What CIOs and IT Managers want

Vita Enterprise Solutions **Insights FY17**

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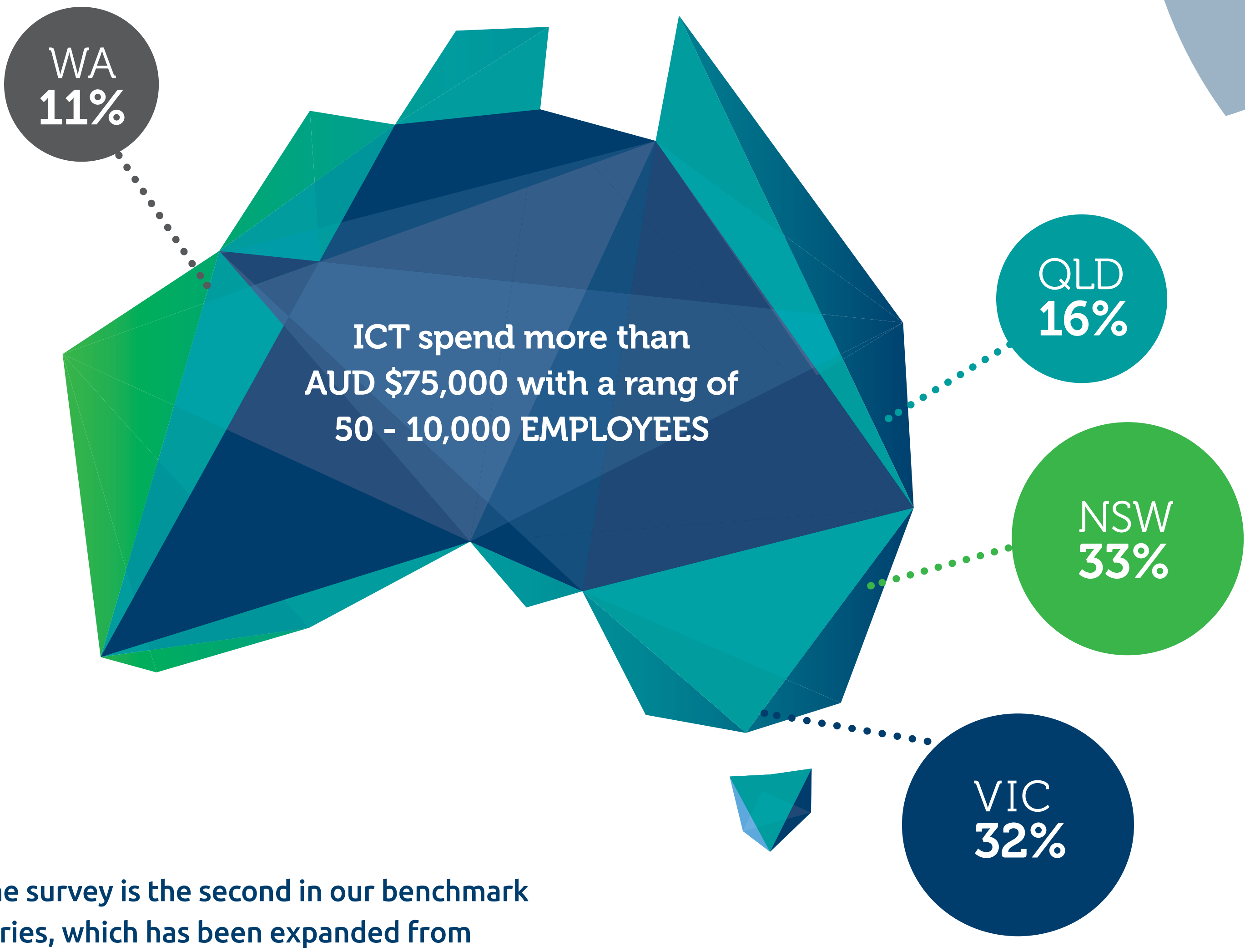
The challenges testing CIOs & IT Managers

This year's Vita Enterprise Solutions **Insights survey** has revealed that the challenges presented by ageing or mismatched **IT infrastructure**, along with the inability to communicate among an increasingly **mobile workforce** are among the chief sources of frustration for CIOs and IT Managers.



The survey is the second in our benchmark series, which has been expanded from last year's survey to include the opinions of more than 320 key executives in enterprises with an annual ICT spend of more than AUD $75,000 and with workforces ranging from 50 employees to more than 10,000.

