

## IT LEADER INSIGHTS:

# The State of IT Modernization Priorities and Challenges Amid Economic Headwinds

Over the last few years, digital transformation accelerated at lightning speed, bringing with it an unprecedented need for IT modernization. Today, in the face of economic headwinds, IT teams are still focused on operationalizing and supporting their new digital initiatives, but with the added pressure of tighter budgets and lower staffing levels.



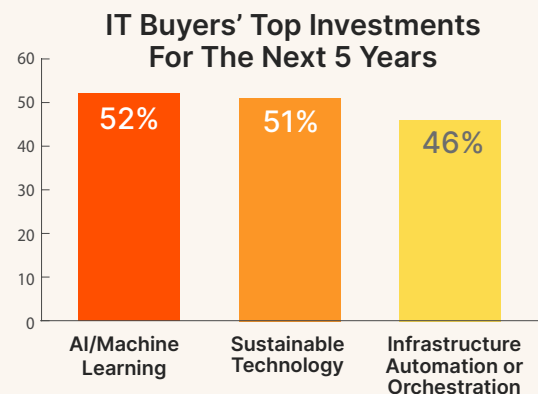
Ultimately, these challenges pose a risk to the long-term success of critical digital initiatives. In order to overcome it, enterprises will need to challenge their legacy infrastructure solutions and prioritize simplicity, efficiency, and flexible consumption ahead of the comfort of the “status quo.” By taking action to simplify core infrastructure, enterprises can unlock more budget and manpower to fuel the future.

To get more detailed insight and appreciation of the obstacles IT teams face in today’s digital economy, Pure Storage partnered with Wakefield Research on a survey of 500 IT buyers at companies of 500+ employees or more across four major global markets (US, UK, France, Germany).

## Key Findings

In today’s fast-paced digital economy, IT teams are the catalyst of change, bringing new technologies and systems online and keeping them available to power growth initiatives. These initiatives are often complex and interconnected, and aim to transform various parts of a business – from HR departments to sales teams or even finance. As we enter 2023, we are seeing AI/ML and sustainability initiatives, in particular, take center stage.

**IT buyers have cited that their top investments planned for the next five years are AI/machine learning (52%) and sustainable technology (51%). While less than half (46%) predict they’ll invest in infrastructure automation or orchestration.**



Enterprises that can move to embrace the power of AI/ML and sustainable technology within the confines of the current economy will have a significant long-term advantage over their competition. However, legacy infrastructure’s complexity and energy efficiency can act as “technical debt” by consuming valuable budget and time. Decision-making in these areas needs to catch up to other priorities to support smarter, future-facing tech investment.

## UNDER PRESSURE:

# The Race to Adopt New Tech is Costing Long-Term Efficiency

Even with the economic challenges brought on by market uncertainty, IT buyers show no sign of slowing down in their adoption of new tech — in fact, some challenges are actually accelerating the pace of change.

Our survey found that **4 in 5 (80%) IT buyers plan to invest in emerging technologies due to the current economic environment. Of those, 1/3 note that they plan to invest more significantly.**

This increase in technology adoption is likely propelled by the need to deliver services faster, more reliably, and globally to support expansion. IT buyers also noted that outdated systems and infrastructure are holding them back and preventing them from successfully supporting these initiatives.

**90%** 

OF THOSE SURVEYED SAY THEY FEEL PRESSURED TO BUY TECH THEIR INFRASTRUCTURE COULDN'T SUPPORT

While **74%** say this resulted in being unable to deploy new technology to leadership's full expectations.

**3 in 5** 

IT BUYERS (62%) FEEL PRESSURED ALL THE TIME OR OFTEN TO MAKE DECISIONS ON PURCHASING TECHNOLOGY

The changing economy also brings with it a new focus on austerity and operational efficiency. We are already seeing this in procurement departments around the world. Our survey confirmed that **more than 75% of IT buyers (76%) expect increased scrutiny on purchasing decisions over the next five years.** Procurement organizations now seek to better understand implementation plans and specific “time to value” estimates. Ultimately, they are also looking at the feasibility of these projects and asking for a much more detailed evaluation of project plans, constraints, and dependencies to ensure that payback and returns are predictable.

Despite this increased diligence, the pressure to accelerate remains. In fact, **more than 3 in 5 IT buyers (62%) feel pressured all the time or often to make decisions on purchasing technology based on current needs without fully exploring the consequences of these decisions in the longer term.**

## REBUILDING THE BLUEPRINT:

# Building a New Foundation to Support the Next Decade of Growth

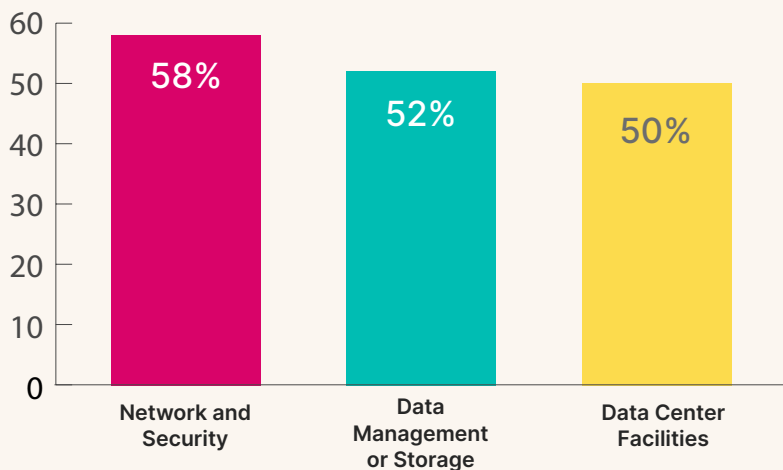
**While it may not be their top growth priority, IT leaders recognize the importance of updating their foundational infrastructure to support future tech investments.**

