

IT - The next sacred cow?

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Urban myths or true quotes?



- No flying machine will ever fly from New York to Paris ... [because] no known motor can run at the requisite speed for four days without stopping... -- Orville Wright
- I think there is a world market for maybe five computers." -- *Thomas Watson, chairman of IBM, 1943.*
- "Where a calculator on the ENIAC is equipped with 18,000 vacuum tubes and weighs 30 tons, computers in the future may have only 1,000 vacuum tubes and weigh only 1.5 tons." -- *Popular Mechanics, 1949*

Urban myths or true quotes?



- "640K ought to be enough for anybody." -- *Attributed to Bill Gates, 1981, but believed to be an urban legend*
- "Computers will benefit even more than telephones from the development of integrated circuits in ever smaller 'chips,' and very small computers may emerge. Most computers will probably still occupy a large room, however, because of the space needed for the ancillary software - the tapes and cards to be fed in, the operating staff, and the huge piles of paper for printing out the results. But future computers, though no smaller, will be capable of doing far more than their predecessors."
- professor Desmond King-Hele, *The End of the Twentieth Century*, 1970

Agenda



- A brief introduction to Legal & General
- Low value to High value
- Were they right or were they wrong?
- The way IT will support businesses in future

Introduction to Legal & General



- Legal & General is in the FTSE top 50
- Over 5.2 million customers
- Over 8,500 staff
- At end 2003 £138 billion funds, worldwide, under management
- Mainly in the UK but have operations in the USA, France, the Netherlands and Germany

'Life Insurer of the Year' for the fourth year running, and for the fifth time in six years.



1940 Assertion

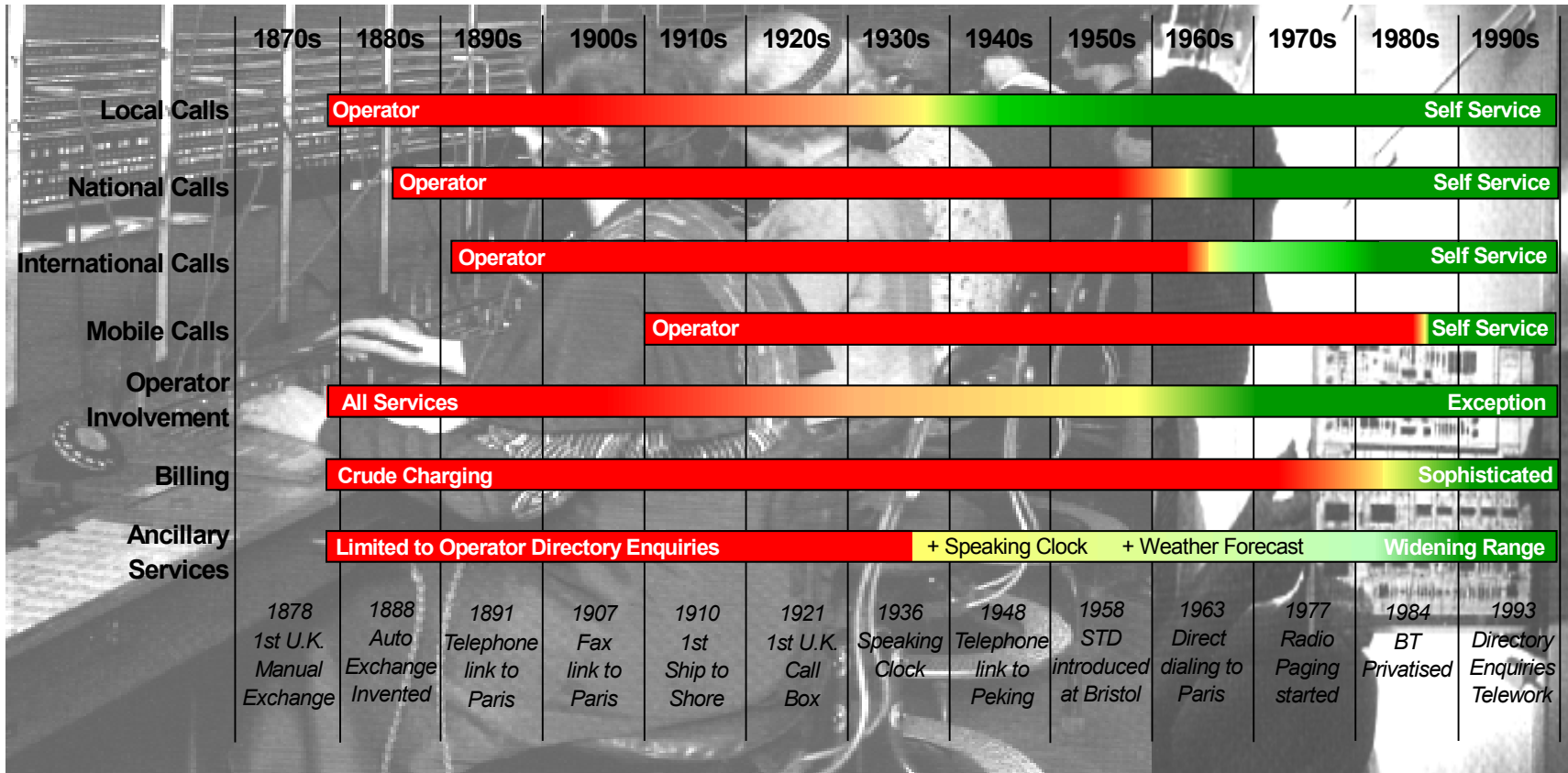


- The whole world will become telephone operators
- Right or wrong?

The whole world is a telephone operator but in a different way



U.K. Exchanges	1878 1st Manual	1912 1st Electro-Mechanical	1958 STD start	1968 1st Digital	1985 1st Cellular 
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1970 Assertion



- There will be no programmers in 1975
- Right or wrong?

1980/90 Assertion



- The main frame is dead
- Right or wrong?

My Current Assertion



- Either (virtual) IT will report to Finance in 5-10 years, so completing the full circle
- And/or The IT industry in the UK will not exist .
- Right or wrong?

So what is my logic?



- Outsourcing will continue apace
 - High value jobs continue off-shore
 - School leavers/graduates won't go into IT
- In-house skills will die out and be impossible to replace
 - No technical career path
 - No means of growing the necessary skills
 - Internal knowledge dies out
 - New skills (contract management) required
- Outsource the outsourced contract
 - Contract + technical management not a core competence
 - Consultant companies will be able to offer career paths
 - They have the culture necessary to tightly manage

My Challenge to you



- Will I be right or will I be wrong?

A Little aside



- The future of buying Insurance?
- Right or Wrong?



Thank you

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