

OPTUS FUTURE OF BUSINESS REPORT

Research and Findings



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Introduction



Welcome to the 2012 Optus Future of Business Report. Based on interviews with more than 500 IT, finance and marketing decision-makers in government and private sector organisations, this report analyses how digital technologies are transforming Australian business and service models.

In particular, the research uncovers the factors that drive organisations to apply these technologies to become more responsive to customers, and operate in a more agile and cost-effective fashion.

It also studies the extent to which IT, finance and marketing decision-makers understand their roles in implementing digital strategies at their organisations.

The Research and Findings are presented here and Deloitte Access Economics has prepared a companion Analysis and Insights report to place these outcomes into context. Deloitte Access Economics has reviewed the broader economic conditions in which the changes have occurred and the preparedness of business to meet the resulting challenges.

Optus Business commissioned these reports for two reasons. First, our customers are telling us how digital technologies and changing customer expectations are driving them to find new ways of interacting. We wanted to move beyond these anecdotes to build an accurate picture of how organisations are using new technologies to remain relevant to customers that are wedded to their smartphones and tablets.

The second reason for preparing this research was to revisit the findings of the 2011 Optus Future of Work Report to determine whether there had been any change in the momentum towards the mobile workplace. Last year, employers were planning to step up their financial and cultural investments in future modes of working; one year on, was the enthusiasm still there?

The 2012 research found organisations were ramping up projects to offer online services such as purchasing and ordering, self-service tools, and billing and invoicing. To meet customer demand, organisations were making these services easily accessible from mobile devices.

Organisations were also supporting these activities online by offering new payment services, and investing in social media to build communities and stay close to customers. They were using cloud services to improve the agility and cost-effectiveness of the infrastructure supporting online and mobile services. And they were using internal collaboration tools to improve the speed and efficiency of decision-making.

However, there was a fly in the ointment; our research showed IT, finance and marketing decision-makers were not always on the same page when it came to leading and executing digital strategies. At Optus Business, we believe these disconnects can compromise an organisation's ability to meet customer expectations around digital services and ultimately see the organisation cede ground to competitors.

Our 2012 research also found that many of the trends identified last year were continuing: organisations kept on rolling out tablets and smartphones to more employees and were opening the corporate network to personal devices.

However, the bring-your-own-device trend had possibly started to affect organisations' medium-term plans; in particular many appeared to be winding back their intention to issue smartphones to employees within three to five years.

The research also underlined the fact that the impact of digital technologies and services varied considerably by industry. For example, the retail and entertainment sectors need to use these services and technologies to remain competitive against global rivals. And government organisations were applying technologies to provide services to individuals and businesses more efficiently and cost-effectively.

We recognise that many organisations understand the importance of providing digital applications and services to meet customer expectations. By engaging Deloitte Access Economics to apply a broader perspective to the research findings, we hope to make easier your decisions about where to direct your organisation's digital investments.

Please consider how you can apply the insights contained in these reports to your own organisation. We welcome your thoughts and feedback, and look forward to discussing the Future of Business with you.

Regards

John Paitaridis

John Paitaridis
Managing Director, Optus Business

A smiling woman with short brown hair, wearing a white lab coat, is holding a mobile phone to her ear. In the background, a blurred image of a man in a light blue shirt is visible.

Highlights

Customer expectations a primary driver for application deployment

- Organisations believe their customers increasingly expect to interact with them online and over mobile devices. 35% of organisations surveyed said customers would want them to provide mobile applications within three to five years, up from 18% that already offer mobile applications.
- 81% per cent of organisations have taken up digital applications (such as interaction through social media; online purchasing and ordering; online self-service applications; online service delivery; and mobile applications), up from 63% a year ago. This is expected to rise to 90% over the next three to five years.
- Nearly three-quarters (72%) of organisations primarily offered digital applications to meet customer expectations, while about half did so to be more innovative.
- More organisations plan to use online channels to drive revenue and undertake service transactions with customers over the next three to five years.

Organisations mobilise applications and payment services to engage customers and employees alike

- 48% of organisations expect to offer mobile applications to their customers in three to five years' time, up from 18% that already offer mobile applications.
- The number of organisations offering mobile websites and applications to customers has doubled in the past year, albeit from a small base.
- Payment options are becoming more diverse, with mobile payments growing most quickly.
- Organisations are continuing to roll out smartphones across their workforces, and are now starting to do the same with tablets. Sales and field forces must typically wait behind senior and middle management to be issued with tablets.
- Plans to issue smartphones and tablets to employees are slowing, possibly due to the introduction of bring-your-own-device policies in many workplaces.
- The proportion of organisations that allow personal devices to access the corporate network has risen sharply and is expected to grow further.
- Organisations are planning to make a more diverse range of corporate applications (such as collaboration applications, customer relationship management, unified messaging and web-based conferencing) accessible to mobile devices.

Organisations use social media to stay close to customers and build internal collaboration

- Relative to a year ago, twice as many organisations are offering social media applications to customers. More organisations plan to do so in the future.
- About two-thirds (68%) of organisations either had a customer-centric social media strategy, or were developing a customer-centric plan. Respondents showed a similar level of interest in a staff-centric social media strategy.
- The number of companies planning to set up internal blogs, internal wikis, internal presence services and internal discussion forums has risen substantially over the past year.
- Organisations are relaxing the rules around using external social media tools in the workplace, and expect to ease them further over the next three to five years.

Organisations focus on cloud computing and acknowledge the potential benefits of the National Broadband Network (NBN)

- The share of organisations taking up cloud services has doubled in the past year, and is expected to double again in the next three to five years. IT leaders expect their organisations to increase their use of outsourced and hybrid cloud services.
- Most IT leaders expect their company's bandwidth requirements to rise over the next three to five years.
- Many organisations expect the NBN to increase productivity and market coverage, and reduce costs. However, despite these benefits, only a small minority have developed strategies to make the most of the NBN.

Cooperation between business functions is critical to developing a digital strategy that generates revenues and return on investment

- Return on investment is becoming more important to organisations after the initial focus on customer satisfaction. This is expected to drive the metrics applied to digital investments in future.
- A small but growing share of organisations expect to see online services generate revenues.
- In some cases, finance departments appear not to be aware of IT and marketing teams' plans to deploy digital strategies. This could constrain the availability of the funds required to undertake digital initiatives.
- IT, marketing and finance all influence how new business strategies or models are implemented, highlighting the importance of collaboration across these business functions.
- Government and enterprise organisations are leading the way in offering and measuring digital applications, and implementing social media policies.

Entertainment businesses respond to customer expectations by leading the way in digital developments

- All industries are feeling the demand for online applications; however, demand for individual services such as online ordering, payment and billing varies by industry.
- Retail and entertainment services organisations expect the biggest growth in online as a revenue channel.
- Entertainment services and education, health and community services businesses feel the greatest demand for customer contact via social media. However, these industries do not expect demand to grow.
- Entertainment services businesses are leading the way in social media and are by far the most likely to have an external social media strategy. Retail organisations are also more likely than those in other industries to have a strategy.
- Retail organisations are feeling the greatest demand from customers for mobile applications and websites. They expect mobile website demand to decline but mobile application demand to grow.
- Possibly because of the expected growth in online as a revenue channel, retail organisations expect to grow their use of BPAY, peer-to-peer and mobile payment systems. Entertainment services organisations also expect significant growth in peer-to-peer and mobile payment systems.
- Entertainment services and retail organisations typically see equal involvement from marketing and senior executives in developing customer strategies. This differs from their counterparts in other industries.
- Entertainment services organisations also expect to have the highest bandwidth requirements in future, with manufacturing organisations anticipating the lowest requirements.

The Optus Business Perspective



The 2012 Optus Future of Business Report reinforces the fact that to remain competitive and meet customer expectations, Australian organisations need to embrace digital technologies. To understand and plan for the impact of these technologies on products, services and processes, organisations need to develop a comprehensive digital strategy. By establishing their objectives and the actions and timelines required to achieve them, organisations can achieve the best possible return on their digital investments.

However, the speed with which digital technologies and services are changing means organisations must revisit these plans frequently and be prepared to alter their course if necessary.

To support its broader objectives, an organisation's digital strategy should be integrated into its business planning. This helps ensure that the organisation focuses on the outcomes of implementing new digital services rather than on the technologies themselves. For many organisations, embracing these services should allow them to meet (or lead) customer expectations, control costs, and mitigate the risks associated with market fragmentation and an increasingly complex operating environment.

Establishing current status

To determine their 'digital readiness', organisations should first audit their current status. This will enable them to identify whether individual business units or functions are already implementing digital initiatives. Once this audit is completed, an organisation can establish a base from which to develop a 'whole of business' digital strategy.

Taking an enterprise-wide approach can also help organisations effectively apply tools and processes that minimise risk. For example, they can combine mobile device management and security technologies with education programs to protect employees who use social media or bring their own devices to work. They can also identify the internal functions and external customer groups that would achieve the greatest benefits from different types of digital initiatives.

Collaboration is essential

This holistic approach can founder without effective collaboration between the functional teams most responsible for implementing a digital strategy. Marketing, IT and finance decision-makers – and their teams – must agree on the plan and the responsibilities allocated to each function. This is particularly important given the speed with which strategies must be adjusted to accommodate the rapid changes in digital technologies and processes.

When developing a digital strategy, an organisation should account for all relevant factors, including the industry in which it operates. Investments in social media are likely to achieve a far higher return for a consumer-facing entertainment business than for a business-facing manufacturing organisation. The strategy should also

define ways in which organisations measure the success (or otherwise) of their projects. When a digital initiative is in its early stages, it may be appropriate to use 'softer' measures such as increasing customer take-up. However, as the initiative matures, an organisation should start applying more rigorous measures regarding revenue, cost and profit.

The strategy should also encompass how organisations can enlist their employees as 'agents of change' in deploying new digital services. For example, by using employees to trial mobile applications and services, organisations can identify and correct any issues ahead of a wider rollout. Organisations can also encourage employees to act as 'champions' for new services on social media platforms, and in discussions with friends, families and social groups such as sporting clubs.

The NBN and cloud computing are key enablers

When developing their digital strategy, organisations need to consider the role of enabling technologies such as the National Broadband Network (NBN) and cloud computing. Together with new-generation mobile and fixed-line networks, the NBN enables organisations to support customer expectations for fast access to websites, digital content, applications and services. These networks can maintain speeds while supporting the increased data volumes generated by new digital services. Meanwhile, the cloud enables organisations to access computing as a service so they can provide applications more quickly and support fluctuating demand.

Leveraging these technologies can enable organisations to be more agile and responsive to customers, and to gain an edge over their competitors.

The formula for successfully deploying digital technologies is clear; combine a well-defined strategy incorporating robust success measures with optimised tools, and networks and functional areas working in unison. By delivering on all these areas, an organisation can establish a platform to exceed customer expectations, gain an edge over its competitors and thrive in the marketplace of the future.

Methodology

Optus Business engaged Stancombe Research & Planning to examine how IT, marketing and finance functions were using the internet and building new applications and services to meet consumer demands – one year ago, now, and in three to five years. The project also aimed to gauge organisations' progress towards implementing a more mobilised workforce, as initially determined in the 2011 Optus Future of Work Report. To complete the research, Stancombe Research & Planning conducted in-depth interviews with 10 IT leaders and other business professionals, and surveyed more than 500 IT, marketing and finance executives. Stancombe Research & Planning drew the participants from businesses with more than 200 employees and government organisations of any size. For the industry section of this report, the researchers limited the findings to businesses with more than 200 employees, excluding government organisations altogether.

The researchers weighted the quantitative sample based on company size to bring it into line with natural market incidence.

Survey respondents were not informed that Optus was conducting the research.





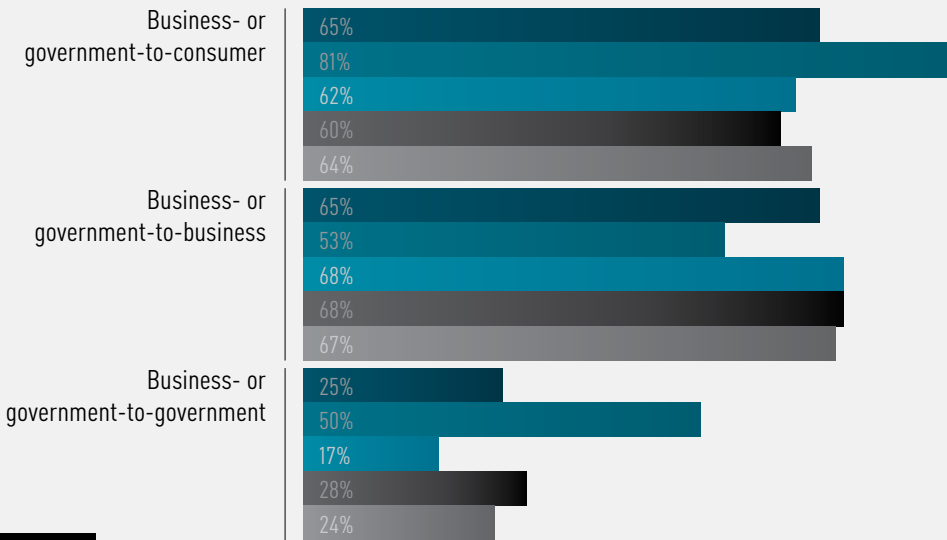
The challenges
of today's **customer
environment**

Most organisations operate in a ‘to consumer’ or ‘to business’ context

About two-thirds (65 per cent) of surveyed organisations operated in the business- or government-to-consumer context, while the same share operated in the business- or government-to-business category. A considerably smaller share (25 per cent) operated in the business- or government-to-government context. More organisations provided services than products, but a substantial proportion delivered both.

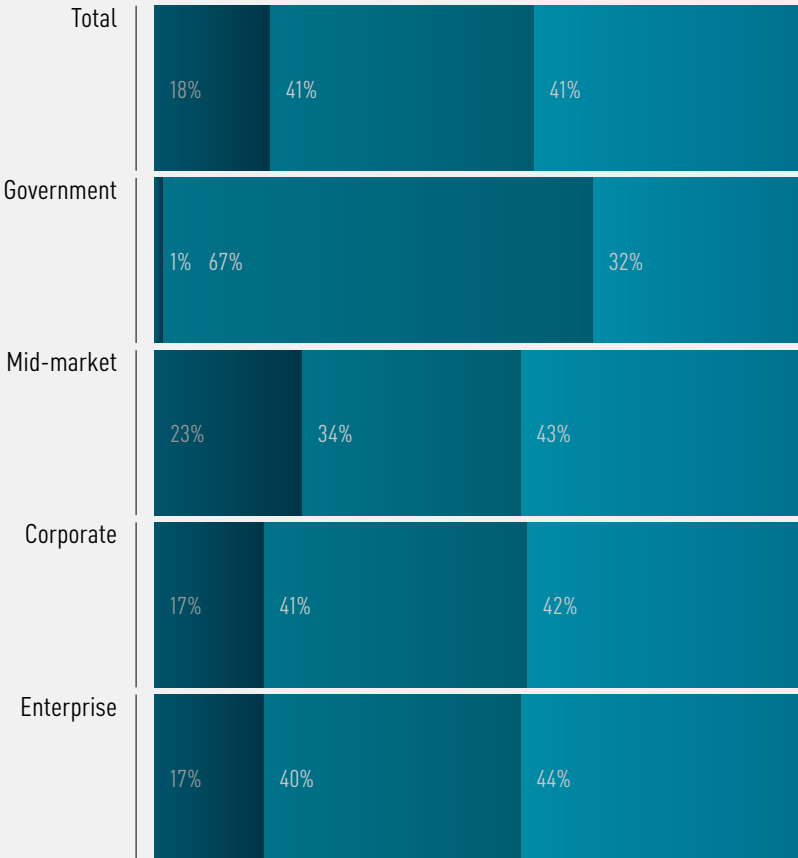
Business context

- Total
- Government
- Mid-market
- Corporate
- Enterprise



Nature of business

- Products
- Services
- Both



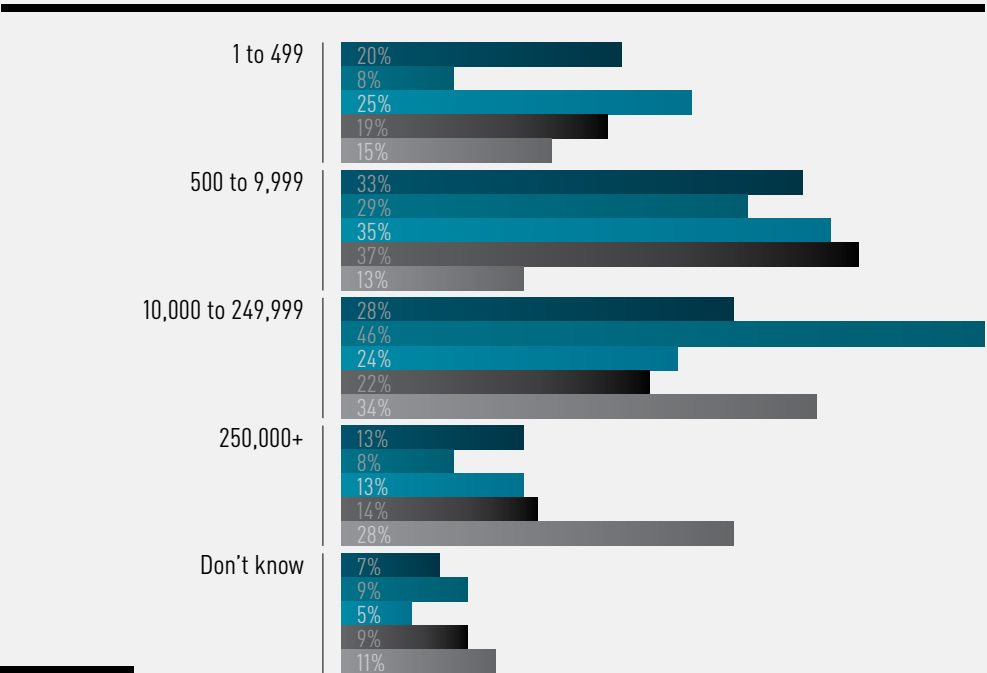
Thousands of customers and tens of thousands of transactions

Survey respondents typically dealt with thousands of customers and tens of thousands of transactions every year. Nearly half (46 per cent) of government organisations and one-third (34 per cent) of enterprises serviced between 10,000 and 249,999 customers per year. More than a quarter of enterprises (28 per cent) dealt with more than 250,000 customers per year. More than one-third of enterprises and over a quarter of government

organisations surveyed did not know how many transactions they completed in a 12-month period. Over a similar period, just over one-fifth of the government organisations surveyed made transactions that were not for profit, compared to low single figures for organisations in the mid-market, corporate and enterprise sectors that made not-for-profit transactions.

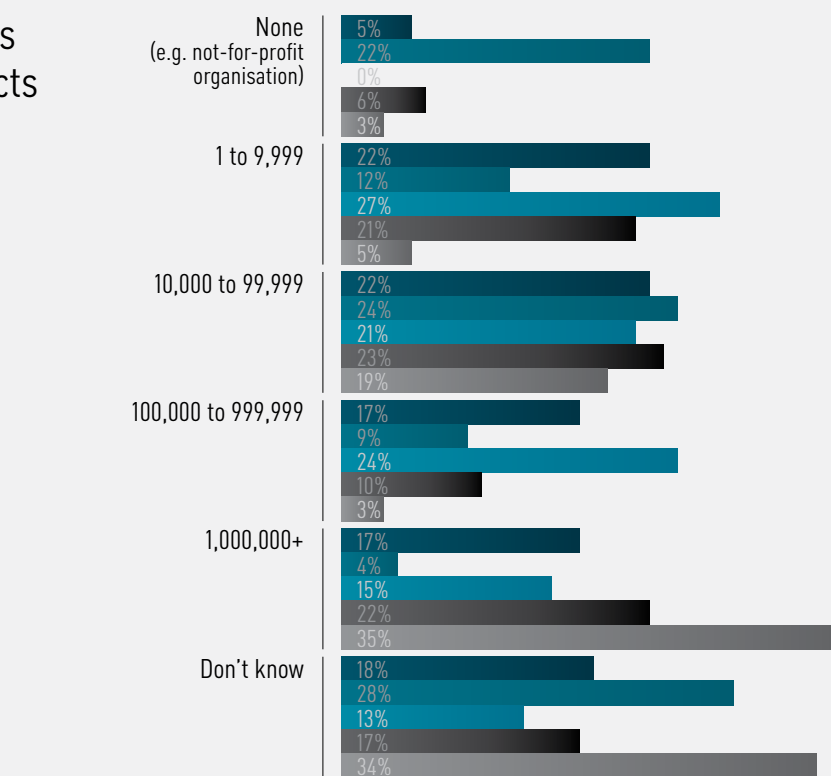
Number of customers an organisation deals with over 12 months

Marketing and finance sample



Number of transactions an organisation conducts over 12 months

Marketing and finance sample

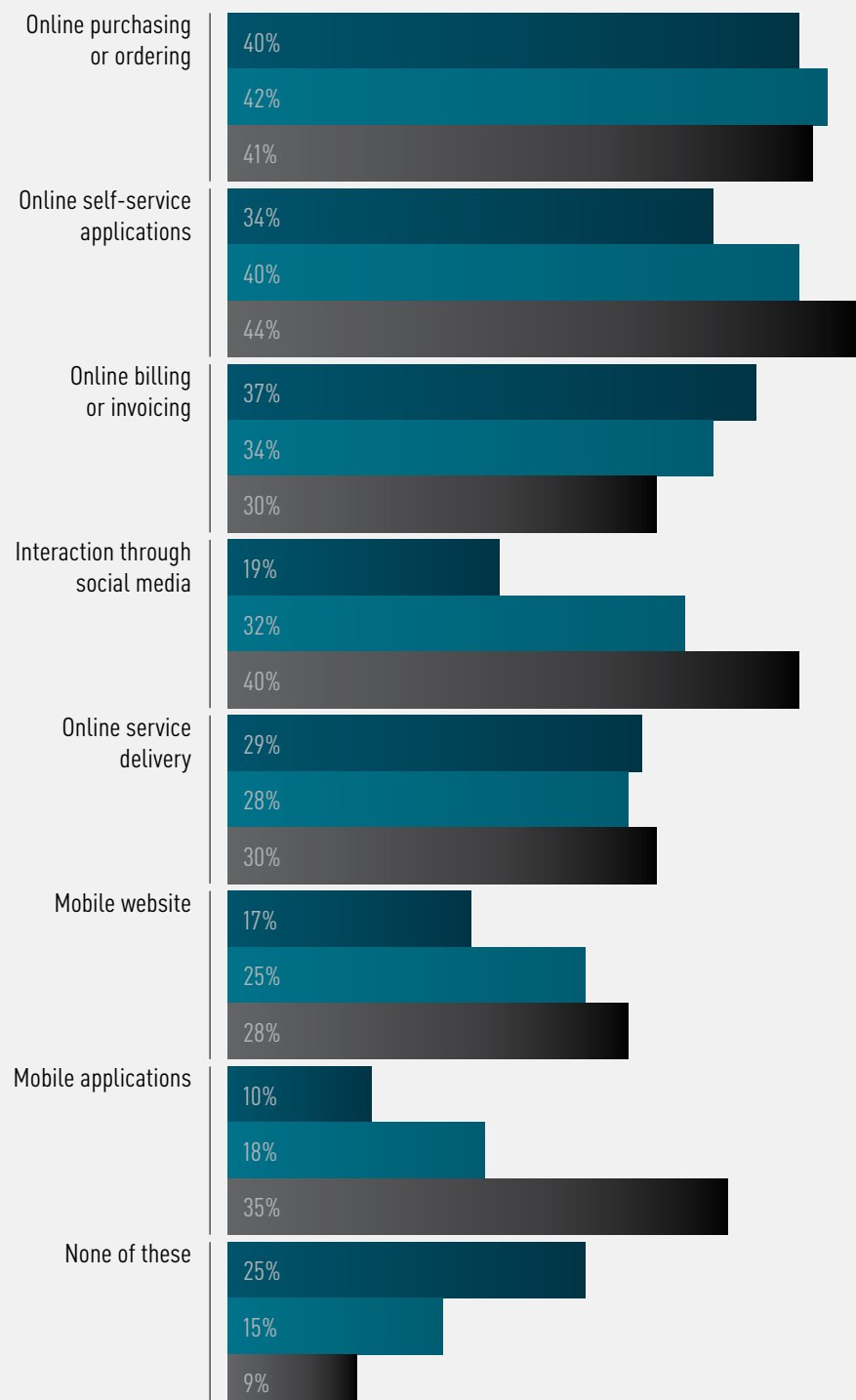


Customers expect businesses to interact with them using social media and mobile applications

Customers are stepping up their expectations that organisations will interact with them online and over mobile devices, according to survey respondents. The greatest area of growth was in mobile applications; the share of surveyed organisations that believed customers wanted them to offer mobile applications is expected to rise from 18 per cent now to 35 per cent in three to five years. In addition, substantially more organisations believed their customers wanted them to interact over social media (up from 32 per cent now to 40 per cent in three to five years). A sizeable share of organisations also believed customers wanted them to step up their online self-service capabilities in the medium term.

Organisations expected customer demand for online service delivery, online purchasing or ordering and mobile websites to stagnate or increase marginally. More than one-third (34 per cent) of organisations said their customers currently wanted them to provide online billing or invoicing services, but they expected this to fall to 30 per cent in three to five years. The share of organisations that said their customers did not expect them to provide any of the digital services listed fell from one-quarter (25 per cent) a year ago to 15 per cent today.

Customer expectations of an organisation's online presence



A year ago
 Currently
 In three to five years

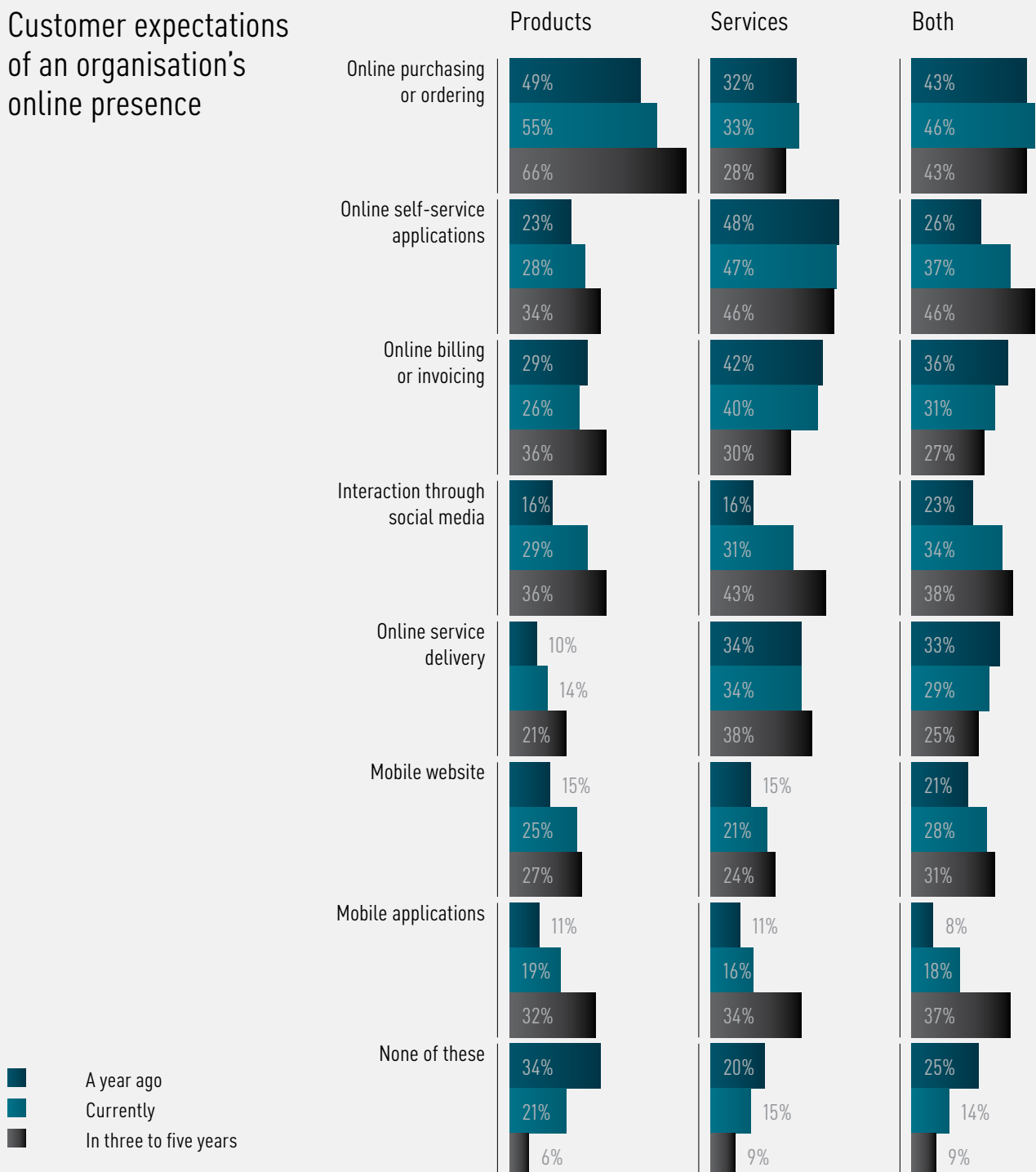
Expectation varies between providers of products, services and both

When it came to customer expectations for digital services, the survey revealed some variation between organisations that provided products; organisations that delivered services; and providers of both products and services. For example, two-thirds (66 per cent) of product providers believed their customers expected them to provide online purchasing or ordering services in three to five years. By contrast, just over one-quarter (28 per cent) of services organisations believed customers expect them to provide online purchasing or ordering services in three to five years. This disparity seemed to be reflected in the fact that 43 per cent of organisations that provided both products and services said their customers expected them to

provide online purchasing or ordering services in three to five years. This figure is roughly halfway between the expectations of product-only and services-only organisations.

