code, any third-party add-ons used and documentation, for example if the development is Java, you may want Javadoc.**

**Maintenance**

Once the project is complete, the developer should be retained as the code will require error / bug fixes or enhancements and the developer will be best placed to rapidly fix these problems. In many cases they will be keen to maintain an ongoing relationship.

Some considerations are listed below:

- **You will want updates to the system - so make sure the design is such that changes are simple and not complex re-builds.**
- **Agree an annual support figure - if you can, include minor fixes.**
- **Differentiate between minor and major enhancements and instigate a change request system.**

The above pointers were used to highlight some key points to an organisation wanting to develop a concept with an offshore software house.

The items listed above are not exhaustive and can be extended further, depending on the size and complexity of the system.
Jonathan Kini, Enterprise Marketing Director, Vodafone, examines the state of flexible working in the UK today, the role that technology has played in its widespread adoption and how this technology will drive changes in the British workplace in the years to come.

This year Vodafone and the RSA released a major new report on flexible working in the UK. ‘The Flex Factor: Realising the Value of Flexible Working’ is an in-depth study that looks to measure the scale of adoption of flexible working in the UK.

Given their importance in enabling and encouraging more flexible ways of working, IT and technology are constant themes in the report.

**Technology adoption and flexible working**

Flexible working is now a reality in the UK. Whereas it was previously reserved for management-level employees, it has now become a standard part of everyday working life.

The report shows that around 80 per cent of all UK employees work in organisations that provide flexible working arrangements of some kind.

One of the key reasons for this flexible working adoption has been the significant advancement in many different technologies over the last few years, to the point where the two are now inextricably linked.

For businesses, the office has always traditionally housed IT, telecommunications and information infrastructure. Without widespread internet access and subsequent mobile phone, laptop and now tablet-adoption, working away from the office would never have been possible.

The advent of cloud computing and 4G has also meant that businesses have been truly freed from being tied to a physical location, able to access company information securely and quickly from any place at any time.

Indeed, around half of all employers now provide access to a laptop, with one in four providing access to smartphones and one in ten providing tablets.

Employees are also filling the gap where their companies are lagging in their adoption of mobile technology, using their own smartphones and laptops to work flexibly.

The effect of combining these technologies with better ways of working has been profound, for both employees and businesses.

For example, staff morale and job satisfaction is often higher in organisations where employees are empowered to work in ways that most suit them.

Indeed, in its research, the RSA found that employees in organisations that have embraced flexible working believed that their skills and talents were being better used.

However, the study also showed that shifting to a more flexible workforce is not without its concerns. While technology...
technology to move away from the idea of presenteeism and give employees the chance to show responsibility and commitment in exchange for the opportunity to work flexibly.

What does the future hold?
Flexible working and the long-promised ability to work from any place and at any time are finally here. So what does the future hold for the way we work, especially given the incredible pace of technological change we are currently experiencing?

With ubiquitous access to the cloud across all devices from any place, companies will continue their migration towards being entirely cloud-based. The days of the office as an all-encompassing site that hosts physical business infrastructure like IT systems and information repositories are numbered.

With 4G allowing the same kind of access to technologies, for example HD video-conferencing, previously only available at our desks, the office will become simply a space for innovation and creative thinking.

We have already been able to witness this phenomenon with the rise of ‘office-as-a-service’ (OaaS) companies like Rocketspace, Neardesk and Central Working; that also offers us some clues about the future of flexible working.

San Francisco-based company Rocketspace rents space on a per-person-per-month rate while British firm Neardesk rents out collaborative working space on an individual or company basis.

Handling the basics like security, leases, technology and office equipment, Rocketspace also offers the start-ups who rent space access to the resources they need to grow rapidly, such as venture capitalists, mentoring, talent and networking events.

This service allows the companies to focus on creativity, working collaboratively and, ultimately, building and growing their businesses.

