Gartner

Press Release

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Gartner Says the Convergence of Social, Information, Mobile and Cloud Will Impact Sourcing Strategies in 2013

STAMFORD, Conn., 28 January, 2013 — Sourcing managers must consider the opportunities and risks presented by the convergence of social, information, mobile and cloud when re-evaluating sourcing options, delivery models and vendors, according to Gartner, Inc.

"Social, information, mobile and cloud shouldn't be considered in isolation as market forces," said Linda Cohen, vice president and distinguished analyst at Gartner. "The convergence of these forces, which Gartner calls the Nexus of Forces, is what drives real business value. The Nexus of Forces converge in several ways: cloud, mobile and social solutions enable the distribution of information, social media usage and behaviour drive mobile and information solutions, and cloud can be a foundation for information, social and mobile solutions."

"To establish the most appropriate sourcing approach for 2013, sourcing managers must take a more holistic approach and understand wider IT service market trends," said Frank Ridder, research vice president at Gartner. "To benefit, sourcing managers must consider the influence of the convergence of the Nexus of Forces on the services sourcing life cycle of activities, rather than considering each factor as a separate trend."

Gartner has identified the following key impacts for sourcing managers to consider:

Growing cloud adoption will force sourcing managers to reconsider sourcing governance techniques and contracting practices
More than half of the respondents in a public cloud survey conducted by Gartner in 2012 said they would likely or definitely consider a model based on public cloud for applications and that they intend to upgrade, replace or modernise over the next two years. However, IT organisations adopting public cloud models will need to strengthen the skills that will help them manage a hybrid IT services model successfully. These include strong service integration capabilities because cloud services are often added to a traditionally managed and highly customised environment, which creates a hybrid IT environment composed of various solution types.

Revised mobile strategies, such as bring your own device (BYOD) and mobile applications availability, will expand IT service sourcing requirements as users demand new services
The rising impact of consumerisation means that user demand will increase for new and updated IT services. This is especially apparent in mobility services, which providers often include as part of their desktop outsourcing service portfolios. These services typically include mobile device ordering and provisioning, asset management and disposal and, in some cases, mobility service management. In addition, technically savvy and younger users are demanding more productivity applications on their mobile devices to expand desktop front-end capabilities and performance. This demand requires a dramatic change in bundled mobility services. IT organisations now need to offer mobility management services that go beyond a single device to include an ever-increasing variety of devices and application

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deployment and management. In turn they need security, controlled data access and, in many cases, user support. End-user efficiency will be directly affected by sourcing and service delivery strategies supporting mobility.

New information channels, coupled with data management and reliability issues, will make sourcing options analysis and vendor evaluations more complicated and more critical
Information has always been an important asset for businesses and government organisations, but new challenges arise as information, management, architecture and sourcing strategies become more interdependent. Organisations are now faced with issues concerning information reliability, information channels and information volume. IT services and sourcing managers should consider both sides of this trend by taking advantage of related opportunities, such as having increased access to information when selecting a service provider and the ability to use new collaboration channels to share information with service providers. They should also investigate the potential of procuring information in a service model (rather than using providers only in the traditional manner), to develop information repositories and manage data.

Social technologies will change the way that sourcing organisations interact with suppliers and customers, from requirements definition, through contract negotiation and vendor performance evaluation
Employees are using more social software and social networking sites for business purposes. Using social technology for collaboration in complex outsourcing relationships can increase efficiency, but sourcing organisations should also consider its nontechnical aspects. Through social networks, end users unlock many information channels. Buyers can now gather information and opinions about IT products and service vendors from multiple sources, for example, online user groups, social networks or from peer group forums.

Social media also presents a new means of accessing talent for application development projects, as well as the potential for areas of product support. Some IT organisations are adopting crowdsourcing as an alternative to global sourcing and other labour arbitrage strategies. If IT organisations can determine what work is appropriate in which environment, and allow for the freedom inherent in this delivery option, the speed and cost of crowdsourcing will start to become a driving force for increased adoption in many IT services sourcing portfolios.

More detailed analysis is available in the report "Outsourcing Trends 2013: The Impact of Social, Information, Mobile and Cloud on Your Sourcing Strategies." The report is available on Gartner's web site at http://www.gartner.com/resId=2301916.

More information on outsourcing trends and strategies will be provided at the Gartner Outsourcing & Strategic Partnerships Summit 2013, 9-10 September in London, UK, and 23-25 September in Orlando, Florida. Details on the London Summit can be found at www.gartner.com/eu/outsourcing. Members of the media can register for this event by contacting rob.vandermeulen@gartner.com. Details on the US Summit can be found at www.gartner.com/us/outsourcing. Members of the media can register for a press pass by contacting janessa.rivera@gartner.com.

Information from the Gartner Outsourcing & Strategic Partnerships Summits 2013 will be shared on Twitter at http://twitter.com/Gartner_inc using #GartnerOUT.

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