The survey also revealed that product providers, services providers and organisations that provided both all expected a substantial increase in customer demand for social media and mobile applications. Overall, services providers were more likely to expect a plateau in customer demand for online purchasing or ordering, online self-service applications, and online billing or invoicing. Meanwhile, product providers expected customer demand for all of the digital services listed to increase.

Customer expectations of an organisation's online presence



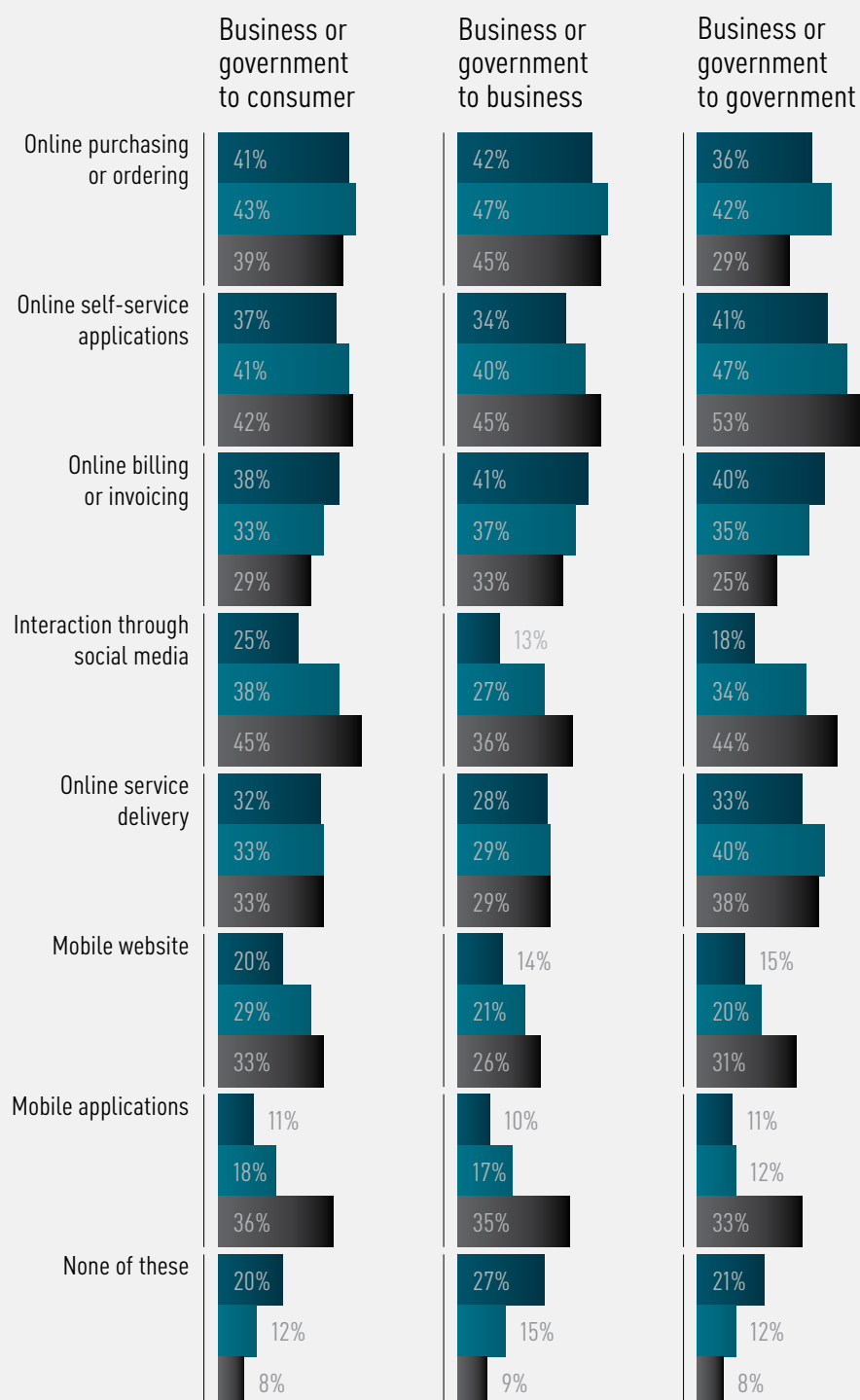
Expectations generally consistent regardless of context in which an organisation operates

Forecast increases in customer demand for social media interaction and mobile applications were fairly consistent across organisations that operated in the business- or government-to-consumer context, the business- or government-to-business context and the business- or government-to-government context. Consumer-facing organisations typically expected customer demand for online purchasing or ordering, online self-service applications, online billing or invoicing, and online service delivery to moderate. Business-facing organisations generally predicted similar results, except for online self-service applications; 45 per cent of these respondents believed customers expected them to offer online self-

service applications over the next three to five years. This was up from 40 per cent that believed their customers anticipated they should already be offering these applications.

Among organisations that dealt with government, 53 per cent believed customers expected them to provide online self-service applications in three to five years, up from 47 per cent that said customers expected them to provide these applications now. The share of government-facing organisations that said their customers expected them to offer mobile website capabilities was expected to rise by 11 percentage points between now and three to five years' time.

Customer expectations of an organisation's online presence



■ A year ago
■ Currently
■ In three to five years

The background of the slide is a dark teal color with a subtle, out-of-focus image of two hands holding a smartphone. The hands are positioned on the right side of the frame, with the fingers gripping the device. The lighting is soft, creating a professional and modern aesthetic.

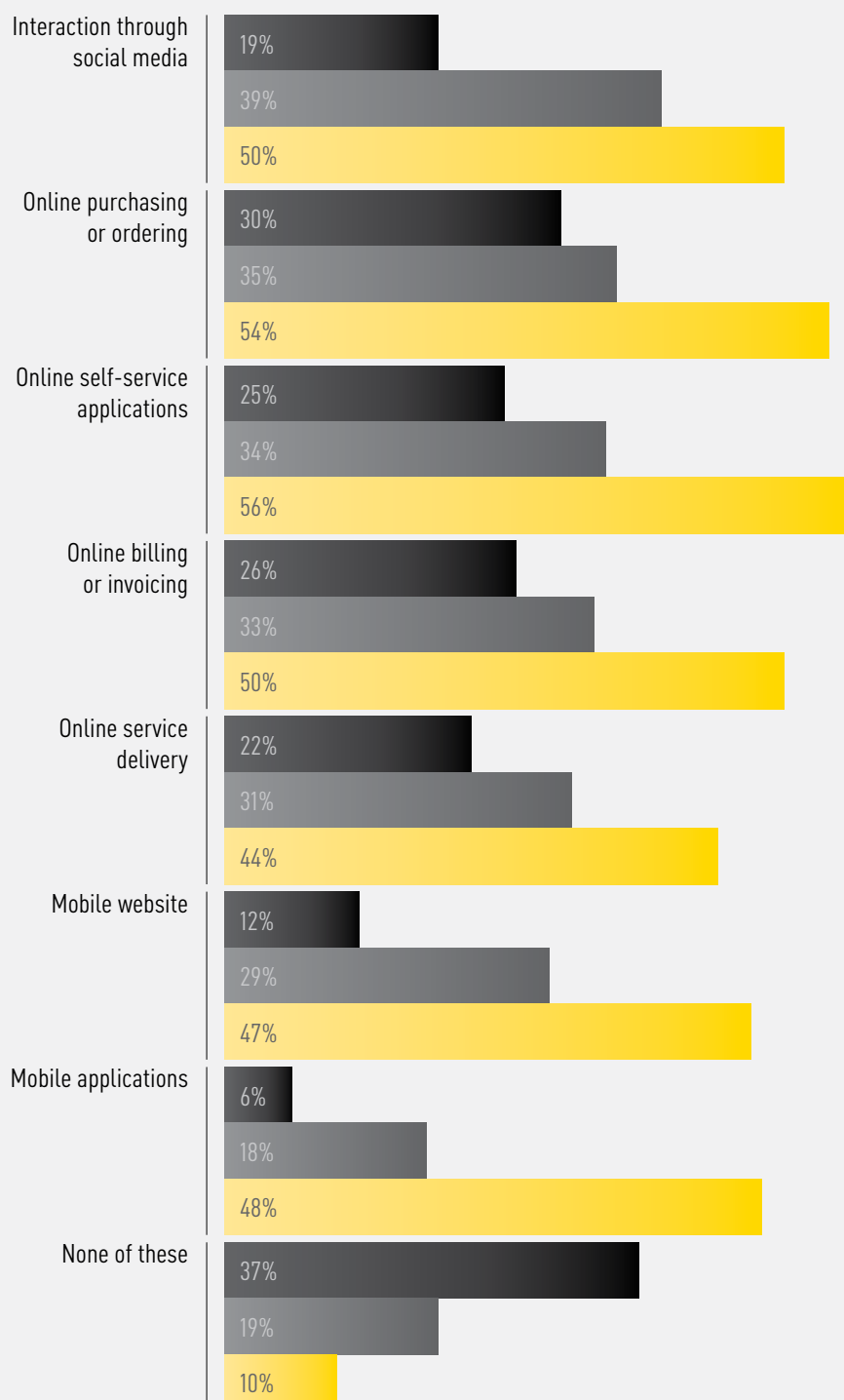
How organisations
are responding to
changing needs

Organisations to ramp up digital offerings to help meet customer expectations

Organisations typically expected to ramp up their offering of digital services to customers over the next three to five years, with the greatest growth forecast for mobile websites and mobile applications. Forty-eight per cent of organisations expected to make mobile applications available to customers in three to five years' time, up from the 18 per cent that already had these applications today. Forty-seven per cent of organisations expected to offer mobile websites in the medium term, up from the 29 per cent that already did so today.

The survey revealed that in the medium term, organisations generally expected to move from a position of matching customer expectations to leading them. In fact, many organisations had plans to proceed with projects such as online billing or invoicing despite a predicted decline in customer expectations (shown in the chart on page 4) that they would offer these services.

Applications made available to customers



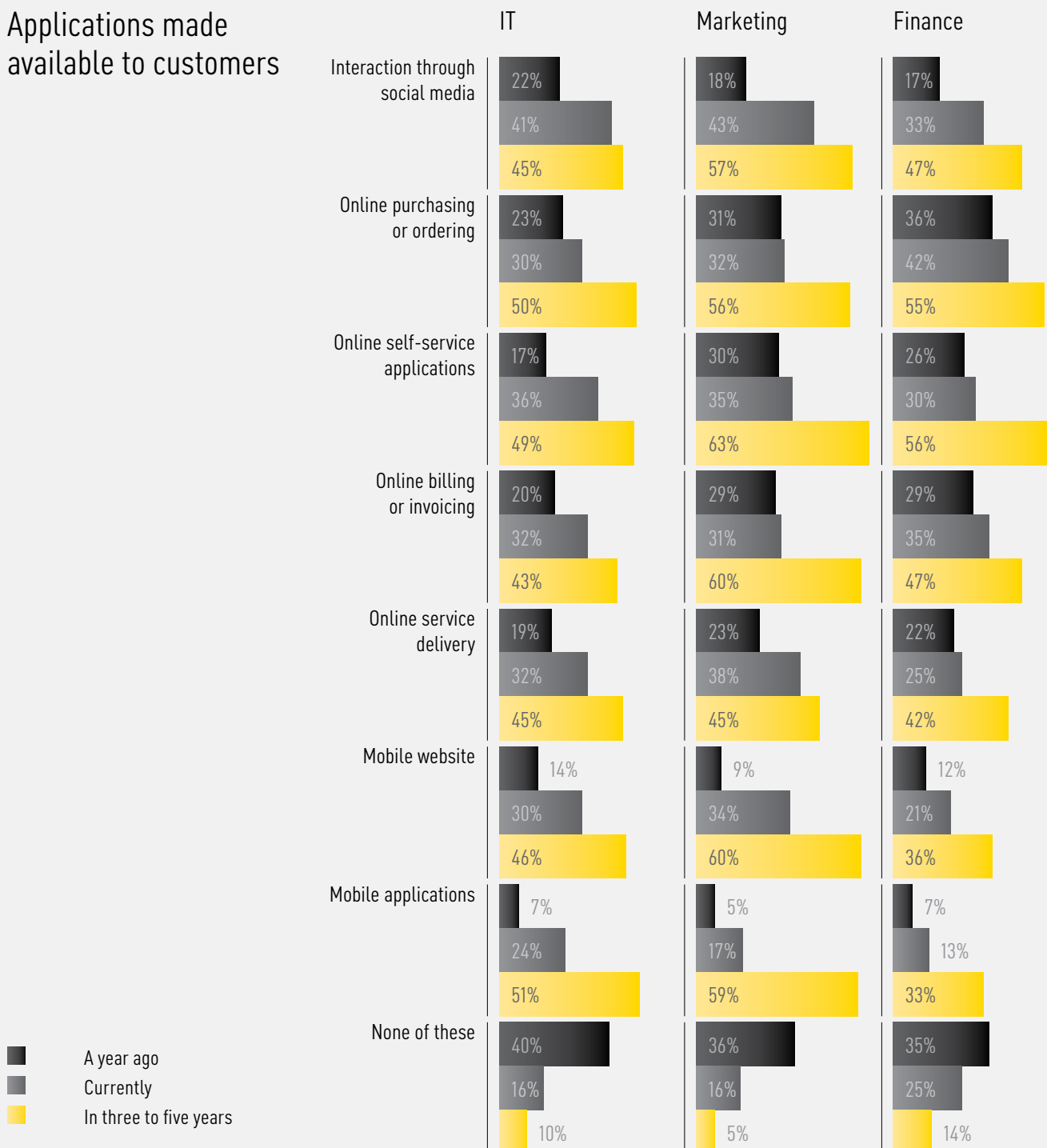
A year ago
 Currently
 In three to five years

General agreement on growth of digital offerings

The business functions most involved in executing a digital strategy – IT, marketing and finance – appeared to broadly agree about the status and outlook of online initiatives. However, heads of finance were less likely than heads of IT or marketing to say their organisation offered mobile websites or applications, and were less likely to commit to their organisation offering these in the next three to five years. The marketing function was typically more optimistic than IT or finance regarding the future availability of online purchasing and ordering, self-service applications, online billing and invoicing, mobile websites and mobile applications. For example, 60 per cent of marketing decision-makers expected their

organisation to make online billing or invoicing available to customers in three to five years, compared to 43 per cent of technology managers and 47 per cent of finance executives with the same expectation. These results demonstrate that some organisations may need to confirm that all of these crucial functions accept and agree to an enterprise-wide digital strategy.

Applications made available to customers



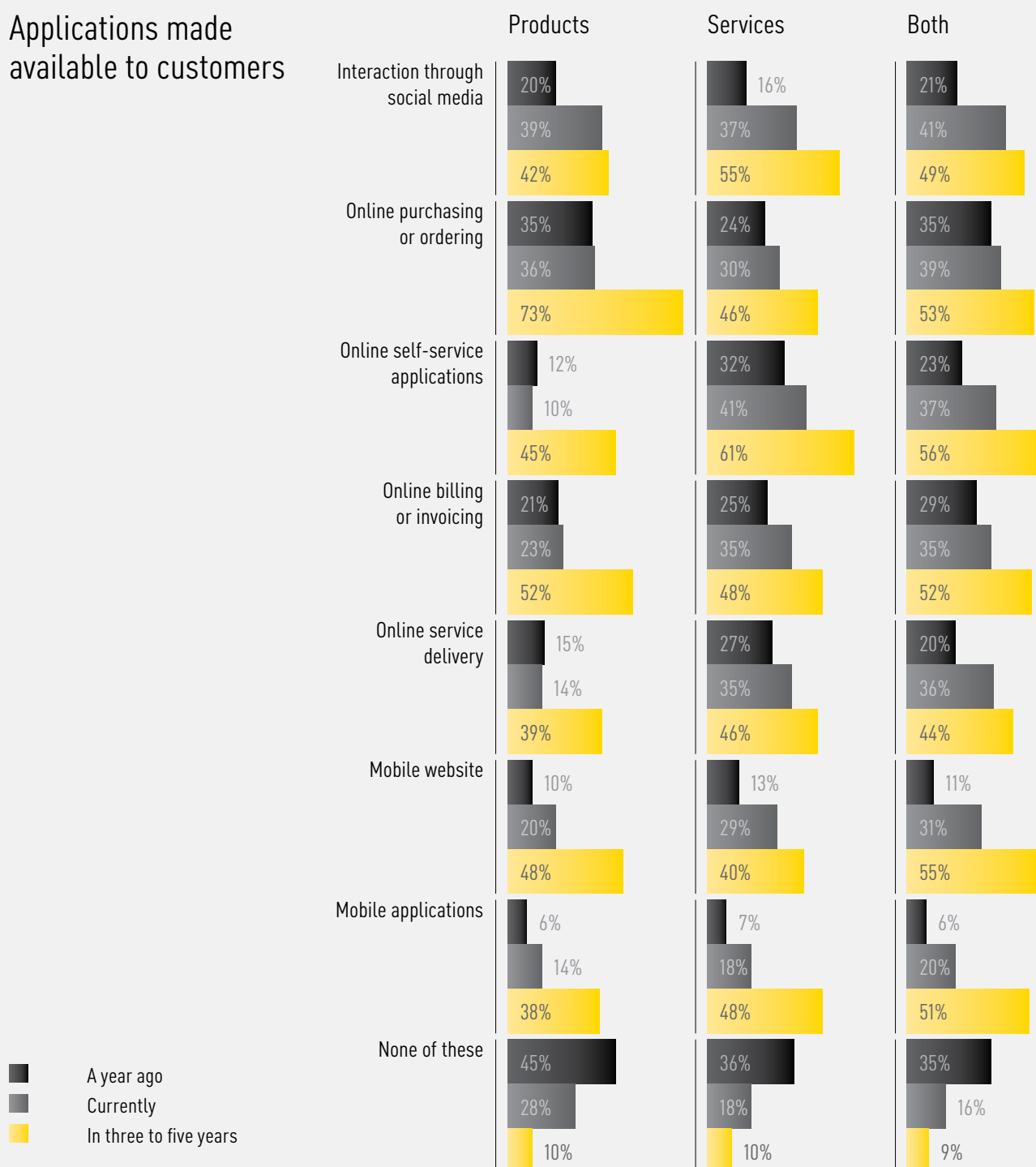
Product providers plan to catch up to services providers by ramping up digital services

Product-only providers were planning to catch up to their services-only counterparts by aggressively ramping up the digital services they offer to customers in the medium term. The share of product providers that did not intend to offer online services was expected to fall from 45 per cent a year ago to just 10 per cent in three to five years. For services organisations, this was set to drop from 36 per cent to 10 per cent in the same period, and for organisations that provided both products and services, this was set to fall from 35 per cent to 9 per cent.

The share of product-only providers that intended to offer online purchasing and ordering was

expected to grow – from 36 per cent to 73 per cent – over the next three to five years. These providers also anticipated considerable increases in online self-service applications, online billing and invoicing, online service delivery, mobile websites and mobile applications. However, they currently lagged behind service providers with respect to all offerings except online purchasing and ordering. Organisations that offered both products and services forecast the most aggressive ramp-up of mobile applications. Fifty-one per cent planned to offer mobile applications in three to five years, up from just 20 per cent currently.

Applications made available to customers

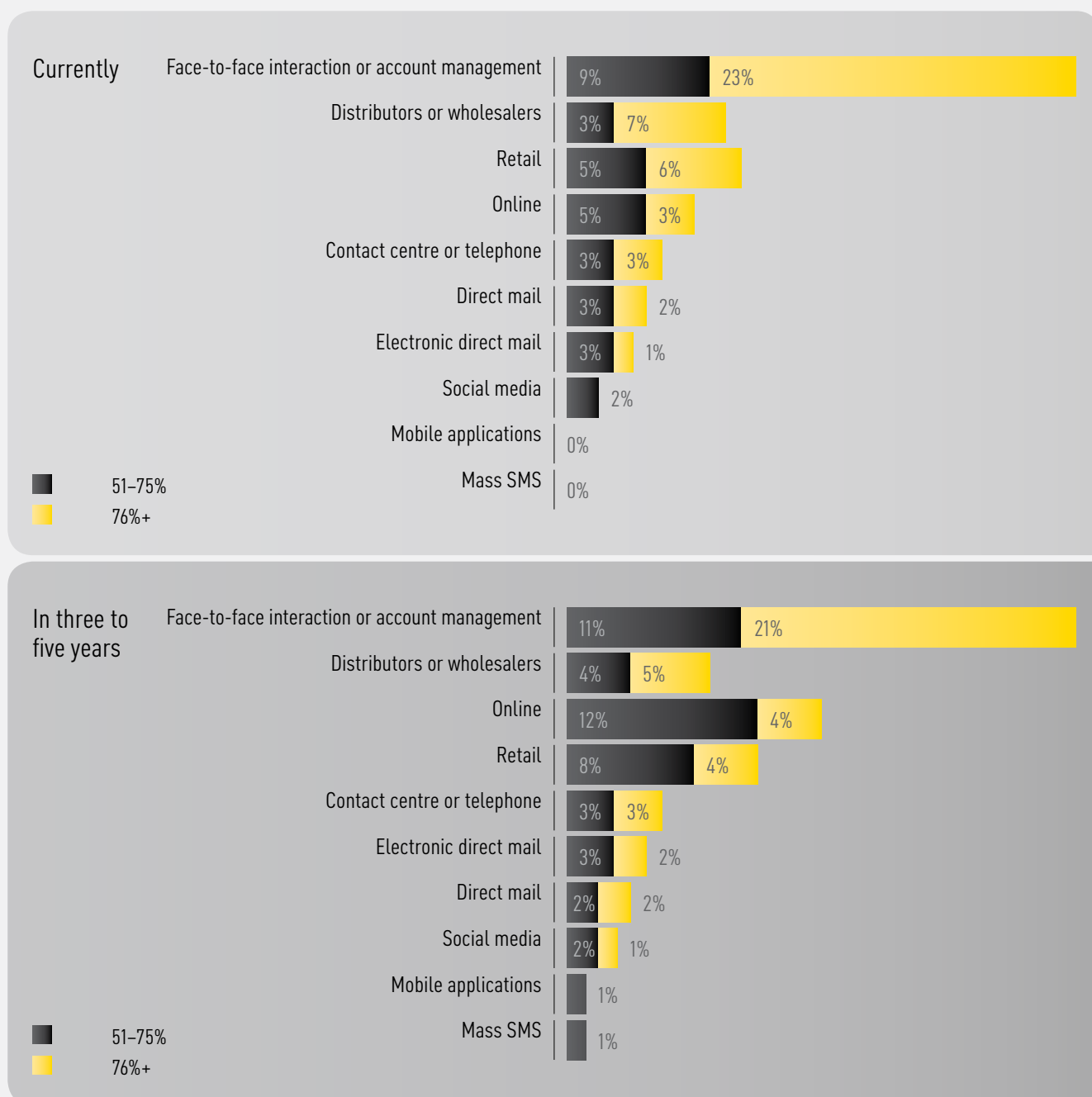


Marketing and finance respondents expect online services to deliver more revenue

According to marketing and finance respondents, a small but growing share of organisations expected to see online services generate substantial revenues. Eight per cent of organisations generated more than half their revenue online, and respondents expected this to rise to 16 per cent in three to five years. This appeared to be the only channel likely to record substantial growth in the medium term, with traditional channels appearing to stagnate or fall away slightly. This underlines the opportunity available to organisations that transform their business models to incorporate digital services.

