2020 Acora UK CIO Survey

The Changing Role of the CIO
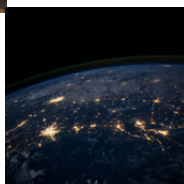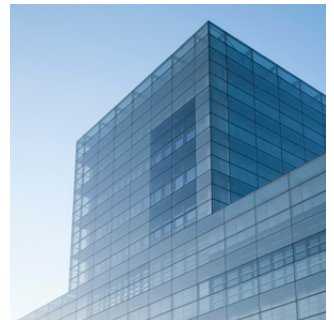
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Introduction

Welcome to the first Acora CIO survey

In the first half of 2020 Acora, and the publisher of CIO magazine, International Data Group (IDG), surveyed IT decision makers in large organisations across the UK.

We wanted to understand what the key priorities are for today's CIOs, how CIOs view the biggest technology concerns of the day, and how organisations are spending their technology budgets.

Our respondents typically managed IT teams of 30 staff members or more, with technology budgets in excess of £1m.

An ever-evolving role

Technology constantly evolves and technology leaders are always adapting. That said, judging by the survey results, it appears that the role of the CIO has shifted far faster and much further in the last few years than ever before.

Digital transformation is without doubt a significant driver as CIOs increasingly make decisions that have game-changing implications for the organisations that they work for.

Changing technology priorities

We know that the focus of technology expenditure constantly shifts. It's no surprise that, today, cybersecurity is a major concern, and that an ever-increasing proportion of technology budgets is spent on cloud services.

In an interesting finding, our survey revealed that the customer experience is now critical from the CIO's viewpoint. It underlines how today's technology leaders play a very different role in their organisations. We take a deep dive into the customer experience in the second section.

Challenges of current IT models

IT strategies and management models differ, with companies making varying and sometimes selective use of tools such as cloud technology and managed services. What is the ideal IT model? In our survey, 94% of respondents suggested that meeting business objectives using the current IT model will be either somewhat challenging — or indeed, very challenging. It suggests that, for many organisations, a shift may be appropriate.

So, in this report, we also examine IT models and what companies can do to tap the most out of their technology budgets.

Strategic IT

Finally, we consider our respondent's views on strategic vs. operational IT, and to what extent organisations have the capacity to execute strategic IT. We also consider how companies can use a managed services provider to enable strategic IT.

8 key facts that emerged from our survey

> **Digital transformation is in full swing: most CIOs (55%) identify their role with the word "transformation".**

Most CIOs, though not all, are embracing the power of digital transformation. Transformation is clearly a business priority for the majority of companies.

> **Our survey found that, on average, just 9% of IT budgets are dedicated to cybersecurity.**

Given the growing security threat, we think that UK companies should carefully review how much they invest in security services.

> **IT spend continues to show above-inflation growth, with 28.5% of respondents suggest growth of more than 10% p.a.**

We think that growing IT spend reflects ongoing digital transformation initiatives as the power of digital is demonstrated over and over.

> **Cloud spend (14%) and on-premise software spend (13%) is roughly on par.**

In our view, while some companies have shifted their technology estate to the cloud, there are still significant opportunities to tap the advantages of cloud computing.

> **The customer experience emerged as a top business priority with more than a quarter of businesses voting it first.**

We think that businesses are clearly viewing technology as a competitive advantage – improving CX with cutting-edge tech.

> **The vast majority (94%) of CIOs said that delivering on business objectives using their current IT model will be challenging.**

We think the survey findings underline how existing IT models are failing to perform, with a need for rebalancing – including a shift to the cloud.

> **29% of CIOs suggest that IT strategies are held back by day to day operational duties such as fixing end-user problems.**

Managed services can relieve pressure on internal teams so that companies can turn to more strategic, value-adding IT work.

> **16% of the CIOs we surveyed said that legacy technology is impeding progress.**

While legacy technology will always be with us, today's fast-paced business world will be sigifniciantly less tolerant of legacy technology. Technology debt is a competitive disadvantage.
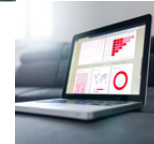
We think the survery findings underline how existing IT models are failing to perform, with a need for rebalancing - including a shift to the cloud.

1. Digital transformation in 2020

The evolving role of the CIO

80% of respondents are engaging with digital transformation

We know that platform constraints can make it difficult for businesses to modernise their it. But CIOs must drive the agenda - clinging on to legacy infrastructure inevitably incurs a debt.

Richard Smith
Lead Technical Systems Engineer

Senior technology leaders have always had an important role to play in steering their organisation, though perhaps more so in some companies than in others. After all, technology is a core business competency.

However, the past five years witnessed a major transition in the role of the CIO, a transition that's particularly pertinent for accidental CIOs – chief financial or operations officers, and other senior executives that exercise tech leadership.

