Research Report

Abstract:

2016 IT Spending Intentions Survey

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Introduction

Research Objectives

In order to assess IT spending priorities over the next 12-18 months, ESG recently surveyed 633 IT professionals representing midmarket (100 to 999 employees) and enterprise-class (1,000 employees or more) organizations in North America and Western Europe. All respondents were personally responsible for or familiar with their organizations' 2015 IT spending as well as their 2016 IT budget and spending plans at either an entire organization level or at a business unit/division/branch level.

The survey was designed to answer the following questions:

- What are organizations' general spending plans for IT products and services in 2016?
- How do 2016 spending plans compare with previous years and how do they vary by geographic region, and industry?
- What is driving the changes between 2015 spending and 2016 planned spending?
- What *business* initiatives are currently having the greatest impact on IT spending?
- What do organizations identify as their most important IT priorities over the next 12 months? What do organizations rank as their ***single most important IT priority*** for 2016?
- Within specific technology segments—such as cloud computing, cybersecurity, big data analytics, and virtualization—which initiatives and technologies will sustain investment over the next 12 months?
- What measures—if any—are organizations taking in 2016 to control or reduce IT costs?
- What factors will be most important in justifying IT investments to the business over the next 12 months?
- In what areas do organizations believe they currently have a problematic shortage of existing IT skills?
- In what functional areas do senior IT managers believe skills development would be *most* beneficial to *their employees* (i.e., IT staff) in terms of their career path and, ultimately, to the benefit to the organization?
- In which areas of cybersecurity do organizations believe they have the biggest skills deficiency?

Survey participants represented a wide range of industries including manufacturing, financial services, health care, communications and media, retail, government, and business services. For more details, please see the *Research Methodology* and *Respondent Demographics* sections of this report.

Research Methodology

To gather data for this report, ESG conducted a comprehensive online survey of IT professionals from private- and public-sector organizations in North America (United States and Canada), Western Europe (United Kingdom, France, and Germany), and Australia between December 4, 2015 and January 4, 2016. To qualify for this survey, respondents were required to be IT managers personally responsible for or familiar with their organizations' overall 2016 IT budget and spending plans, either at an entire organization level or at a business unit/division/branch level. Respondents who were only responsible for IT spending at a departmental or workgroup level were disqualified. All respondents were provided an incentive to complete the survey in the form of cash awards and/or cash equivalents.

After filtering out unqualified respondents, removing duplicate responses, and screening the remaining completed responses (on a number of criteria) for data integrity, we were left with a final total sample of 633 IT managers.

Please see the *Respondent Demographics* section of this report for more information on these respondents.

Note: Totals in figures and tables throughout this report may not add up to 100% due to rounding.

Respondent Demographics

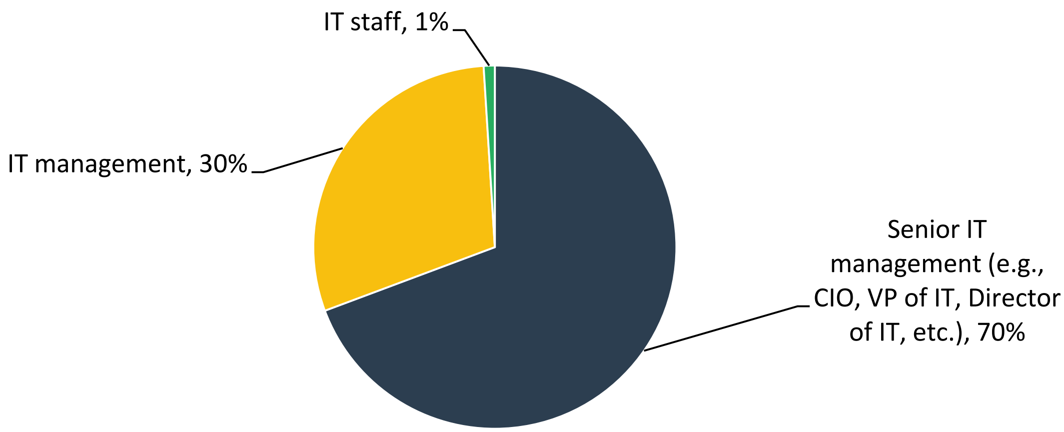
The data presented in this report is based on a survey of 633 qualified respondents. Figure 1 through Figure 9 detail the demographics of the respondent base, including individual respondents' current job responsibilities, as well as respondent organizations' total number of employees, primary industry, annual revenue, IT budget, length of existence, geographic region, and overall purchasing pattern for IT products, among others.

