



## Research Spotlights Need for Data Center Transformation

BARCELONA, Spain, March 17, 2008 – New global research shows that awareness of a data center crisis is rising.

More than 88 percent of chief information officers and chief executive officers agree that “Over the last 40 years, the data centers that power the world’s economies have evolved into a complex patchwork of interconnected systems.”

In addition, more than one third of CEOs and CIOs (33 and 39 percent, respectively) believe that in two to five years their data centers will be incapable of dealing with the rapidly growing demand for services and applications.

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Some are already planning preventative measures. Among those interviewed, nearly half of CIOs (47 percent) plan to “reduce the number of data centers through transformation” over the next five years. This includes improving technology, increasing productivity, lowering overhead and reducing management costs.

However, data center transformation is about more than averting crisis: respondents believe that transformation will increase productivity and drive growth. A U.S.-based CIO cites his CEO’s top goals for technology: “to increase ... productivity, create new business line[s] and provide for a safe environment.”

According to 37 percent of the CIOs surveyed, cost considerations are another key driver for data center transformation. Thirty-three percent cited operational concerns such as improved performance, reliability and business continuity.

### Benefits

According to the survey, companies that recognize the business value of efficient data centers:

- Look to expand capacity, flexibility, speed and availability
- Understand that transformation can expand opportunities for growth, improving performance and reducing risk while maintaining business continuity
- Believe transformation results in increasing efficiency, improving business processes and developing technology as a competitive advantage.

An Australian CIO described the benefits this way: “Get more value out of what we’ve got and ... support growth and expansion.”

Most CIOs anticipate that the biggest benefit of data center transformation will be that they are “more able to meet future demands for increased data center capacity,” followed closely by “lower operational costs.” More than 67 percent of CEOs would

hope to see a return on investment in data center transformation within two years. CIOs are aligned with that timeline.

According to respondents, the three most critical barriers to overcome in the transformation process are: lack of sufficient capital budget to initiate project/make initial investments, concerns about move and migration risks, and potential disruption to the business.

### **A team sport**

Collaboration is seen as a determining factor for success. Fifty-eight percent of CEOs and 52 percent of CIOs strongly agree that data center transformation is a CEO decision executed by a team. "[The] CEO should play a strong leadership [role] and provide an initiative in the data center transformation process," said a CIO in Japan.

Others saw line of business (LOB) involvement in the implementation and testing stage as integral to a successful transformation. As one U.K.-based CIO put it, "From a business perspective, they [LOB executives] are our clients. Therefore, they need to be consulted to be sure that the solutions that we are designing meet their future requirements. If their requirements are rapidly changing, my solutions need to meet those requirements."

### **Methodology**

Penn, Schoen & Berland Associates performed the study, commissioned by HP, by conducting a total of 161 in-depth interviews among CEOs, CIOs and senior business and IT decision-makers at enterprises and mid-sized companies in the United States, Western Europe, Eastern Europe, India, China, Japan, Asia-Pacific and Latin America during February and March 2008. Copies of the full report are available at [www.hp.com/go/dctpresskit](http://www.hp.com/go/dctpresskit).

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3/2008