Proportion of the organisation's revenue by channel

Marketing and finance sample

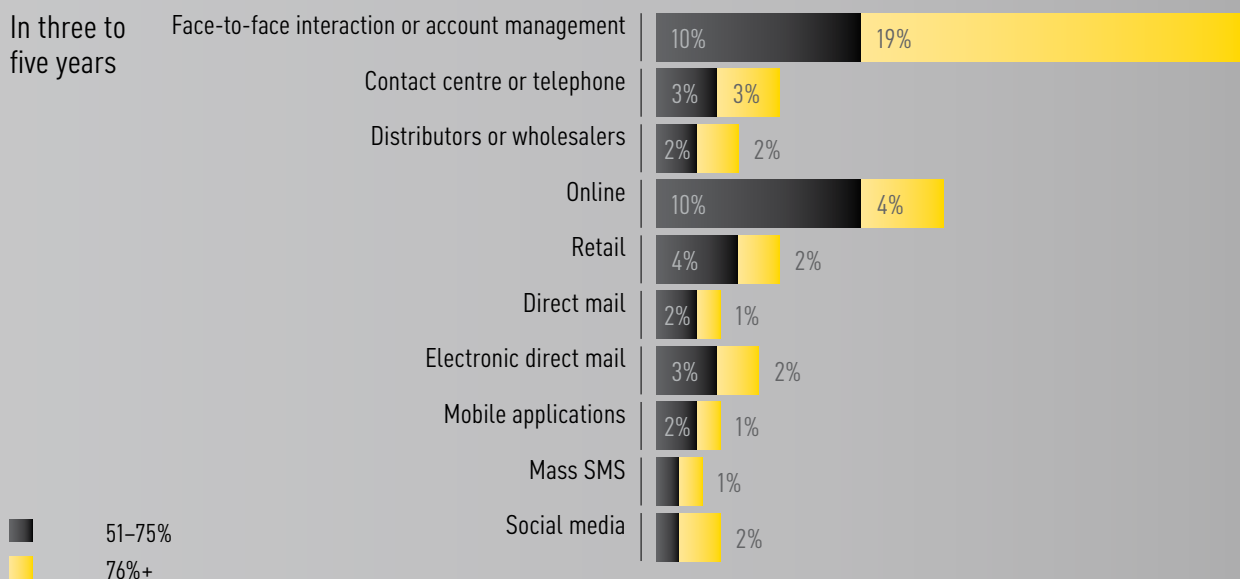
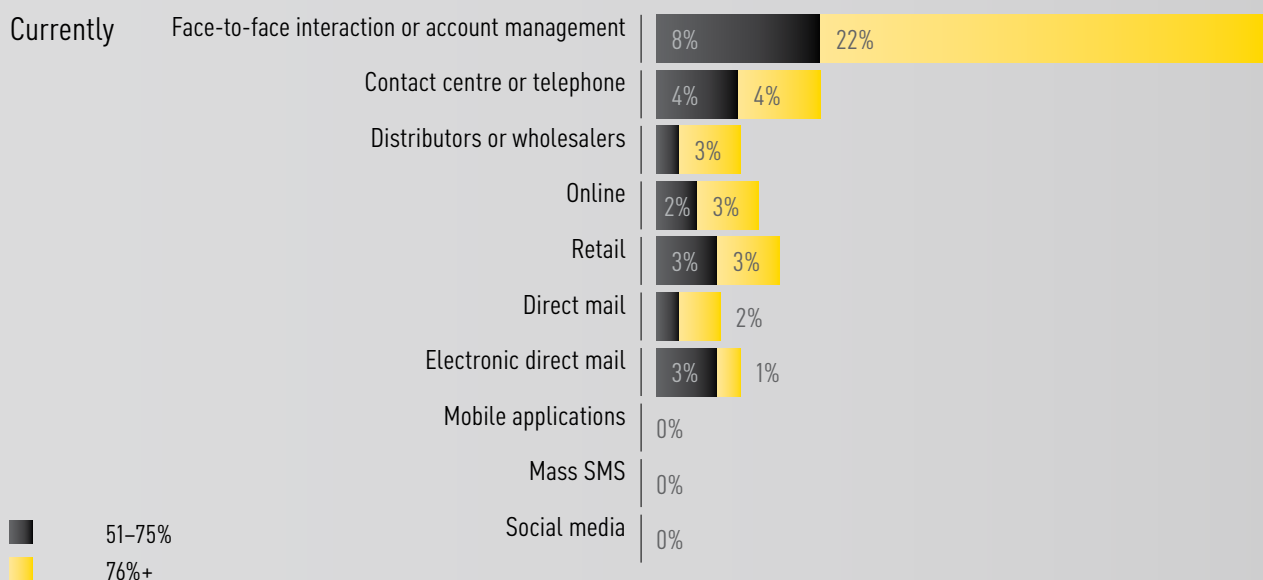


Online expected to grow as a service channel

Organisations were also starting to use the online channel to complete service transactions more efficiently and cost-effectively. Survey respondents from the marketing and finance functions believed online would grow as a service channel over the next three to five years; 10 per cent of marketing and finance respondents expected half to three-quarters of service transactions to take place online, up from 2 per cent of organisations currently experiencing this online activity. These respondents expected the proportion of service transactions undertaken using other channels to remain static or decline slightly.

Proportion of the organisation's service transactions by channel

Marketing and finance sample



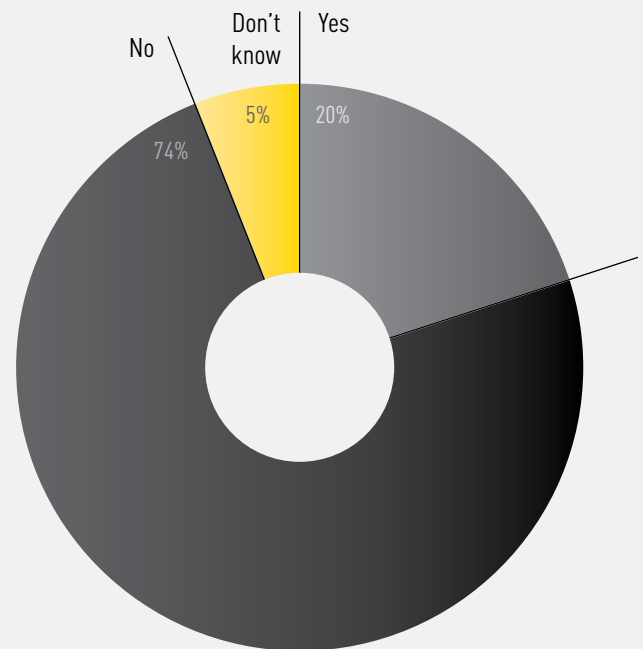
Half of the surveyed organisations plan to develop proprietary mobile applications to engage customers

Organisations are also responding to changes in the type of devices customers prefer to use, by optimising applications for mobile devices such as tablets and smartphones. According to IT respondents, about half (48 per cent) of surveyed organisations planned to develop proprietary or customised mobile device applications for customers in three to five years' time. This was up from about one-fifth (20 per cent) of companies that did so now. However, one-quarter (25 per cent) of respondents were not sure whether they would develop mobile applications over the next three to five years.

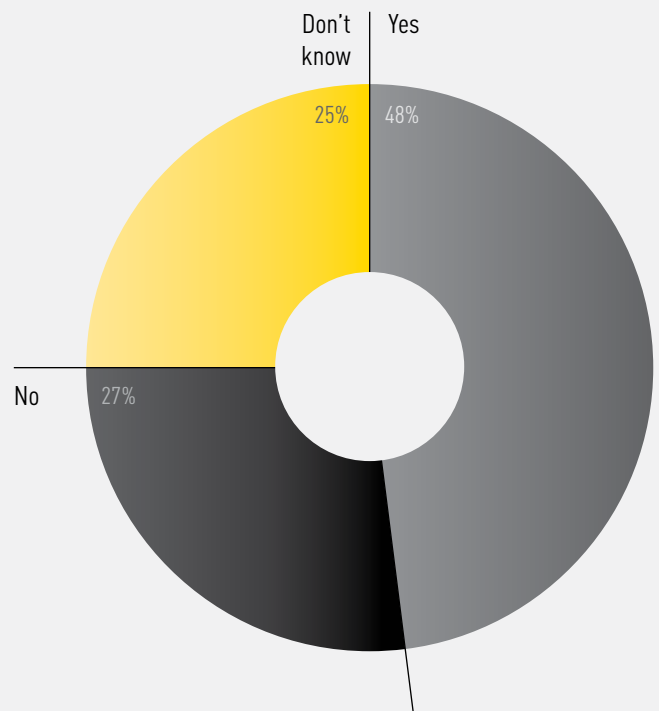
Developing proprietary or customised applications to be deployed on customers' mobile phones, smartphones or tablets

IT sample

Currently



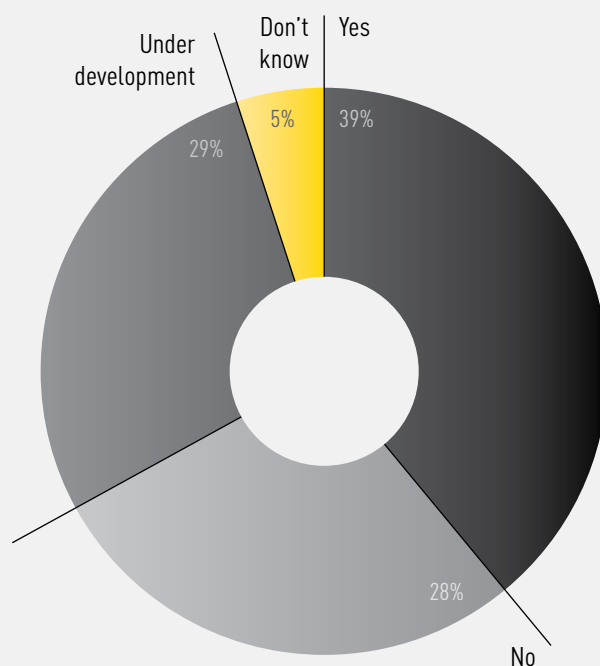
In three to five years



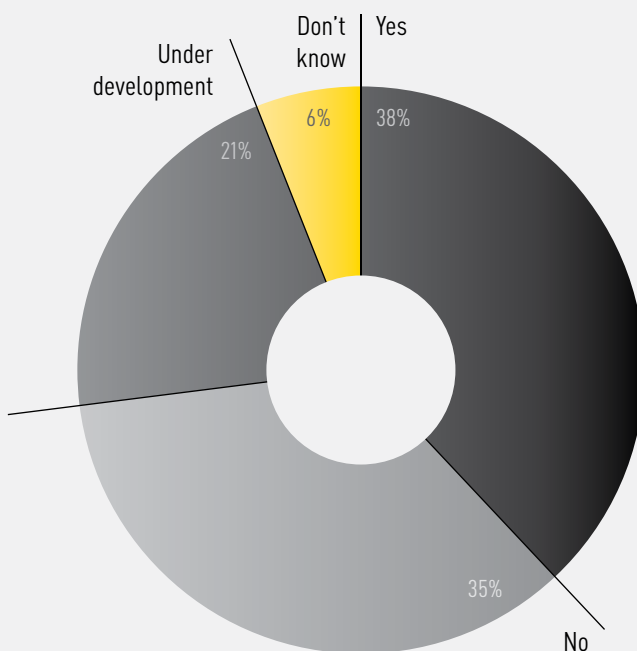
Organisations implementing customer-centric social media strategies

Customer demand for social media interaction appeared to be a key driver of organisations' external social media strategies. About two-thirds (68 per cent) of organisations had a customer-centric social media strategy either in place or under development, while more than one-quarter (28 per cent) did not have such a plan. Respondents showed marginally less interest in a staff-centric social media strategy; more than one-third (35 per cent) did not have one and about one-fifth (21 per cent) had one under development.

Organisation currently has an external social media strategy



Organisation currently has an internal social media strategy

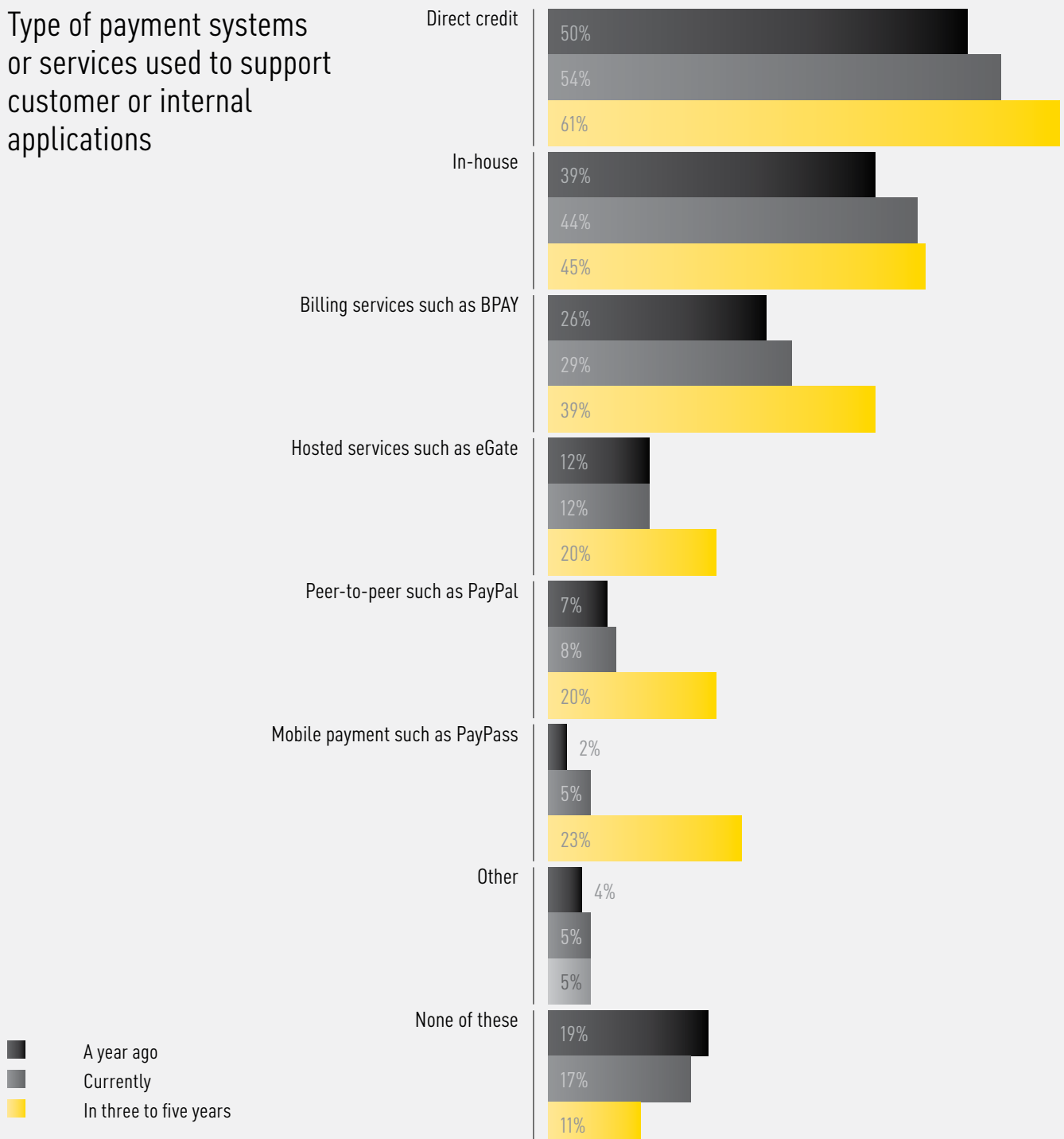


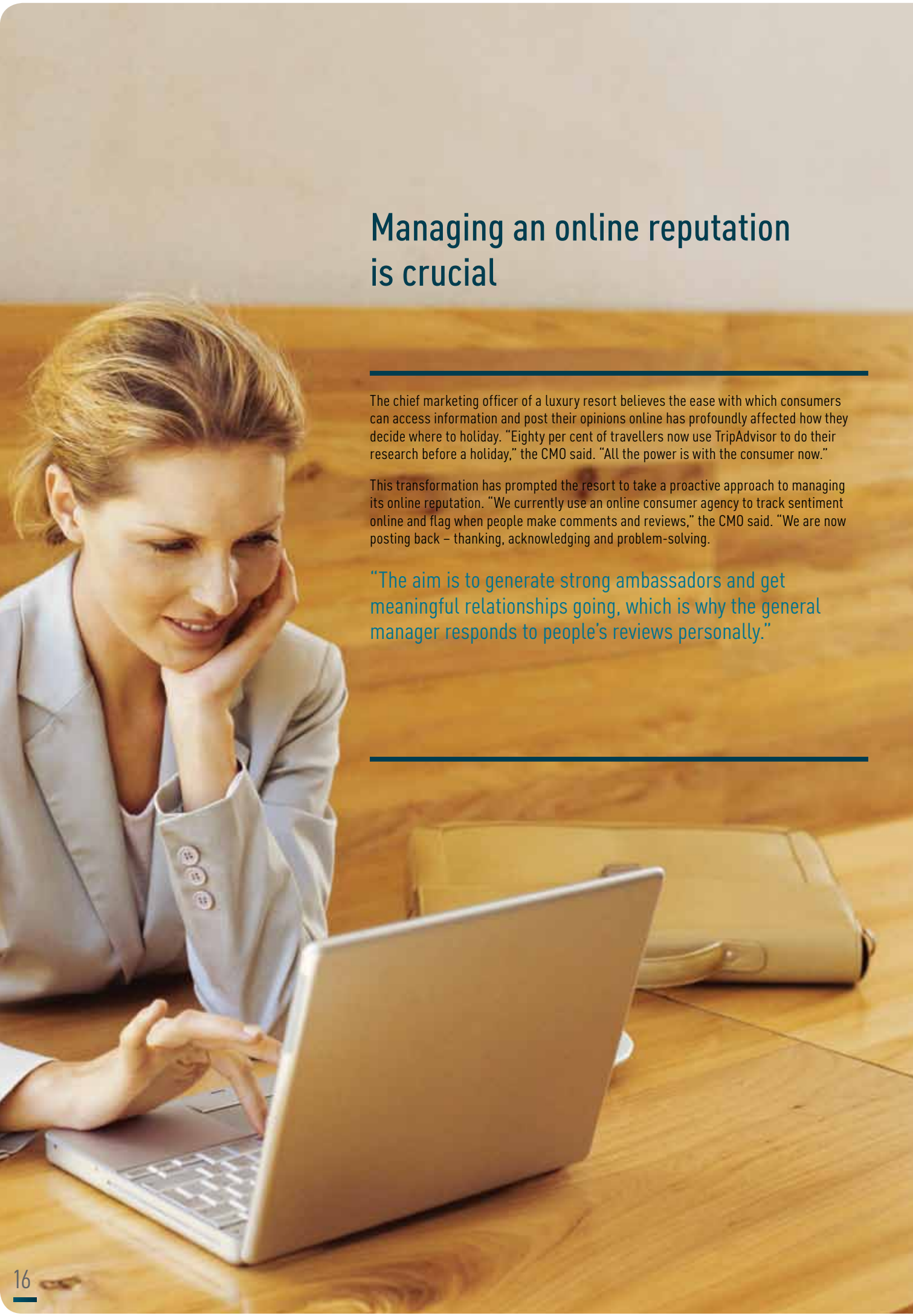
Payment options becoming more diverse, with mobile payments taking the lead

Over the next three to five years, organisations expected to support the forecast proliferation of new applications with an increasingly diverse range of payment options. Unsurprisingly, organisations anticipated the greatest growth in new-generation payment methods such as peer-to-peer payment (rising from 8 per cent of organisations that offer it now, to 20 per cent that expected to do so in three to five years) and mobile payment services (increasing from 5 per cent of organisations offering these now, to 23 per cent expecting

to offer them in three to five years). However, respondents also predicted substantial growth in billing services such as BPAY (up from 29 per cent of organisations using BPAY-type services now, to 39 per cent expecting to use them in the medium term) and hosted offerings (up from 12 per cent of organisations using them now, to 20 per cent expecting to do so in three to five years). Use of direct credit and in-house services was expected to remain generally stable.

Type of payment systems or services used to support customer or internal applications





Managing an online reputation is crucial

The chief marketing officer of a luxury resort believes the ease with which consumers can access information and post their opinions online has profoundly affected how they decide where to holiday. "Eighty per cent of travellers now use TripAdvisor to do their research before a holiday," the CMO said. "All the power is with the consumer now."

This transformation has prompted the resort to take a proactive approach to managing its online reputation. "We currently use an online consumer agency to track sentiment online and flag when people make comments and reviews," the CMO said. "We are now posting back – thanking, acknowledging and problem-solving."

"The aim is to generate strong ambassadors and get meaningful relationships going, which is why the general manager responds to people's reviews personally."

A hand holding a smartphone, with a dark blue overlay covering the entire image. The text is centered in a white rounded rectangle.

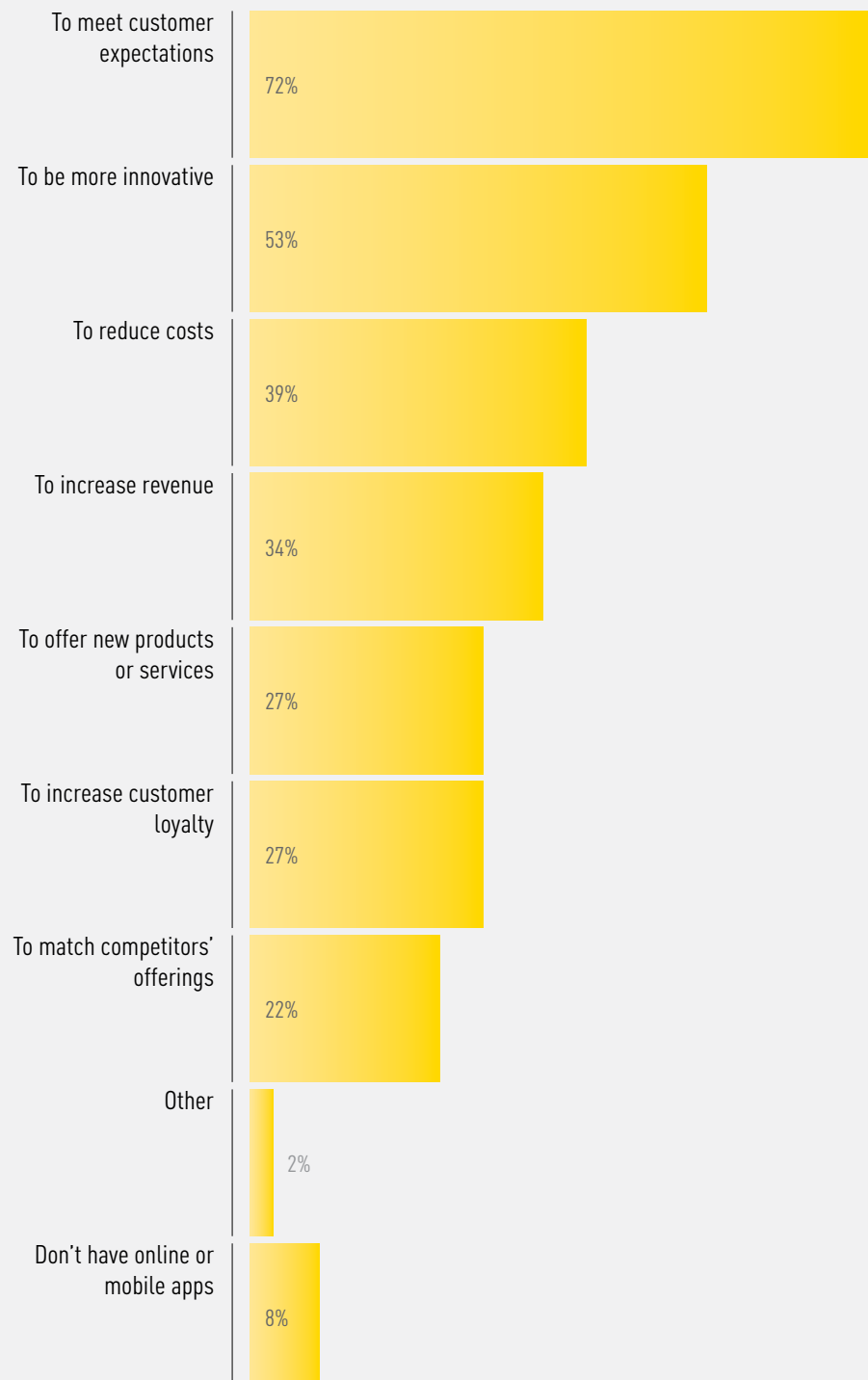
Why organisations
are developing **new**
business models

Applications being deployed to meet customer expectations

Customer expectations have fuelled the decision by organisations to offer online or mobile applications. About three-quarters (72 per cent) of organisations primarily offered applications to meet customer expectations, while about half (53 per cent) did so to be more innovative. Two-fifths (39 per cent) did so to reduce costs and about one-third (34 per cent) did so to increase revenue. Only about one-fifth (22 per cent) did so to match competitors' offerings. Only about one-fifth (22 per cent)

deployed these applications to match competitors' offerings, suggesting most saw deploying new applications as a way of gaining an edge over their rivals in market positioning or internal efficiencies. Interestingly, while meeting customer expectations was a dominant reason for offering online or mobile applications, only 27 per cent of organisations did so to increase customer loyalty.

Reasons for adopting digital online, mobile or social media applications

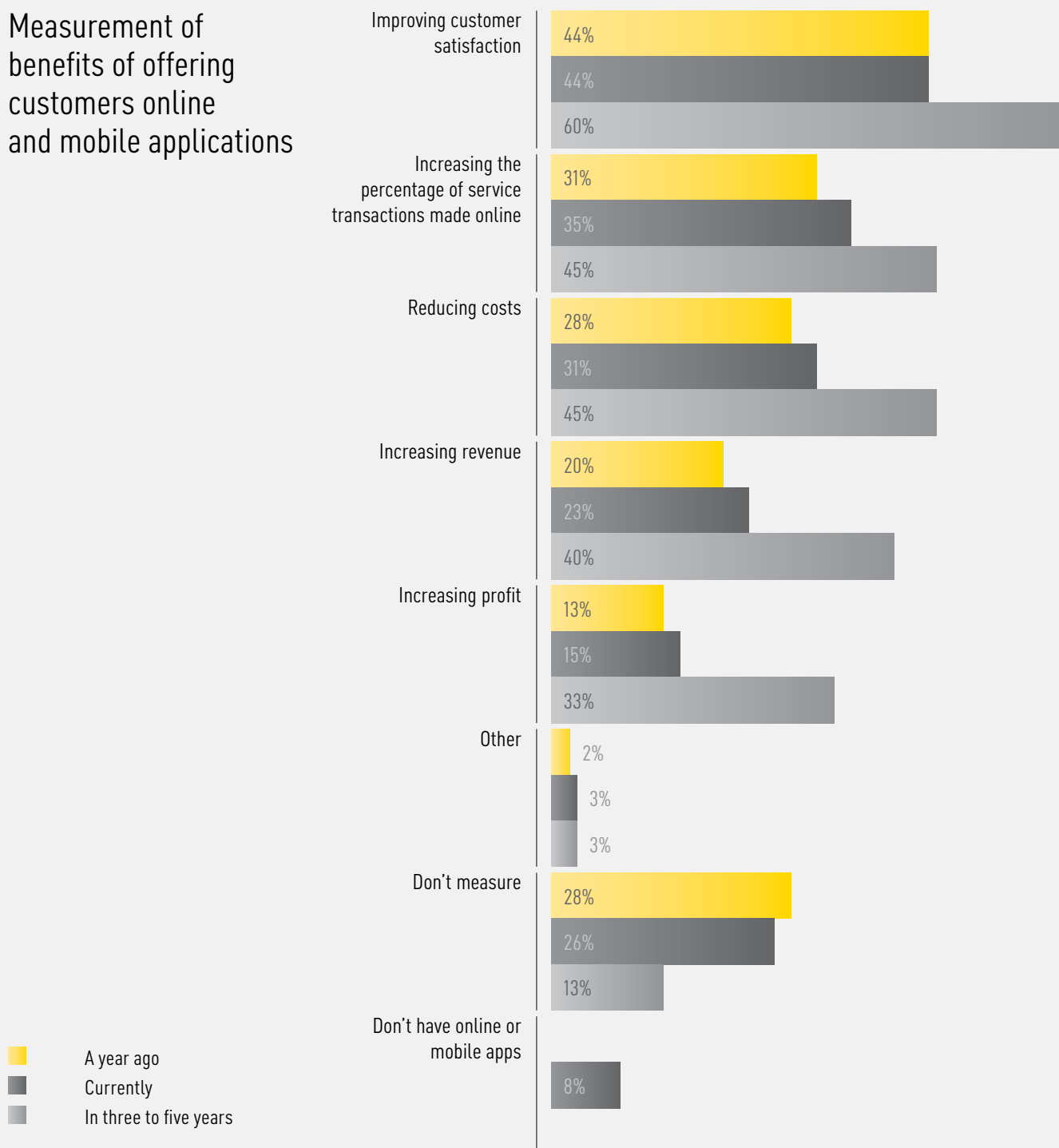


Businesses set to measure financial benefits

Customer satisfaction was the most frequently cited measure used by organisations to determine the benefit of online or mobile applications. Close to half (44 per cent) of surveyed organisations applied this measure currently. However, while more organisations (60 per cent) expected to apply this measure in the next three to five years, respondents also planned to step up their use of financial measurements such as cost reduction, increases in revenue and rise in profit. The share

of organisations measuring cost reduction was expected to rise from 31 per cent now to 45 per cent in three to five years; while the share of organisations planning to judge benefits based on revenue increases was expected to rise in the next three to five years from 23 per cent to 40 per cent. In three to five years, 33 per cent of organisations planned to use increases in profits as a measure, up from 15 per cent now.