Technology and better ways of working
Technology has always had a profound effect on the way we work and it’s evolution has always driven changes in the way we make a living. The mobile technology revolution we are currently experiencing is enabling us to find new and better ways of working.

Combined with the ‘psychological contract’ between employee and employer, it has the power to drive organisational efficiency, boost motivation and increase wellbeing.

With the volume of data continuing to rise and industry scrambling to define new terms to describe it, it’s no surprise that big data and software that enables companies to manage it has become the new ‘big thing’.

Managing big data and, more importantly, finding ways to draw useful information from it has become big business.

For the enterprise it makes sense to utilise data and information that already exists within the organisation to aid better decision-making. It means turning data from an operational cost into an asset.

Take, for example, the company that records all of its communications and interactions with customers – whether on the phone, by email or over the internet.

Within those records is the ability to understand buying patterns, propensity to buy and even potential new product or service lines.

Analytics can come in many forms and it’s certainly not just restricted to financials or customer behaviours. Take the security industry for example: companies such as DVTel, an end-to-end video surveillance company, builds analytics into its software so companies can use monitoring data to improve decision-making.

What’s clear is that BI and analytics are incredibly useful in driving company growth. However, for most companies the ability to employ these tools has remained firmly off their agenda for a number of reasons. Firstly, traditional BI software tools are costly to resource and to implement. The very size and nature of data makes it difficult to manage and, while BI tools typically go some way to simplifying the management of data, they’re still cost-prohibitive for most small businesses.

The complex nature of managing that much data and turning it into something that’s easy to understand is also often outside of the technical capabilities of small companies. This complexity also appears to be hitting battle- weary enterprises, with industry analyst Gartner reporting big data hyperbole as one of the reasons that expenditure on BI software saw ‘muted growth’ in 2012.

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Once the preserve of the enterprise, business intelligence (BI) and analytics are now becoming available to small-to-medium (SME) sized companies through simplification and their appearance as tools in standard software solutions. Simon Michie, Head of Cloud Services at Redcentric, looks at what’s driving the use of analytics and how SMEs can benefit from their use.

After a few historic banner years of spend in the BI software market, which culminated in more than 17 per cent growth in 2011, growth was more subdued in 2012, at seven per cent, says Dan Sommer, Principal Research Analyst at Gartner.

Gartner also believes that BI and analytics are driving technology away from the IT department and into the hands of the business user. Eamonn Killian from IBM agrees: ‘Chief marketing officers (CMOs) are best placed to utilise information generated from analytics – not the CIO.

What we’ll see is analytics and BI becoming a battleground for c-level employees as the promise and potential of analytics continues to improve. For the CIO, BI represents a strategic tool worthy of board-level discussion, and they are in the perfect position to manage the process of turning data into usable information. Yet, it’s actually the CMO who’s most likely to utilise the analytics. Another limiting factor on the adoption of BI for SMEs was the way data was
typically stored. For most SMEs, their IT solutions grew incrementally as they did: a strategy for data management is underway.10

With the advent of the cloud and a BI matured enterprise market which demands simplification, it’s no surprise that vendors are beginning to build analytical tools in as standard. In fact this simplification has been identified as ‘lean analytics’. In an article by Brian McKenna in Computer Weekly,11 he reviews a new book on the very topic by Alistair Croll and Ben Yoskowitz, he comments that, ‘at the heart of...lean analytics is a democratisation of data, underpinned by cloud and social media technologies.’ Croll argues that a ‘fundamental shift in how businesses are run and how decisions are made is underway.’

We’re also seeing analytics built into applications to improve the software itself. Lancope, a network security company, recognised that IT managers were lacking a single source of information when faced with attacks that can span devices, locations and times. Tariq Ahmed, EMEA & International Managing Director at Lancope, comments: ‘We apply NetFlow telemetry and analysis to provide context to attacks. By adding behavioural analysis to activity on the network we can determine what is and isn’t a threat.’

