



**Ipsos**  **Reid**

**CANADIAN BUSINESS EXECUTIVES AND  
TECHNOLOGY: THE FUTURE IS NOW**

**A C-Suite Executive Survey Conducted by Ipsos Reid  
SPONSORED BY SAP CANADA**

Final Report

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## TABLE OF FIGURES

Table 1.	Areas Of Greatest Positive Impact From IT .....	1
Table 2.	Technology Budget For The Next Five Years .....	2
Table 3.	Business Technologies Or Software Applications That Firms Will Invest A Greater Amount In Over Next Five Years .....	3
Table 4.	Technologies Or Software Applications CIOs Feel Will Have The Greatest Positive Impact On Their Business In The Future .....	4
Table 5.	Areas Of Enterprise That CIOs Feel IT Will Have The Most Dramatic Contributions In The Future .....	5
Table 6.	A Business Software Application Or Refinement Companies Most Would Like To See Created .....	6
Table 7.	Business Technologies Or Software Applications That They Can't Live Without .....	7
Table 8.	Top Priorities When It Comes To Their Company Taking A Pro-Active Role In Dealing With Security Issues .....	8
Table 9.	Top Priorities When It Comes To Their Company Taking A Pro-Active Role In Dealing With Privacy Issues .....	9
Table 10.	How Technology Will Change The Workplace Environment 5 Years From Now .....	10
Table 11.	Biggest Challenges In Making The Future Workforce A Reality .....	11



## **STUDY INTRODUCTION**

### **ABOUT THE ORGANIZATIONS INVOLVED**

#### SAP Canada

Founded in 1972 as Systems Applications and Products in Data Processing, SAP is the recognized leader in providing collaborative business solutions for all types of industries and for every major market.

Serving more than 36,200 customers worldwide, SAP is the world's largest business software company and the world's third-largest independent software provider overall. Today, SAP employs more than 38,400 people in more than 50 countries. SAP professionals are dedicated to providing the highest level of customer service and support.

#### Ipsos Reid

Ipsos Reid is Canada's market intelligence leader and the country's foremost provider of public opinion research. With operations in eight cities, Ipsos Reid employs more than 300 research professionals and support staff in Canada. The company has the biggest network of telephone call centres in Canada, as well as the largest pre-recruited household and on-line panels. Ipsos-Reid's Canadian marketing research and public affairs practices are staffed with seasoned research consultants with extensive industry-specific backgrounds, offering the premier suite of research vehicles in Canada - including the Ipsos Trend Report, the leading source of public opinion in the country - all of which provides clients with actionable and relevant information.

### **METHODOLOGY**

The research for this study is based on primary data collection. A total of 133 companies were selected to participate in the second quarterly study for the Ipsos Executive IT Panel research program. Data was collected from October 12-25th, 2006.

One senior respondent was qualified and interviewed from each company. The prerequisite qualification for each respondent was that they be senior decision makers within their company in either an IT or business executive capacity. This included CIOs, CTOs, Directors and Managers; business executives included, CEOs, Presidents, CFOs VPs, LOBs, Directors and Senior Managers.

The research was conducted using two parallel approaches: an online survey and a telephone interview. No aspect of the survey or interview was revealed to the respondent prior to the interview to ensure the validity and spontaneity of responses.



A sample of 133 provides an overall margin of error of +/- 8.8 percentage points, 19 times out of 20. Base sizes reported in tables and charts are unweighted, in order to gauge actual statistical significance.

#### **REPORTING CONVENTIONS**

Because the nature of this study was to encourage respondents to provide new and unique answer responses to the survey that were not necessarily anticipated, there are a broad range of open-ended responses not shown in the report's graphs and charts. Normally, any response offered by less than 3% of the survey population will not be displayed in this report. To review all responses offered, please refer to the detailed tables portion of this project.

## SUMMARY OF FINDINGS

Overall, today's technology executives seem captive to the pace of change in their environment. Simply meeting the challenge of keeping their organization's technology operational and integrated on a short-term basis is an all-encompassing responsibility. Most appear to have a difficult time removing themselves from the day-to-day rigors of their role and charting a long-term vision for their organization's technology needs.

Efficiency and productivity have always been the touchstones for expected advances in business due to computing. In the past, gains in these areas came from common tasks being done more quickly and with less effort. Indeed, the good majority of technology executives continue to feel that IT has its most positive impacts in the areas of operational efficiencies and business productivity.

