

WHITE PAPER

Optimizing the Performance of Web-Based Business Services: A Global Survey of Business Priorities

Sponsored by: Compuware

Mary Johnston Turner Tim Grieser
May 2010

IDC OPINION

As the use of the Internet to enable critical business activities increases, business decision makers need better insight and data about the performance, availability and health of those services. The performance of Internet-enabled business services impacts customer loyalty, employee productivity and the flow of revenue into the business. As smartphones become more widely used to access these services, in addition to traditional PCs and laptops, the operational environment becomes more complex and new types of business risk appear.

Compuware recently commissioned a global IDC survey of 474 business and IT decision makers in order to better understand what kinds of performance and availability information business decision makers need to have in order to effectively operate their Internet-enabled business activities. Major findings include:

- ☒ The majority of organizations currently use the Internet to enable marketing/advertising, recruiting/hiring, customer support, employee HR, sales force/CRM, collaboration and online billing activities.
- ☒ Business decision makers want information about end-to-end business service performance across the Internet and the data center, but only 36% frequently review performance and availability reports. In many cases, decision makers do not review reports because they are too complicated or do not provide sufficient business context.
- ☒ By 2012, 78% of decision makers expect their organizations will make extensive use of smartphones to access Internet-based business activities.
- ☒ Only 31% of decision makers believe their IT organization is very well equipped to help business leaders understand the impacts, risks and opportunities related to their organization's rising use of the Internet and smartphones.
- ☒ Delivery of better, real-time insight into the end-to-end performance of Internet-enabled business activities is the most frequently mentioned IT priority for the next two years.

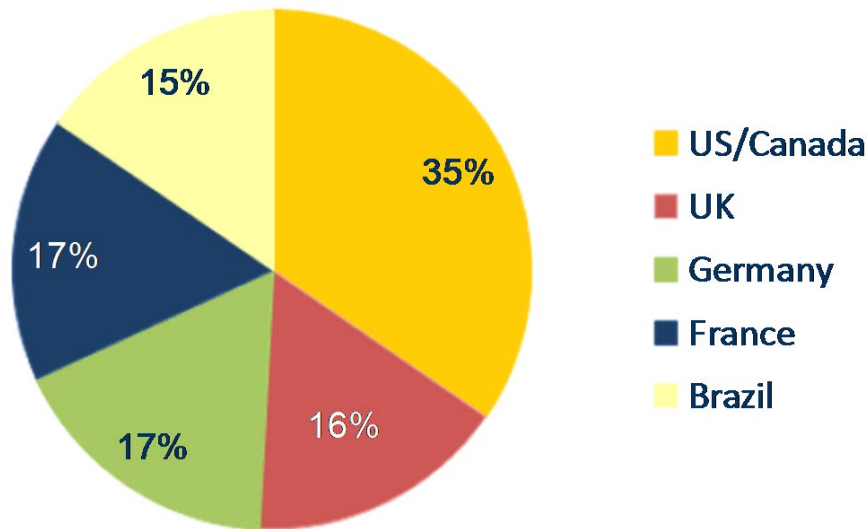
Business decision makers are highly aware of the impact the Internet has on day-to-day business performance. They want better, more actionable information to help improve customer support, maintain employee productivity, and sustain revenues.

METHODOLOGY

IDC designed a global Web-based survey that targeted business decision makers representing a wide range of industries and countries. Survey fieldwork occurred in April 2010. As is seen in Figure 1, the survey sample included 474 decision makers from the US/Canada, the UK, Germany, France and Brazil. These countries were targeted due to the availability of mature Internet infrastructure. Although there was some variability from country to country, the major conclusions reported in this white paper were consistent across the countries surveyed.

FIGURE 1

Survey Participants by Geography



n = 474

Source: IDC Survey, Sponsored by Compuware, May 2010

Survey participants were required to have either high or moderate levels of knowledge about how their organization uses the Internet to enable business applications, activities and processes. The majority (96%) of participating organizations had more than 1,000 employees. Almost three-quarters (73%) of participants reported their role as line of business C-level, Vice President, Director or Manager.

IDC conducted in-depth follow-up telephone interviews with a small number of participants to validate answers and develop a more in-depth understanding of their responses. Participants were also provided the opportunity to provide open-ended comments, which provided additional insight.