Measurement of benefits of offering customers online and mobile applications





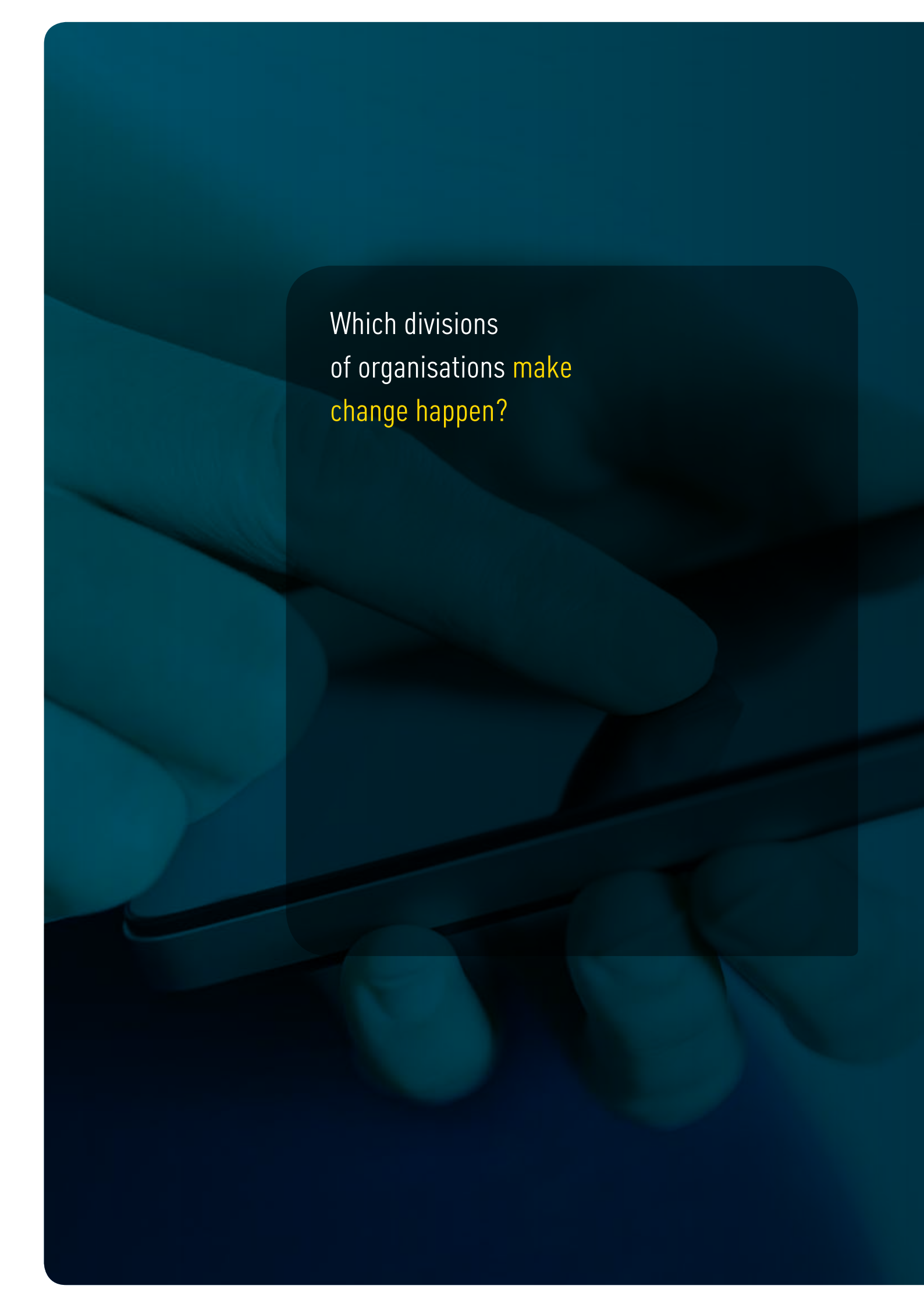
Technology investments are important

A chief financial officer in the finance community has responded to pressure to reduce transaction processing times by investing heavily in IT. "The finance business is all about straight-through processes; we now trade in milliseconds," the CFO said. "This has caused IT budgets to double in size over the last three years."

"It's our priority to be 'best in class' in this area."

However, the CFO does not adhere to financial metrics only when evaluating the performance of technology projects. "We look at capital and the payback period," the CFO said. "However, we also measure clients' impressions of us."

"For us, the key metric is for clients to see us as their top source of banking advice."

A hand holding a smartphone, with a dark teal overlay and a text box. The text box contains the question: "Which divisions of organisations make change happen?".

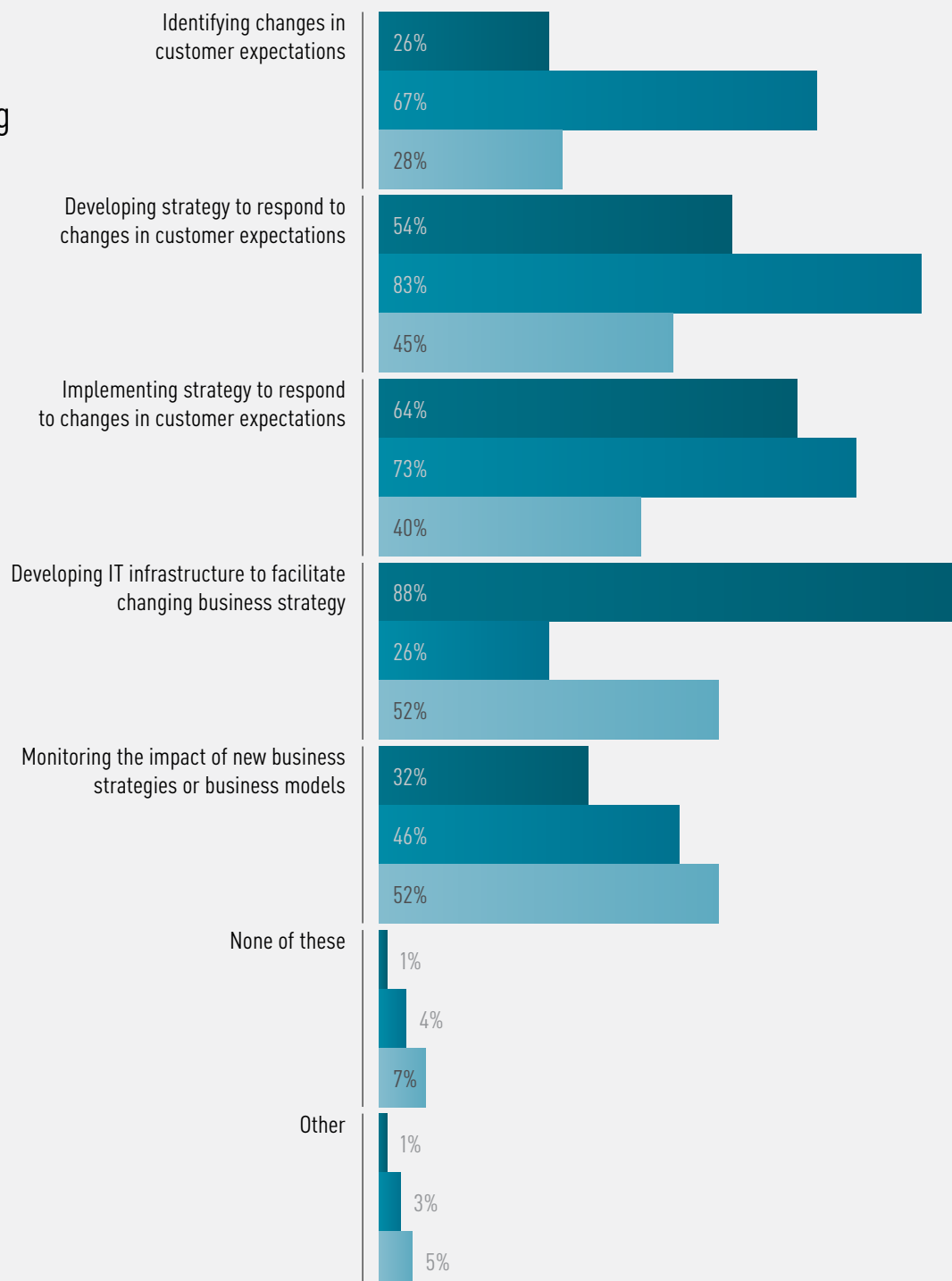
Which divisions
of organisations make
change happen?

Collaboration across the organisation key to meeting changing customer expectations

IT, marketing and finance had varying degrees of responsibility for identifying and responding to changing customer expectations. More than two-thirds (67 per cent) of marketing respondents said they were responsible for identifying these changes, and four-fifths (83 per cent) said they were accountable for developing a response strategy. IT and marketing appeared to play the most substantial roles in implementing this plan, with finance performing a supporting role. Unsurprisingly, 88 per cent of IT decision-makers said they were responsible for developing an IT infrastructure that would facilitate the new business strategy, with some input from the head of finance. Technology, marketing and finance

functions all had some influence over how these new business strategies or models were implemented. These findings highlight how important it is for these business functions to take a collaborative approach to developing, implementing and monitoring new strategies aimed at fulfilling customer expectations.

Role of business departments in meeting changing customer needs



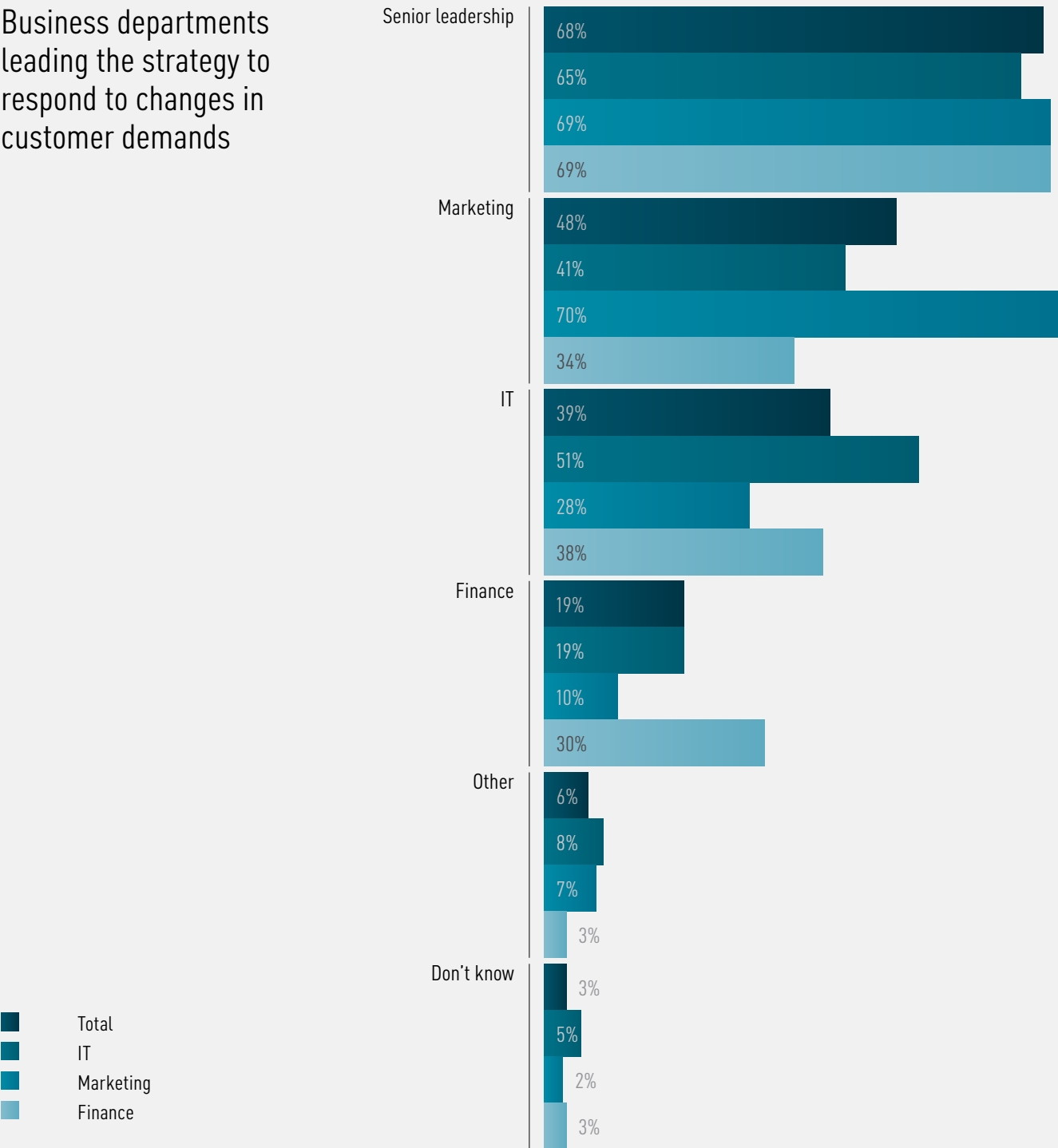
IT
Marketing
Finance

Confusion over customer strategy leadership

About two-thirds of IT, marketing and finance respondents across all organisations said the senior executive team led the strategy for responding to changing customer demands. However, the survey exposed confusion among business divisions as to which of them worked with the executive team to lead the strategy, or had direct responsibility for driving the plan. Marketing decision-makers in particular saw themselves in this role (70 per cent), compared to half of IT respondents (51 per cent) and about one-third (30 per cent) of finance decision-makers. However, only 41 per cent of technology respondents and 34 per cent of finance executives believed marketing led the customer strategy.

The disparity was smaller but still pronounced when comparing how the IT and finance functions viewed their role, and how other departments saw their contribution. This confusion could potentially delay or disrupt the development and execution of customer-centric strategies.

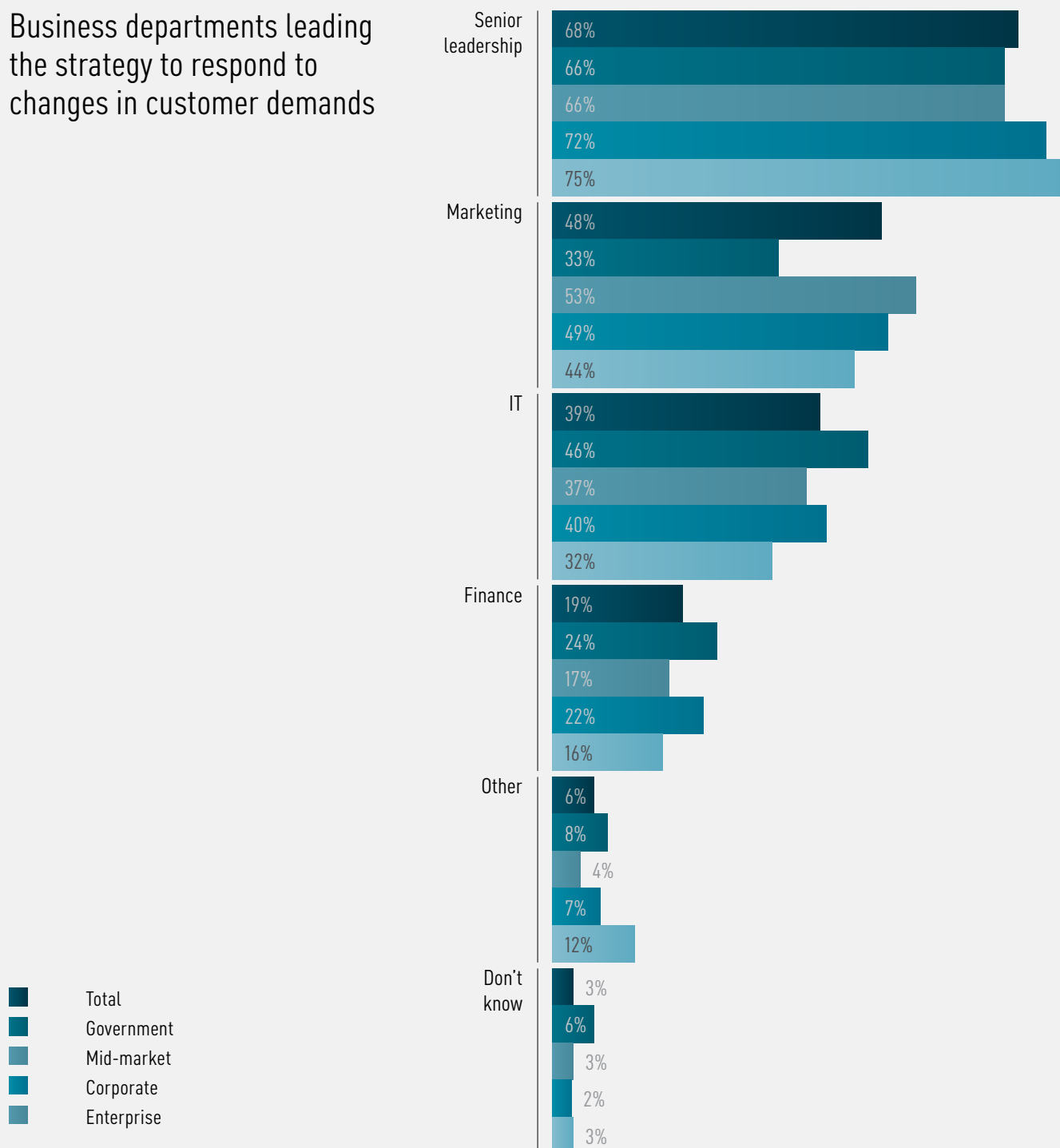
Business departments leading the strategy to respond to changes in customer demands



Senior leaders are more likely to lead customer strategy in larger businesses

The larger the business, the more likely it was that senior leadership led the strategy for responding to increased customer demands. Senior leadership led the customer strategy at 75 per cent of enterprises and 72 per cent of corporates. Top executives performed a similar role at two-thirds (66 per cent) of mid-range organisations and the same share of government organisations. The marketing function was less likely to lead the strategy at government organisations than in the private sector, with IT or finance more likely to step into the breach.

Business departments leading the strategy to respond to changes in customer demands





The changing
workplace
environment

Organisations are expanding their use of cloud services

As identified in the 2011 Optus Future of Work Report, customers were increasing their use of cloud services. The 2012 Optus Future of Business Report found organisations had grown their use of cloud services in the past year, and anticipated that this trend would continue over the next three to five years. According to IT respondents, the share of organisations not planning to use cloud computing is expected to fall from 40 per cent a year ago to

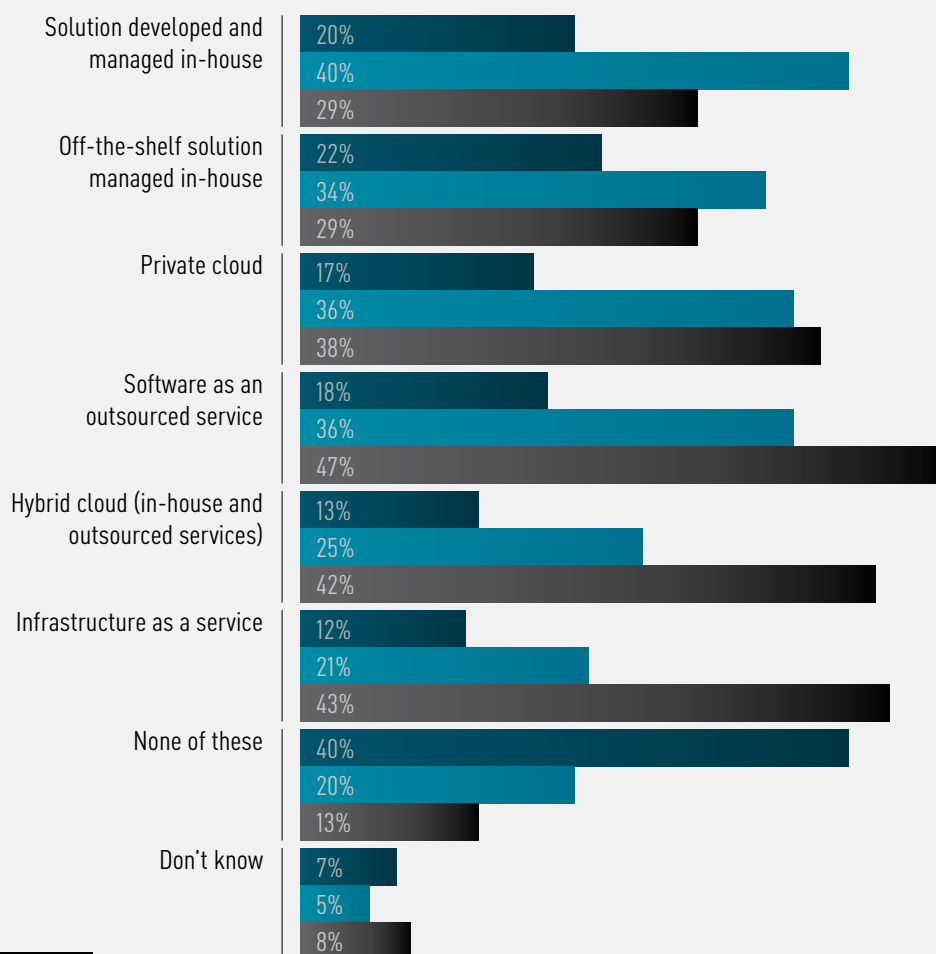
just 13 per cent in three to five years.

The IT function anticipates the strongest growth in software as a service, infrastructure as a service and the hybrid cloud, with private cloud service usage expected to remain stable. The latter two findings indicate an increased willingness by organisations to adopt third-party cloud services – typically combined with an in-house cloud – as the market matures.

Cloud services organisations use: 2012

IT sample

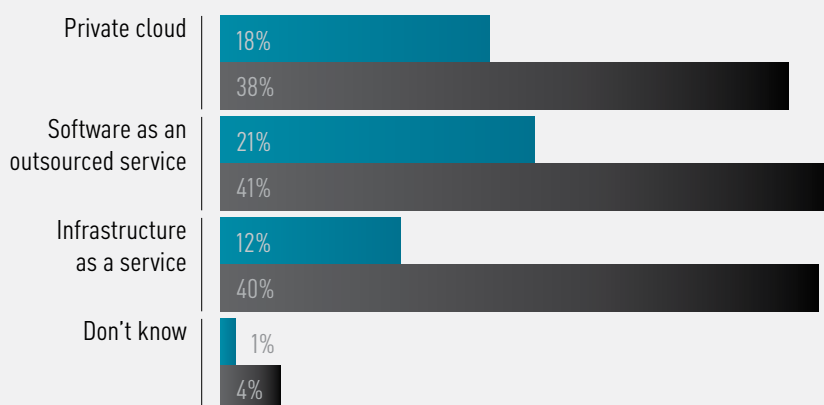
■ A year ago
■ Currently
■ In three to five years



Cloud services organisations use: 2011

IT sample

■ Currently
■ In three to five years

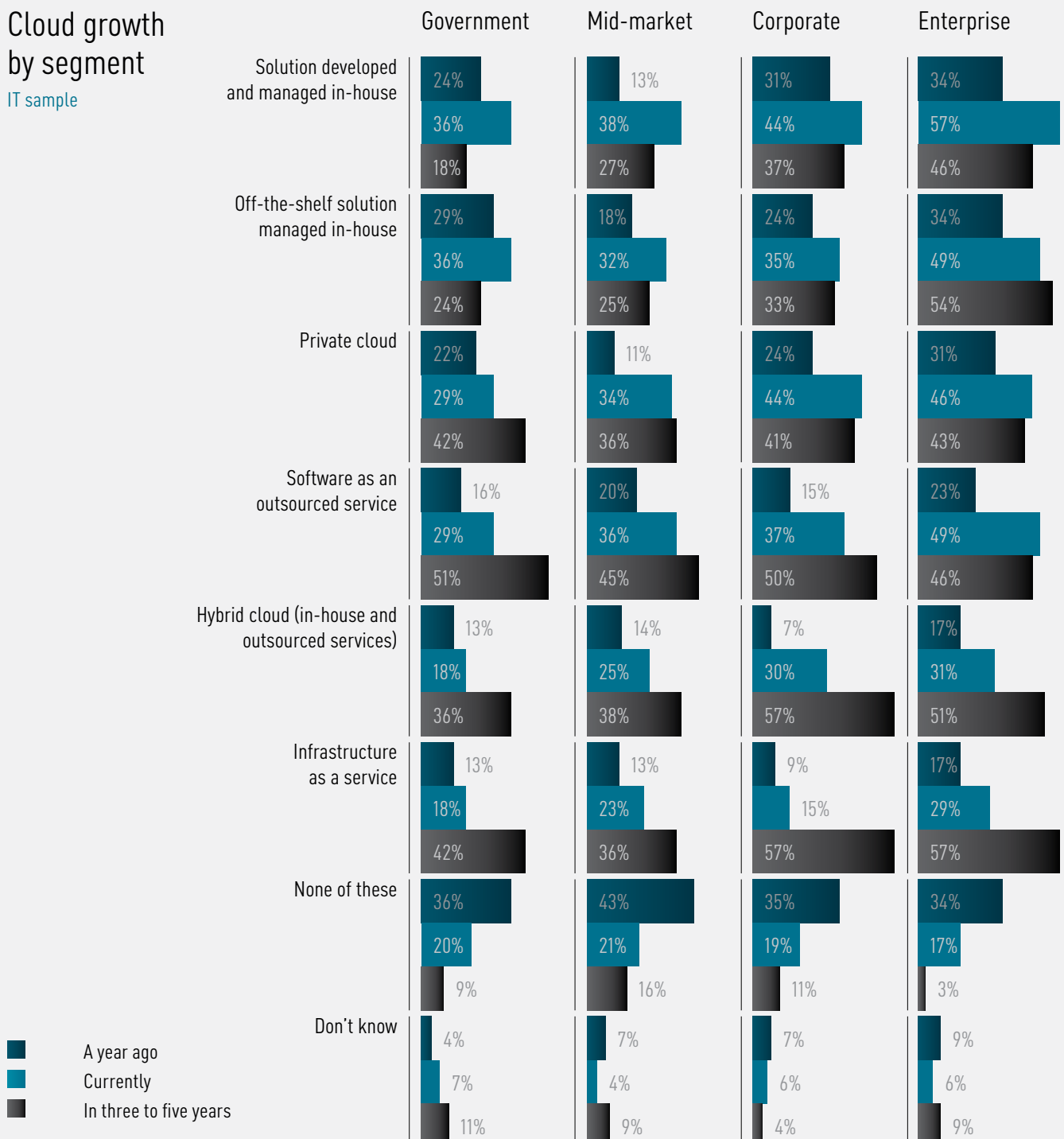


Cloud take-up to grow across all organisation types

According to IT leaders, the use of cloud services was expected to increase across all organisation types, with the corporate and enterprise sectors predicting the strongest growth in hybrid cloud and infrastructure as a service. The mid-market sector was most cautious about adopting cloud services; one-quarter (25 per cent) either did not know if they would deploy – or did not plan to deploy – cloud services over the next three to five years. Just one year ago, more than one-third of organisations in each sector had not implemented cloud services, highlighting the pace of take-up and growing faith in the cloud model.

Cloud growth by segment

IT sample



Tablets and smartphones enabling the mobile workforce

Based on responses from IT managers, the share of organisations issuing tablets increased sharply in line with last year's predictions. More than two-thirds (69 per cent) of organisations currently issued tablets to employees, up from just over one-third (37 per cent) only a year ago. However, respondents expected this trend to slow, with four-fifths (81 per cent) of organisations planning to issue tablets in three to five years' time.

The results showed a new pattern this year, with the share of organisations planning to issue other devices – including smartphones – falling over the medium term. The share of organisations planning to issue smartphones to staff over the next three to five years has fallen to 75 per cent from 98 per cent in 2011. This may be due to more businesses allowing personal devices to access the corporate network.

Devices issued to access work network: 2012

IT sample

Laptops or notebooks

97%

99%

76% (96%)

Tablets

37%

69%

81% (84%)

Smartphones

98%

95%

75% (98%)

Mobile broadband

0%

93%

72%

Desktops

88%

96%

69% (87%)

None of these

0%

0%

9% (96%)

2011
 Currently
 In three to five years
 (In three to five years 2011)

A close-up, profile view of a middle-aged man with grey hair and a light beard, wearing a dark suit, white shirt, and dark tie. He is holding a black mobile phone to his ear with his right hand. The background is blurred, showing what appears to be an office or cityscape.