Respondents by Job Responsibility

Respondents' current job responsibility is shown in Figure 1.

Figure 1. Survey Respondents, by Job Responsibility

Which of the following best describes your current responsibility within your organization? (Percent of respondents, N=633)



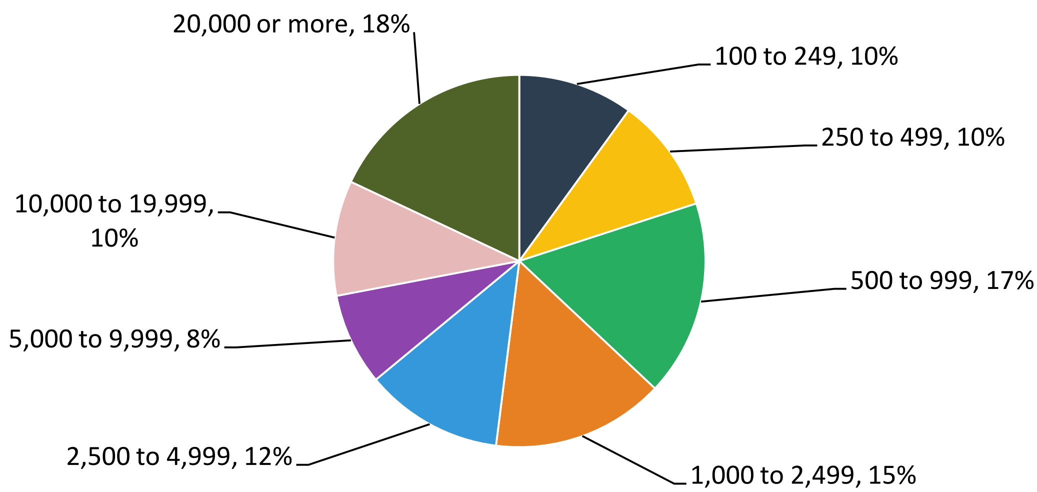
Source: Enterprise Strategy Group, 2016.

Respondents by Number of Employees

The number of employees in respondents' organizations is shown in Figure 2.

Figure 2. Survey Respondents, by Number of Employees

How many total employees does your organization have worldwide? (Percent of respondents, N=633)



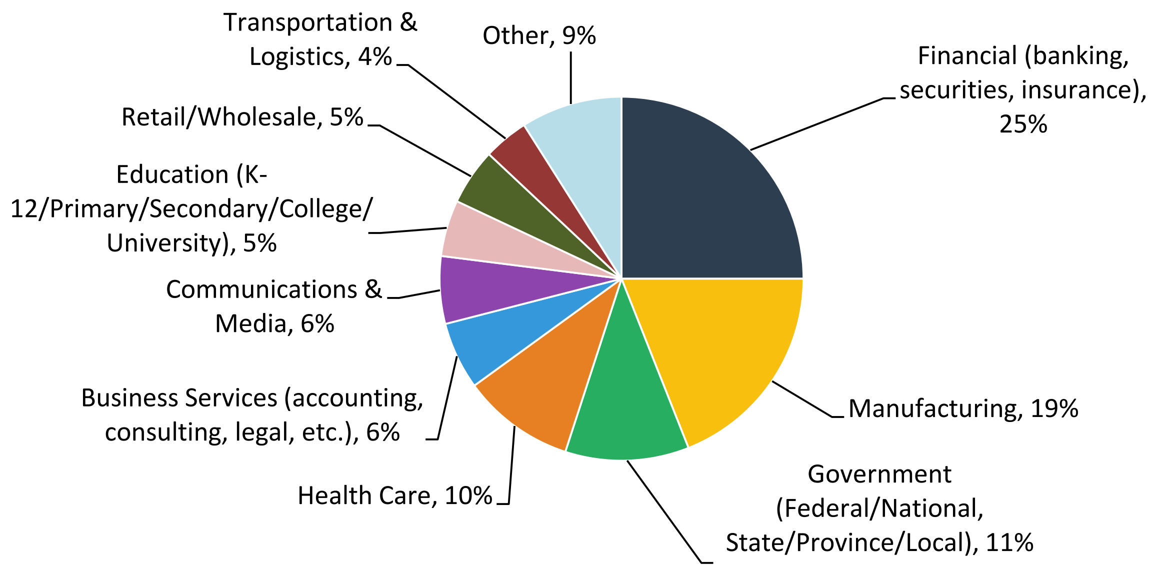
Source: Enterprise Strategy Group, 2016.

