

IT User Competitiveness Survey – Explanatory Note

Since 2001, the CBI has regularly surveyed UK companies' use of information technology (IT). Increasingly we have found that, in addition to automating business processes with suppliers and business partners, UK companies have been developing systems that enable them to better understand and respond to their customers. We have found a high level of expectation that investment in IT services will help build value-adding – but also a large degree of uncertainty as to how this will actually help achieve competitive advantage.

These findings have occurred within a context of a number of broader trends. First, growing international competition, outsourcing (and offshoring) of service provision and research suggesting significant differences in productivity gains between, in particular, US and European (including UK) firms. These differences extend even to US firms vis-à-vis domestic ones in European markets. Second, as we found in our surveys, a reluctance of SMEs to engage in IT service offshoring. Third, there are reports of growing domestic shortages in IT-skill staff – particularly for those with relevant business or integration experience.

As a result, we felt it would be particularly useful to identify the ways in which the technologies, business support policies and skills provided in the UK were (or were not) of real value to UK firms, and how businesses went about evaluating these benefits. This survey thus seeks to identify indicators of good practice in the use of IT services globally to gain competitive advantage, highlight how the relationship between users and suppliers could be optimised and how national and EU business support programmes and skills supply could be improved. In doing this, the survey will indicate the ways in which the UK IT services sector, government and academia can help UK businesses build value with IT services.

The survey is targeted at CIOs and IT Directors in UK companies who use IT services extensively. To help us develop appropriate questions, an advisory group of CBI members comprised of business users of IT services - supplemented by a small number of IT service suppliers, the Office of National Statistics and e-Skills UK - have guided the survey's development. The questions cover four areas: the challenges and opportunities companies encounter in using IT services to respond to globalisation; the ways in which IT services providers and users engage to build business competitiveness; the value of UK business support policies for IT services development; and the supply of staff and skills for IT services use.

Because policy and regulatory questions will be unrelated to the operational responsibilities of many CIOs and IT Directors, we have also created a separate questionnaire focusing on specific policy issues that will be sent to policy and public affairs specialists in UK companies.



This note explains the aims and reasoning behind the different areas of the survey to assist you in providing feedback on it.

1) The challenges and opportunities of global IT use

UK businesses are making substantial investments in IT services to enable them to better respond to the challenges of globalised competition and demand. This section examines the key competitive challenges UK businesses face in this context, how they have used IT services to respond to these challenges and the capabilities they have gained in doing so.

The difficulties companies face in creating integrated and standardised IT services across national and international boundaries is often highlighted. As companies grow organically and through acquisitions, system incompatibility, process standardisation and linking front-office processes with back-office systems can hamper the effectiveness of IT systems. The section's results will demonstrate good practice in how businesses have overcome these challenges and where more work is required to enable businesses to meet them.

2) Engaging IT services providers for business competitiveness

The extent to which the IT services sector supports the competitiveness of UK companies is a key question for business executives and government policymakers alike. This section examines how UK companies currently source from service suppliers and how these practices could be improved, including changing the level and type of outsourced services. It will indicate how companies have sustained IT-enabled change, particularly in regard to the 'people angle.'

Measurement of value is core to this issue. The section looks at what methods companies use to gauge the value of IT services to their business, and the extent to which senior management directs companies' IT strategy. It looks at what strategies are most effective for companies to manage their relationships with suppliers, focusing down onto how IT service suppliers' research and development of IT services relates to user companies' needs.

3) The supply of staff and skills for IT services' use

The issue of skills is a core one for the CBI, and this section focuses on the supply and demand of higher value IT skills that are vital for companies to get the most out of investment in IT services. The questions examine how UK companies source their IT staff and where geographically they source from. It asks how companies develop mid to high-end IT skills in their staff and what strategies are most effective for developing these skills. It explores the general recognition and use of IT professional certification by UK businesses.

4) UK Business Competitiveness Scorecard Policy Survey

This questionnaire has been created as separate but complementary to the issues covered in the core survey. Supported by the evidence of the operational survey, this section will help engage government in formulating less-burdensome legislation and better-focused policies and programmes