So as data becomes more democratic, the smart cloud enables companies to increase their use of analytics by improving access to BI across siloed departments.12

The benefits of remote working

Remote working is becoming increasingly popular as the technology grows ever more sophisticated and managers have realised the benefits of allowing their employees to work flexibly. If it’s viable, you have statistics to support venture capital funding applications: if it isn’t, you can continue to refine and develop the service. It can work for anything as small as a market testing a new menu on potential restaurant customers to determining the size of the market for a new electric car. For clarity of how analytics can be used effectively, SMEs should look to the retail sector as a shining example. When they were first launched, point-based cards were viewed simply as a way for the customer to benefit for their store loyalty. However big-brand supermarkets have employed real-time data so successfully that both the store and the customer benefit from targeted but low-margin campaigns aimed at individuals on a mass market basis.

From this example it’s not too hard to see how, in the near future, analytics will prove to be the smart way to make a business decision.

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Remote working employee challenges

There are divided opinions regarding what changes for the SME is the ability to use their data to predict future scenarios. Imagine the possibilities. You’re an SME with a new business idea and rather than look for investment to develop the service, you can employ analytics to test the marketplace first.

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Remote working employer concerns

As for the employer, they also have to consider the implications of allowing their staff to stay away from the office. Despite research showing that people...
are more productive when they are away from the hustle and bustle of other people, Yahoo’s CEO Melissa Mayer banned home working outright early in 2013. She recently stated that ‘people are more collaborative and innovative when they’re together. Some of the best ideas come from pulling two different ideas together.’

Managers also have to decide whether it is safe for workers to be taking the company’s IT equipment or private data into the outside world.

There are security risks that need to be assessed, as well as the fact that employees no longer have any immediate supervision to see how they are spending their time.

Companies have a duty of care over their workers’ welfare, something that can be much harder to watch when they are often away from the office.

Overcoming remote working issues

So how can you run a remote working team? At Hubbub and Remote Employment, our technology boosts remote working

As technology has become more sophisticated, the lot of the remote worker has become easier; the ability to email on the go through 3G-enabled smartphones and tablets, along with shared networks, ensures that remote workers can work virtually anywhere, and still remain completely accessible to colleagues and clients.

Instant messaging is on the verge of overtaking email as the premium form of communication – multiple real-time conversations can be undertaken at the same time to keep in touch with the office. Cloud software means that all an employee needs to stay connected is an internet connection and a password; documents, spreadsheets, databases and calendars are all within reach from wherever they are.

Encryption can be employed to all wireless networks, internet connections and portable devices to ensure complete discretion and security.

Many will argue that nothing can beat face-to-face communication, and whilst that may be true, both technology and the quality of the connectivity has improved to such a standard that taking part in a meeting via video conference can be a smooth and helpful activity, without the lag and stuttering that hindered the process in earlier years.

There is also a very real environmental concern for companies to employ remote working: in 2012 telecommunications giant O2 asked their head office employees (which totalled around 2,500 people) to take part in a remote working day to show what flexible working can achieve.

Not only did the staff save 2,000 hours of commuting time (52 per cent of which was spent working), with over a third feeling that they had been more productive than they would have been in the office. However, the lack of cars needed to get them to work saved 12.2 tons of CO2 being released into the atmosphere.

That’s around the equivalent of a medium-sized diesel car driving 42,000 miles. Electricity and water usage within the building also decreased.4

Aviva UK have also changed the way they work, after discovering that the cost in CO2 terms to get their entire executive committee together for a meeting was 6.4 tonnes.

They are now using teleconferencing to ensure their carbon footprint is reduced.5 Any which way you look at remote working, with shut eyes and a negative mind or blurry eyes and a so-so gut feeling, it is certainly worth weighing up the pros and cons for your own business and possibly pushing the boat out and having a go.

It is easily done for a day or so, and if it works on numerous levels, it can be rolled out more productively.