However, executives recognize that as computing increases in sophistication it pushes efficiencies in new and interesting ways. The survey findings point to two key areas that technologies are pushing the envelope for businesses:

- 1) The growing sophistication of and reliance on enterprise software (CRM and ERP), and
- 2) The commitment of business to mobile computing.

In many ways, the sense among executives is that they have essentially rung the rag dry when it comes to improving the efficiency of common tasks, and the future of investing is in computing that fosters growth.

Rather than helping to execute common tasks more quickly and with less effort, computing today is creating efficiencies by linking data and enabling mobile computing. The business leaders in this survey indicate that they cannot live without enterprise software and that this is an area for increased investment. Enterprise software does more than move process efficiency, it enables businesses to serve their customers more effectively thus increasing demand for their services/products and making their businesses more profitable. Enterprise software is a growth investment rather than strictly a cost cutting (through efficiency in common tasks) investment.

Mobile computing is cited by these executives as an area that will have the greatest potential positive impact on their business in the future, and half cite "mobilizing the workforce" as the greatest positive impact from IT. Given the benefits of mobile computing and the advances in connectivity, hardware, and software, these results should not be surprising. Mobile computing gets more people out of the office and in front of customers and clients. Employees can stay connected to their important customer data without being physically connected to the office. Investing in mobile computing is another investment in growth rather than cost



savings. Accessibility and mobility are the future of business according to the executives surveyed. Without making this investment they will be left behind.

But, does the continued commitment to "old fashioned" hardware investment signal a lack of forward thinking? Not necessarily. The commitment to "old-fashioned" hardware is tied at least in part to the growing reliance on enterprise software. The advanced software required to foster growth cannot be run on 486's and outdated server boxes, nor can it all be run on a PDA. Businesses need to continue to invest in new hardware in order to keep up with advances in software and mobile technology.

According to the research findings three-quarters of executives say that IT is increasing as a percentage of their budget -- and nearly a quarter say IT spend is increasing by more than 20% this year. Thus, businesses are not only putting budget into "old-fashioned" hardware, they are also making investments in computing that will spur further growth of the business.

## KEY FINDINGS

- According to the good majority of Canada's business executive community, Information Technology (IT) has its greatest positive impacts for their organization in the areas of operational efficiencies (78%) and business productivity (71%).
- Many executives, themselves, point to basic applications such as email (30%) and Internet browsing (20%) when asked which business technologies or software applications they can't live without. But many point to less obvious items like financial software (23%), enterprise resource planning (13%) and database software (8%).
- Protecting access to company IT assets or infrastructure such as servers (70%) rates above protecting client data (62%) when it comes to the security priorities of Canadian companies. Following closely behind on this list of priorities is protecting confidential organizational data (58%).
- When asked to compare a list of potential security priorities, protecting access to information from external sources (72%) rates above establishing back up and restore capabilities for company info (67%) and internal protocols for access to all company and employee data (56%).
- Three-quarters (73%) of companies plan on increasing the amount their company now spends on technology as a proportion of budget over the next five years. Twenty-two percent indicate they plan to increase the budget by more than 20% over this coming period.
- Thinking about their company's technology spending priorities over the next five years, half (54%) say they plan to spend a greater amount on 'old fashioned' hardware such as laptop, desktops and monitors.  
Just over a third of respondents say their company will spend more on enterprise information management (35%) and security applications (35%), and 29% point to mobile technologies, such as PDAs or Blackberries.
- According to respondents, mobile computing (47%) and data security (45%) rank at the top of the list of technologies that CIOs feel will have the most positive impact for their business in the future. Following further behind are applications of software as a service (34%) and customer relationship management (CRM) technologies (31%).
- Looking to the future relationship between IT and enterprise, seven in ten respondents (71%) believe CIOs see IT as having its greatest impact in the area of operational efficiencies, with further majorities pointing to productivity (65%) and security (56%).
- The most common desire for companies when it comes to which business software application they would most like to see improved or created in the future are better integration solutions (10%) and security solutions (8%).
- Five years from now, respondents see a workplace environment that has, among other things, better accessibility (17%), is more mobile (14%), will be able to provide better security (10%) and be more productivity (10%).
- The biggest challenges in making the future workplace a reality are technology upgrades (27%), training an IT literate workforce (18%) and cost (17%)



## DETAILED FINDINGS



## EXECUTIVES SEE IT HAVING ITS GREATEST POSITIVE IMPACTS IN THE AREAS OF OPERATIONAL EFFICIENCIES AND BUSINESS PRODUCTIVITY

According to the good majority of Canada's business executive community, Information Technology (IT) has its greatest positive impacts for their organization in the areas of operational efficiencies (78%) and business productivity (71%).