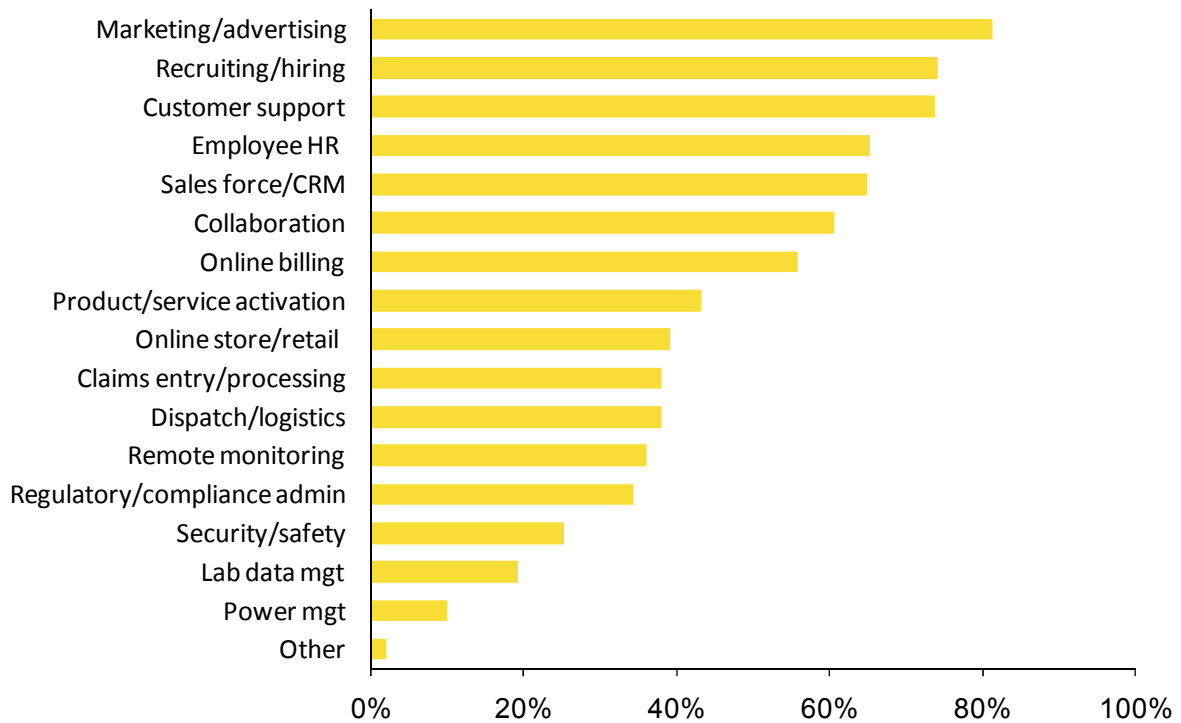
SITUATION OVERVIEW

Business Internet Use Is Pervasive

The survey data confirms the Internet is being widely used to support an increasing number of important business activities. As is seen in Figure 2, today, 81% of organizations rely on the Internet to support marketing and advertising activities. In addition, 74% of organizations use it for hiring and recruiting, 74% use it for customer support and inquiry activities and 65% use it for both internal employee/HR functions and for sales force/CRM activities.