A new feature of this year's survey is the inclusion of data related to who these key ICT decision-makers are. What sports do they like? Are they drinking flat whites, cappuccinos or a cup of tea?

80%
predominantly
30-59 years of age

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Anticipating the challenges ahead

As we head into FY17, the key factors identified in last year's survey as those driving IT investment remain:

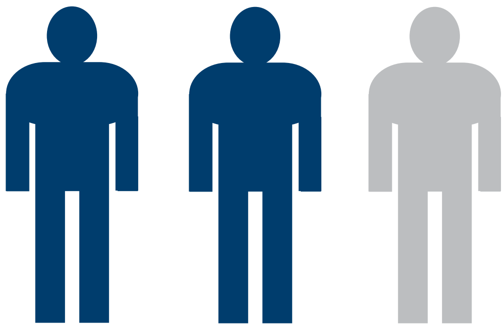
For some ICT decision-makers, budget limits are restricting efforts to accelerate technology upgrades as work practices adapt to the opportunities mobile device management presents. However, a majority of key ICT Managers are **expecting an increase** in their FY17 budgets and plan to continue their focus on mobility, the cloud and connectivity.

Outside of budget constraints, the biggest challenge reported was that of finding and retaining skilled staff.

"Finding staff with the correct skills, and retaining them so they don't go elsewhere"

TYPICAL OF MANY OF THE RESPONSES

Risk mitigation and the quest for **productivity gains** also feature prominently on the list of challenges with disparate or ageing technology perceived as having a significant impact on productivity for 40 per cent of CIOs and ITC Managers.



2 out of 3
respondents agreed that enterprises underestimated the costs of managing their fleet of mobile devices

Increased spend will target mobility connectivity and cloud

Despite many ICT decision-makers citing budget restraint as a source of pressure, the majority of them were actually preparing for an increased spend in the next financial year, or at least a continuation of FY16 levels.

Nearly 47 per cent of decision-makers were planning for a budget increase – roughly in line with last year's figure – and about a third were confident of maintaining the same budget as FY16.

Business expansion is the main driver of bigger budgets, followed by technology upgrades.

"Hardware refresh, more cloud-based software subscriptions, faster and better connectivity," was how one CIO put it.

At a high level, **mobility** is a sought-after ICT outcome, along with connectivity and cloud solutions. Optimisation of fixed telephone systems and integration of ICT solutions (email, voice and video) have also increased in importance since last year.

Cloud connectivity design and implementation services have replaced the configuration of mobile devices for the end user as the top priority for decision makers, however only by a slight margin.

The improvement of management/cost effectiveness of BYO devices is considerably less of a priority compared to 2015.

47%
of decision-makers were planning for a budget increase

"Hardware refresh, more cloud-based software subscriptions, faster and better connectivity."

HOW ONE CIO RESPONDED

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The predicted growth is strongest in smaller companies, which is understandable as they expand their market share and increase their ICT capacity to keep pace.

"Growth within the business and maintaining data and process management," was the answer given by another ICT manager when asked to explain his increased budget requirements.

Better security and migration to the cloud were also significant drivers.

The most common reason cited by IT Managers facing a budget drop was funding restraint as a result of their businesses embarking on cost-cutting programs.

> *"Growth within the business and maintaining data and process management."*

THE ANSWER GIVEN BY AN IT MANAGER WHEN ASKED TO EXPLAIN HIS INCREASED BUDGET REQUIREMENTS

Purchasing decisions

Consistent with 2015, the majority of IT Managers with full decision-making authority intend to purchase ICT solutions for their businesses within the next year, with more than half intending to purchase within the next six months.

Partial decision-makers are less likely to purchase in the short term, probably because they lack the autonomy to do so.

The vast majority of tech managers take up to eight months to get approval or sign-off on an ICT solution. Approval teams typically consist of three to five people. Not surprisingly, the larger the approval team the longer the sales lead time.

Support with mobility continues to be the most sought-after ICT investment outcome, however less so than last year (down to 58 per cent from 67 per cent). Connectivity and the cloud also remain a key focus for those looking to make an ICT purchase in the next three years.

Brand power

The Insights Survey sought to gauge brand awareness of ICT suppliers and in keeping with last year it was the global players such as IBM, HP, Microsoft and Dell that were front-of-mind among respondents.

In Australia, also consistent with 2015 results, awareness is highest for Australia's top two telcos – Telstra and Optus – with iiNet filling third spot.