Cloud computing and mobile devices paying security dividends

Embracing cloud computing and mobile devices is starting to pay dividends for a company that contracts out security guards, according to its chief information officer. “We have started moving some of our systems into the cloud, like our Salesforce software,” said the CIO.

“Also, most of our training programs are now hosted in the cloud, because most of our employees don’t work in the head office.”

Two and a half years ago, the company had issued 20 BlackBerry personal digital devices to its staff. It now runs a 100-strong fleet of smartphones through which employees can access data held in the cloud or on its servers. This model has enabled the company to maintain the security and integrity of its data despite high employee turnover and the staff regularly losing their phones.

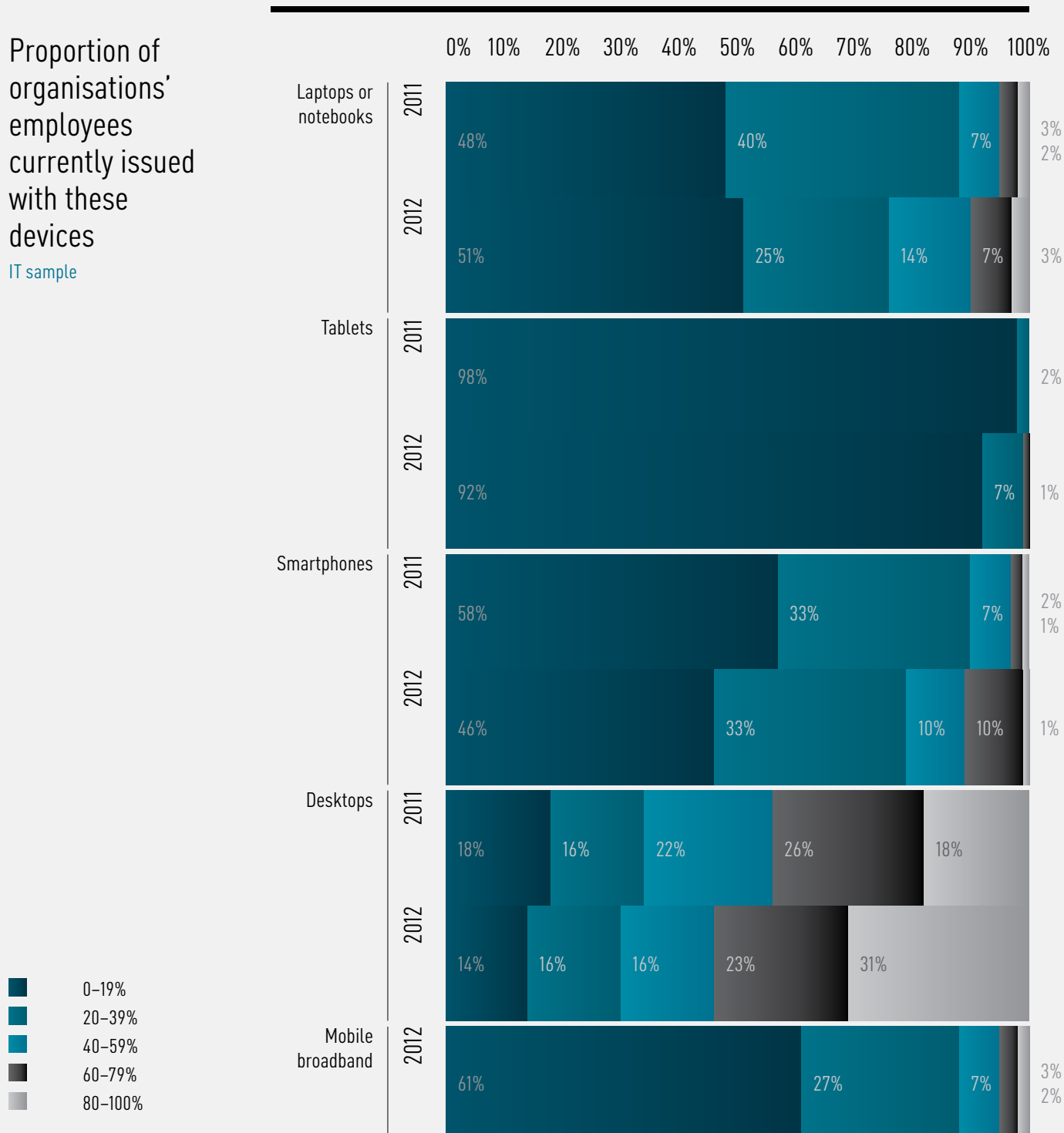
Employees can use their devices to access the Salesforce software through the cloud, and check in regularly with head office about their location and the security of customer sites.

Smartphones and tablets proliferate in the last year

According to IT managers, smartphones and tablets were being made available to a wider range of employees in 2012 compared to last year. More than half (54 per cent) of organisations made smartphones available to more than one-fifth of employees, up from two-fifths (42 per cent) of organisations that did so in 2011. While the trend was far less pronounced for tablets, the percentage of organisations making these available to more than one-fifth of employees rose from 2 per cent to 8 per cent. Interestingly, nearly one-third of organisations made desktops available to between 80 per cent and 100 per cent of their employees in 2012, up from under one-fifth a year ago.

Proportion of organisations' employees currently issued with these devices

IT sample



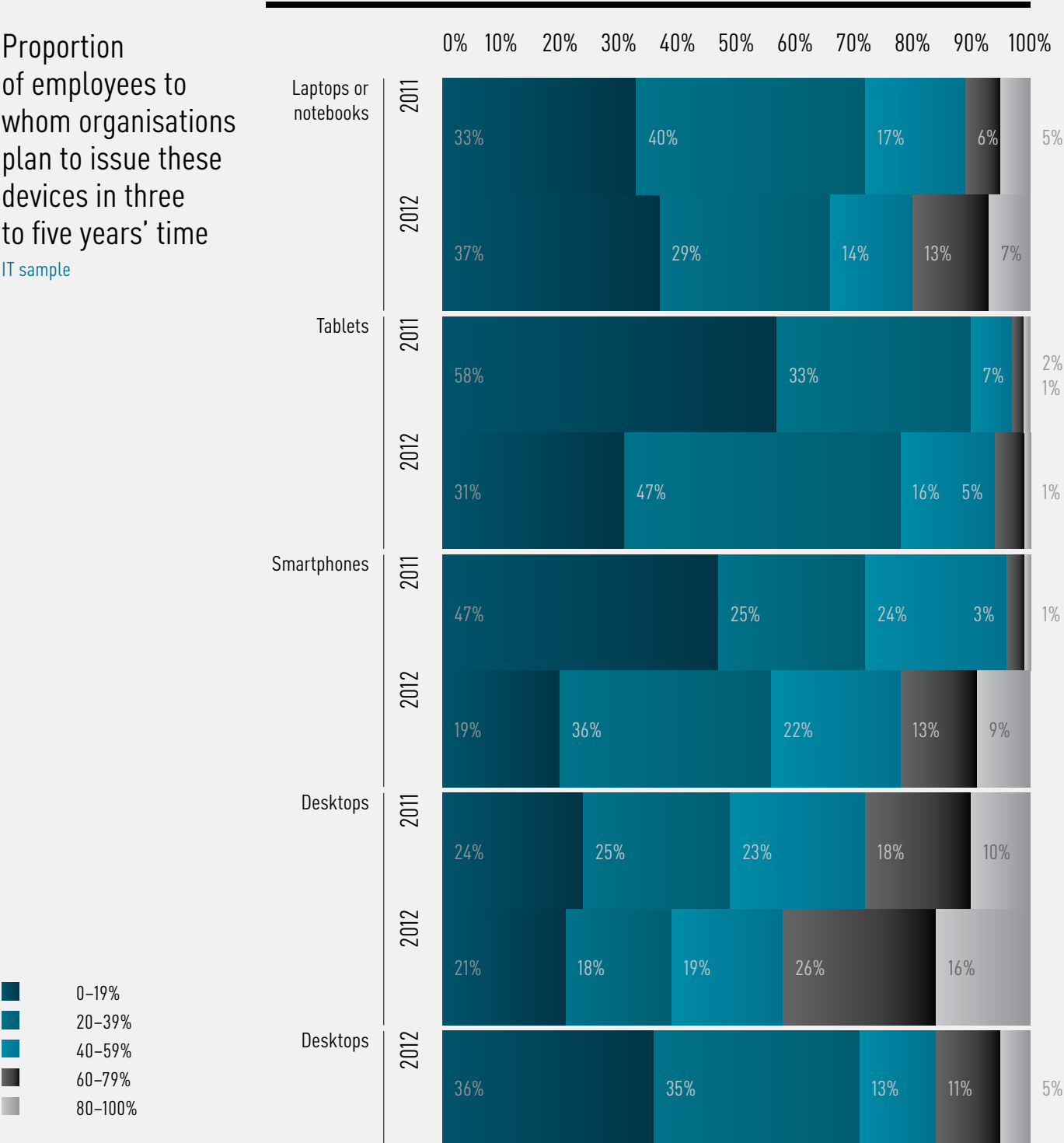
Tablets and smartphones to be rolled out to a wider range of employees

IT managers expected their organisations to roll out tablets and smartphones to a wider range of employees over the next three to five years. Nearly half of the surveyed organisations expected to issue tablets to between one-fifth and two-fifths of their employees, while the share of organisations planning to issue tablets to less than one-fifth of employees in the medium term has dropped from

well over half to under one-third. Meanwhile, according to IT managers, four-fifths of organisations expected to issue smartphones to more than one-fifth of their employees over the next three to five years. In 2011, nearly half of the surveyed organisations expected to roll out smartphones to less than one-fifth of their employees.

Proportion of employees to whom organisations plan to issue these devices in three to five years' time

IT sample

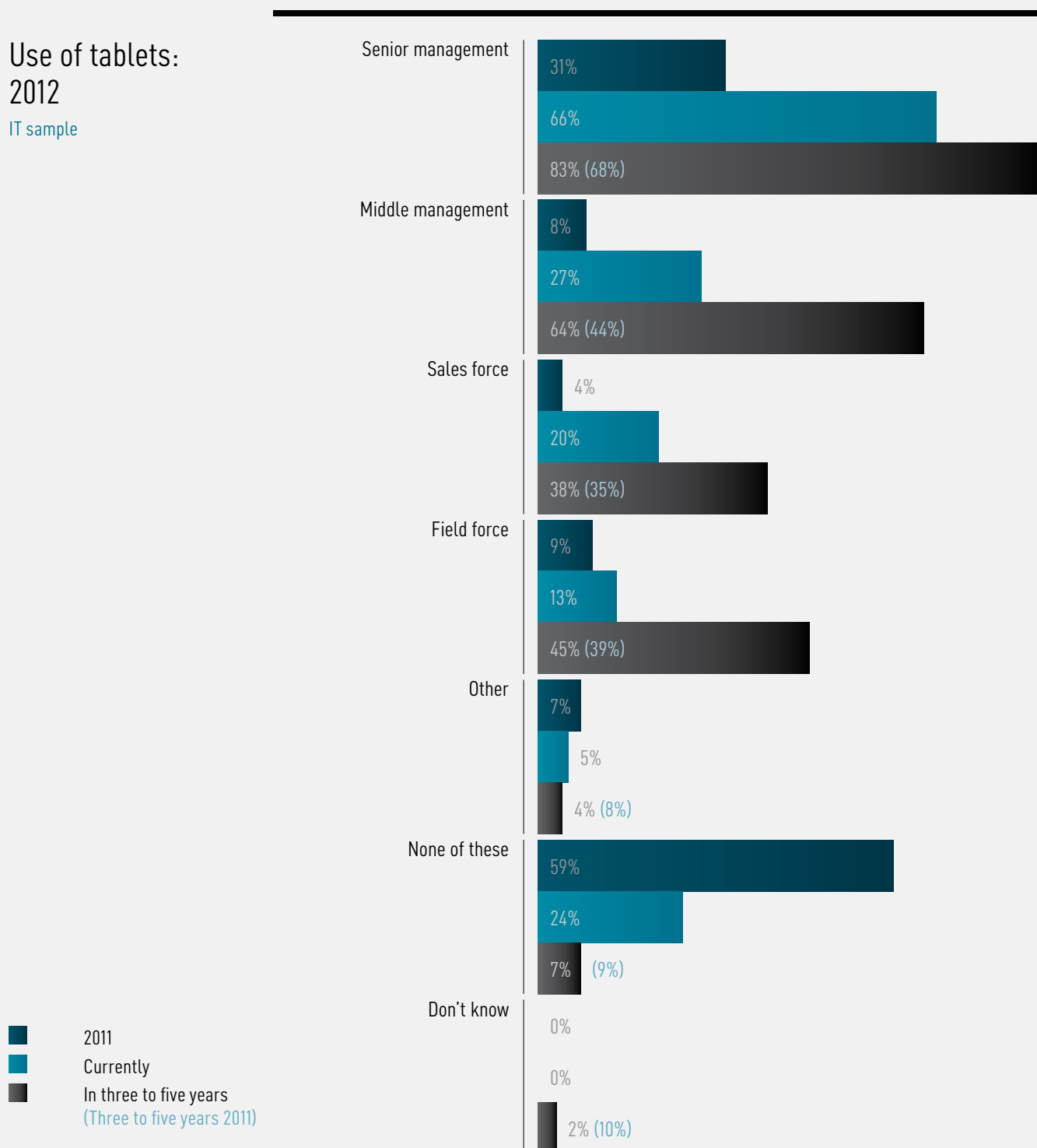


Management first in line to receive tablets

IT managers said their organisations were in the middle of a massive rollout of tablets, in which management, and sales force and field force workers were the main beneficiaries. More than four-fifths of organisations planned to roll out tablets to senior managers over the next three to five years, up from just over two-thirds that planned to do so only one year ago. The share of organisations that intended to issue tablets to middle management in the medium term also rose in the past year, while there was a relatively small increase in the share of organisations that planned to issue tablets to field force and sales force workers in the medium term.

Use of tablets: 2012

IT sample



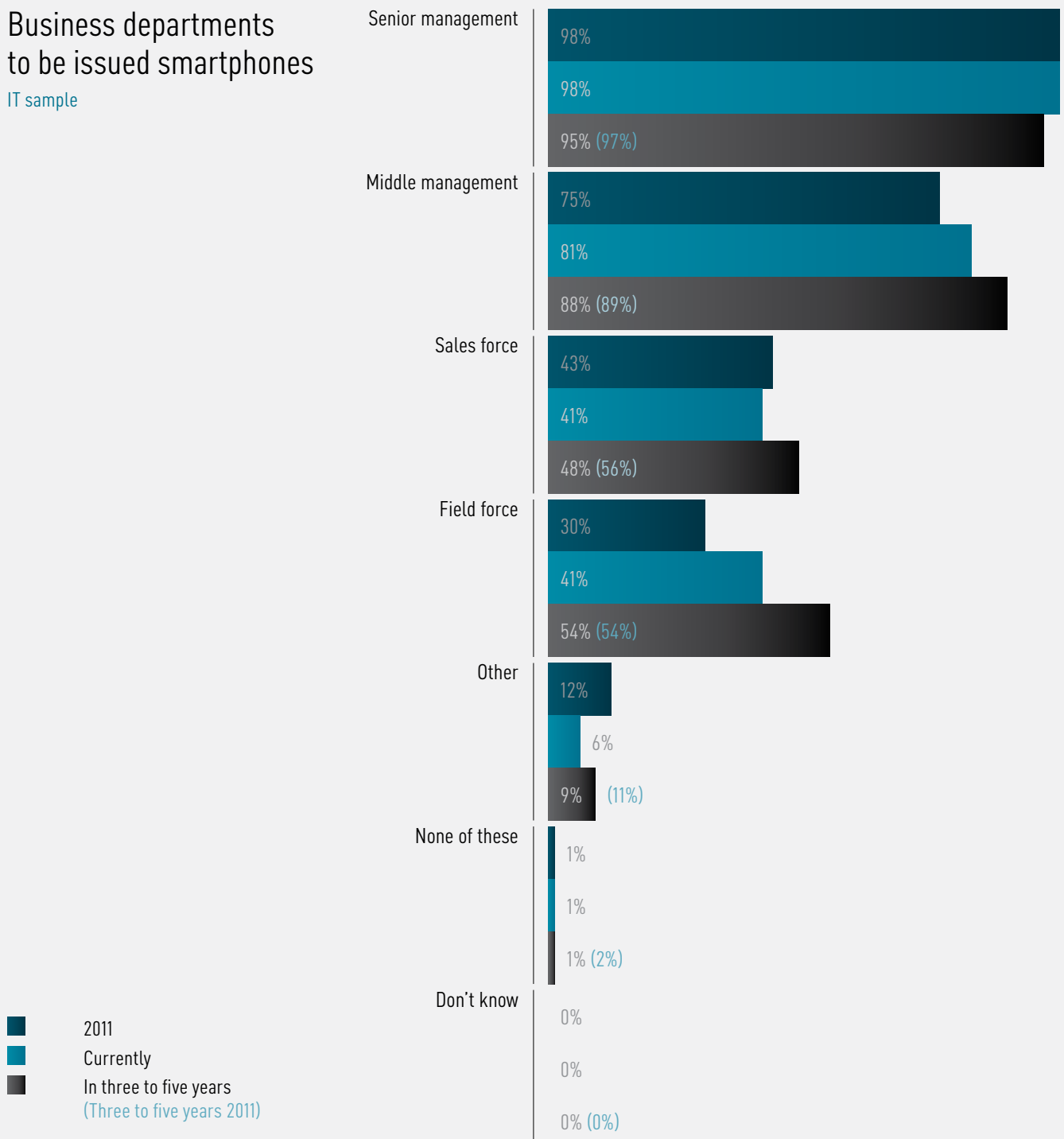
Smartphone rollouts continue

According to IT managers, their organisations had continued to roll out smartphones to field force workers and senior managers. However, the share of organisations issuing smartphones to sales team members has stagnated and predictions of growth in this area are being wound back. Despite this, about half of the surveyed organisations still expected to issue smartphones to their sales force teams in three to five years, compared to two-fifths

that already issue them now, while more than half anticipated issuing these devices to field force workers in the medium term, also compared to two-fifths now. Nearly nine in 10 businesses expected to issue smartphones to middle management over the next three to five years, up from four-fifths now. IT managers also indicated smartphones were likely to remain at saturation point among senior management.

Business departments to be issued smartphones

IT sample



Sharp rise in organisations allowing personal device access to the corporate network

According to IT leaders, in the past year there has been a considerable increase in the share of organisations prepared to allow personal devices to access the corporate network. About half now allow laptop or notebook computers to access the network, while 56 per cent enable smartphones to do so and 43 per cent provide access for tablets. These figures represent a considerable increase from the results a year ago, when 31 per cent provided laptop or notebook access, 23 per cent enabled tablet access and 46 per cent allowed smartphone access. However, respondents generally expected this growth to stall over the next three to five years, with significant rises in only two areas: tablet access and mobile broadband device access. This indicated that a sizeable share of organisations continued

to see personal device access as not relevant to their operations, or were waiting until the trend became further entrenched before committing to a bring-your-own-device program. About one-quarter of businesses expected not to allow any personal mobile devices to access the network.

The rapid growth in bring-your-own-device access over the past year may have contributed to the drop in three-to-five year forecasts for organisations issuing their employees with devices such as smartphones and laptops. As revealed on page 28, these forecasts have fallen 23 percentage points for smartphones and 20 percentage points for laptops over the figures in the 2011 Optus Future of Work Report.

Staff-owned devices allowed to access the corporate network

IT sample

Laptops or notebooks

31%

49%

49% (51%)

Tablets

23%

43%

56% (55%)

Smartphones

46%

56%

58% (57%)

Mobile broadband

26%

31%

43% (44%)

None of these

33%

29%

26% (22%)

2011
Currently
In three to five years
(Three to five years 2011)

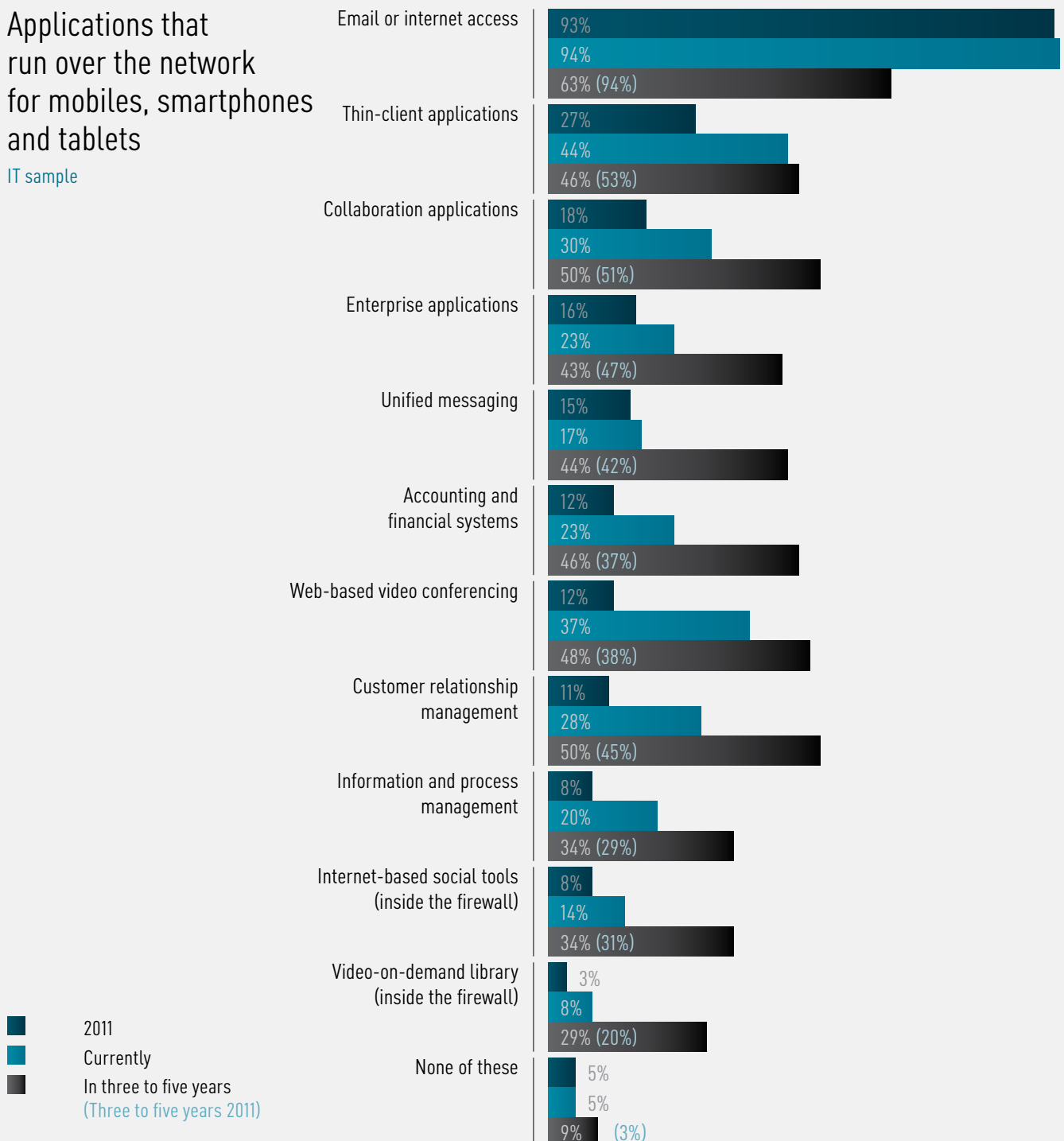
Companies are running a more diverse range of applications for mobile devices

IT respondents said the range of applications run over the corporate network for mobile phones, smartphones and tablets was more diverse now than a year ago. Between early 2011 and early 2012 there was a significant rise in the number of organisations making available applications for corporate enterprise resource planning and accounting; customer relationship management; web-based videoconferencing; information and process management; and collaboration. These

shares were expected to increase substantially over the next three to five years, indicating businesses were prioritising access to corporate and collaboration systems. This also showed that the arguments for making these systems available – such as minimising data entry time and mistakes, and ensuring faster, more informed decision-making – were gaining ground with corporate mobility decision-makers.

Applications that run over the network for mobiles, smartphones and tablets

IT sample



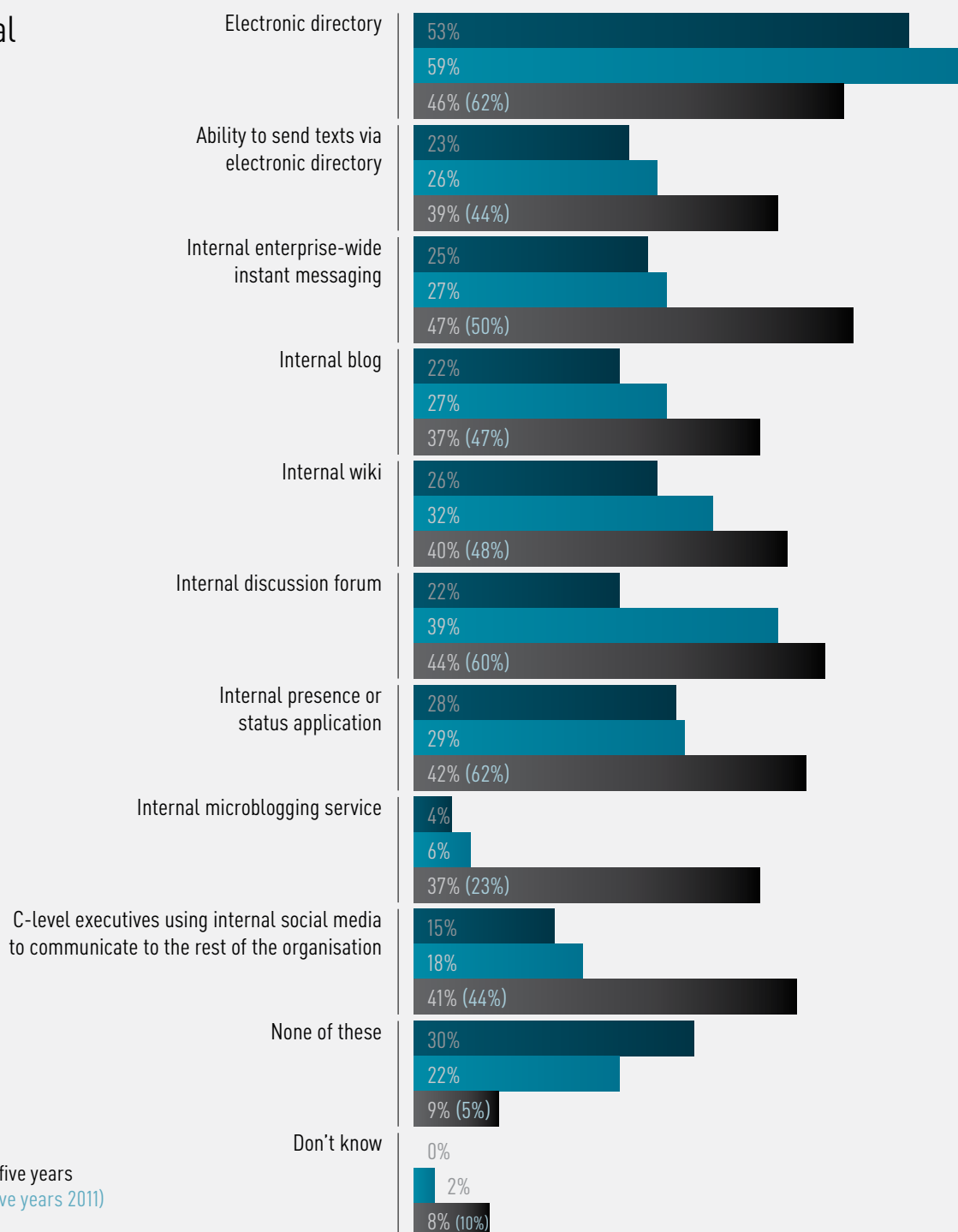
Electronic directories and internal IM use are rising to improve collaboration

According to IT managers, the share of companies using electronic directories and internal instant messaging had risen slightly over last year. These respondents were also forecasting a substantial rise in the number of businesses that will deploy these services over the next three to five years – but these predictions have fallen slightly since last year. The number of companies planning to set up internal blogs, wikis, presence services and discussion forums has risen substantially over the past year, and IT managers believe that this trend will continue in the medium term. However, these growth predictions have fallen considerably since the 2011 Optus Future of Work Report, indicating some businesses are looking elsewhere to build

their internal social media presence. They could be casting their eyes towards Twitter-style services accessible only to employees; while only 6 per cent are operating these at the moment, 37 per cent of IT leaders expect their organisations to be doing so in three to five years' time. Only 23 per cent of the IT leaders surveyed for the 2011 Optus Future of Work Report had the same view. IT managers also continue to predict considerable growth in the number of organisations with C-level executives using internal social media to communicate to employees.

