



**CIO TECH POLL: TECH PRIORITIES 2024**

# Technologies taking center stage

IT leaders remain cautiously optimistic as IT budgets climb and AI interest and investment dominates

**CIO**

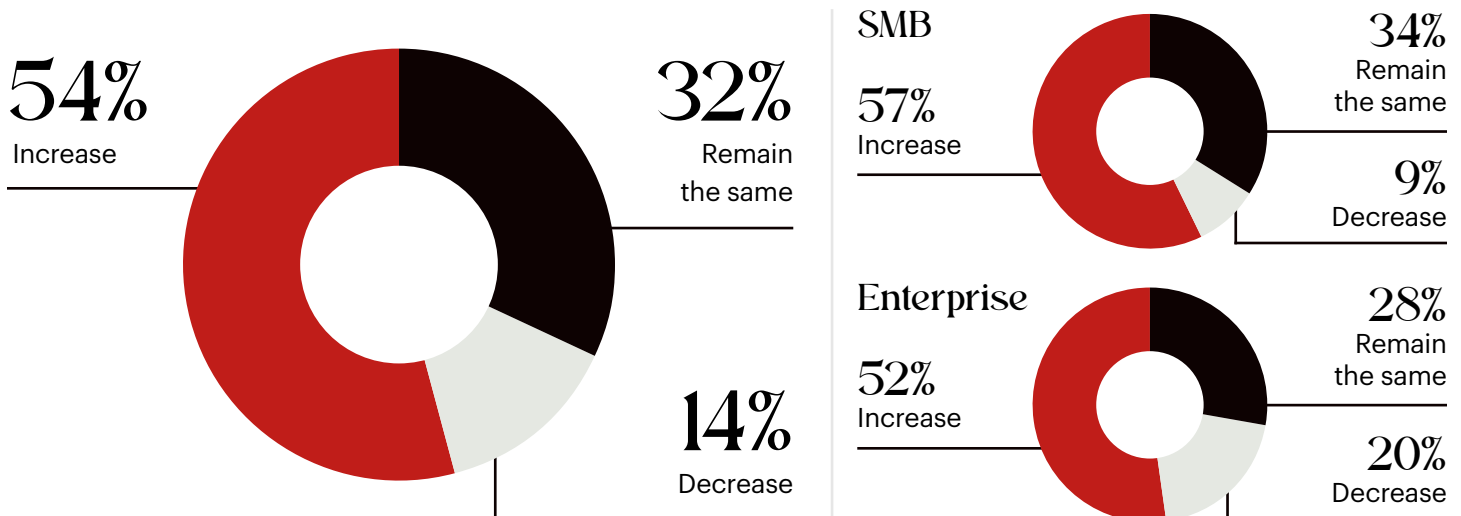
**I**t has emerged as a massively influential trend that’s consistently making headlines. Not Taylor Swift—but artificial intelligence. The interest in AI that began last year has turned into frenzy as organizations grow even more convinced of its potential to automate everything from business processes and decision-making to software development to creating written content.

It has emerged as a massively influential trend that’s consistently making headlines. Not Taylor Swift—but artificial intelligence. The interest in AI that began last year has turned into frenzy as organizations grow even more convinced of its potential to automate everything from business processes and decision-making to software development to creating written content.

Now, a majority of organizations will invest in AI technologies this year to transform their businesses into highly automated and efficient operations.

Some 89% of IT decision-makers surveyed for Foundry’s 2024 Tech Priorities study say they are researching, piloting or currently using AI-enabled technologies

## Budget breakdown



in their organizations, up from 72% in 2023. Some 64% of IT leaders expect artificial intelligence and machine learning to significantly alter the way their business operates over the next three to five years, up from just 39% last year according to the report.

AI is just one of several technologies that IT decision-makers are betting on in 2024, and they're allocating budgets to back them up. Despite ongoing economic concerns, more than half of IT leaders (54%) surveyed say they plan to increase IT budgets over the next 12 months. That's slightly more than in 2023 (51%). Of those at SMBs, 57% plan to increase IT budgets and only 9% expect a decrease. Overall, those planning an increase expect budgets to rise by 20% on average. About one-third (32%) expect no change in their budgets this year.

Foundry surveyed 271 CIOs and senior IT decision-makers around the globe to gauge which technology areas IT leaders will focus on over the next 12 months. The results shed light on the direction of spending within those categories.

## Top five most researched or piloted technologies

### 1. AI-enabled technologies

Almost one-third of ITDMs (29%) say that AI-enabled technology is their single biggest project right now, and 70% of

# 70%

of ITDMs are increasing spend on AI-enabled tools in 2024

ITDMs are adding to their IT budgets specifically for AI-enabling tools.

AI has the potential to improve operations in nearly all parts of the business. IT decision-makers expect AI to transform process automation (59%), customer experience (39%), natural language processing (27%), and risk management and fraud detection (27%), among other benefits.

AI and data analytics are closely intertwined because AI tech relies on data to "learn" new skills and responses. That's probably why interest in AI and data analytics together dwarf all other technologies that have caught IT-leaders' interest for 2024.

### ITDMs plan to use AI for

- Process automation (**59%**)
- Customer experience (**39%**)
- Natural Language processing (**27%**)
- Risk management/fraud detection (**27%**)

## 2. Data modeling tools

It's also no surprise that ITDMs are equally intrigued by data modeling tools required to support AI/ML initiatives, with 60% either researching or piloting those tools. Consequently, 43% of ITDMs will allocate more spending on data-modeling tools to support in-house AI/ML projects.

## 3. SASE and security edge

SASE and security service edge (SSE) lands the third spot of the most researched and piloted tech, with 47% of IT leaders either actively researching or piloting the technology. This makes sense because SASE integrates networking and security technologies—another hot area of tech interest this year—such as SD-WAN, SD-branch, firewall-as-a-service, secure web gateway, cloud access security broker and zero-trust network access.