Telstra is by far the most prominent name among local suppliers, in terms of both current usage and future intentions. More than 60 per cent of ICT decision-makers said they were Telstra customers and would continue to be so in the future, while Optus has suffered a drop from last year, from 26 per cent down to 15 per cent.

Front-of-mind among respondents

60%

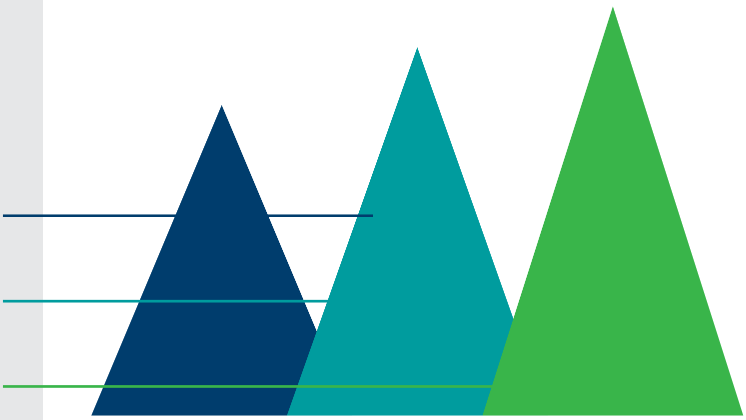
of Telstra customers would continue to be so in the future