References

1 Source: Slideshare

2 Source: http://www.slideseu.org/

3 Source: Slideshare


MAXIMISING BIG DATA

Hailed as the next big technology trend by vendors and analysts alike, big data is big news. According to IDC, 2.7 zetabytes of digital data exist today. It’s also reported that the data available for analysis is growing at a rate of 2.5 billion gigabytes per day. With these facts as a backdrop Jon Milward, Operations Director, Northdoor, explains how to maximise the potential of your data.

Big data could be simply seen as a natural progression of how organisations access, analyse and use information for the running of a business.

Therefore, big data could be viewed more as an evolution (rather than a revolution) that, above all, compels organisations to re-examine what they traditionally consider as business information.

Big data is characterised by volume, velocity, variety and veracity. If there is one key take-away from the issues of big data, it is that organisations now have a much broader spectrum of data available to them.

This can be both from within and outside of the organisation – and can be utilised and transformed into valuable insights to improve decision making.

 Whilst big data is clearly a key business priority that is expected to add significant value to organisations, it has also become difficult to get beyond the hype.

Today businesses want relevant information at their fingertips, in real-time. They want the ability to analyse both structured and unstructured data inside and outside the organisation to better understand and predict customer preferences and behaviours, improve operational insight, reduce risk at a level and speed never before possible.

The challenge is that data has become so vast and varied that the traditional approaches to managing and analysing data can no longer meet the increasing demand. This may be due to numerous factors such as speed or quality, which could provide essential insights for organisations that want to be able to make fast, informed business decisions.

The good news is that the technology is available to tackle these challenges, and big data tools can deliver new levels of insight fast. However, knowing where to start can be overwhelming. The real key to success lies in how you go about identifying the data that will be useful and relevant to your organisation, how you examine this data, and then understanding how to store, categorise, organise and use it for competitive advantage.

There are plenty of real-world applications of big data today, with many organisations actively using them to better target customer-centric outcomes and improve business performance; tapping into internal and external data to build vastly improved information systems.

For example, in the insurance world, catastrophe and loss modelling are the two biggest data analysis challenges. Big data is helping insurance companies better understand how events are
developing and the effect this might have so that they can better manage risk. Retailers are using big data so that they can provide dynamic pricing and predictive analytics.

They are creating up-to-the-minute customer profiles that allow them to better predict buying patterns. Big brands are also using big data to provide better customer service. By harnessing unstructured information that sits outside the organisation, they can find out what customers are actually saying about them at any given moment and respond accordingly in real-time.

However, whilst the benefits of big data are potentially immense, a good dose of common sense and pragmatism needs to be applied when approaching a big data project.

**Data has become so vast that the traditional approaches to managing and analysing it can no longer meet the increasing demand.**

Regardless of whether you are looking to analyse corporate data or external data, it’s important to take on board that the value of big data doesn’t always lie in the data itself; it’s what an organisation does with the data that really matters.

Successful big data projects first clearly identify the business requirements before applying the analytics to support the business objectives. In this way, new insights can be gleaned from existing sources of information at a speed and level that was previously impossible to achieve through traditional methods.

First identify the business requirements, and then look to the infrastructure, data sets and analytics to support the business opportunity.

**Establish a clear business case.**

For many organisations, the traditional approach to data analytics has limitations.

Put a cost on it – it’s the difference between having information at your fingertips in minutes as opposed to days, weeks or even months.

Take a staged approach and focus on quick wins.

Don’t try to analyse everything at once or you will struggle. Focus on a specific area that will deliver a return to demonstrate the capability of the technology. Then look to broaden your wish list.

Start a pilot programme by selecting a business unit or function where you think the big data opportunities and benefits will be.

Develop proof of concepts or prototypes before you make huge technology investments. A gap analysis between your current state and desired outcome will be helpful. Where possible, benchmark yourself with industry best practice.

In today’s increasingly competitive business environment, the advent of big data is driving greater demand for faster and more advanced analytical insight and better management of today’s increasing volumes of data.

