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Capgemini: Tangled web of IT applications stunts digital transformation

Crowded application landscape is overwhelming IT departments and eroding competitive edge

Paris – March 5, 2014 – A study of over 1,000 CIOs and senior IT decision makers by [Capgemini](#), one of the world's foremost providers of consulting, technology and outsourcing services, has revealed that the tangled web of applications within international organizations is getting more and more complex, putting strain on the IT department and stunting digital transformation.

According to the study, over the last three years the number of IT decision makers who believe their business has more applications than it needs has increased from just over a third (34 per cent) to nearly half (48 per cent). Just 37 per cent believe the majority of their applications are mission-critical. Nearly three quarters (73 per cent) believe that at least one-fifth of their current applications share similar functionality and should be consolidated, and 57 per cent believe that at least a fifth of their applications should be retired or replaced.

This isn't just an IT problem, it's a business problem. The study revealed that 60 per cent of senior IT decision makers believe their departments' most valuable contribution to the company is introducing new technologies. Indeed, a significant number have already implemented Cloud (56 per cent), mobility (54 per cent), social (41 per cent) and Big Data (34 per cent) solutions. However, without a modernized applications landscape, IT lacks the bandwidth to deliver competitive advantage through these technologies. Little wonder 76 per cent believe rationalization is important to realizing their company's objectives.

“On the surface, a badly organized, overloaded and out-dated applications landscape sounds like a minor irritation for the IT team, absorbing bandwidth and wasting money, but ultimately not a problem that should keep the wider business up at night,” comments [Ron Tolido](#), CTO Application Services Continental Europe at Capgemini. *“But in a world where all facets of an organization are starting to embrace digital transformation - and are dependent on the quick deployment of mobile, social, Big Data and Cloud solutions for competitive advantage – a well-rationalized applications landscape suddenly becomes a much bigger, strategic imperative for the whole company.”*

The study also contains evidence that, while Western organizations are creaking under the strain of outdated, un-used legacy applications, developing markets are benefiting from their relatively fresh, young IT landscape. Where countries like Finland and Norway report below average levels of understanding between business and IT (just 64 per cent and 69 per cent respectively believe the relationship is 'satisfactory'), an encouraging 92 per cent of respondents in Brazil, India and China report a satisfactory understanding between the two.

Ron Tolido continues: *"There is definitely an argument to be made that high growth markets are at a significant advantage when it comes to ensuring the applications landscape lines up with the business's goals and objectives. This may give them a head start in digital transformation initiatives and could represent an important competitive advantage over their Western business rivals."*

The findings of Capgemini's 2014 Application Landscape Report are based on a survey conducted in 12 languages with 1,116 CIOs and top-level IT decision makers in companies of various sizes from a wide range of industries. With a global emphasis, the report covers 16 countries, with 73 per cent of respondents from developed economies (Australia, Europe, USA) and a further 27 per cent from fast developing countries (Brazil, China, India).

In addition, the findings of the report are also derived from the extensive work done by Capgemini's Wide-angle Application Rationalization Program (WARP) CoE. WARP is Capgemini's proven framework for application rationalization and IT transformation. The Center of Excellence for WARP specializes in such engagements, and over the past 4 years, has catered to over 150 clients and analyzed more than 30,000 applications, thus providing key industry benchmarks for critical IT metrics.

For more information:

View the full [Application Landscape Report 2014](#) along with assets including executive summary, infographic and videos.

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