But many also think IT has a very positive impact on their business when it comes to business innovation (51%) and enabling a mobile workforce (49%). A third (33%) feel IT has its greatest impact when it comes to growing their business' profitability, and margin improvement (32%).

**Table 1. Areas Of Greatest Positive Impact From IT**

Of Respondents

	Ranked First	Total Ranked (Top 3)
Operational efficiencies	36%	78%
Business Productivity	26%	71%
Business innovation	6%	51%
Mobilizing the workforce	8%	49%
Profitability growth	1%	33%
Margin improvement	1%	32%
Marketing improvements	4%	30%
Revenue growth	3%	29%
Enabling market-share growth	2%	23%
Financials	2%	5%
Improving customer relationships (loyalty, retention)	2%	5%
Governance & compliance,	1%	4%
Improving supply chains	0	4%
Privacy	0	3%
Security	0	3%
Don't know	10%	8%

Base: 133

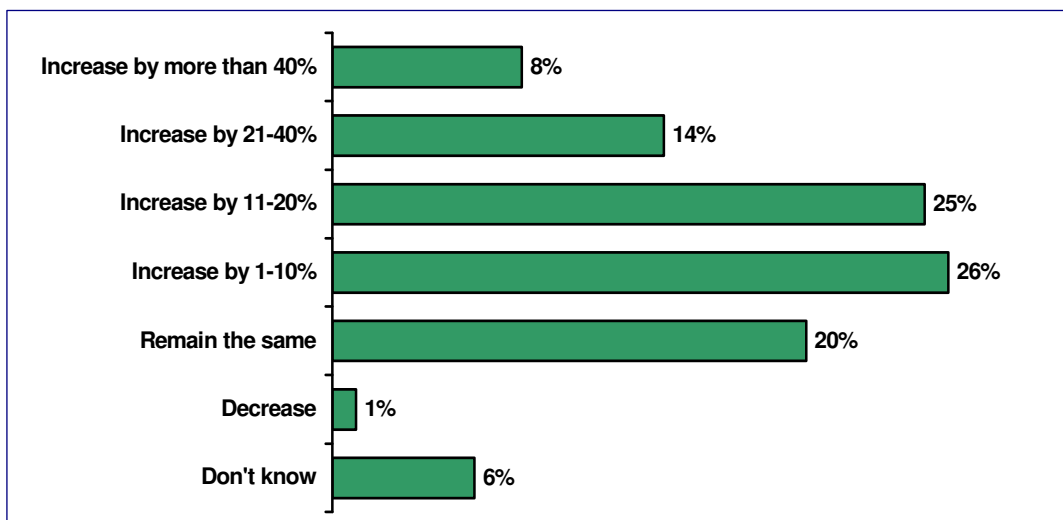
Question: "We are now going to read you a list of several areas where IT can have an impact. Would you please indicate which areas receive the greatest positive impact from IT in your organization? Which is the next greatest?" [DO NOT READ LIST]

## ONE IN FIVE (22%) PLAN ON BOOSTING TECHNOLOGY BUDGET BY MORE THAN 20% OVER NEXT FIVE YEARS

Three-quarters (73%) of companies plan on increasing the amount their company now spends on technology as a proportion of budget over the next five years. Twenty-two percent indicate they plan to increase the budget by more than 20% over this coming period.

**Table 2. Technology Budget For The Next Five Years**

All Respondents



Question: "Thinking about how much your company now spends on technology as a proportion of budget per year. Do you expect that over the next five years this proportion will...?"  
Base= 133

**WHEN IT COMES TO WHERE COMPANIES PLAN ON INVESTING IN TECHNOLOGY OVER THE NEXT FIVE YEARS, HALF (54%) SAY HARDWARE LIKE LAPTOPS AND DESKTOPS...**

Thinking about their company's technology spending priorities over the next five years, half (54%) say they plan to spend a greater amount on 'old fashioned' hardware such as laptop, desktops and monitors.

Just over a third of respondents say their company will spend more on enterprise information management (35%) and security applications (35%), and 29% point to mobile technologies, such as PDAs or Blackberries.