## 4. Employee experience technologies

Employers have been nudging workers back into the office for more than a year, and at the same time they're eager to keep employees happy and engaged. That's probably why 45% of ITDMs are researching or piloting employee experience technologies. These tools aim to create a positive, productive and engaging work environment, with the goal of contributing to employee satisfaction, well-being and performance. They include everything from social collaboration

tools to learning and development platforms to employee well-being apps.

## 5. Serverless computing

Serverless computing is an architecture in which a vendor provides backend services as they are needed instead of paying for a fixed amount of bandwidth or number of servers. For many developers, serverless architectures offer greater scalability, more flexibility and quicker time to release, all at a reduced cost. That's probably why 44% of ITDM actively researching and piloting the technology. However, it still faces challenges when it comes to replicating the serverless environment to perform testing and debugging, as well as security concerns.

## Hottest technologies already in use

Rates of cybercrime are going up. More people work remotely with more connected devices and third-party relationships with vendors have created extended attack surfaces. Combine those with the ongoing



68%

are increasing their IT budgets specifically for cybersecurity investments.

**ITDMs are deploying SaaS apps for:**

1. Project management
2. Messaging and collaboration systems
3. HR management

shortage of skilled cybersecurity talent and it's easy to understand why cybersecurity technologies jumped to No. 1 on the list of technologies in use, up from No. 4 last year.

While 75% of IT leaders say they're already using cybersecurity technology like access control, endpoint detection and response (EDR) and threat analysis, they're also researching new cyber tools, such as behavior monitoring and analysis (35%), zero trust (33%), container security (28%) and cloud data protection (26%). The majority of respondents (68%) say they will increase budgets this year specifically for cybersecurity investments. More than two-thirds of organizations (68%) have increased IT budgets specifically for these cybersecurity technologies. ITDMs also cited plans to partner with security vendors to help them improve performance over the next year.

Collaboration tools came in second among tools in use with 73% of IT leaders

already deploying the technology, followed by enterprise apps (69%) and non-SaaS cloud technologies (67%).

## **Failure to launch**

Some technologies that once dominated the hype cycle have fizzled on the priority lists of IT leaders. Blockchain, for instance, has fallen off the radar for 58% of IT leaders. Nearly half (49%) say they're not interested in private 5G networks or fixed wireless assets, and 48% are not interested in augmented reality and virtual reality tech, for instance. Coincidentally, these technologies occupied the top three of the "not interested" list last year.

## **SaaS tops in-house enterprise apps**

Organizations continue to move toward software as a service over in-house deployments of enterprise applications in 2024. More than half of organizations choose SaaS applications over in-house deployments for project management tools (53%) and HR management (52%). Half of organizations prefer SaaS for business intelligence tools and customer relationship management over software managed in-house. Some 40% of IT leaders will deploy SaaS payment processing apps versus 38% using those apps managed in-house. ERP SaaS applications will be deployed by 39% of organizations

surveyed compared to 37% with in-house ERP. Collaboration tools like Slack, Teams, Nudge and Zoom are deployed as a service at 53% of organizations versus just 13% deployed in-house.

## Implementing and evaluating new vendors and tools

When evaluating emerging tech vendors, IT leaders stick mostly with traditional methods. Two-thirds rely on pilot testing and product demonstrations, 60% attend external events or conferences, and about half (54%) talk to peers before deciding on a new vendor or tool.

## Top challenges to new tech adoption

New tech projects are often derailed, however, by a long list of challenges. Similar to last year, those include lack of budget for specific initiatives, cited by 43% of IT leaders, as well as the organization's resistance to change and

### No. 1 challenges when attempting to buy and deploy new tech

- **NA:** lack of budget
- **EMEA:** shortage of staff
- **APAC:** lack of budget

## How IT leaders evaluate new vendors

Piloting testing and product demos

65%

Attend events or conferences

60%

Talk to peers

54%

staff shortages (34% each), and lack of appropriate skillsets for deployment (32%).

To combat the lack of appropriate skillsets, organizations are upskilling and reskilling existing workers to keep pace. Some 70% of IT leaders upskilling talent (when employees learn new skills for their existing job) is increasingly important, while 63% say reskilling workers (when employees learn new skills for a different job) is increasingly important. Some 39% of IT leaders say it's important to hire new full-time employees, and 38% says it's important to outsource or hire managed service providers to obtain the skillsets needed for IT projects.

There are also some areas of improvement that IT leaders plan to address over the next 12 months. Cybersecurity protection (64%), efficiency/optimizing costs (46%), IT business alignment (42%), and accelerating innovation (41%) are among the top.

## Conclusion

IT decision-makers expect steady technology growth over the next 12 months, with more than half expecting budgets to increase and one-third expecting budgets to remain steady.

ITDMs are increasing their investments in AI and cybersecurity this year and actively researching and using specific tools in these tech categories to help

transform their business and alter the way they operate over the next few years.

AI-enabled technology takes over as the new most important project for IT decision-makers, while still keeping security as a top priority.

The biggest challenges around new tech implementation are no surprise—lack of budget and a shortage of staff.

## About the survey

The 2024 CIO Tech Priorities study analyzed data from a Foundry online questionnaire completed by 271 IT decision-makers in January 2024. All survey respondents are involved in the purchase process for major IT or security products and services. Respondents represent companies primarily in North America (50%), with some in Europe (23%) and the Asia-Pacific region (23%). These companies come from a variety of industries, including technology, financial services, manufacturing, healthcare and the services industry. Respondents' companies have an average of 13,405 employees and average revenue of \$5.36 billion.

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