Internal social media use: 2012

IT sample



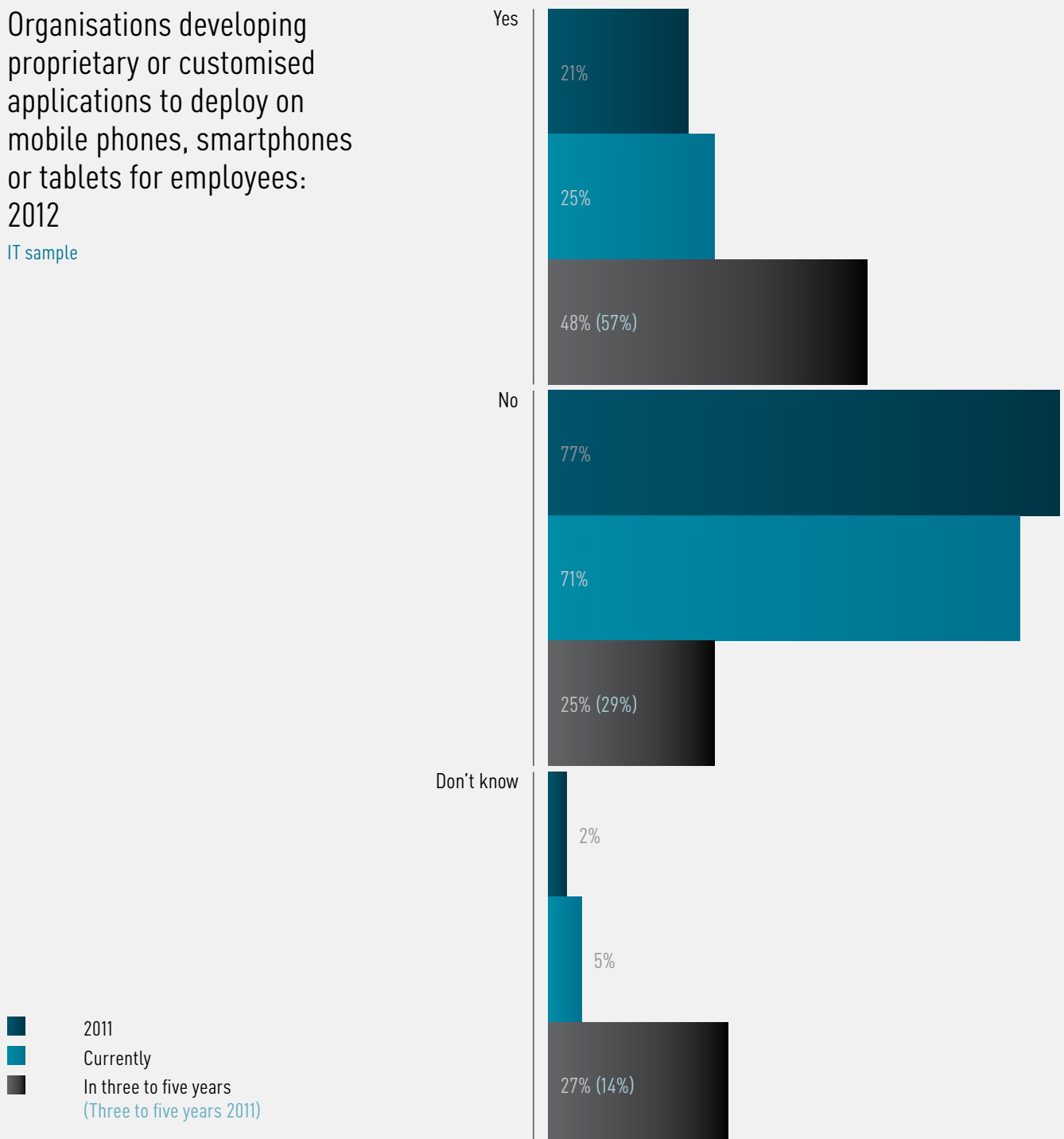
Proprietary or customised mobile applications are on the increase

The share of organisations developing proprietary or customised applications for mobile devices has risen to one-quarter, up from just over one-fifth a year ago. However, the share of IT managers that expect their organisation to develop these applications over the next three to five years has fallen from 57 per cent to 48 per cent. This appears to be due to greater uncertainty rather than definite changes in corporate plans; 27 per cent were

unsure whether their organisation planned to develop proprietary or customised applications in the medium term, up from 14 per cent that responded similarly in the 2011 Optus Future of Work Report. Also, only 25 per cent of IT respondents said their organisation had no plans to develop or customise applications in the next three to five years.

Organisations developing proprietary or customised applications to deploy on mobile phones, smartphones or tablets for employees:
2012

IT sample

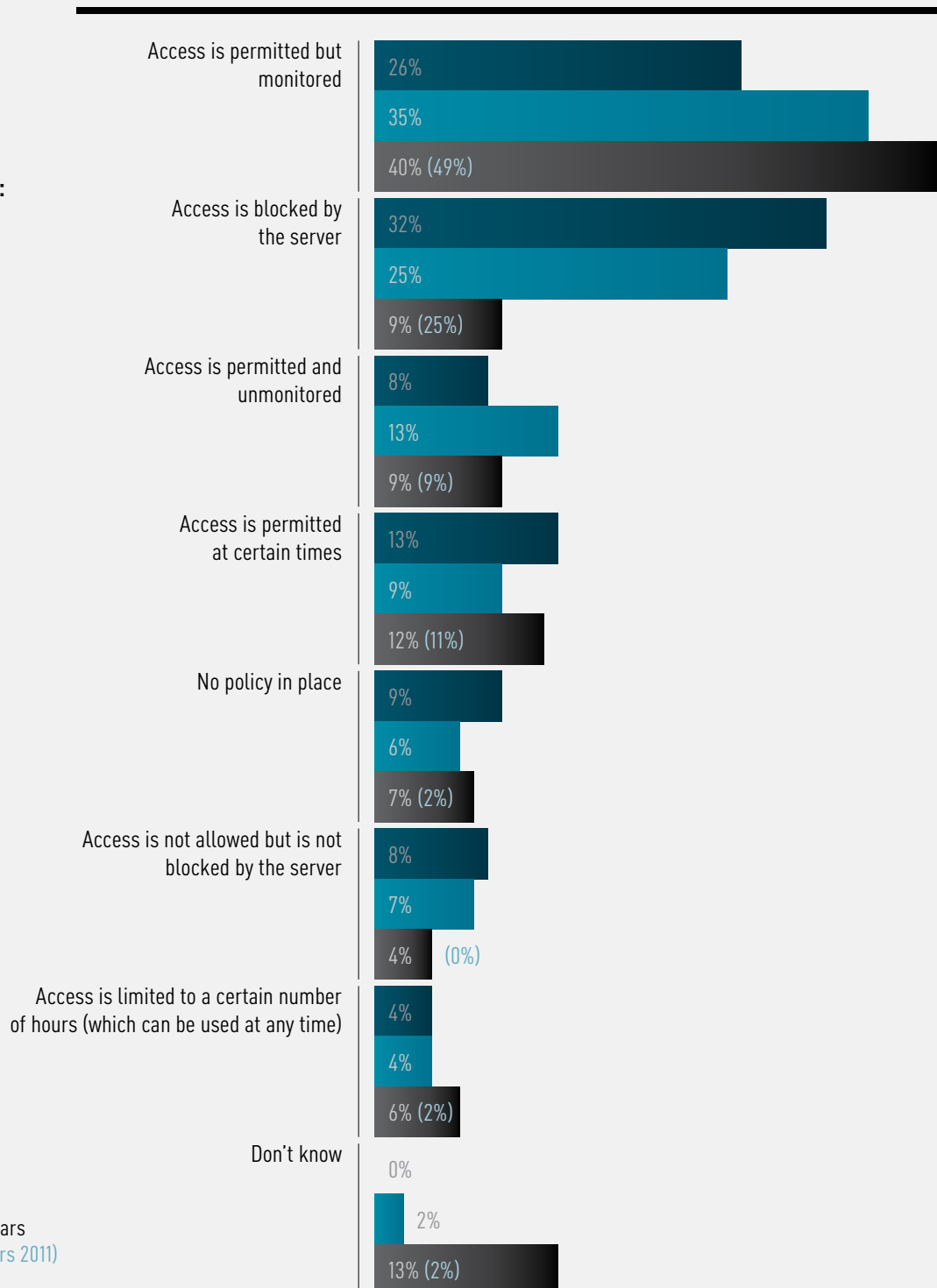


Companies are relaxing social media access restrictions

As predicted in the 2011 Optus Future of Work Report, the 2012 Optus Future of Business Report showed organisations are starting to relax policies that prevent access to social media on the corporate network. The share that currently gives employees monitored access to social media rose from 26 per cent a year ago to 35 per cent this year, while 13 per cent of organisations allow unmonitored access, up from 8 per cent a year ago. Only 9 per cent planned to block access to social media at the server level in three to five years, down from the 25 per cent last year that said that they intended to so in the medium term.

Policies in place regarding use of external social networking sites: 2012

IT sample

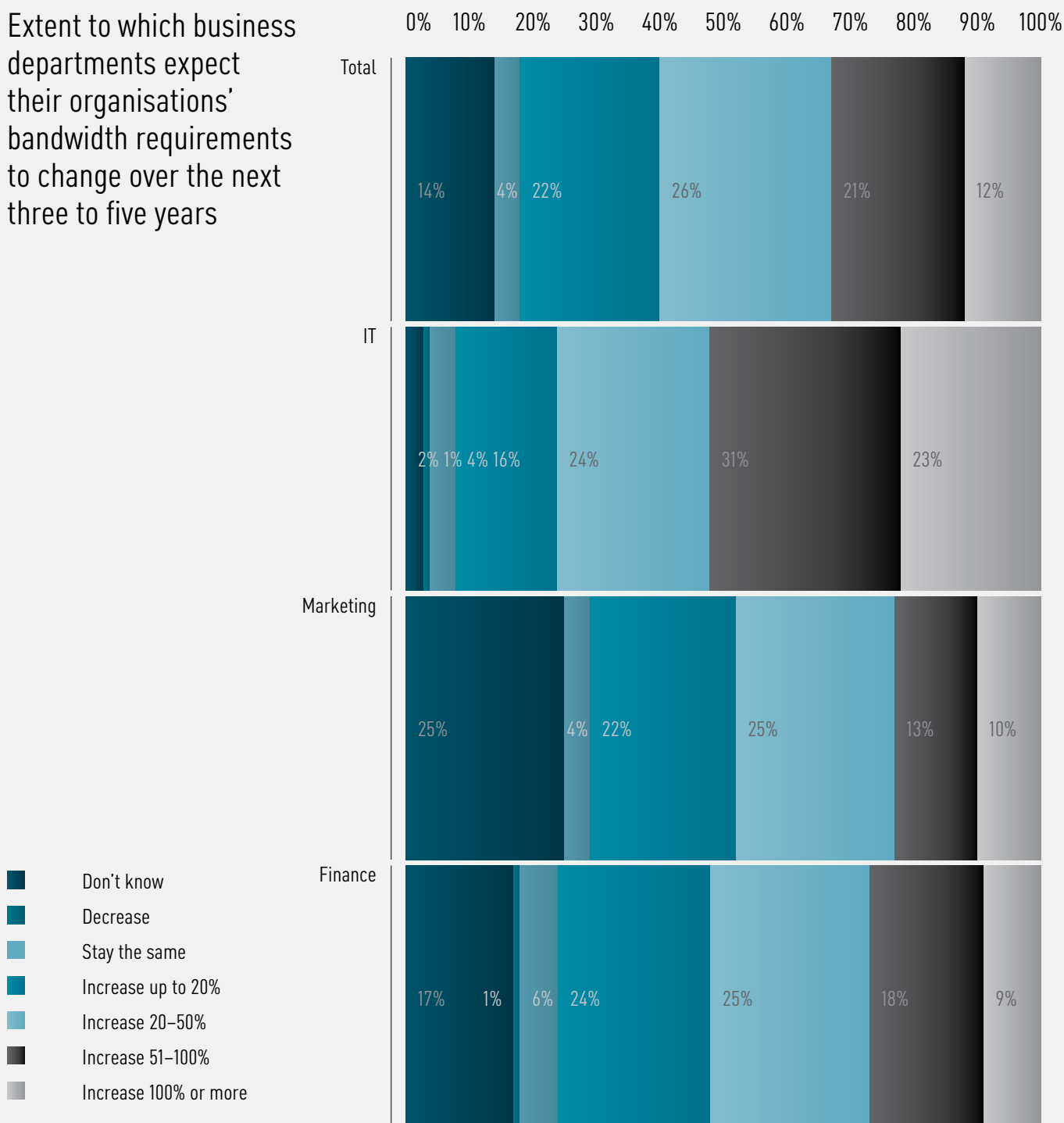


Bandwidth requirements to rise

Based on responses from IT, marketing and finance leaders, more than 80 per cent of organisations expected their fixed and mobile bandwidth requirements to grow over the next three to five years. One-third predicted their bandwidth needs would rise by more than 50 per cent, while 12 per cent forecast an increase of more than 100 per cent. However, the IT function – which could be expected to have the best understanding of an organisation's bandwidth requirements – expected a considerably greater rise than did marketing and finance. More than half of the surveyed IT leaders predicted bandwidth requirements to increase by more than 50 per cent, while nearly one-quarter anticipated a rise of more than 100 per cent. By contrast, less

than one-quarter of marketing managers and just over one-quarter of finance managers forecast a rise of more than 50 per cent in bandwidth demand over the next three to five years. One-quarter of marketing managers and 17 per cent of finance leaders said they did not know whether their organisation's bandwidth needs would rise, whereas only 2 per cent of IT managers offered a similar opinion.

Extent to which business departments expect their organisations' bandwidth requirements to change over the next three to five years

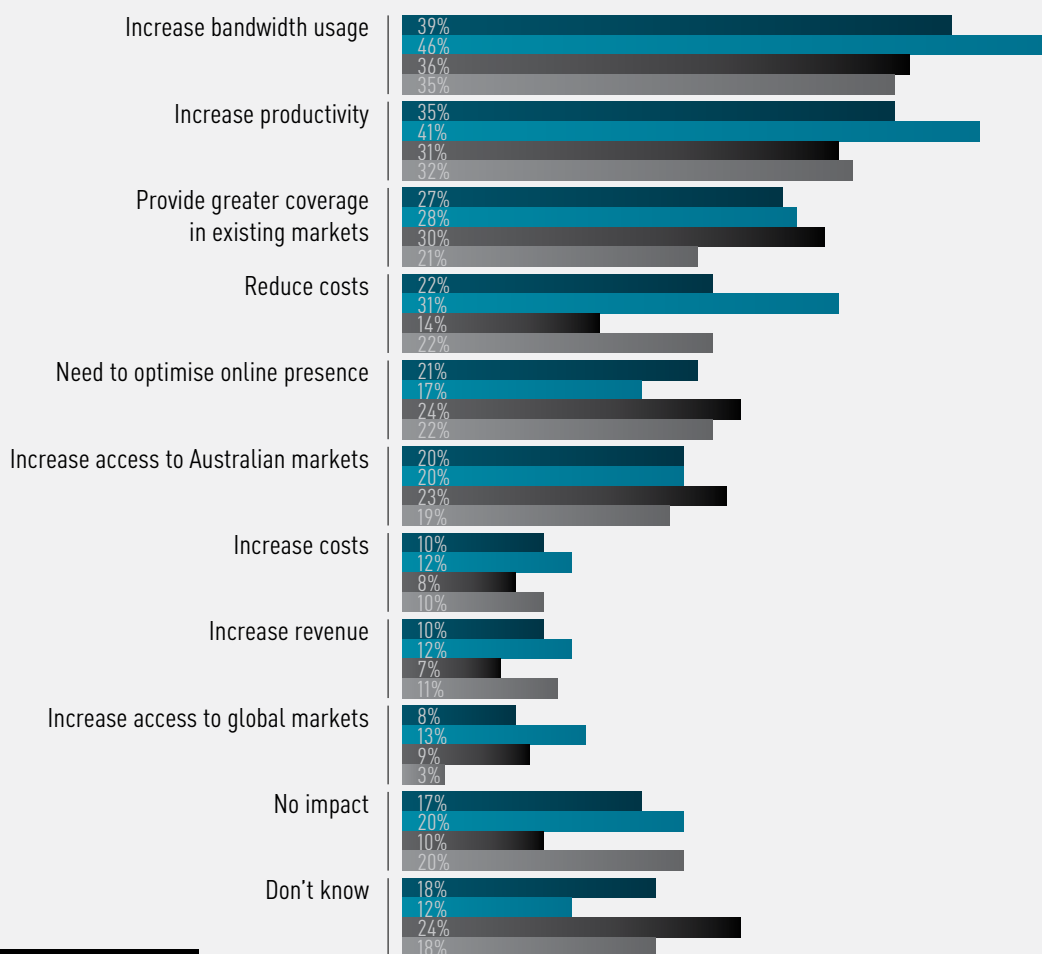


Few businesses have an NBN strategy

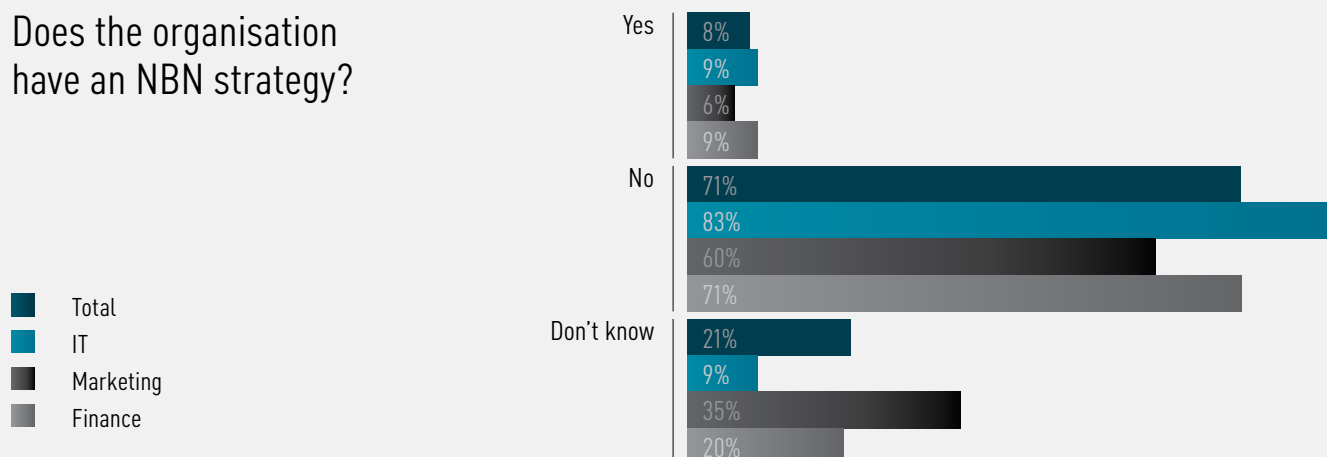
Nearly half (46 per cent) of organisations expected the National Broadband Network (NBN) to drive up bandwidth usage as part of selling to and servicing customers. A significant share (one-fifth or above) of organisations also believed the NBN would improve productivity, increase coverage of existing markets, reduce costs, require the organisation to optimise its online presence for high-speed access, and boost access to Australian markets. Only 10 per cent expected the NBN to increase their costs, but only a similar share expected the network to help them increase revenues. More than two-thirds (35 per cent) either did not know how the NBN would affect the way they sold products to and serviced customers, or believed it would not have any impact.

However, despite the expected benefits, less than 10 per cent of organisations had a strategy to make the most of the NBN, with IT leaders considerably more aware of their organisation's stance than their counterparts in marketing and finance. Only 60 per cent of marketing leaders could definitely say their organisation had no NBN strategy, while 35 per cent did not know. Less than three-quarters of finance leaders believed their organisation had no NBN strategy, while 20 per cent did not know. By contrast, more than four-fifths of IT leaders said their organisation had no NBN strategy, and fewer than one in 10 said they did not know.

How the NBN will impact the ways organisations sell to and service customers



Does the organisation have an NBN strategy?

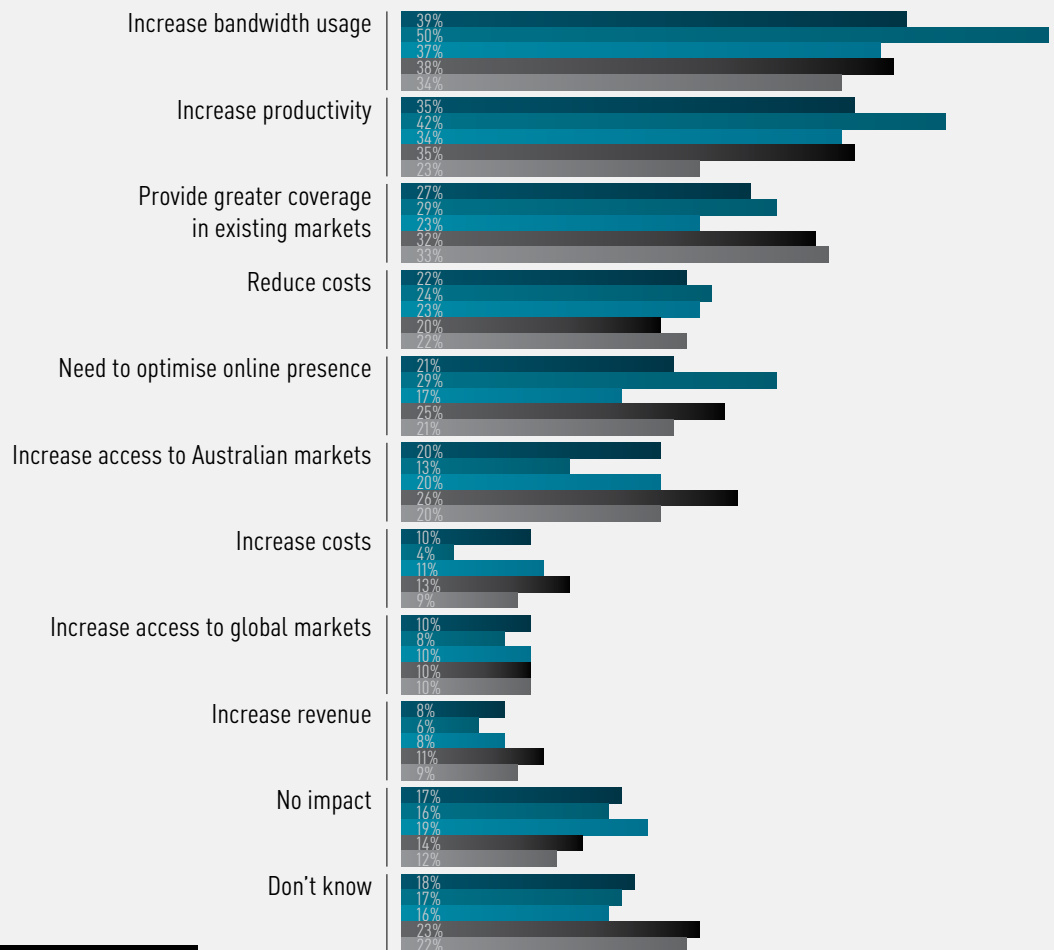
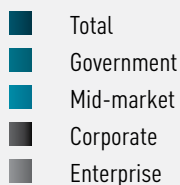


Government organisations are more aware of the NBN

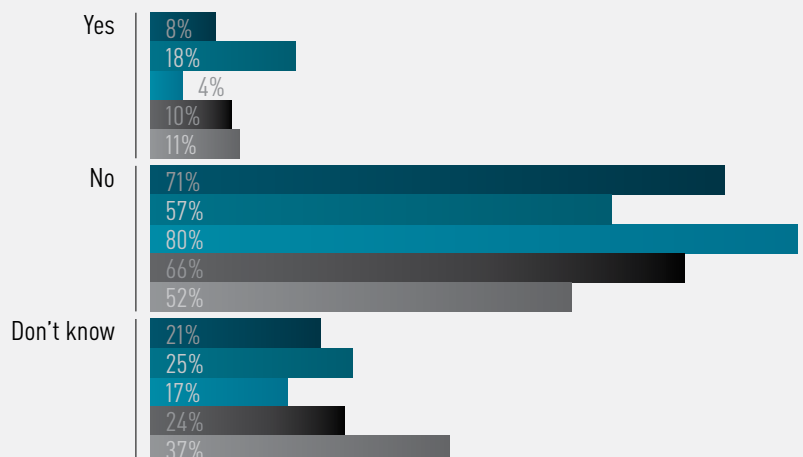
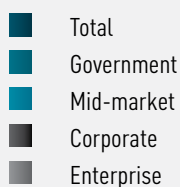
Government organisations were substantially more aware than their private sector peers of the impact of the NBN and the need to have a strategy for it. Half of the surveyed government organisations forecast that the NBN would increase their bandwidth usage in selling to and servicing customers, while 42 per cent said the NBN would boost productivity. However, less than one-third felt the need to optimise their online presence for

high-speed access. Nearly one-fifth (18 per cent) of government organisations had a strategy for the NBN – well ahead of the one in 10 of the largest private sector businesses. The NBN appeared to have barely registered with the mid-market sector as a business enabler; only 4 per cent of respondents in this category had a strategy to exploit the opportunity.

How the NBN will impact the ways organisations sell to and service customers, by sector



Does the organisation have an NBN strategy, by sector?





Mobile application feeds into improved field force efficiency

A customised mobile application is enhancing the scheduling and performance of field technicians at Global Food Equipment. Accessible on iPads issued to the technicians, the application enables service coordinators to schedule work efficiently, and the field workers themselves can review the service manuals and literature required to fix problems with equipment at customer locations. The technicians can use the iPad's built-in camera to take photos of their work for future reference, and, using a Bluetooth scanner, can input into Global Food Equipment's back-end systems the bar codes of parts used to fix defective equipment. The application can capture other data about the status and timing of individual jobs and feed it directly into the back-end systems for access by service coordinators and other employees. Field technicians can also give customers the option of paying for completed work while on site using a web payment gateway.

“We are also getting into place a mobile device management system that allows us to remote lock or wipe data from a lost or stolen device,” said Valter Ferreira, IT Manager, Global Food Equipment.