**Table 3. Business Technologies Or Software Applications That Firms Will Invest A Greater Amount In Over Next Five Years**

% Of Respondents

	First Largest Investment	Total Plan To Invest In (Top 3)
Personal hardware such as laptops, desktops and monitors	23%	54%
Enterprise information management	14%	35%
Security applications	10%	35%
Mobile technologies such as PDA	5%	29%
CRM (Customer Relationship Management)	7%	24%
ERP (Enterprise Resource Planning)	10%	24%
Software as a service	11%	22%
Enterprise content management	3%	10%
SCM (Supply Chain Management)	0	7%
Outsourcing	4%	7%
Governance applications	0	5%
<i>Base: 133</i>		

*Question: "Over the next five years, which of the following business technologies or software applications will your firm invest a greater amount in? Please feel free to volunteer another business technology or software application if we didn't include it in our list" [RANDOMIZE. RECORD OPEN ENDS] Which "would be the first, second and third largest investment? "*

**MOBILE COMPUTING (47%) AND DATA SECURITY (45%) TIE ATOP THE LIST OF TECHNOLOGIES CIOs FEEL WILL HAVE THE GREATEST IMPACT ON THEIR BUSINESS IN THE FUTURE, ACCORDING TO RESPONDENTS**

According to respondents, mobile computing (47%) and data security (45%) rank at the top of the list of technologies that CIOs feel will have the most positive impact for their business in the future. Following further behind are applications of software as a service (34%) and customer relationship management (CRM) technologies (31%).

**Table 4. Technologies Or Software Applications CIOs Feel Will Have The Greatest Positive Impact On Their Business In The Future**

% Of Respondents

	Ranked First	Total Ranked (Top 3)
Mobile computing	23%	47%
Data Security Measures	11%	45%
Software as a service	14%	34%
CRM	10%	31%
ERP	10%	24%
Enterprise architecture for business	8%	23%
SCM	2%	12%
Biometrics	2%	8%
Nanotechnology	1%	5%
Wide scale adoption of RFID	1%	4%
Don't know	9%	8%
<i>Base: 133</i>		

Question: "Looking ahead, what three technologies or software applications do you believe CIOs feel will have the greatest positive impact on their business in the future? Which one do you think will have the greatest impact, the next greatest impact, and third greatest impact? [RANDOMIZE. RECORD OPEN ENDS]

**C-SUITE EXECs: WHEN IT COMES TO ENTERPRISE, CIOs ARE SAYING IT WILL HAVE THE MOST DRAMATIC CONTRIBUTIONS IN THE AREAS OF OPERATIONAL EFFICIENCIES (71%) AND BUSINESS PRODUCTIVITY (65%)...**

Looking to the future relationship between IT and enterprise, seven in ten respondents (71%) believe CIOs see IT as having its greatest impact in the area of operational efficiencies, with further majorities pointing to productivity (65%) and security (56%).

**Table 5. Areas Of Enterprise That CIOs Feel IT Will Have The Most Dramatic Contributions In The Future**

% Of Respondents

	Ranked First	Total Ranked (Top 3)
Operational efficiencies	26%	71%
Business Productivity	23%	65%
Security	8%	56%
Business innovation	7%	42%
Mobilizing the workforce	8%	41%
Enhancing security,	2%	41%
Improving customer relationships such as loyalty and retention	8%	41%
Governance & compliance,	2%	37%
Privacy	2%	33%
Profitability growth	1%	31%
Financials	2%	30%
Marketing improvements	2%	29%
Margin improvement	3%	27%
Revenue growth	0	26%
Improving supply chains	1%	25%
Enabling market-share growth	0	21%
Don't know	7%	7%

