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## **Gartner Says It's the Beginning of a New Era: The Digital Industrial Economy**

### ***Analysts Discuss How Digitalisation is Unleashing New Capabilities During Gartner Symposium/ITxpo 2013, 6-10 October, in Orlando***

ORLANDO, Fla., October 7, 2013 — Worldwide IT spending is forecast to reach \$3.8 trillion in 2014, a 3.6 per cent increase from 2013, but it's the opportunities of a digital world that have IT leaders excited, according to Gartner, Inc.

Peter Sondergaard, senior vice president at Gartner and global head of Research, explained today to an audience of more than 8,000 CIOs and IT leaders at Gartner Symposium/ITxpo 2013 in Orlando, that the digital world is here.

This results in every budget being an IT budget; every company being a technology company; every business is becoming a digital leader; and every person is becoming a technology company. This is resulting in the beginning of an era: the Digital Industrial Economy.

"The Digital Industrial Economy will be built on the foundations of the Nexus of Forces (which includes a confluence and integration of cloud, social collaboration, mobile and information) and the Internet of Everything by combining the physical world and the virtual," said Peter Sondergaard, senior vice president at Gartner and global head of Research.

"Digitalisation exposes every part of your business and its operations to these forces. It is how you reach customers and constituents; how you run your physical plant; and how you generate revenue or deliver services. Organisations doing this today are setting themselves apart and will collectively lead the new Digital Industrial Economy," Mr Sondergaard said.

#### **Economic Impact of the Internet of Things**

In 2009, there were 2.5 billion connected devices with unique IP addresses to the internet; most of these were devices people carry such as cell phones and PCs. In 2020, there will be up to 30 billion devices connected with unique IP addresses, most of which will be products.

This creates a new economy. In fact, Gartner predicts that the total economic value add for the Internet of Things will be \$1.9 trillion dollars in 2020, benefiting a wide range of industries, such as, healthcare, retail, and transportation.

"Computing power will be cheap and covert. We won't know it is there; it will be in our jewellery and in our clothing," Mr Sondergaard said. "We will throw more computers into our laundry in a week than we've used in our lifetimes so far."

“Digital changes the IT market in a big way through the Internet of Things,” said Mr Sondergaard. “In the technology and telecom sectors, revenue associated with the Internet of Things will exceed \$309 billion per year by 2020.”

Mobile smart devices have taken over the technology world. By 2017, new device categories: mobile phones, tablets, and ultra-mobile PCs will represent more than 80 per cent of device spending. Gartner also forecasts that by 2017, nearly half of first-time computer purchases will be a tablet. Therefore, Mr Sondergaard said mobile is the destination platform for all applications.

### **Future of IT Suppliers**

The digital world runs faster for many traditional IT suppliers. In the past, the top technology companies reigned over the industry for long periods of time. However, now the leaders in areas such as cloud and mobile were not on many CIO’s radar five years ago.

“What many traditional IT vendors sold you in the past is often not what you need for the digital future. Their channel strategy, sales force, partner ecosystem is challenged by different competitors, new buying centres, and changed customer business model,” Mr Sondergaard said. “Digitalisation creates an accelerated technology-driven start up environment across the globe. Many of the vendors who are on top today, such as Cisco, Oracle, and Microsoft, may not be leaders in the Digital Industrial Economy.”

### **Big Data and Security**

All of these “things” connected to the internet generate data. People and their activities create data. Smart machines consumer and produce data, and mobile devices are the windows into data. Mr Sondergaard said the effective digital organisations harness that data to change their business.

With all of this valuable data within the IT organisation, cyber security will be an ongoing concern, both inside and outside the organisation. Mr Sondergaard said IT leaders should anticipate events and headlines that continuously raise public awareness or create fear.

“The security of embedded technologies that your organisation has right now may be the most important operational responsibility you will have in 2020,” said Mr Sondergaard. “Digitalisation will create new infrastructures and new vulnerabilities in our infrastructures. We recommend that you build a portfolio of security vendors because no single vendor addresses more than a fraction of your problem. Everyone will need to establish more agile security processes.”

### **About Gartner Symposium/ITxpo**

Gartner Symposium/ITxpo is the world's most important gathering of CIOs and senior IT executives. This event delivers independent and objective content with the authority and weight of the world's leading IT research and advisory organization, and provides access to the latest solutions from key technology providers. Gartner's annual Symposium/ITxpo events are key components of attendees' annual planning efforts. IT executives rely on Gartner Symposium/ITxpo to gain insight into how their organizations can use IT to address business challenges and improve operational efficiency.

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Upcoming dates and locations for Gartner Symposium/ITxpo include:

15-17 October, Tokyo, Japan: [www.gartner.com/jp/symposium](http://www.gartner.com/jp/symposium)

21-24 October, Goa, India: [www.gartner.com/in/symposium](http://www.gartner.com/in/symposium)

28-31 October, Gold Coast, Australia: [www.gartner.com/au/symposium](http://www.gartner.com/au/symposium)

4-7 November, Sao Paulo, Brazil: [www.gartner.com/br/symposium](http://www.gartner.com/br/symposium)

10-14 November, Barcelona, Spain: [www.gartner.com/eu/symposium](http://www.gartner.com/eu/symposium)

### **About Gartner**

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in more than 13,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,800 associates, including more than 1,450 research analysts and consultants, and clients in 85 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

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