Today, thanks to digital transformation, CIOs are at the centre of a large shift in the way their organisation works. There is a stronger interplay between an organisation's approach to technology, and the shape and the future of that organisation.

The coronavirus crisis added further fuel to transformation as home working becomes the norm, supply chains are disrupted and businesses are increasingly dependent on digital services. The role of the CIO is now far more pivotal to organisational success.

The assertion is supported by our survey results. 55% of CIOs surveyed by us said that they identified most with a transformational role, while just 11% of senior tech leaders suggested that they are in a functional role. Indeed, 34% of CIOs went so far as to say that they see themselves as business strategists.

Technology leaders and senior staff that act in a CIO role now play a key part in driving the company vision, acting as risk-takers that are willing to instigate and also manage the deep technology disruption that leads to lasting transformation. This is a major evolution in the role of the CIO.

Transformation that stalls: the why, and the risks

Most of the respondents (80%) we surveyed reported that digital transformation is in full swing at their organisation, and in many ways that matches our experience. According to Google Trends the search topic "digital transformation" has seen steady year on year increases that indicate we're at least five years into the first wave of digital transformation.

The search trend for digital transformation continues to grow. It reflects the fact that digital transformation has no real end date. It also indicates that digital transformation is still new to some organisations. Indeed, 20% of tech leaders suggested that they are not seeing significant progress on digital transformation.

A lack of progress at some organisations is not surprising: digital transformation is complex, can be all encompassing, and consists of many moving parts. It requires a significant push to initiate – and ongoing momentum to persist. CIOs can find it challenging to make a case for

34% of CIOs see themselves as business strategists.

┏┓ Companies that refuse to embrace the cloud take a risk. Skills will become harder to source and operational capabilities will be left behind: some resources such as AI are only affordable when deployed in the cloud. ┗┛

Lee Ganly
CIO

transformation that convinces sceptical C-level colleagues and board members.

However, organisations that delay digital transformation take a significant risk. Competitors that embrace transformation will enjoy a lower cost base, offer more innovative products and services, and may completely disrupt established business models.

Kick-starting transformation, maintaining momentum

Outlining the benefits of digital transformation may spark a start. But executives can remain resistant, even when CIOs motivate clear benefits such as revenue growth, higher customer retention, and business resilience.

Quick wins can kick-start digital transformation. CIOs should initiate transformation with smaller projects that demonstrate business value. Business leaders won't ignore clear, measurable progress. Quick wins will open the door to a larger initiative.

Once a wider programme is established CIOs should continue to drive momentum with a clear business vision, while instilling a culture of transformation across their organisation.

Indeed, a Boston Consulting Group study that examined forty digital transformation projects found that companies which emphasised culture throughout transformation programmes were five times more likely to achieve a breakthrough from their transformation efforts.

Organisational culture is not traditionally seen as the remit of a CIO, but today's CIO will understand how important it is to drive a digital-first, transformational culture. Going forward, CIOs must offer strong leadership.

Digital transformation: what's next for CIOs?

Unsurprisingly, in 2020, COVID-19 accelerated digital transformation projects at countless organisations. Digital can, after all, bridge the physical distancing constraints that is now commonplace. But several transformation trends were already underway, pre-COVID. We believe there are four key trends that CIOs must watch.

Public cloud applications initially supported many aspects of digital transformation, but the public cloud is not always a fit choice. Private cloud and on-premise cloud are alternatives that still introduce the transformational agility of cloud technology.

However, some technologies are constrained on-premise: cutting edge AI, for example, is far more accessible via the large cloud platforms. Leading CIOs will increasingly consider a hybrid cloud approach to enjoy the best features of each mode of cloud deployment.

We also think that CIOs must emphasise speed. Yes, merely igniting digital transformation is challenging, but once on the road to transformation, pace matters. The rate of change in the digital age has accelerated beyond recognition, compounded by 2020's unusual circumstances. Rapidly understanding risks and opportunities, and rapidly adapting, will be critical.

In a third trend, we think that many technology leaders will move into a phase of continuous transformation. At some companies, the first and most significant wave of transformation is complete, and CIOs will now move to continuous improvement. Steadily improving operations by constantly incorporating advances in technology.

Finally, we think that through 2020 and beyond CIOs will increasingly focus not just on process, products, and services – but also on the customer experience. And indeed, the employee experience.

Do you want to attract the best employees? Your technology solutions must be fit for the new generation of employees.

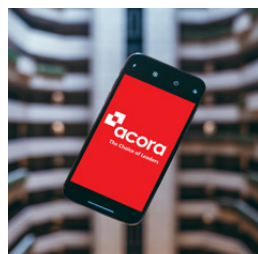**David Murphy**
Enterprise Architect

2. Customer experience

The primary IT objective?