*Base: 133*

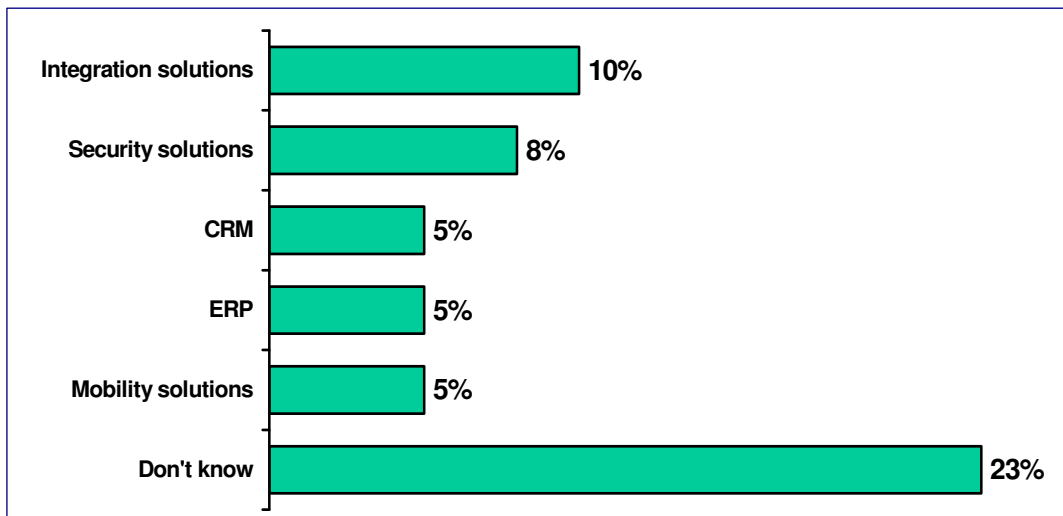
Question: "On which areas of **enterprise** do CIOs believe IT will make its most dramatic contributions in the future? Which area would have the next greatest impact? [RANDOMIZE. RECORD OPEN ENDS]"

**COMPANIES WANT BETTER INTEGRATION SOLUTIONS (10%), BETTER SECURITY SOLUTIONS (8%) AND MANY OTHER NEW/IMPROVED SOFTWARE APPLICATIONS FOR THE FUTURE**

The most common desire for companies when it comes to which business software application they would most like to see improved or created in the future are better integration solutions (10%) and security solutions (8%).

**Table 6. A Business Software Application Or Refinement Companies Most Would Like To See Created**

All Respondents



Question: "Looking ahead, which one business software application or refinement of an existing application would you most like to see created?"

Base= 133

**DESIRE FOR IMPROVED EFFICIENCY IS TOP REASON FOR WANTING APPLICATION CREATION OR REFINEMENT...**

As a follow up, respondents were asked why they would chose the application they did to be refined or created. The top rationale offered is that respondents felt this type of new application would make them more efficient (19%).

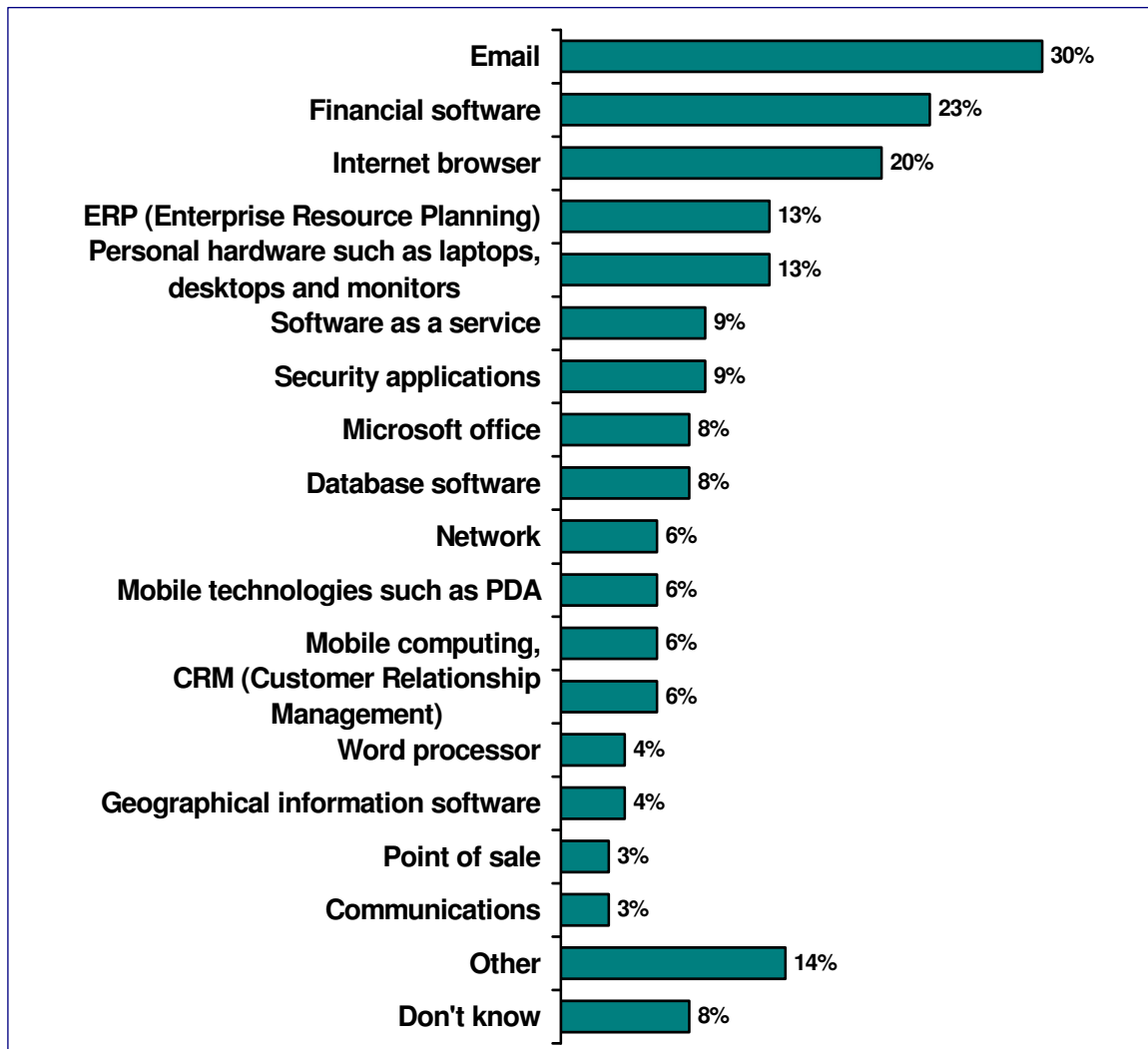
Other responses offered that such changes would offer more specific gains, such as improved security or privacy (9%), cost-savings (8%), better mobility (6%), and improved productivity (6%).