Respondents by Industry

Respondents were asked to identify their organization's primary industry. In total, ESG received completed, qualified responses from individuals in 19 distinct vertical industries, plus an "Other" category. Respondents were then grouped into the broader categories shown in Figure 3.

Figure 3. Survey Respondents, by Industry

What is your organization's primary industry? (Percent of respondents, N=633)



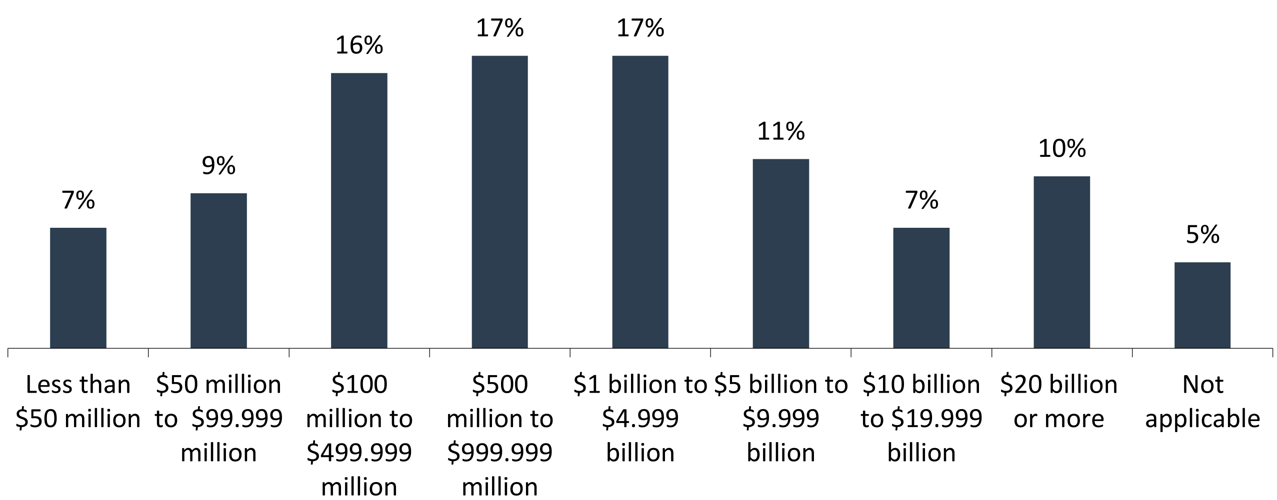
Source: Enterprise Strategy Group, 2016.

Respondents by Annual Revenue

Respondent organizations' annual revenue is shown in Figure 4.

Figure 4. Survey Respondents, by Annual Revenue

What is your organization's total annual revenue ($US)? (Percent of respondents, N=633)