■■ It's important that companies see technology's ability to contribute positively to a business including in driving growth. It should not be viewed as just a cost: businesses that leverage data will see growth. ■■

David Murphy
Enterprise Architect

Who drives customer experience (CX) in an organisation? Marketing, led by the chief marketing officer or marketing director? Perhaps the COO, who is responsible for a friction-free customer experience?

Historically, technology leaders would be more tangentially associated with CX. Contributing, yes, but not necessarily taking a central role in driving the customer experience.

The first Acora UK CIO survey points to an interesting trend in the way that CIOs see their relationship with customer experience outcomes.

More than a quarter of respondents indicated that improving CX is the top IT priority. The CIO role may be associated with operational duties, but today's CIO is also closely involved in improving the customer experience.

Technology and the customer experience

In 2012, a Gartner analyst made a polarising prediction. The analyst suggested that CMOs would spend a larger proportion of business revenue on technology than the percentage of business revenue spent by IT departments. It turned out to be a prescient statement as a 2016 Gartner survey supported the prediction.

The Gartner findings underline how technology is increasingly central to attracting and retaining customers. It is backed by our own findings: CX is

the new battleground for tech leaders. Intuitively, that does not come as a surprise: we've all noticed how, as customers, we increasingly sidestep the human element when interacting with an organisation. Instead, we interact with technology.

There are two key reasons why technology is taking over as the predominant way customers or

clients interact with providers. First, technology save costs, which will always be a significant motivator. Next, technology also drives improved CX. Just consider shopping recommendations: no human can serve up relevant recommendations as fast as an AI-powered recommendation engine.

In the long run, improved CX supports the bottom line. That is why more and more organisations are judging performance through customer experience metrics. As business partners, CIOs must be highly in tune with their role in delivering a positive customer experience - by deploying the technology that drives CX.

Cutting edge tech supports CX

In a shift for today's tech leaders, surveying the CX technology landscape and implementing cutting-edge, best-fit solutions in their organisation is

CX is the top priority for **26%** of CIOs.

■■ Omnichannel is an increasingly important tool, across the marketplace. We're seeing businesses of all sizes deploy integrated CRM that drives sales channels with real-time customer data, alongside customer experience tech such as AI. ■■

Lee Ganly
CIO

now a top priority. But what do these solutions look like?

It starts with intelligent customer experiences. Esoteric computing fields such as AI (and its machine learning subset) have moved from the novel to the commonplace, and use cases continue to emerge. Which is why Gartner highlighted AI as the top CX trend in 2020. It's easy to see why customers would appreciate a more intelligent, and more personalised response when dealing with a business. CIOs must drive the technological change that delivers personalisation.

CIOs must also ensure that their organisation offers integrated, omnichannel customer interactions. By fully harnessing the data that they already have companies can operate with a single view of the customer. They can do so seamlessly, across a growing number of interaction channels including chatbots, social, and voice assistants.

These are just two examples of how it is now the role of technology leaders to identify, propose, and implement game-changing solutions that build the customer experience. After all, improved CX delivers bottom-line benefits.

The employee experience is equally critical

In a 2019 survey about customer experience, PwC identified that employees' technology experience is a critical element in driving improved CX. From a tech viewpoint, CIOs must understand that it's not just the customer front-end that matters for CX.

Your colleagues must have an efficient, seamless experience with the technology that they rely on every day. Technoloy must never get in the way of serving customers, but in reality, many companies still operate with infrastructure that trips up the employee experience and by consequence the customer experience. Indeed, 6% of the CIOs we surveyed pointed to legacy technology as a concern.

2020's rush to remote working pushed the relationship between technology, the employee experience, and CX to the foreground. Through the crisis, future-fit organisations effortlessly resumed serving customers, despite large-scale office closures. Others struggled to resume business as usual, frustrating their customers.

Organisations that stay at the cutting edge of technology also do a better job of attracting and retaining talent. Millennials, a group that Deloitte estimates will make up 75% of the workforce by 2025, are particularly demanding.

Millennials believe that the latest technology tools help them to perform better at work. Businesses that penny-pinch on technology risk driving away talent and CIOs must raise that issue with fellow decision makers.

Infrastructure and tech support still matter

The technology, CX relationship is shifting and becoming more intimate, but it does not mean that CIOs can ignore the essentials. Technology that is designed to deliver stellar CX can suddenly turn into a liability the moment it fails. For example, in 2019, one UK bank's technology meltdown cost it £330m – and 80,000 customers.

So, while the changing role of the CIO involves a far closer relationship with the customers experience, CIOs should never lose sight of essentials. High up-time, and secure technology that works day in, day out.