FIGURE 2

Current Use of Internet-Enabled Business Activities, 2010



Percent of Respondents Indicating Internet-Enabled Business Activities

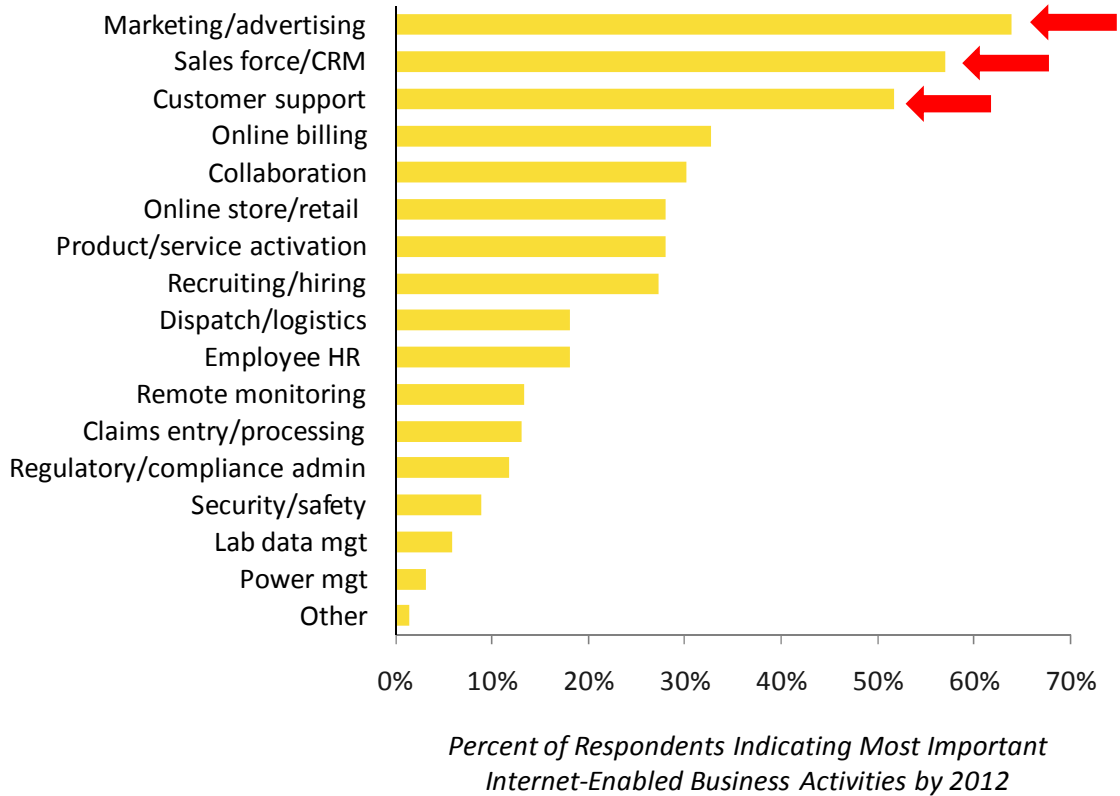
n = 474 (multiple selections permitted)

Source: IDC Survey, Sponsored by Compuware, May 2010

Looking towards 2012, the majority of participants agree that externally facing, customer-oriented services will be their organization's most important Internet-enabled business activities. As shown in Figure 3, 64% of participants indicate marketing/advertising activities will be one of their organization's most important Internet-enabled activities by 2012. Over half, (57%) identify sales force/CRM capabilities while 52% identify customer support and inquiry services. Participants were permitted to select up to 5 activities so it is interesting to see the high levels of alignment around these customer facing programs.

FIGURE 3

Most Important Internet-Enabled Business Activities, 2012



n = 474 (multiple selections permitted)

Source: IDC Survey, Sponsored by Compuware, May 2010

Participants agree that problems with the performance and availability of Internet-enabled business activities can impact revenues, customer satisfaction and employee productivity. One participant noted:

"Our whole organization does 95% of their business with Web-based applications. We could not operate without it!"

Another commented on the impact Internet performance problems can have on customers:

"Connectivity is vital for Web-related business and performance is increasingly vital as customers are increasingly demanding."

Many participants voiced concerns similar to this comment about the impact on employees:

"Staff productivity drops considerably when Internet issues occur."

Decision makers indicate they want and need data about the cause and expected duration of Internet-related performance problems so they could make better decisions about how to staff call centers, reach out proactively to customers, and deal with any backlogs that occur when inquiries or requests are delayed.