## WHAT TECHNOLOGIES CAN EXECUTIVES NOT LIVE WITHOUT?

Large proportions of executives point to basic applications such as email (30%) and Internet browsing (20%) when asked which business technologies or software applications they can't live without. But many point to less obvious items like financial software (23%), enterprise resource planning (13%) and database software (8%).

**Table 7. Business Technologies Or Software Applications That They Can't Live Without**

All Respondents



Question: "What three business technologies or software applications can you not live without or are most important to you?"

Base= 133

## PROTECTING ACCESS TO COMPANY IT ASSETS RATES ABOVE PROTECTING CLIENT DATA WHEN IT COMES TO SECURITY PRIORITIES

Protecting access to company IT assets or infrastructure such as servers (70%) rates above protecting client data (62%) when it comes to the security priorities of Canadian companies. Following closely behind on this list of priorities is protecting confidential organizational data (58%).

**Table 8. Top Priorities When It Comes To Their Company Taking A Pro-Active Role In Dealing With Security Issues**

% Of Respondents

	Ranked First	Total Ranked (Top 3)
Protecting access to company IT assets/infrastructures such as servers	14%	70%
Protecting client data	35%	62%
Protecting confidential organizational data	30%	58%
Protecting physical and electronic assets such as laptops	6%	35%
Protecting employees	4%	23%
Limiting access to physical assets such as the office	2%	13%
Preventing employee theft	1%	4%
Unsolicited spam	0	1%
Authentication	0	1%
Don't know	7%	5%
<i>Base: 133</i>		

Question: "From the following seven security priorities, which would you say are the top-three priorities when it comes to your company taking a pro-active role in dealing with security issues?  
[RECORD OPEN ENDS]



**AND, PROTECTING ACCESS TO INFORMATION FROM EXTERNAL SOURCES RATES AS A HIGHER PRIVACY PRIORITY THAN ESTABLISHING BACK-UP AND RESTORE CAPABILITIES FOR COMPANY INFO**

When asked to compare a list of potential privacy priorities, protecting access to information from external sources (72%) rates above establishing back up and restore capabilities for company info (67%) and internal protocols for access to all company and employee data (56%).