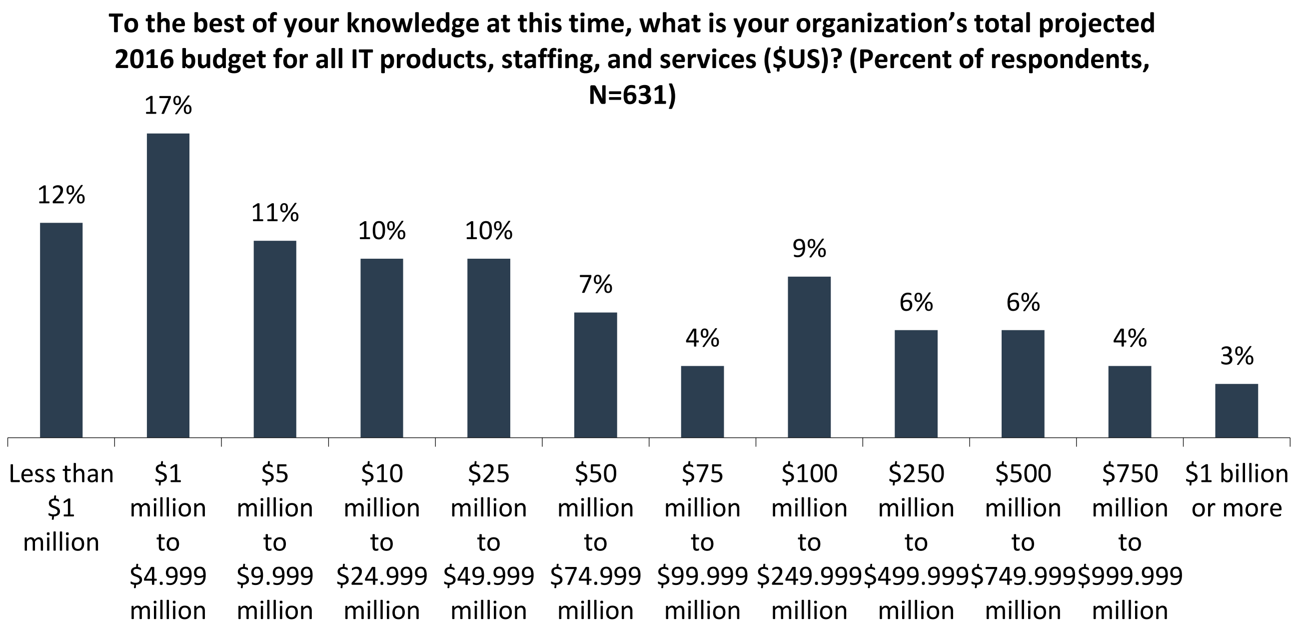


Source: Enterprise Strategy Group, 2016.

Respondents by Total 2016 Overall IT Budget

The total expected 2016 spending on IT products, staffing, and services is shown in Figure 5.