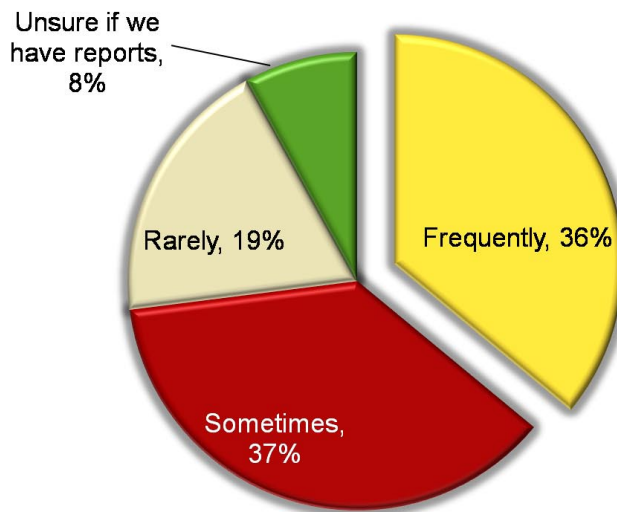
Performance and Availability Reports Often Lack Business Relevance

Many business decision makers want to know what their customers and remote employees are experiencing. They need to know how bad the service problems are, what types of processes and users are impacted, and what, if anything, the organization can do to avoid facing this problem again. Many turn to IT looking for data, but, as is shown in Figure 4, only 36% get information that is sufficiently relevant and useful that they reference it frequently.

FIGURE 4

Reliance on Internet-Enabled Business Performance Reports

Q. *To what extent do you review, analyze or otherwise rely on performance and availability reports?*



n = 474

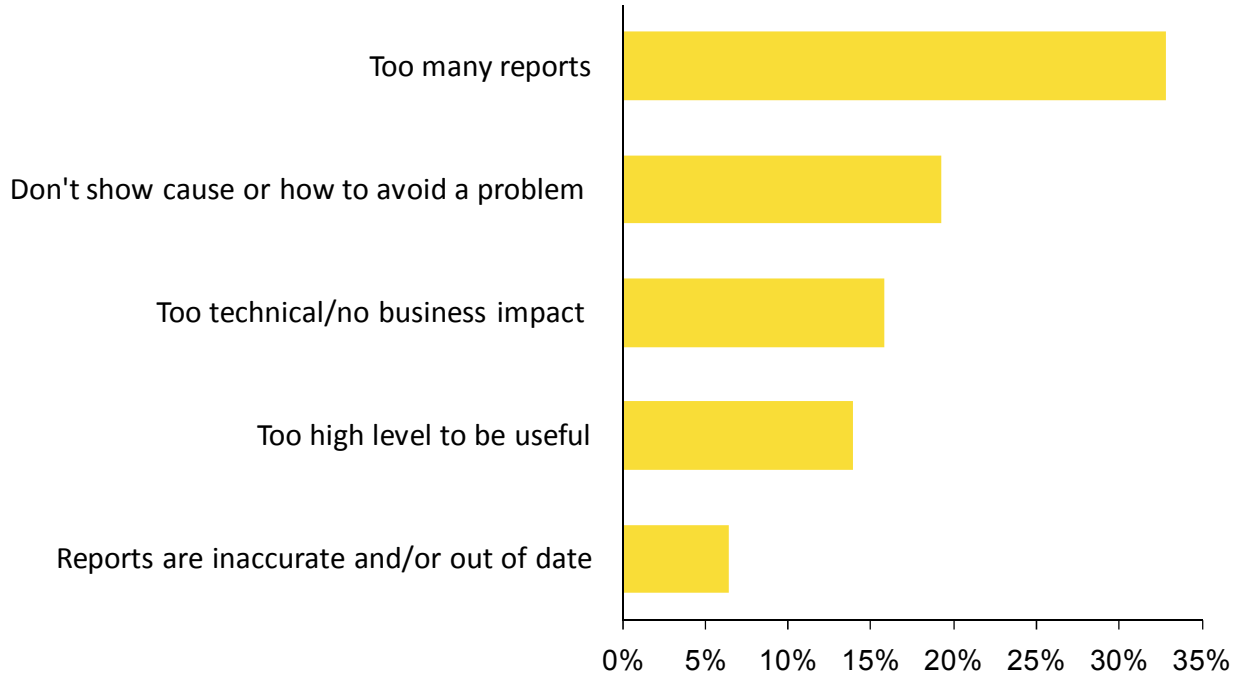
Source: IDC Survey, Sponsored by Compuware, May 2010

There are several reasons that decision makers do not frequently consult performance and availability reports. As is shown in Figure 5, the most frequently listed complaints include: too many reports (33%), lack of information about the source of the problem (19%), lack of business context/too technical (16%) and reports being too high level to be useful (14%).