**Nearly all survey respondents (99%) plan to modernize their IT infrastructure to better support future technology investments over the next five years. Of those planning to invest, nearly 3 in 4 (73%) are planning significant upgrades.**

Investing in the foundation enhances the efficiency and productivity of the run rate business, freeing up money and manpower to invest in the future. Amidst current inflation and recessionary concerns, IT teams must strike a complex balance between supporting critical IT services for their organization and setting up a foundation on which future initiatives can thrive. With thoughtful investments, organizations can keep critical systems running efficiently while accelerating their ability to keep pace with digital transformation.

*“Investing in the foundation enhances the efficiency and productivity of the run rate business, freeing up money and manpower to invest in the future.”*

IT'S NO SURPRISE THAT NETWORK AND SECURITY, DATA MANAGEMENT, AND DATA CENTER FACILITIES ARE THE TOP AREAS OF IT INFRASTRUCTURE THAT IT BUYERS SAY REQUIRE UPDATES TO BETTER SUPPORT NEW TECHNOLOGY



The truth is these legacy solutions have reached their useful life with respect to their scale, complexity, and of increasing importance, their energy efficiency. This is fueling IT executives to drive foundational IT modernization.

## CAVEAT EMPTOR:

# IT Decisions You Make Today Will Have a Dramatic Impact on Your Digital Agility in the Long Term

**Adopting a modern and agile approach to IT infrastructure enables efficiency and scale to support future growth. However, this is impossible without an equally agile decision-making process across IT leadership.**

IT leaders who can balance short-term tactical decisions while keeping a keen eye on the future will better position their organizations to address long-standing business needs.

Being “rigid” in decision-making can lead some organizations to short-term thinking, unintentionally driving an increase in technical debt and hindering the ability to support innovation.

*“IT leaders who can balance short-term tactical decisions while keeping a keen eye on the future will better position their organizations to address long-standing business needs.”*

OUR SURVEY DATA SHOWS THAT IT BUYERS WHO DESCRIBE THEIR LEADERSHIP AS “RIGID” REGARDING TECHNOLOGY INVESTMENTS ARE

**70%** 

**more likely to often or always feel pressured to make decisions on purchasing technology based on current needs without fully exploring the long-term, compared to those who describe their leadership as agile.**



A clear focus on long-term business objectives allows IT teams to evaluate foundational infrastructure beyond the needs of today, looking also at longevity in terms of efficiency and flexibility.

Organizations that keep their strategic transformational agenda as a “north star” and a key factor with respect to all IT investment will have a significant advantage in their ability to adopt and gain value from new modern applications, such as AI and machine learning.

## **A clear focus on long-term business objectives allows IT teams to evaluate foundational infrastructure beyond the needs of today, looking also at longevity in terms of efficiency and flexibility.**

Organizations that keep their strategic transformational agenda as a “north star” and a key factor with respect to all IT investment will have a significant advantage in their ability to adopt and gain value from new modern applications, such as AI and machine learning.

The good news is that IT leaders have the power to drive change and enhance IT infrastructure, essentially underpinning their digital future. When deciding to invest, we suggest that organizations plan ahead and take these steps to ensure a balance of “run the business” IT investments with long-term strategic value:

- **Clearly define and document your current and future application environment** highlighting the linkages between traditional “systems of record” and modern “systems of innovation.” Be clear on the project roadmap, dependencies and success criteria for each of these over their respective time horizons.
- **Challenge the status quo and evaluate a fresh IT roadmap** that allows for maximum efficiency across your current operations in terms of capital, operating, environmental, and support costs.
- **Consider working with an infrastructure provider** that delivers efficiency, scale, and availability not just for today’s applications but also acts as a common foundation to support future growth.
- **Ensure your IT infrastructure partners view their business as “high technology”** with a strong roadmap for innovation, including automation, orchestration, and flexible consumption across the data center and/or via hybrid cloud.
- **Keep your IT team agile and adaptable** to skilled to keep up with evolving changes in the technology landscape.
- **Evaluate ALL IT investments** on a balanced scorecard.

*“The good news is that IT leaders have the power to drive change and enhance IT infrastructure, essentially underpinning their digital future.”*

## **Methodology**

---

The Pure Storage Survey was conducted by Wakefield Research ([www.wakefieldresearch.com](http://www.wakefieldresearch.com)) among 500 IT buyers at companies of 500 employees or more, defined as those whose primary responsibility is purchasing hardware, software, and supporting services for their organizations, in the following markets: US (200), Germany (100), France (100), UK (100), between March 29th and April 4th, 2023, using an email invitation and an online survey.