**Table 9. Top Priorities When It Comes To Their Company Taking A Pro-Active Role In Dealing With Privacy Issues**

% Of Respondents

	<b>Ranked First</b>	<b>Total Ranked (Top 3)</b>
Protecting access to information from external sources	38%	72%
Establishing back up and restore capabilities for company info	23%	67%
Internal protocols for access to all company and employee data	15%	56%
Upgrading it to improve protection of client info	10%	31%
Implementing HR processes to protect personnel	6%	28%
Ensuring appropriate access	0	3%
Don't know	8%	7%

*Base: 133*

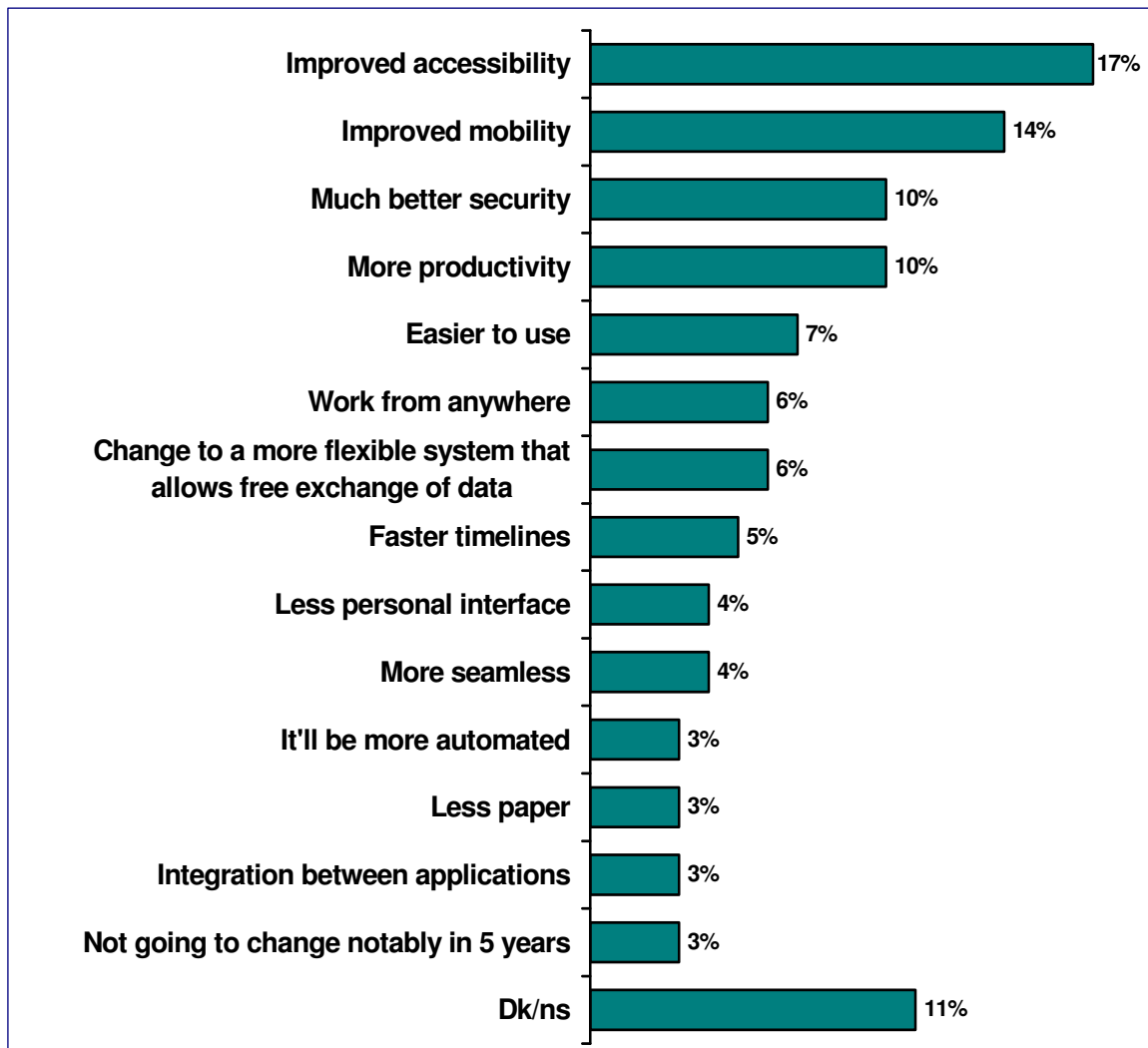
Question: "From the following seven privacy priorities, which would you say are the top-three priorities when it comes to your company taking a pro-active role in dealing with privacy issues? [RECORD OPEN ENDS]"

## How Will Technology Change The Workplace Environment Five Years From Now?

Five years from now, respondents see a workplace environment that has, among other things, better accessibility (17%), is more mobile (14%), will be able to provide better security (10%) and be more productivity (10%).