FIGURE 5

Reasons Decision Makers Do Not Frequently Review Internet-Enabled Business Performance Reports

Q. For those who do not regularly review performance reports, why not?



n = 265 (multiple selections permitted)

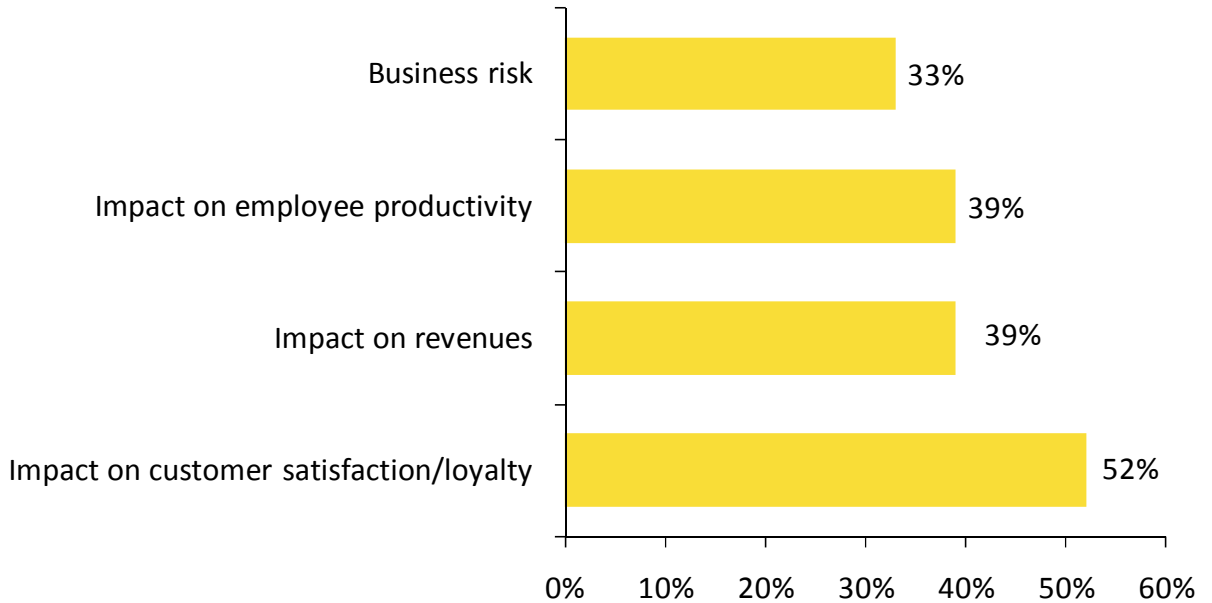
Source: IDC Survey, Sponsored by Compuware, May 2010

Rather than extensive technical data, business decision makers clearly want relevant information that provides business context and helps them make good resource utilization and customer support decisions. As is shown in Figure 6, impact on customer satisfaction and loyalty (52%) is the number one piece of information these decision makers demand. They need to understand, in detail, what business activities and what customers are impacted by an outage or response time problems. They want to know how long there will be a problem and what they can do to avoid the problem in the future. This type of reporting and analysis requires an understanding of the end user experience and the end-to-end service dependencies across the application, the data center and the Internet.

FIGURE 6

Most Important Business-Related Performance Information

Q. *What kind of business information is most important to you?*



n = 474 (multiple selections permitted)

Source: IDC Survey, Sponsored by Compuware, May 2010

After customer impact, revenue impacts AND employee productivity impacts were tied in terms of priority. Traditionally, discussions about the effect of the Internet on business have focused heavily on revenue impacts, particularly in those industries that have come to rely on Internet-based retailing and order processing. However, the survey data shows that Internet-based business now enables many types of internal and external processes, and performance problems can have substantial influence on employee productivity and their ability to do their jobs.