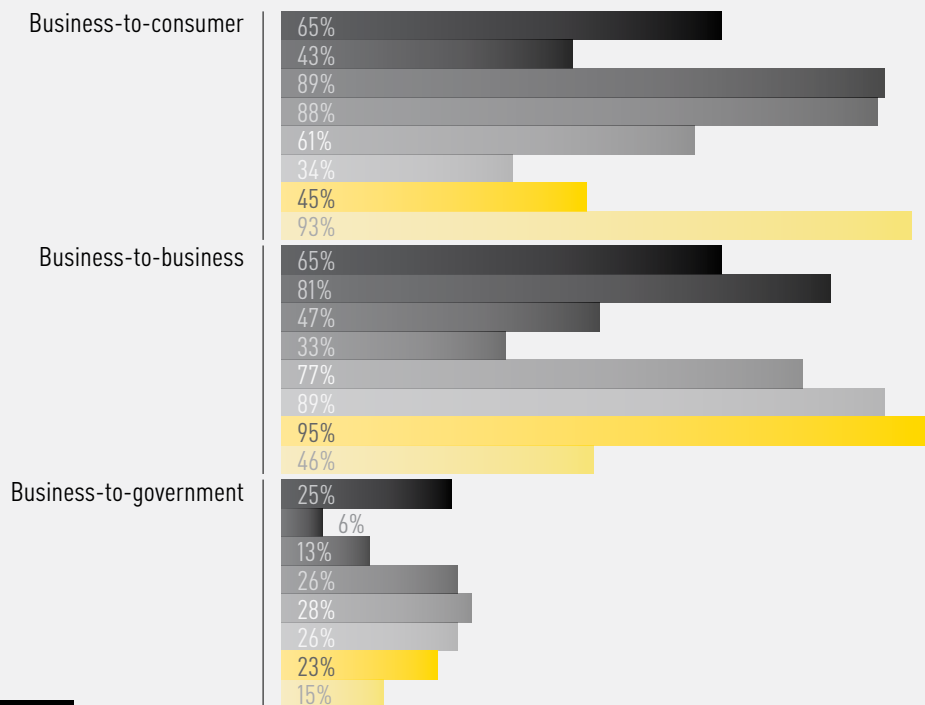
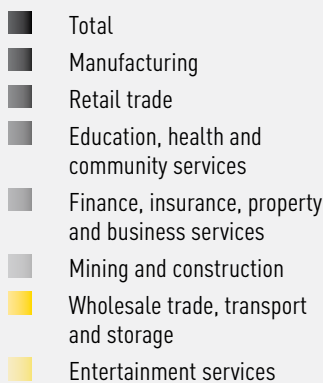
Industry-specific
results

Business context varies by industry

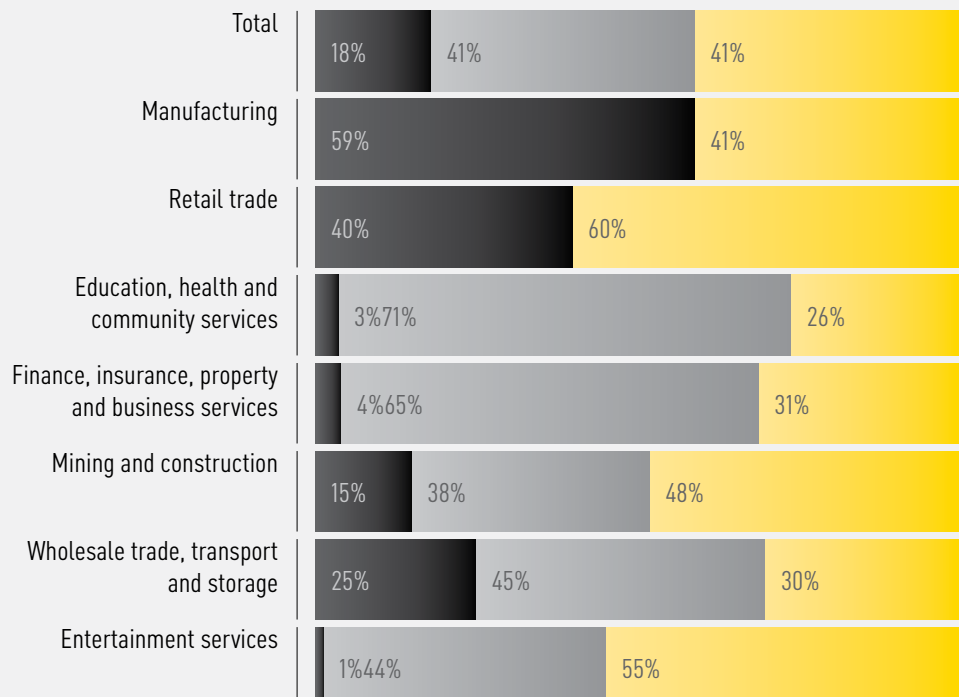
The mix of business-to-business, business-to-consumer and business-to-government respondents varied considerably by industry. Unsurprisingly, organisations that predominantly provided products or services to consumers were in the areas of retail trade; education, health and community services; and entertainment services. Business-to-business organisations operated in manufacturing; mining and construction; and wholesale trade, transport and storage. Generally speaking, the finance, insurance, property and business services sector was more likely to provide products and services to consumers rather than businesses. Across all industries except manufacturing, retail trade and entertainment

services, between 23 per cent and 28 per cent operated in a business-to-government context. About two-fifths of organisations offered products and the same provided services, while 18 per cent offered both.

Business context, by industry



Nature of business, by industry

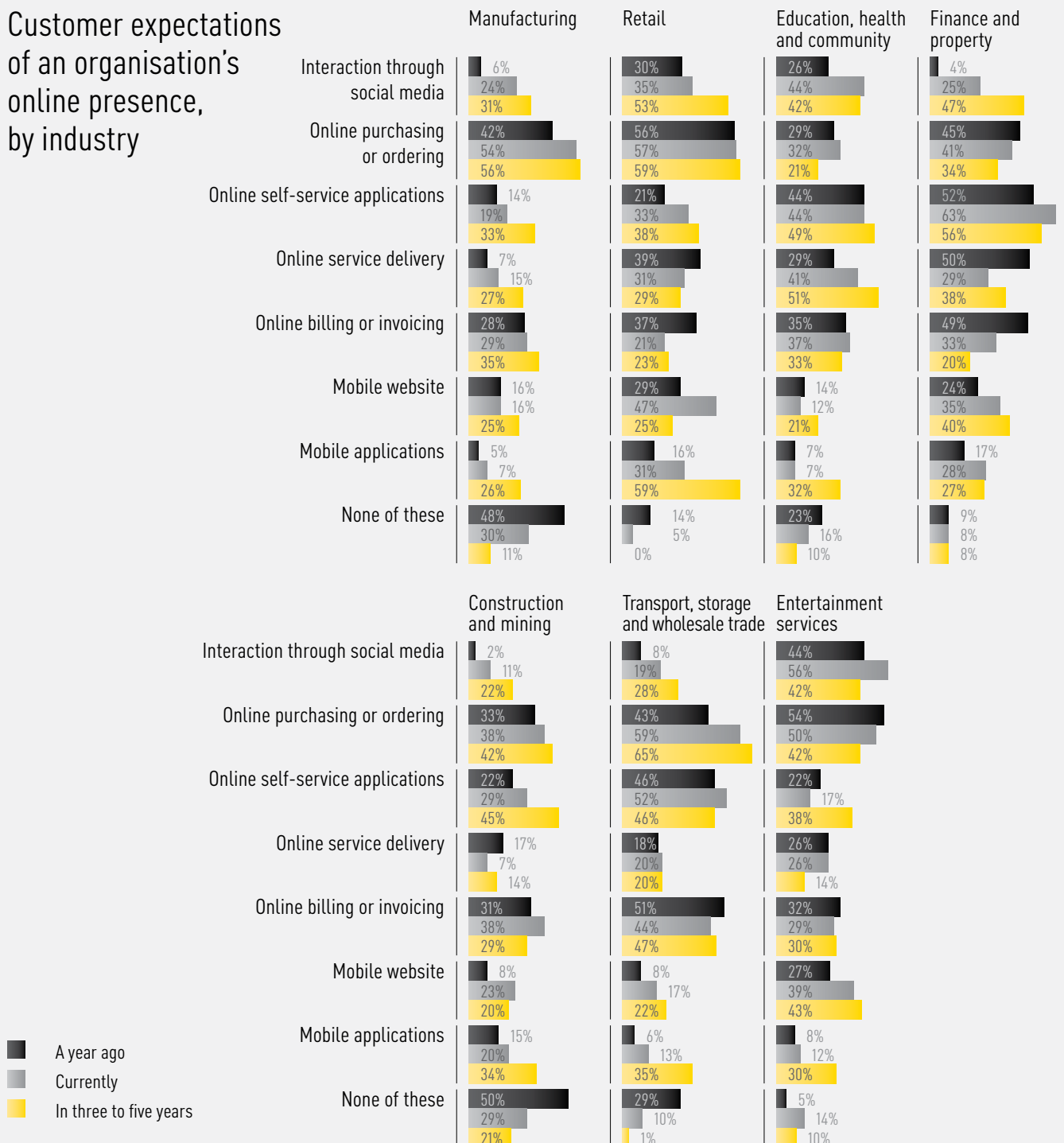


Customer expectations differ depending on industry

According to respondents, customers differed considerably in their expectations of how organisations should change their online presence. For example, only 26 per cent of manufacturing organisations said their customers expected them to offer mobile applications in three to five years (up from 7 per cent now), while 59 per cent of retail companies (up from 31 per cent now) said their customers expected them to offer mobile applications in the medium term. Similarly, 43 per cent of entertainment services organisations said their customers expected them to offer a mobile website in three to five years (up from 39 per cent now), whereas only 21 per cent of education, health and community organisations registered a similar

result (up from 12 per cent now). In some cases, these expectations vary from the online services respondents actually offered to their customers. For example, 59 per cent of respondents from the retail sector said their customers expected them to offer online purchasing and ordering in the medium term, up from 57 per cent at the moment. However, according to page 46, 36 per cent of retail respondents currently offer online purchasing and ordering services, and this was expected to rise to 73 per cent in three to five years. In this case, the sector apparently expects to transform itself in the medium term, from lagging behind to leading customer expectations.

Customer expectations of an organisation's online presence, by industry

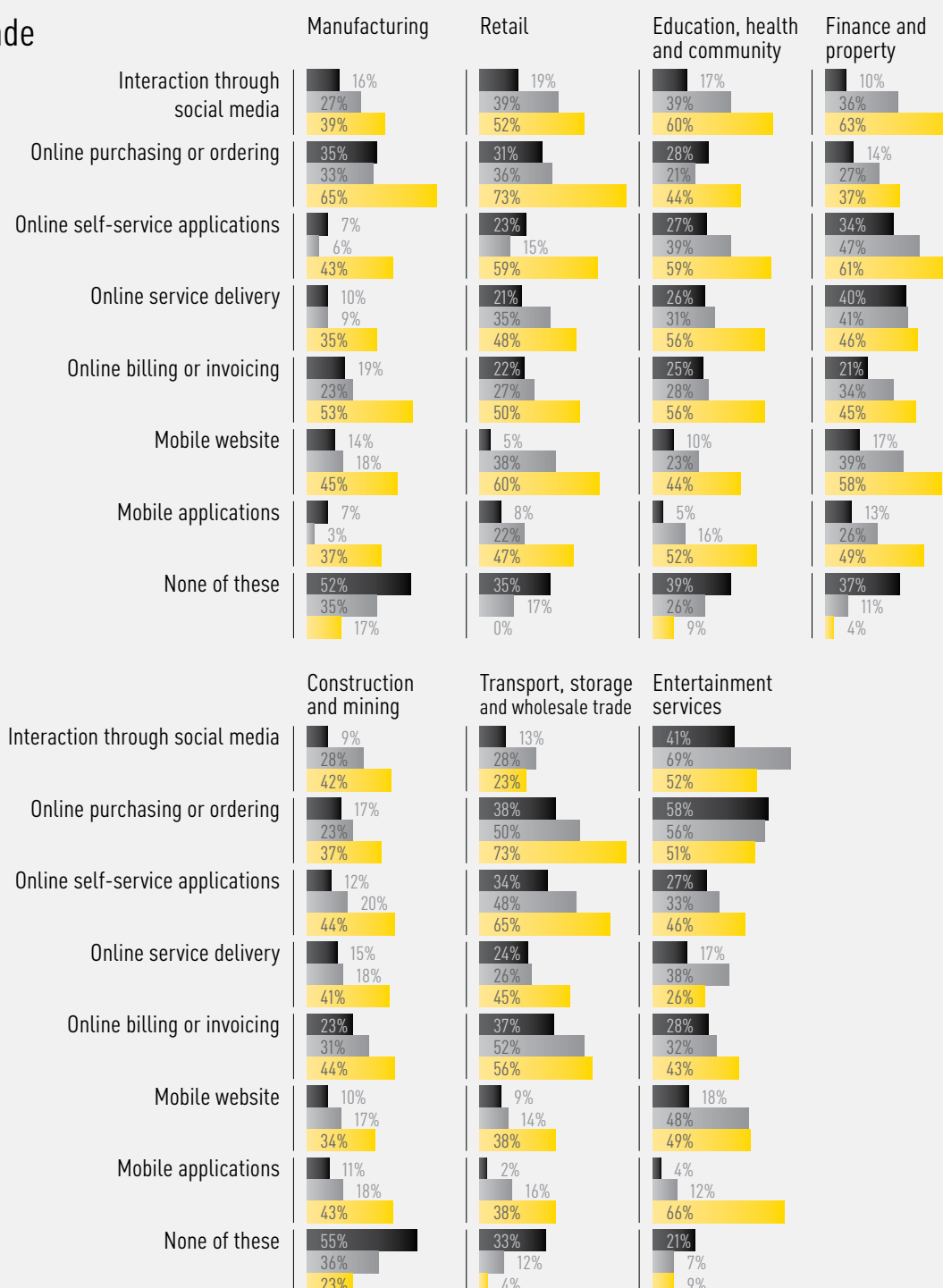


Manufacturing plans a big transformation from a low base

The applications offered to customers varied considerably by industry. For example, 6 per cent of manufacturing organisations currently provided online self-service applications, whereas 48 per cent of transport, storage and wholesale trade organisations – and 47 per cent of finance and property organisations – made these applications available to customers. The extent to which these organisations expected to ramp up their offerings also varied considerably. For example, the share of transport, storage and wholesale trade organisations expecting to offer online billing and invoicing services is expected to rise from 52 per cent now to 56 per cent in three to five years. The share of education, health and community

organisations planning to do the same in three to five years was also 56 per cent, but this was from a base of 28 per cent now. When all application types are taken into account, the manufacturing sector appeared to be planning the most significant online transformation over the next three to five years.

Applications made available to customers, by industry

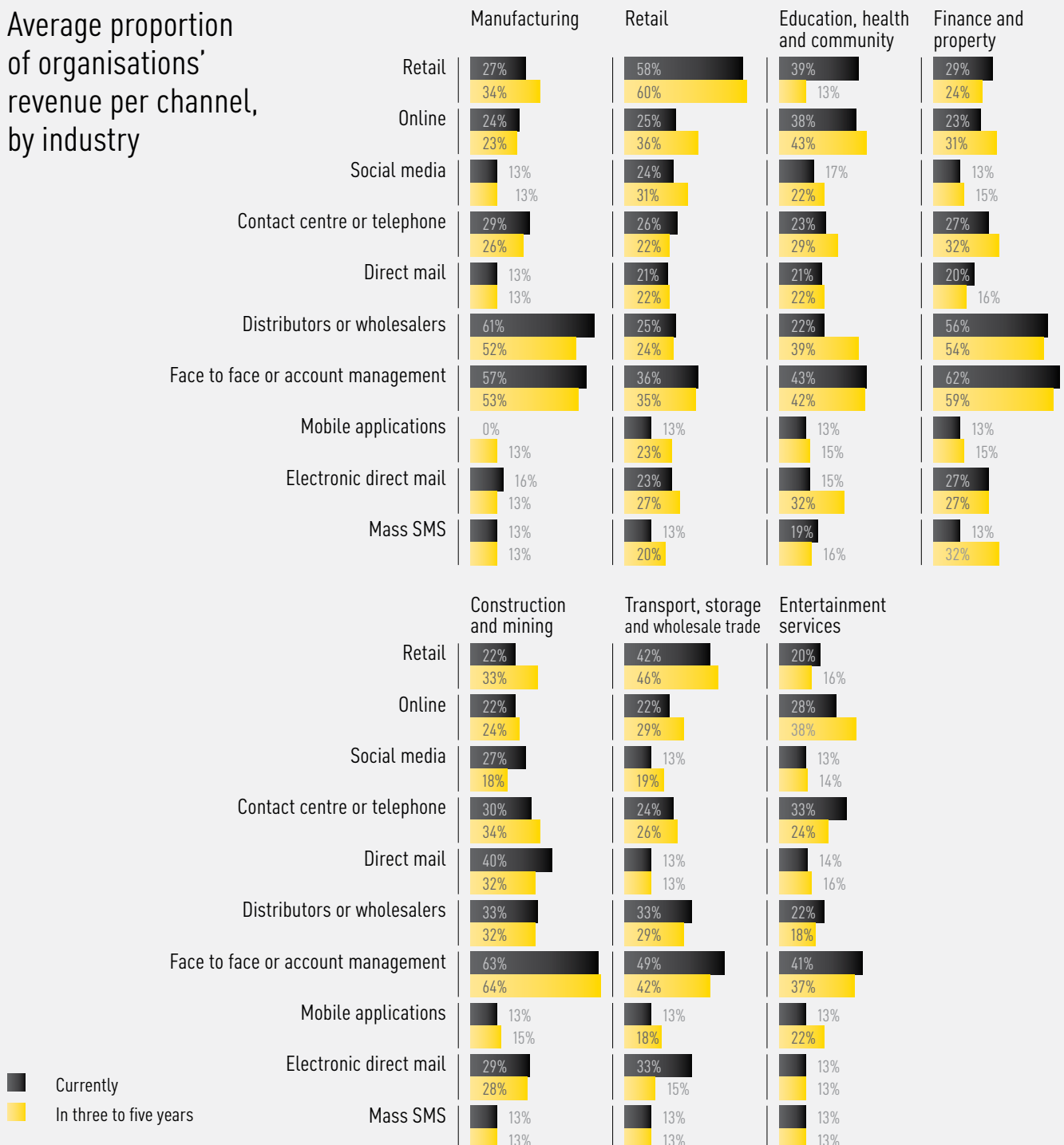


Online prompting a shake-up of revenue channels at organisations

Some industries expected to see a change in the mix of revenue channels, with online forecast to grow significantly for some but not others. For example, on average, retail companies anticipated the share of revenue generated through online channels to rise from 25 per cent to 36 per cent in three to five years, while manufacturing companies saw online revenue shares falling slightly from 24 per cent to 23 per cent. On average, entertainment services organisations also forecast

a sharp rise in the proportion of revenue derived from online, up from 28 per cent currently to 38 per cent in the medium term. Respondents also predicted a substantial increase in the share of revenue from the online channel over the next three to five years in the industries of finance and property; education health and community services; and transport, storage and wholesale trade.

Average proportion of organisations' revenue per channel, by industry

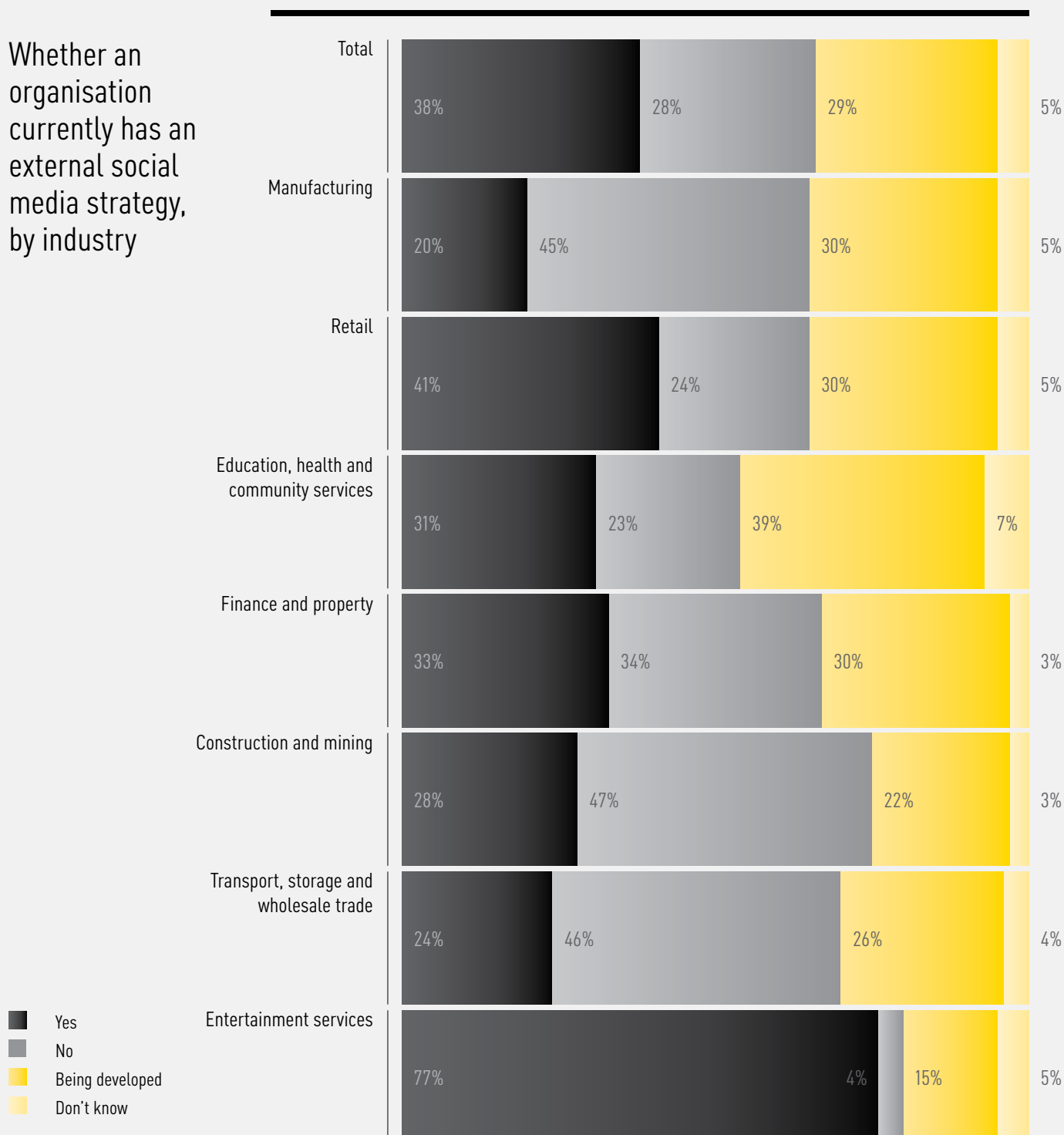


Entertainment a clear leader in external social media strategy

Nearly two-fifths (38 per cent) of organisations applied an external social media strategy to communicate with customers, with the entertainment services sector – including accommodation; cafes and restaurants; cultural and recreational services; and personal and other services – a clear leader (77 per cent). This is likely due, in part at least, to the benefit of publicising events and artists to communities of interest on social media websites such as Facebook. Retail trade was the next most social media-savvy sector; 41 per cent of respondents had a social media strategy. Businesses that typically operated in the business-to-business context – in industries such as manufacturing; construction and mining; and

transport, storage and wholesale trade – were least likely to have a social media strategy. Of those sectors that have embraced the format, the education, health and community sector was generally the least advanced; only 39 per cent of businesses in this area had an external social media strategy under development. For all other sectors except entertainment, the share of organisations developing a social media strategy ranged from 22 per cent to 30 per cent.

Whether an organisation currently has an external social media strategy, by industry

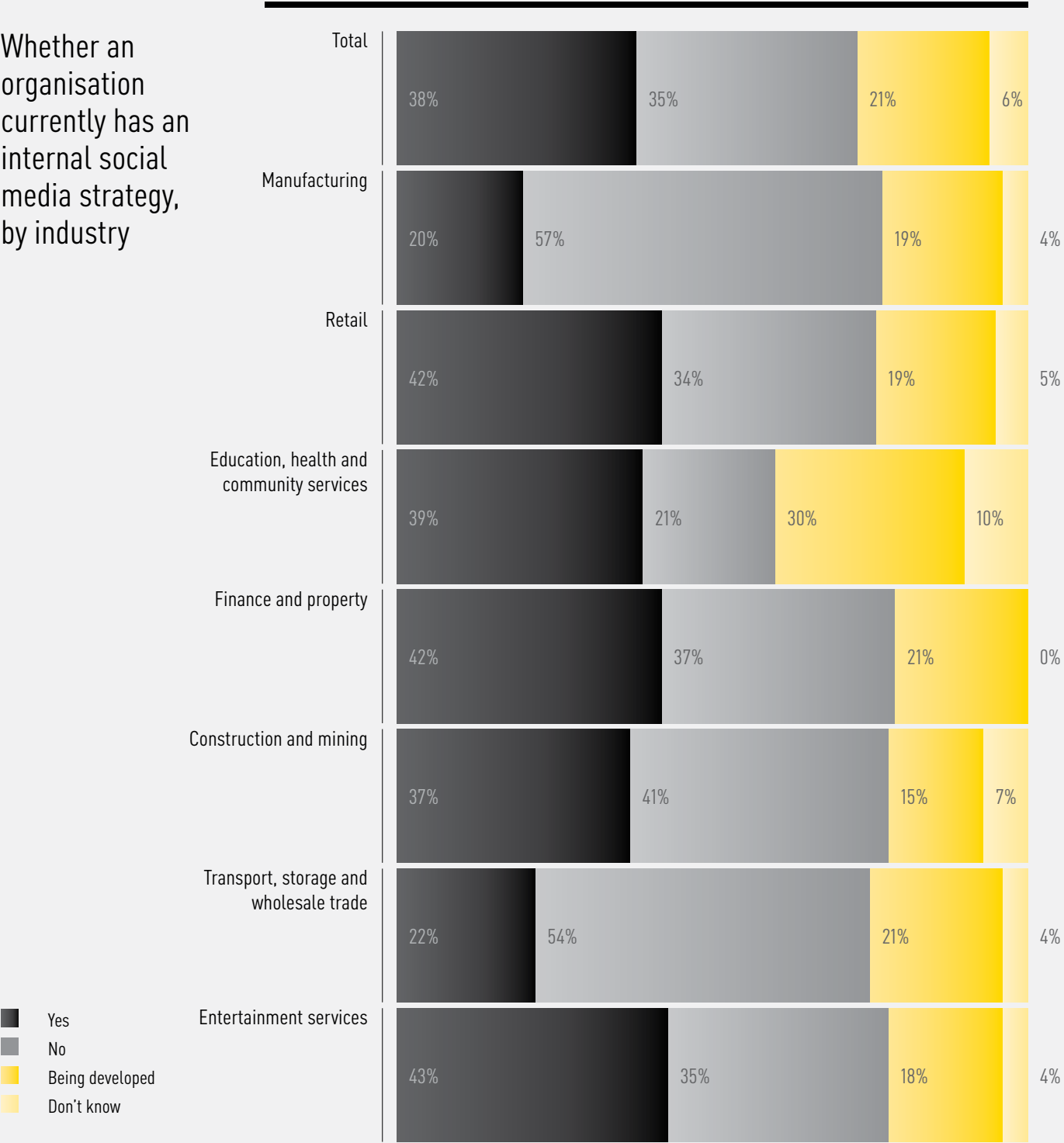


Internal social media strategies are spread more evenly

The share of organisations with an internal social media strategy was more evenly matched across industries, excluding the manufacturing sector and businesses in transport, storage and wholesale trade. Across retail; education, health and community services; finance and property; construction and mining; and entertainment services, between 37 per cent and 43 per cent

of respondents had implemented an internal social media strategy. Education, health and community services again lagged behind those industries implementing an internal social media strategy, with nearly one-third (30 per cent) of businesses still developing their plan. In other industries, this figure ranged between 15 per cent and 21 per cent.