Figure 5. Total 2016 Budget for All IT Products, Staffing, and Services

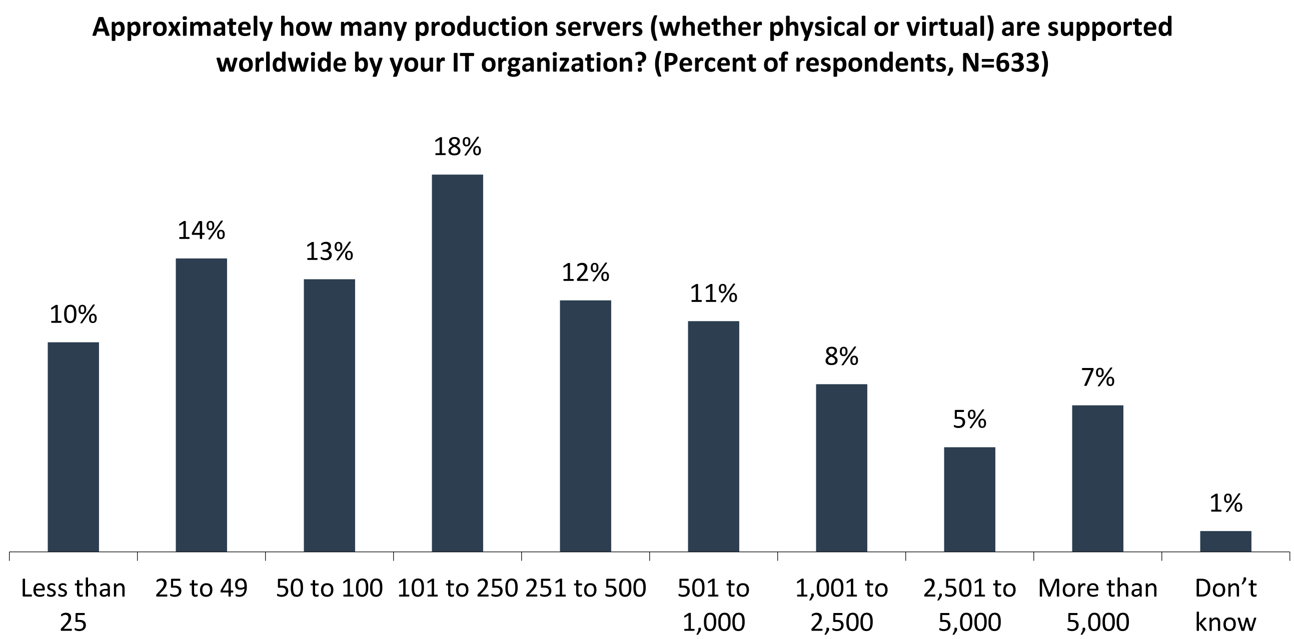


Source: Enterprise Strategy Group, 2016.

Respondents by Number of Production Servers

The number of production servers operated worldwide by respondents' IT organizations is shown in Figure 6.

Figure 6. Survey Respondents, by Number of Production Servers



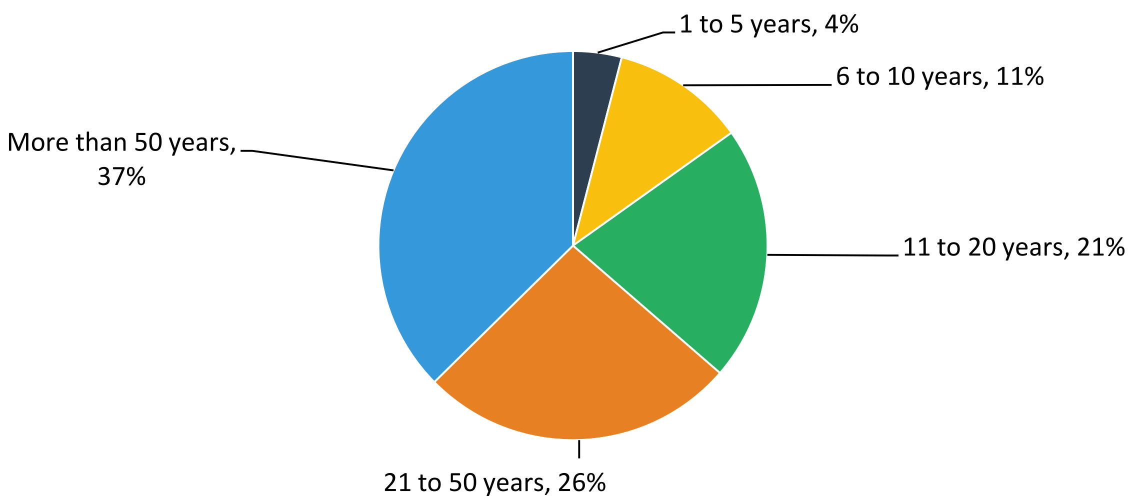
Source: Enterprise Strategy Group, 2016.

Respondents by Length of Organizations' Existence

The length of time respondents' employers have been in existence is shown in Figure 7.

Figure 7. Survey Respondents, by Length of Organizations' Existence

For approximately how long has your current employer been in existence? (Percent of respondents, N=633)