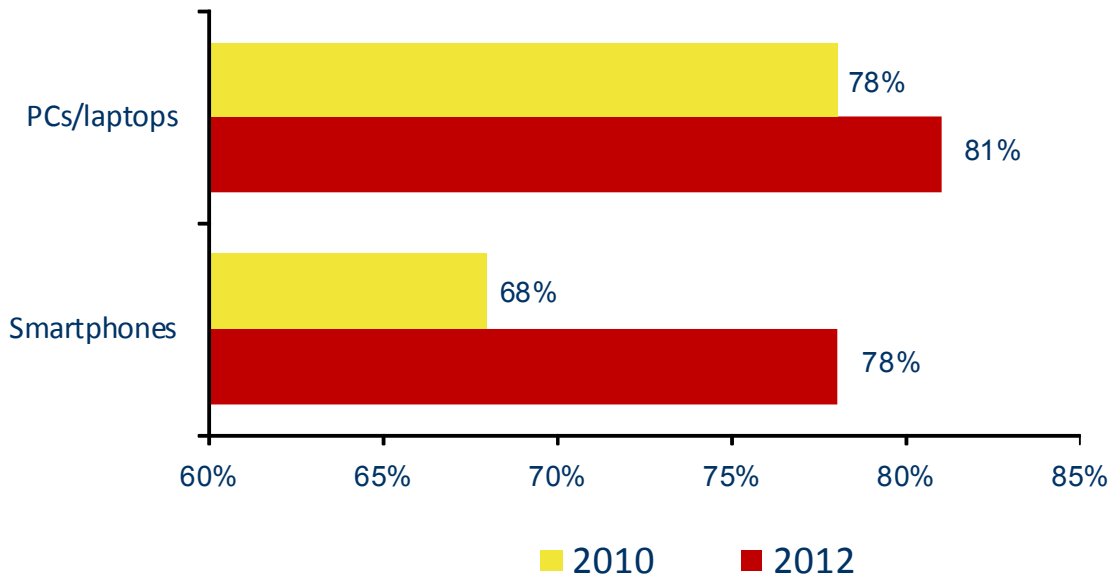
Mobile and Remote Employees Feel the Impact

Remote employees, whether in sales, customer support, working from home or traveling on business, are particularly impacted by Internet-related performance problems. Currently, as is shown in Figure 7, 78% of participants report that PCs/laptops are used to access Internet-enabled business activities and 68% indicate that smartphones are used to some extent.

FIGURE 7

Use of PCs/Laptops and Smartphones to Access Internet-Enabled Business Activities, 2010 and 2012

Q. What kind of devices are used to access your Internet-enabled business activities in 2010 and what will be widely used to access them in 2012?



n = 474 (multiple selections permitted)

Source: IDC Survey, Sponsored by Compuware, May 2010

By 2012, 81% of participants believe PCs/laptops will be widely used and almost the same number (78%) of participants believes smartphones will be widely used as well. The fact that many Internet-based business activities are not yet optimized for smartphone-based interactions is beginning to become a concern for some organizations. Several participants indicated that employees who rely on smartphone access were at a disadvantage compared to those who had mobile laptop access because many applications offer limited functionality via smartphone interfaces.

Most participants agree that IT teams should make it a priority to better understand the performance impacts of smartphones on Web-based business activities and should make an effort to help the business understand the impact of smartphones on the end user experience. As one participant noted:

"We need to know how to measure the business impact of transactions and interactions conducted via these devices and understand if it is different from what we do now."

Business decision makers expect to continue to make extensive use of the Internet to enable a wide range of business activities. They also expect to accommodate an increasing range of access devices and interfaces.

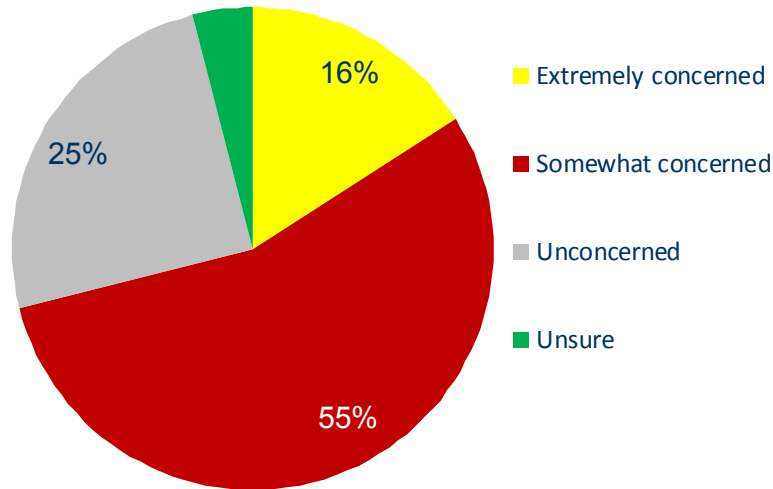
FUTURE OUTLOOK: BUSINESS RISK WILL INCREASE