AWARENESS OF AUSTRALIA'S TOP THREE TELCOS

iiNet 53%

Optus 64%

Telstra 78%

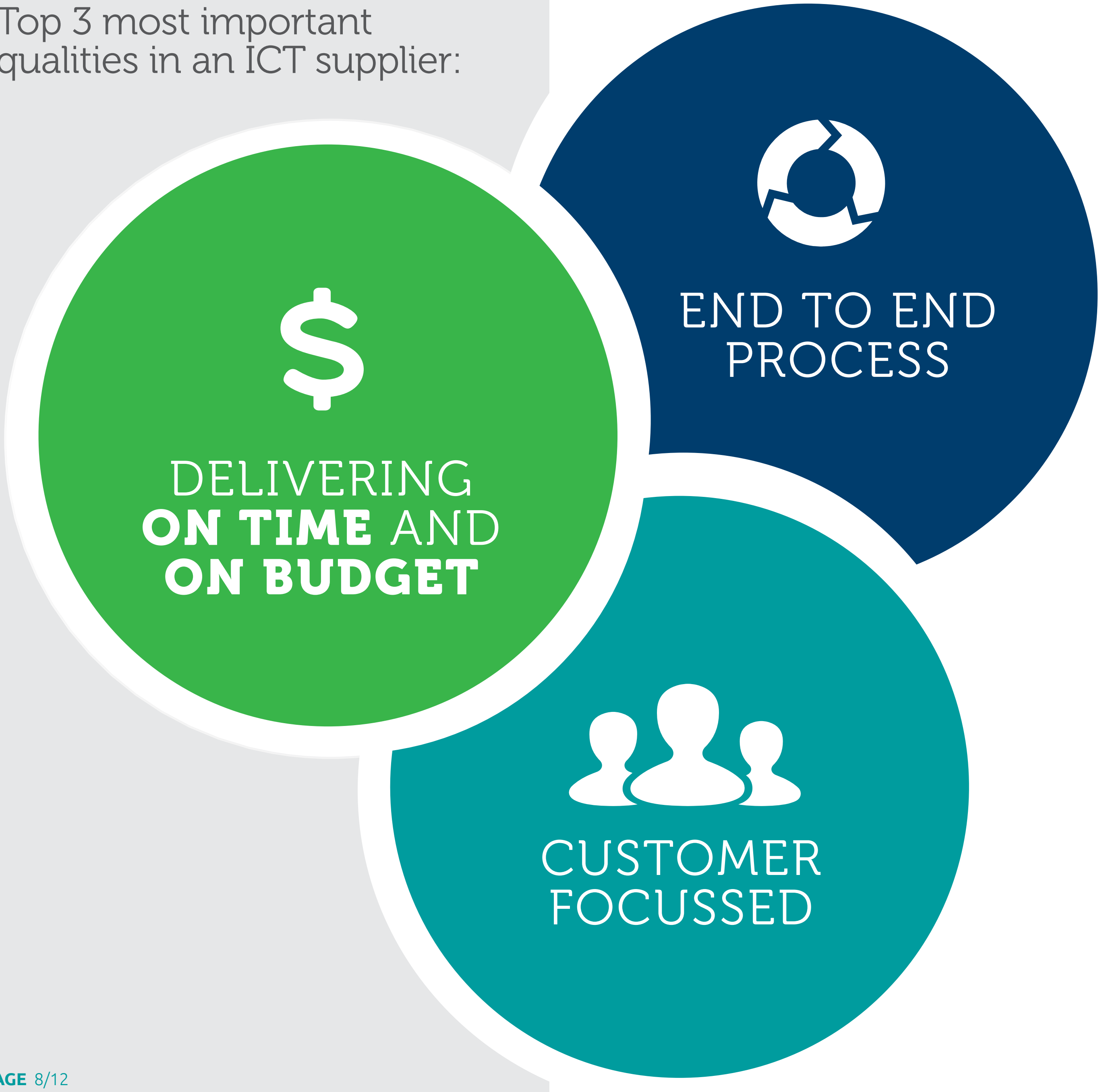


Brand power

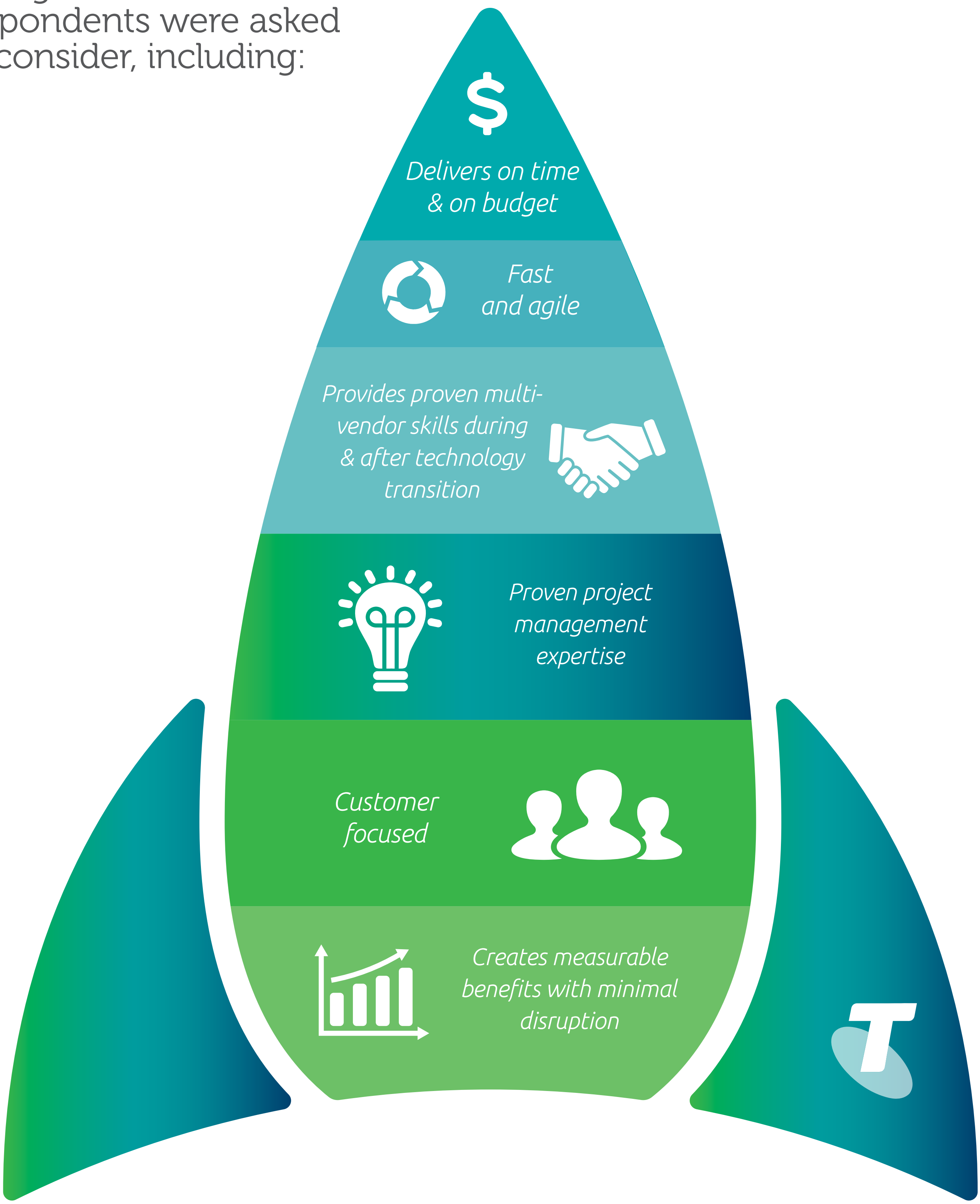
From an ICT supplier perspective, **delivering on time and on budget** is still key to keeping businesses happy. However, there has been an increase in the importance of the ability to manage the end-to-end process and complement and integrate systems for better business performance.