If approached without achievable and measurable goals however, big data can be somewhat of a minefield.

**THE REPUTATION ECONOMY**

If cybersecurity-related issues pose one of the greatest threats to corporate reputation over the coming years, it is critical to understand not only the risks, and how to mitigate them, but also where the opportunities in corporate reputation building lie. Jennifer Janson, Managing Director, Six Degrees, asks: are you ready for the reputation economy?

In an age where information is amplified and magnified globally via social media, one careless decision or action can damage a company’s reputation in a matter of hours.

This fairly recent social media dynamic, coupled with the fact that information security is one of the biggest threats to corporate reputation, mean technology experts have a duty to recognise our role in reputation building and risk mitigation, and act accordingly.

Reputational risk can emerge from almost any area of your business: from operations and customer service to sales and third-party suppliers. The only thing that is certain is that at some stage, you will face an issue that has the potential to damage your business’s reputation. How you choose to deal with it could have a profound impact.

Your reputation; who owns it?

Your company’s reputation lies in the hands of your customers, employees, suppliers and shareholders; and it goes far beyond likes, tweets and posts. However, you have the ability to influence these people’s thinking – your company’s behaviour is the most powerful tool your business has in building a positive reputation.

However, before a company even thinks about communicating with the outside world, it needs to look at its core values, its desired reputation and the behaviour of employees at every level of the business.

How do you know that the behaviour of every employee is in line with your core values? Can you demonstrate a consistent track record when it comes to company behaviour? Do you have systems in place to identify potential risks at the earliest stage?

Over the past five years, reputational risk has become a board level issue, crossing traditional internal silos. Most large businesses will have systems and processes for tracking the various areas that might contribute to reputational risk.

These might include social media monitoring, health and safety incident tracking, environmental or sustainability impact measurement, cybersecurity threat alerts and so on.

Yet British businesses are waking up to the opportunity the issues around reputational risk provide. Warwick-based Rivo Software was initially conceived as a service to enable large multinational businesses to capture and analyse incidents relating to health and safety.

Rivo realised the impact that this sort of information can have in the boardroom, and has its sights set on much broader areas that contribute to reputational risk.

Today, Rivo can track and analyse data
Over the past five years, reputational risk has become a board level issue, crossing traditional internal silos.

It starts at the top. A CEO waiting for four days before appearing on site where nearly 50 people died following the explosion of 72 tankers filled with crude oil on one of his trains was widely criticised and the company has since gone bankrupt.

The story would have created news headlines no matter when it happened, but in the age of social media, a simple #LacMeggantic tag on Twitter ensured the story was (and continues to be) promulgated worldwide, with each new revelation.

Business leaders take note: are your most senior team members ‘walking the walk’? In times of crisis, the only certainty is that any inconsistencies will be exposed.

• Is everyone in the business – from the person answering the phones to the person leading the company – clear about the company’s core values and how these should influence their behaviour, day to day?

• Are the ‘skeletons in your closet’ communicated regularly to senior communications experts within the business?

• Who’s responsible for your company’s reputation (the single, named person)?

Stepping back
Taking the time to look at your business from the inside out and ensuring that you have the systems and processes in place to be the business you want to be is a good thing.

In this hyper-connected world it’s easy to succumb to the pressures to be on every social media platform, with the most creative, award-winning campaigns. Take the time to understand your audiences, really acknowledge whether your business can give them what they need and make adjustments accordingly. Then figure out how to communicate consistently, with a human voice that’s authentic to your business.

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Where next?
Understanding the potential of the ‘reputation economy’ is one thing, but harnessing the opportunities it creates is quite another. Ensuring your company has a reputational strategy in place is critical. However, to do it properly will take the time and commitment of senior executives throughout the business, not just the communications team.

In order for the strategy to drive the success of the business, you need to be willing to make operational changes that will fundamentally contribute to the reputation you aim to achieve. Are you up for the challenge?

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Deliver change, create value

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