When asked about their level of concern regarding the extent to which their organization's business success depends on Internet services, browser software and/or end user devices over which they have little or no direct control, the majority of respondents express some level of concern. Specifically, as is seen in Figure 8, 16% are extremely concerned and 55% are somewhat concerned.

FIGURE 8

Level of Concern Regarding Business Risk

Q. *How concerned are you about the extent to which your organization's business success depends on Internet services, browser software and/or end user devices over which you have little or no direct control?*



n = 265

Source: IDC Survey, Sponsored by Compuware, May 2010

As is shown in Figure 9, with regard to the sources of risk, data protection and identity theft (48%) top the list, followed by impact on customer satisfaction and loyalty (45%), inability to identify and resolve service problems proactively (39%), loss of revenue (37%), risk of accidental information disclosure (35%) and lost employee productivity (32%).

FIGURE 9

Primary Sources of Business Risk Related to Internet Services, Browsers and Devices Outside Your Control

Q. *What do you see as the greatest risks to your business given the extent to which your organization relies on Internet services, browsers and devices outside your control?*



n = 474 (multiple selections permitted)

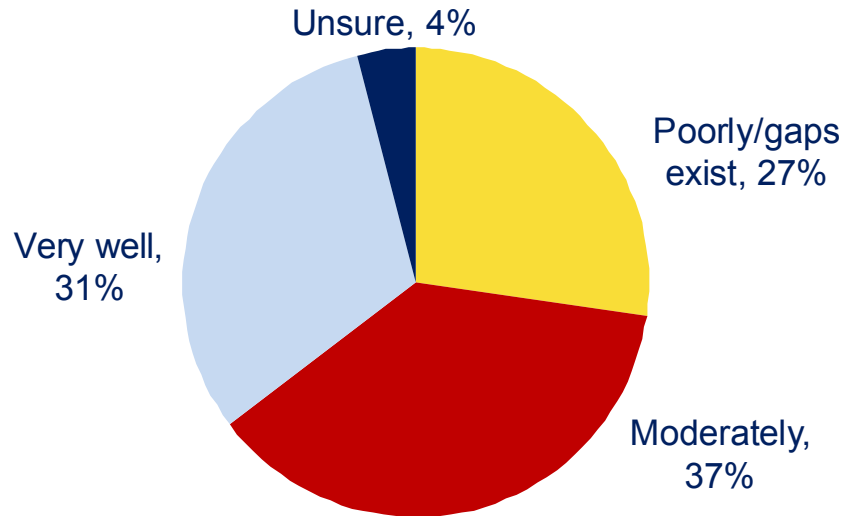
Source: IDC Survey, Sponsored by Compuware, May 2010

Business decision makers are looking for help from IT to address these risks, but, as is shown in Figure 10, they are unsure how well prepared IT is to support these emerging concerns. While 31% of participants do believe their IT organization is well prepared, 37% think their organization is only moderately prepared and 27% think there are a number of gaps and weaknesses.

FIGURE 10

Extent to Which IT Is Prepared to Help the Business Understand Internet-Related Risks

Q. *How well equipped is your IT organization to help your business leaders understand business impacts, risks and opportunities related to use of the Internet and changes in browsers and devices?*



n = 474

Source: IDC Survey, Sponsored by Compuware, May 2010

CONCLUSION: END-TO-END VISIBILITY REQUIRED

The results of this survey indicate that business leaders clearly understand how the success of their business depends on the performance and availability of many Internet-enabled business activities. However, many business leaders continue to be frustrated with the level of relevant performance and availability information they receive from IT. As one survey participant stated:

"IT does not alert us when there is a problem — I don't think they realize how impactful it is."

And another commented:

"We rely on rules of thumb because there is no business context to IT's reports."