**Table 10. How Technology Will Change The Workplace Environment 5 Years From Now**

All Respondents

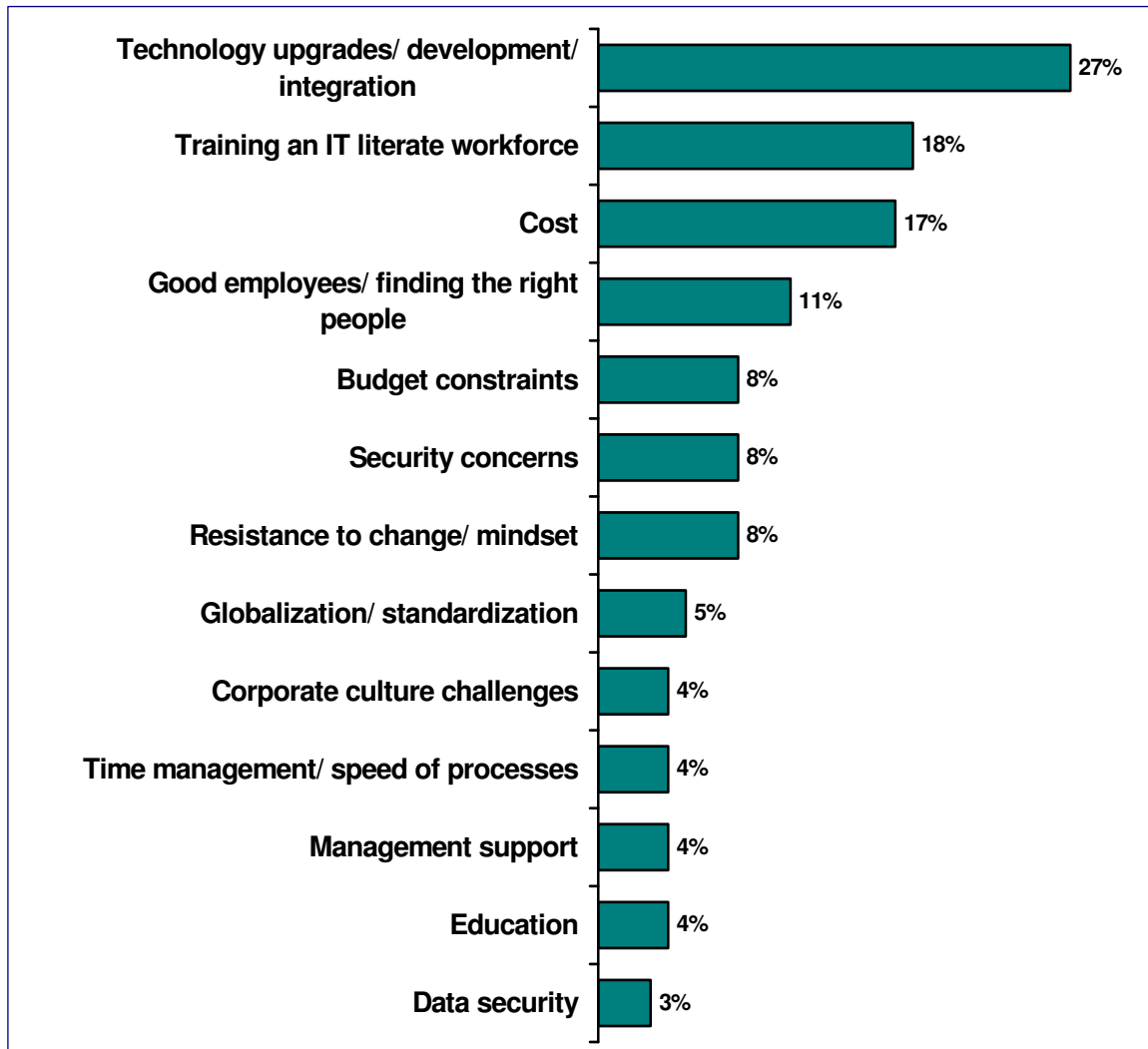


Question: "In your opinion, how will technology change the workplace environment 5 years from now"  
Base= 133

**THE BIGGEST CHALLENGES IN MAKING THE FUTURE WORKPLACE A REALITY ARE TECHNOLOGY UPGRADES (27%), TRAINING AN IT LITERATE WORKFORCE (18%) AND COST (17%)**

**Table 11. Biggest Challenges In Making The Future Workforce A Reality**

All Respondents



Question: "In your opinion, wat are the biggest challenges in making the future workplace a reality?"  
Base= 133