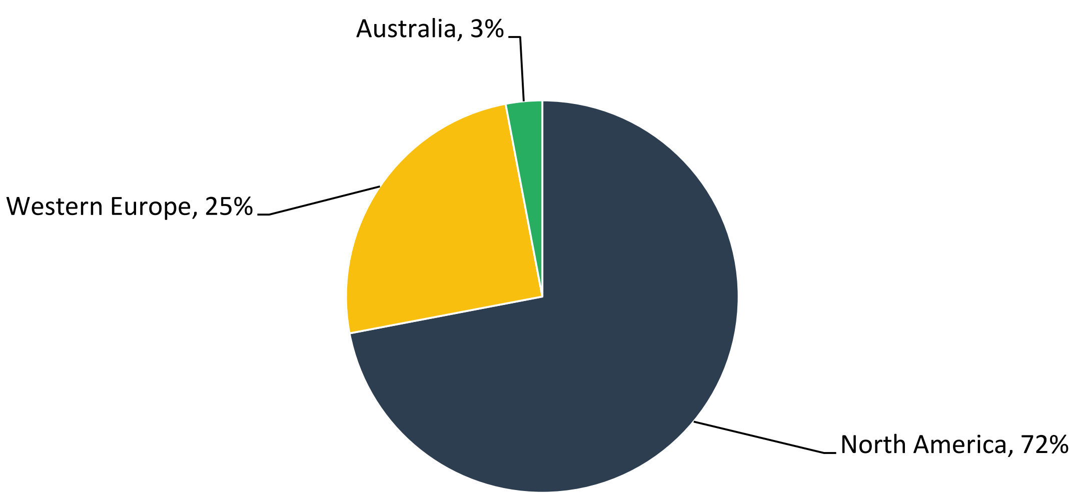
Source: Enterprise Strategy Group, 2016.

Respondents by Region

Figure 8 shows the regional breakdown of the respondent base.

Figure 8. Survey Respondents, by Region

Survey respondents by region. (Percent of respondents, N=633)



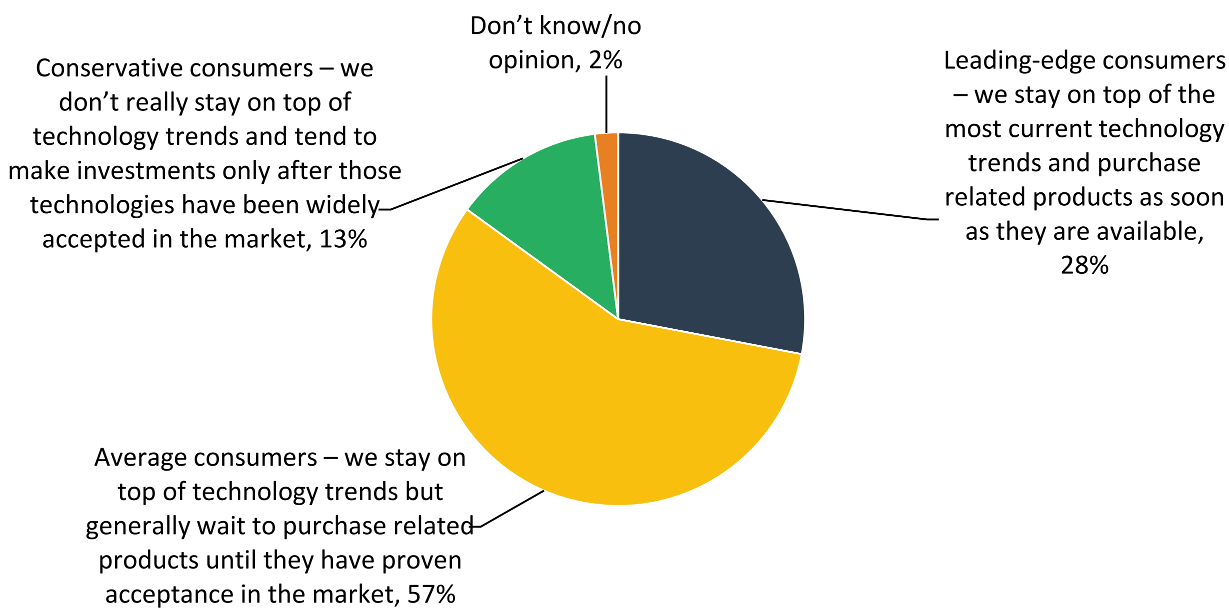
Source: Enterprise Strategy Group, 2016.

Respondents by IT Purchasing Pattern

ESG created a company "psychographic" profile by capturing respondents' views on their organizations' purchasing patterns for IT products and services (see Figure 9).

Figure 9. Survey Respondents, by Purchasing Pattern for IT Products and Services

Generally speaking, how would you describe your organization's purchasing patterns for IT products and services? (Percent of respondents, N=633)



Source: Enterprise Strategy Group, 2016.

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