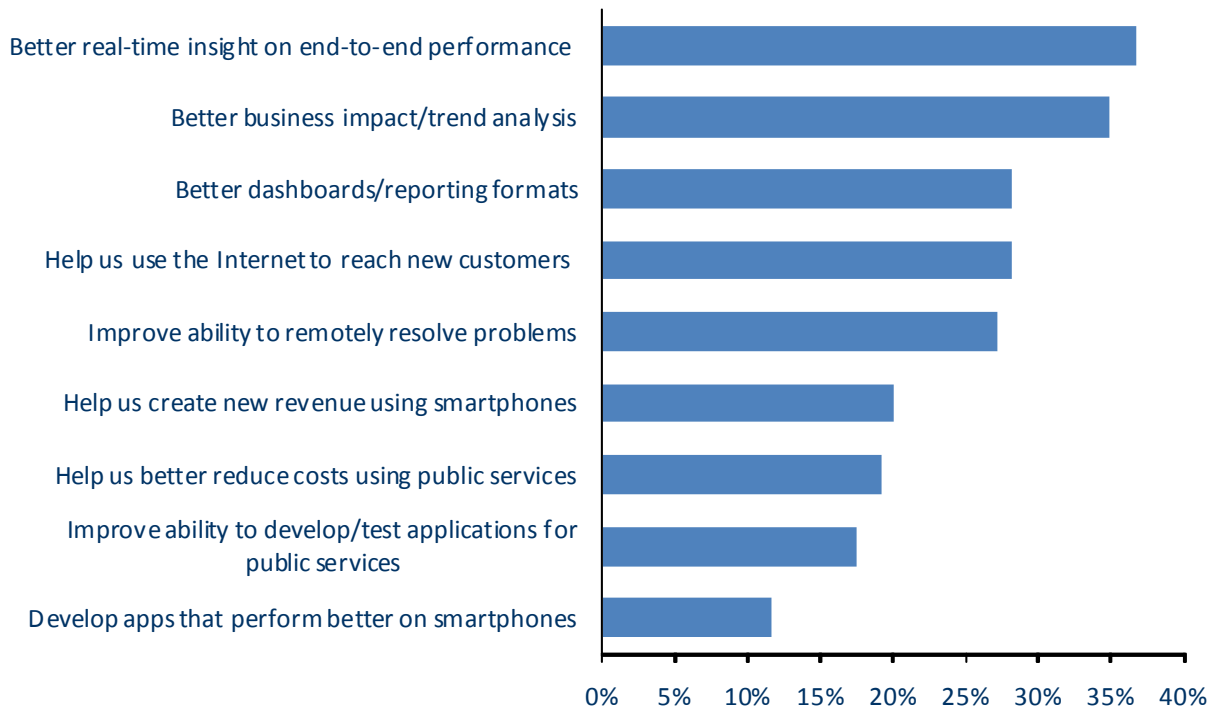
Business decision makers are looking for their IT counterparts to provide them business context as well as raw performance data.

As is seen in Figure 11, the most requested type of business context includes better understanding of the end-to-end experience of customers and employees (37%). This is followed by better business impact/trend analysis (35%), better dashboard and reporting formats (28%), help with thinking about new ways to use the Internet to reach new markets and customers (28%) and improved ability to remotely resolve problems.

FIGURE 11

Top Three IT Priorities Related to Internet-Based Business Performance and Availability

Q. *What should IT's top three priorities be over the next two years to help your organization address these challenges and concerns?*



n = 474 (multiple selections permitted)

Source: IDC Survey, Sponsored by Compuware, May 2010

Throughout the survey, participants agreed that the Internet is transforming the way businesses operate. They also agree that this transformation is forcing business leaders to be more aware of the performance and availability of Internet-based activities and to make the effort to more deeply understand in real time how customers and employees are being affected.

CIOs and IT performance monitoring teams must invest in the tools and processes needed to capture real-time end-to-end visibility across the data center and the Internet and to provide the business impact and context needed by business decision makers. State-of-the-art monitoring, analysis and reporting tools can provide IT with the required data and dashboards, but discussion and interaction with business leaders will also be required to ensure that reports are timely and useful and that they continue to evolve as the business becomes more mobile, Internet and cloud dependent.

Copyright Notice

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2010 IDC. Reproduction without written permission is completely forbidden.