Customer service and minimal disruption to core business operations also remain important. Customers want to be listened to and sold a tailored solution rather than a product.

Top 3 most important qualities in an ICT supplier:



Telstra was the leading brand by a significant margin across a range of attributes that respondents were asked to consider, including:



What do ICT professionals love?

The Insights Survey taps into the thoughts and intentions of ICT decision-makers, but who are they? This year's survey asked some personal questions in a bid to find out.

Mostly, they are quite fit, with more than three-quarters of the respondents saying they exercise three or more times a week. Given the **demands of their jobs** it is probably necessary that they stay in good shape.

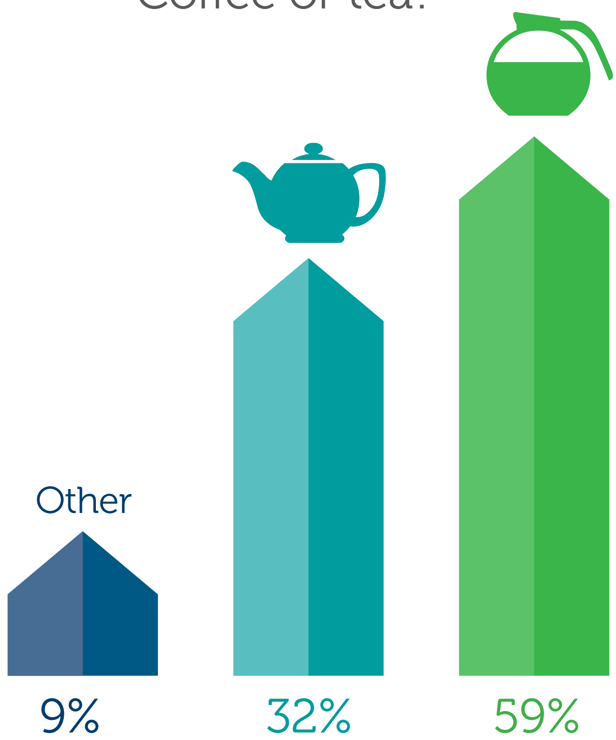
They also love a cuppa, with the majority of them (about 60 per cent) preferring coffee over tea, with flat white, latte and cappuccino the preferred styles.

When it comes to sport, AFL is the clear winner, with 28 per cent of tech managers naming it as the game they prefer to watch. Its nearest rival was tennis, enjoyed by 17 per cent. Soccer was next, with 14 per cent.

The survey indicates that despite the rapid pace of change and the challenges an evolving business landscape presents, respondents regarded themselves **as highly engaged, motivated executives**.

3/4 exercise three times or more a week

Coffee or tea?



Pizza most likely to order:
MEAT LOVERS

As part of Vita Group, Australia's most exciting technology, communications and electronics provider, **Vita Enterprise Solutions** draws on the insight, expertise and know-how generated from **20 years** of servicing the Australian market.

Vita Enterprise Solutions has built an enviable record of technology and service delivery. Our strong reputation comes from developing in-house expertise and aligning with key technology and telecommunications partners like Telstra, Samsung, Avaya and Microsoft.

We pride ourselves on matching agile technology outcomes to your business requirements, simplifying the process for you. From providing the right mobility solution to increasing collaboration, transitioning you to the Cloud or the NBN and delivering hardware and accessory solutions, Vita Enterprise Solutions will partner with you to deliver a personalised fully integrated end-to-end solution to your business.

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What CIOs and IT Managers want **is available online**
vitaenterprisesolutions.com.au/ICT-Insights

OMD Insight & Vita Enterprise Solutions July 2016
* CIO Survey 2016, KPMG and Harvey Nash
** Australia's Digital Pulse, Australian Computer Society and Deloitte Access Economics, 2016