Whether an organisation currently has an internal social media strategy, by industry



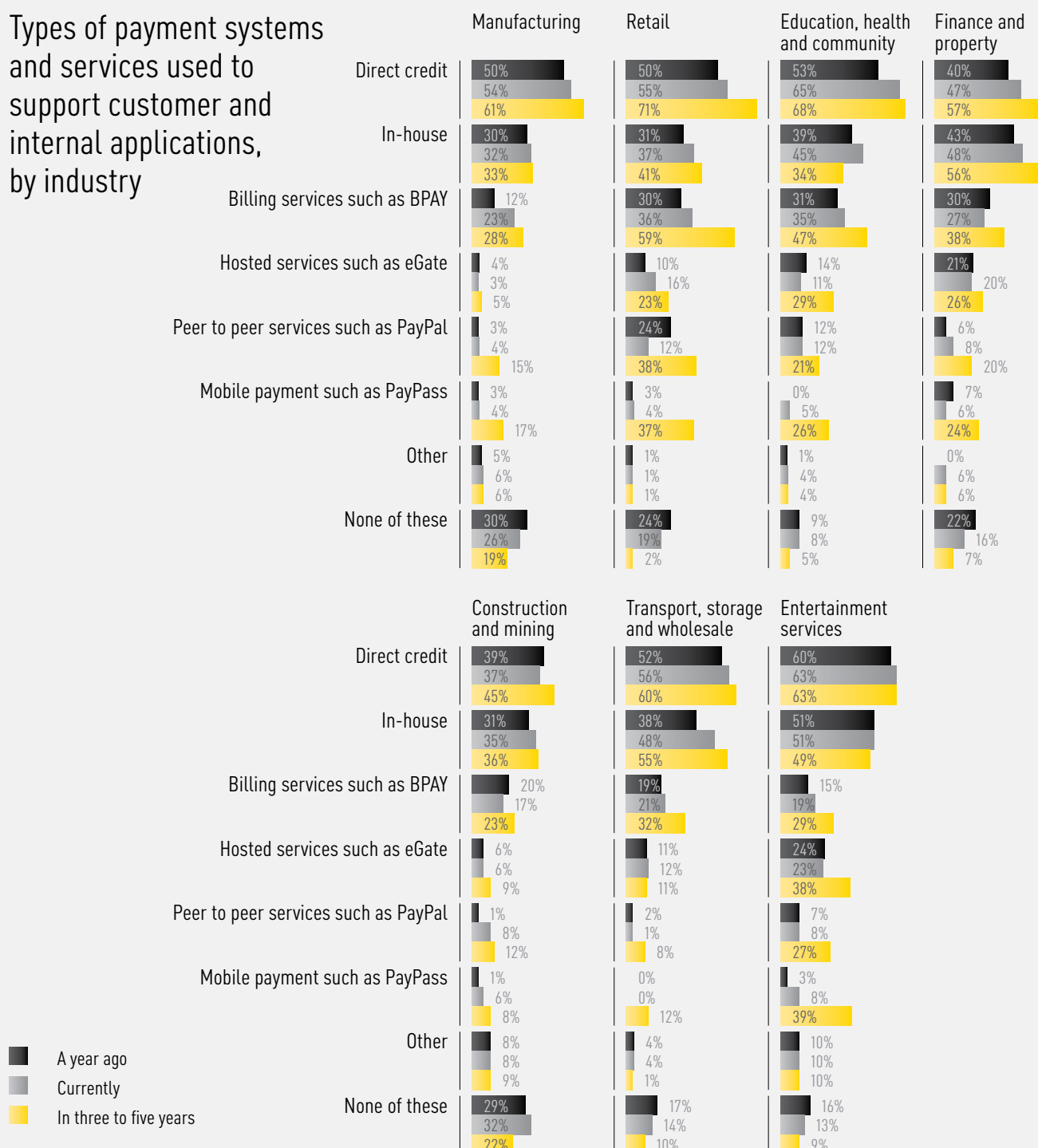
Peer-to-peer and mobile payment systems on the increase

Direct credit and in-house systems dominated the payment systems and services offered by organisations to support applications. However, organisations in the retail and entertainment services sectors in particular forecast a sharp rise in the use of peer-to-peer and mobile payment services over the next three to five years. While support in the retail sector for peer-to-peer payment services slipped from 24 per cent a year ago to 12 per cent today, organisations expected this to rise again to 38 per cent over the next three to five years. In the entertainment services sector, only 8 per cent of organisations currently used peer-to-peer payment services, but the sector expected to see this rise to 27 per cent in three to five years.

The increase of mobile payment services in these sectors was likely to be even more dramatic; 37 per cent of retail organisations expected to offer mobile payment services in three to five years, up from 4 per cent today, while among entertainment services businesses, this was expected to rise from 8 per cent to 39 per cent in the medium term.

Most industries also forecast a substantial increase in the use of billing services such as BPAY over the next three to five years. Fifty-nine per cent of retail organisations expected to offer these services in three to five years, up from 36 per cent today, while most other sectors forecast medium-term increases of between 5 and 12 percentage points.

Types of payment systems and services used to support customer and internal applications, by industry

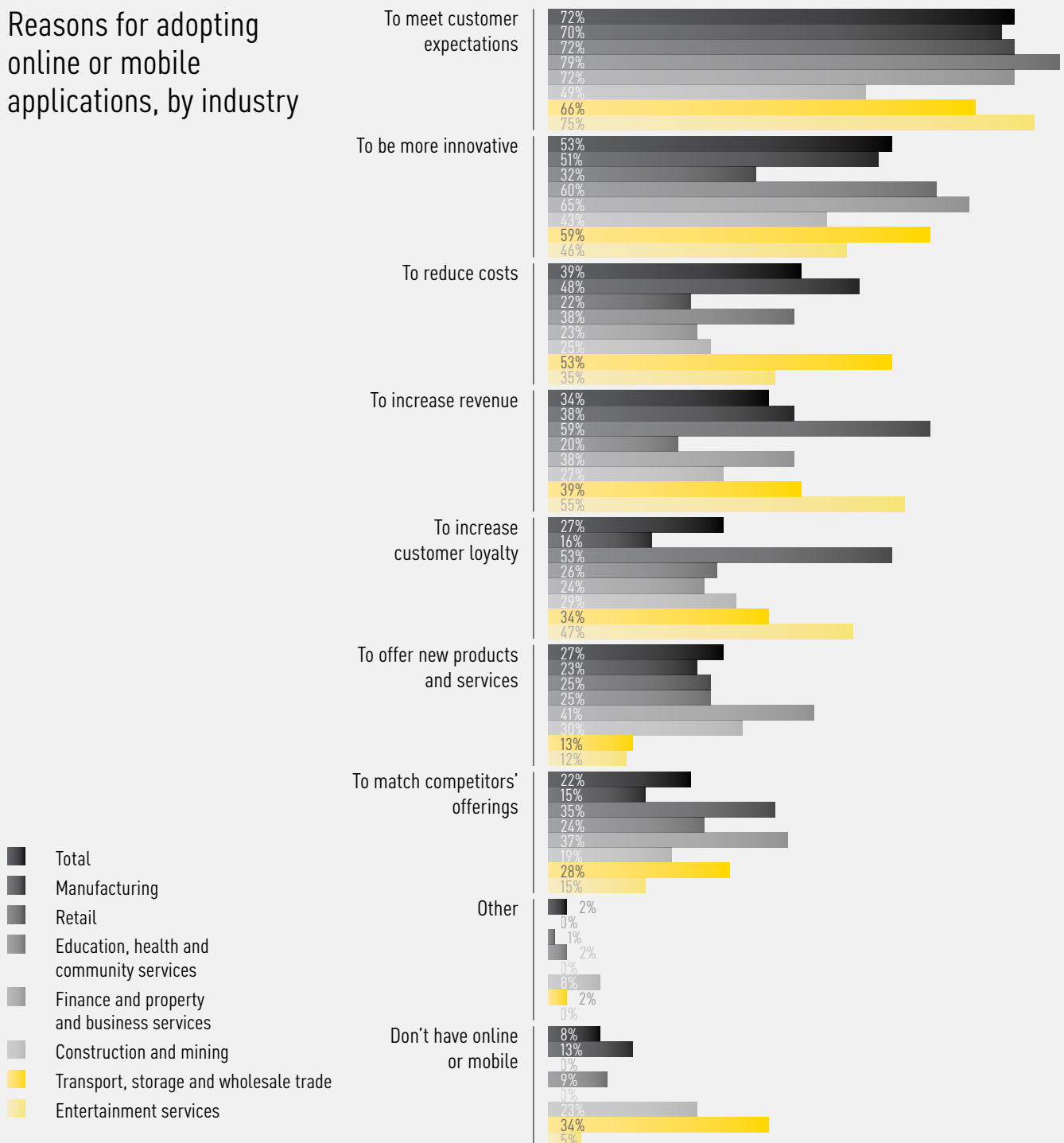


Reasons for adopting applications vary considerably

The reasons for adopting online and mobile applications varied considerably by industry. Excluding the construction and mining sector, 66 to 79 per cent of businesses implemented applications to meet customer expectations. Only 49 per cent of construction and mining businesses cited meeting customer expectations as driving their application planning, while 53 per cent of transport, storage and wholesale organisations said they developed applications to reduce costs, which was well ahead

of all industries except manufacturing. Fifty-nine per cent of retail and 55 per cent of entertainment businesses deployed online and mobile applications to increase revenue; businesses in the same two sectors also dominated those that did so to increase customer loyalty. Over one-third (34 per cent) of transport, storage and wholesale trade businesses did not have online or mobile applications, followed by construction and mining organisations (23 per cent).

Reasons for adopting online or mobile applications, by industry

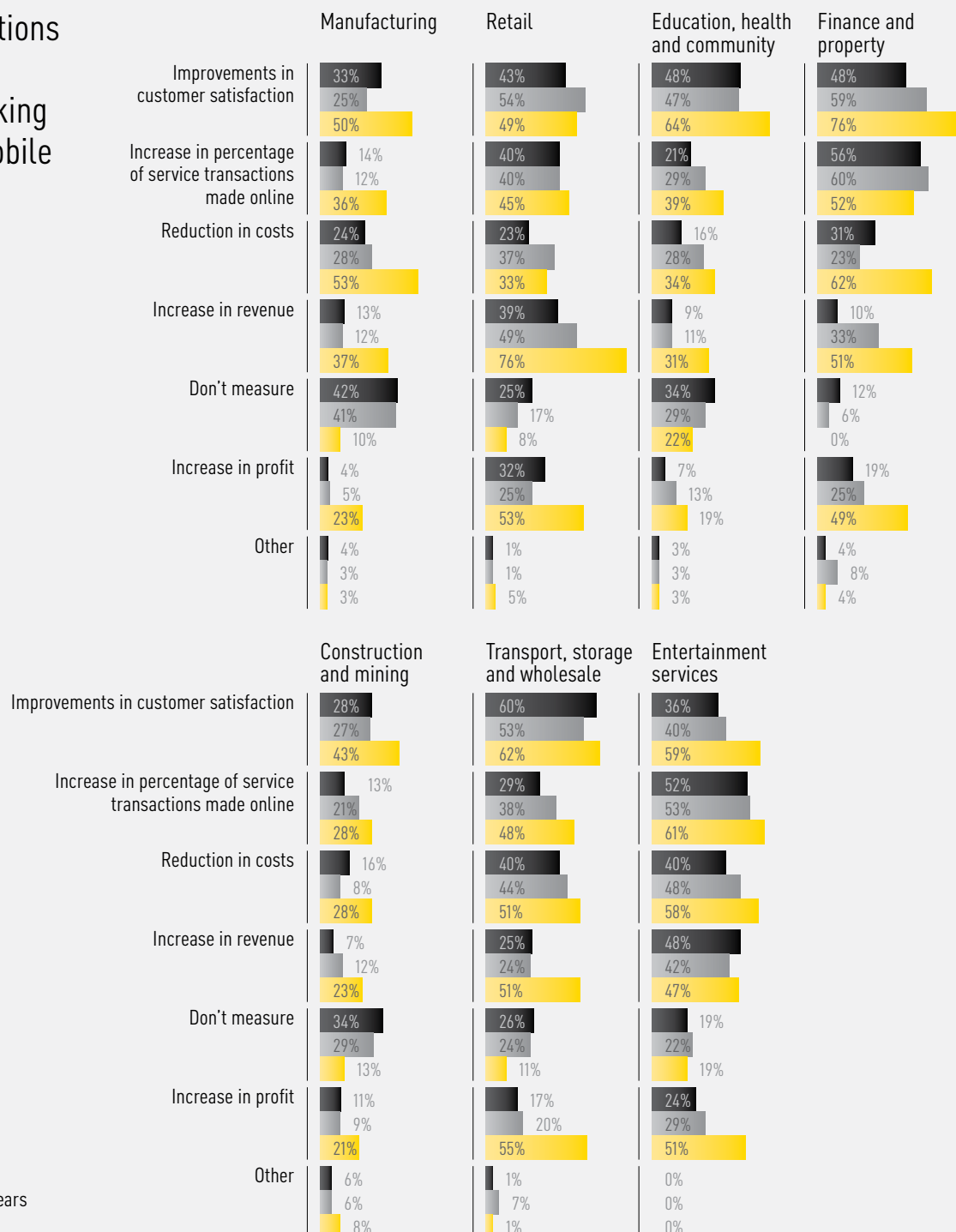


Some industries are more likely to measure direct application benefits

Some industries were more likely than others to measure the direct benefits derived from online or mobile applications. Unsurprisingly, these industries such as finance, property and retail were typically more mature in developing and using these applications. Over the next three to five years, nearly two-thirds (62 per cent) of finance and property organisations expect to measure the direct

benefits of online and mobile applications in terms of reduced costs, while 51 per cent anticipated using increased revenue as a measure over the same period. However, improvements in customer satisfaction will dominate in the medium term as a measure of online benefits, with substantial growth forecast across most industries.

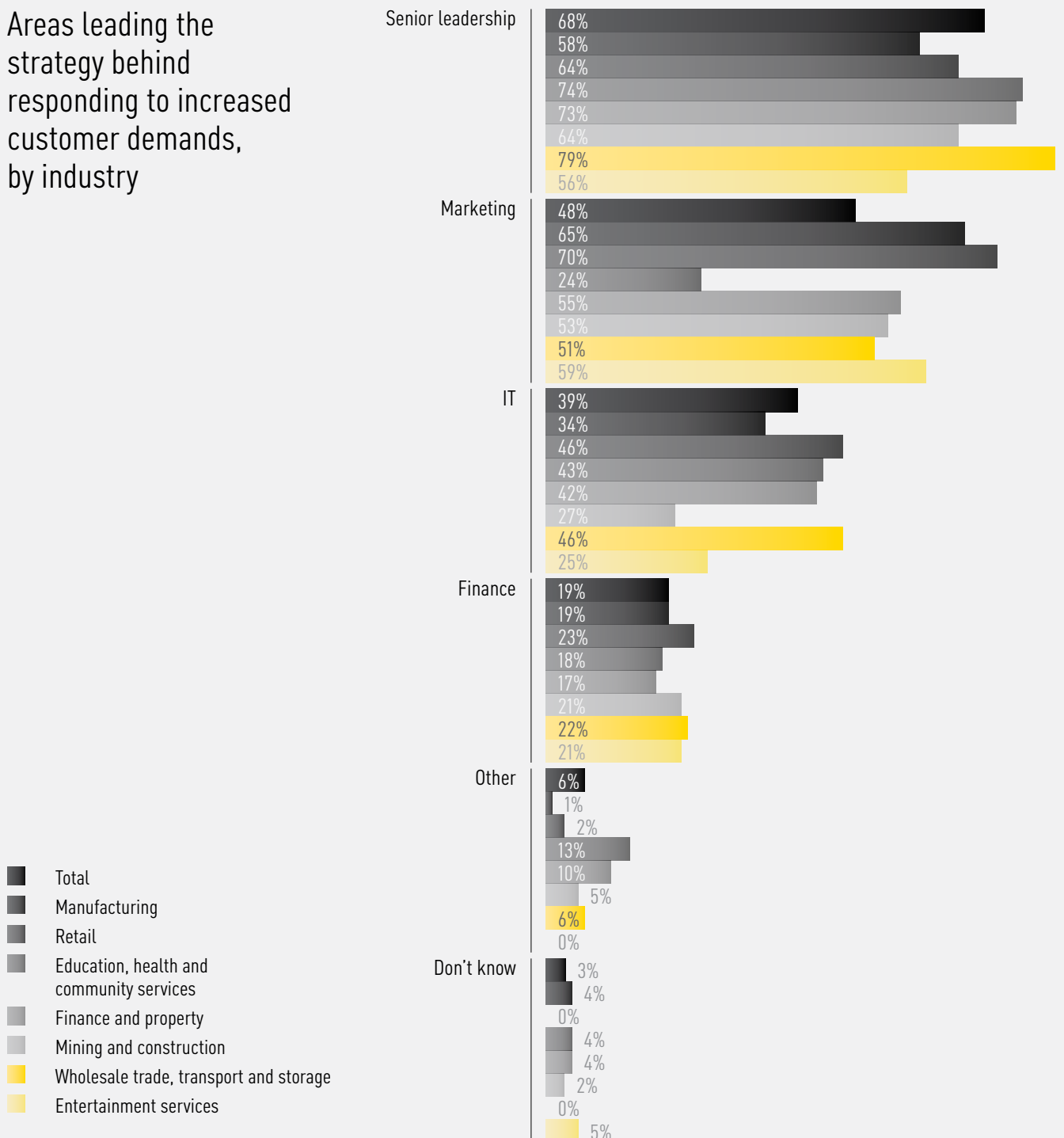
How organisations measure the benefit of making online and mobile applications available to customers, by industry



Senior leadership driving strategies in most industries

Senior leadership is driving the strategy to meet these changing customer expectations in most industries. In a few industries, marketing and senior leadership appear to be partnering to lead this strategy; 59 per cent of entertainment businesses said marketing was leading the effort, compared to 56 per cent that said senior leadership was doing so. In retail – another marketing-centric sector – 70 per cent of businesses said marketing led the strategy, while 64 per cent said senior leadership teams did so. Interestingly, marketing assumed a similar leadership role in the manufacturing sector, with 65 per cent nominating marketing as the strategy leader and 58 per cent designating senior leadership.

Areas leading the strategy behind responding to increased customer demands, by industry

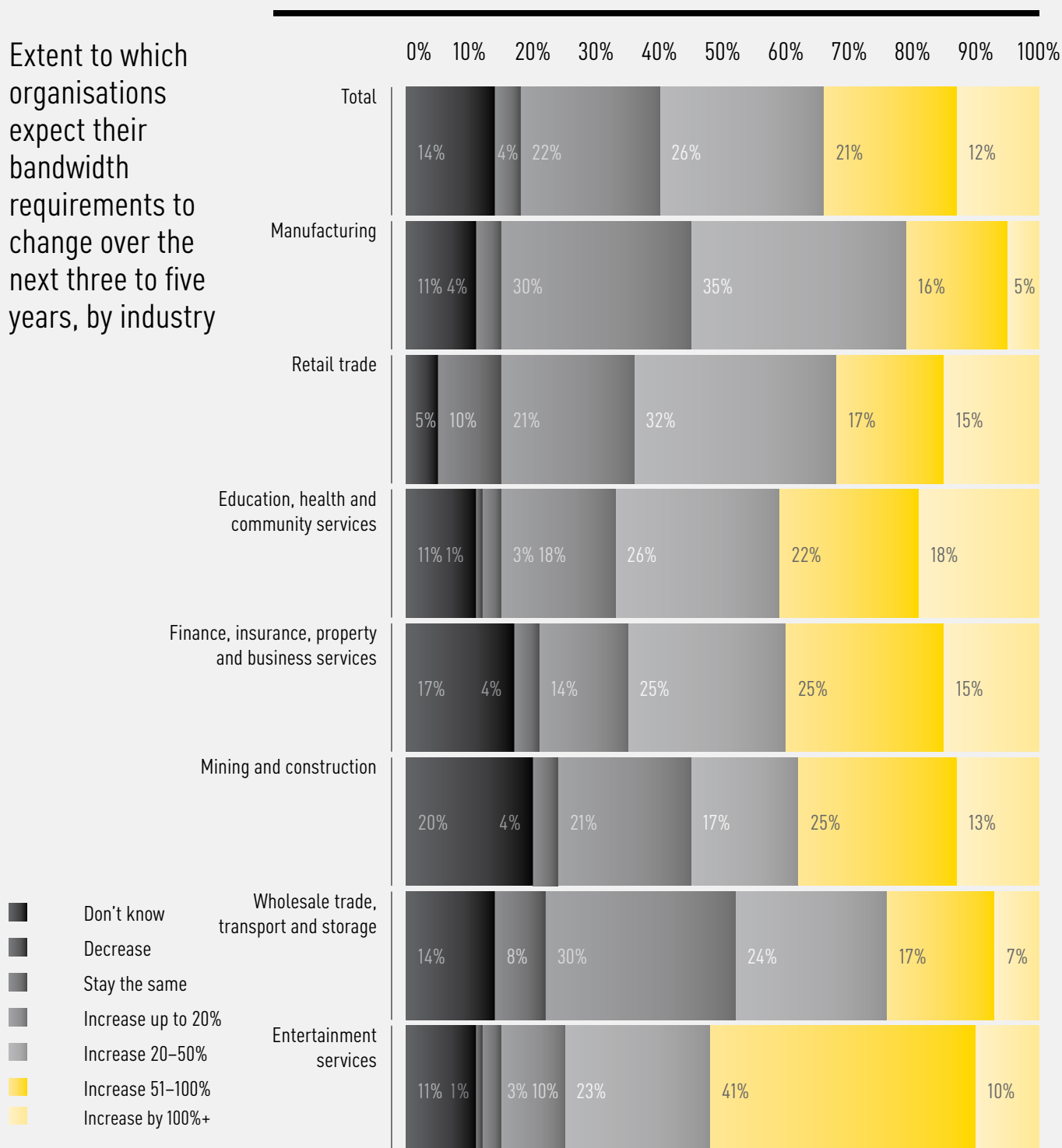


Bandwidth requirements vary considerably

Expected future bandwidth requirements varied by industry. About half (51 per cent) of surveyed entertainment services businesses expected their fixed and mobile bandwidth needs to rise by more than 50 per cent over the next three to five years, compared to an all-industries average of 33 per cent. Only about one-fifth (21 per cent) of manufacturing businesses expected a similar

medium-term outcome. Twenty per cent of mining and construction organisations did not know what their three-to-five-year bandwidth needs would be, while only 5 per cent of retail trade respondents ventured a similar opinion. Only a small percentage of respondents (less than 10 per cent except for retail trade) in each industry predicted that their bandwidth requirements would remain static.

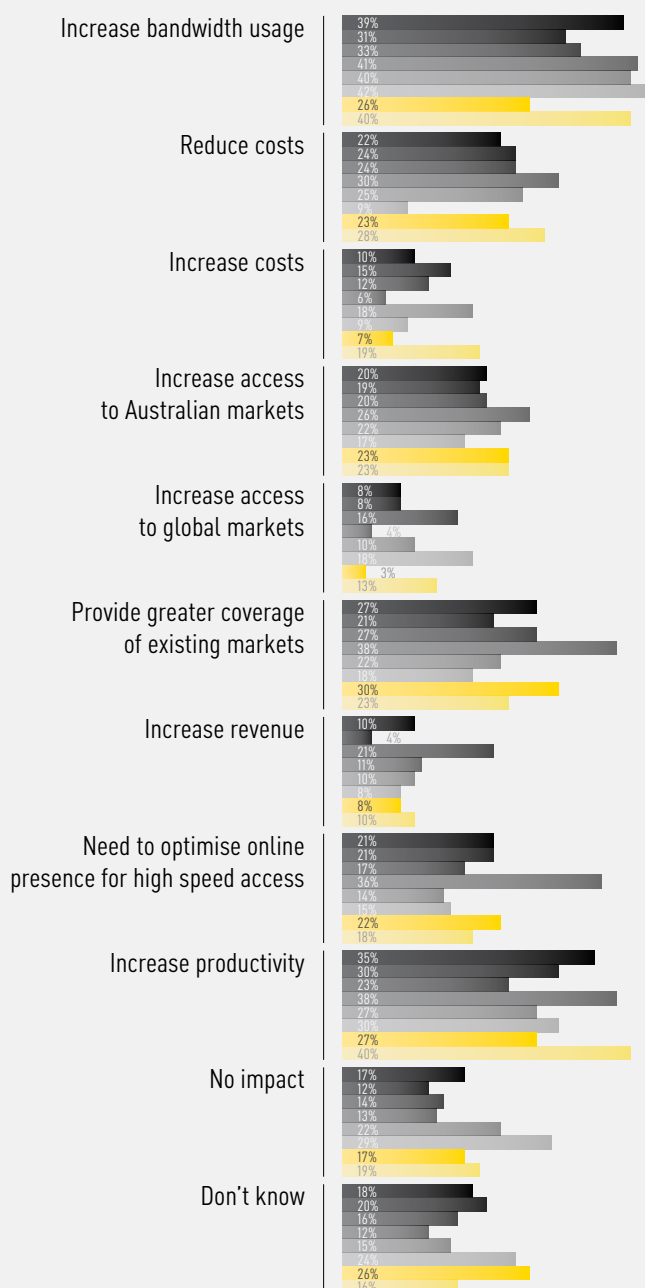
Extent to which organisations expect their bandwidth requirements to change over the next three to five years, by industry



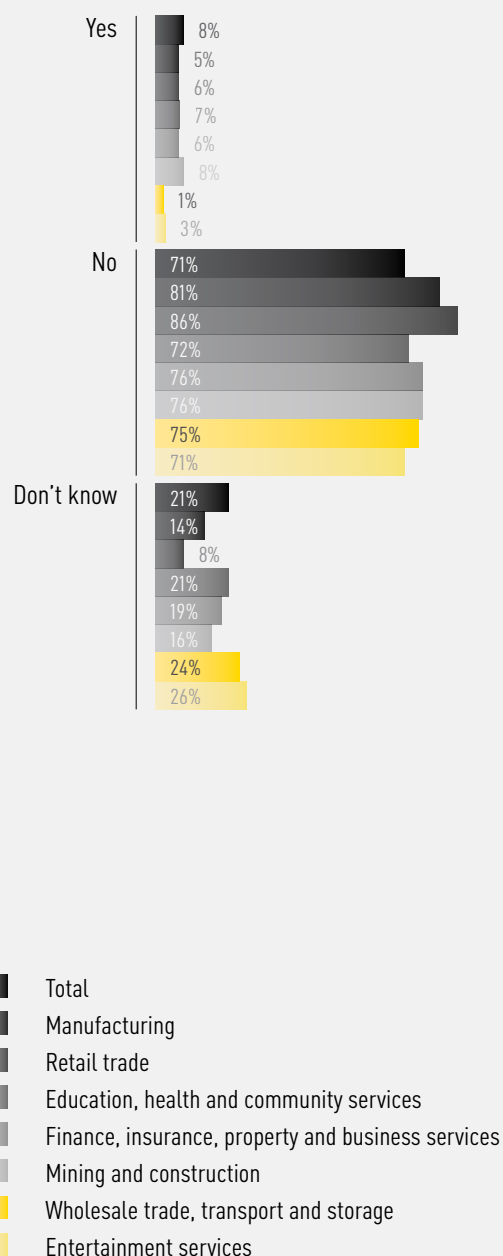
Different industries predict different NBN outcomes

Different industries predicted different outcomes in the way the NBN will affect them. Two-fifths of entertainment services businesses expect the NBN to increase productivity, whereas less than one-quarter (23 per cent) of retail trade organisations had a similar view. About two-fifths of education, health and community services businesses believe the NBN will provide greater coverage within their existing markets, while only 18 per cent of mining and construction organisations believe the same. No particular industry stands out as having a strategy for the NBN, but in several sectors, more than one-fifth of respondents did not know whether their business had one or not.

Impact of the NBN on the ways organisations sell to and service customers, by industry



Whether the organisation has a strategy for NBN, by industry



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