In an era of budget constraints finding the resources to maintain business as usual while also driving progress – including for the customer experience – can be challenging.

The CIO of today will have to carefully weigh spend alternatives, an issue that is even more pressing given how critical cybersecurity is to the customer experience. We cover cybersecurity, budgets, and the IT spending model in the next sections
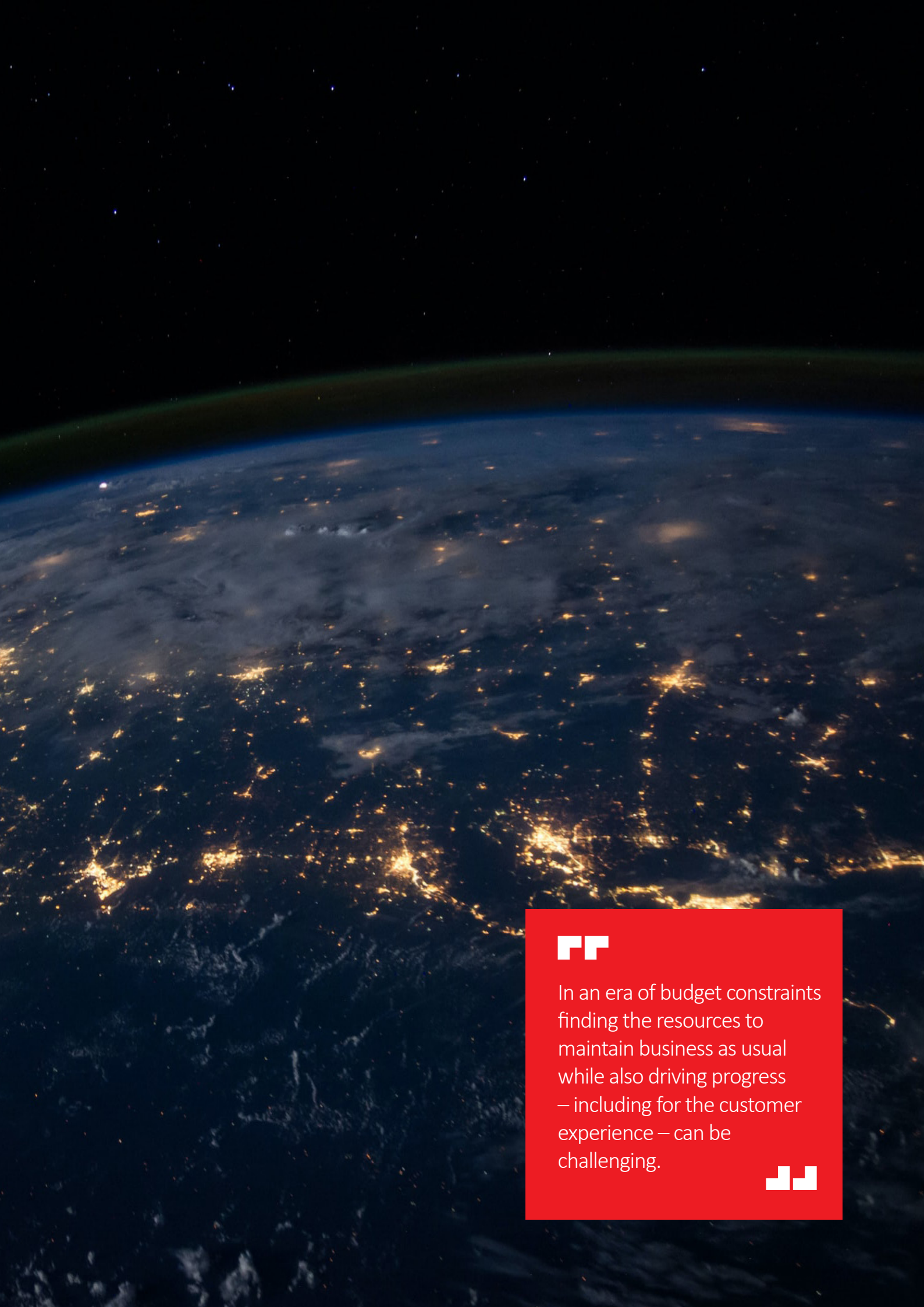
In an era of budget constraints finding the resources to maintain business as usual while also driving progress – including for the customer experience – can be challenging.

3. The cybersecurity threat

Budgeting for a challenging world

■■ Many services are inherently secure, but social engineering efforts can circumvent these measures. That's why user education is so critical. ■■

Richard Smith
Lead Technical Systems Engineer

As CIOs responded to our survey, we were encouraged by many of the findings, but one result left us with a question. According to the senior tech leaders we surveyed, an average of 9% of IT budgets is dedicated to cybersecurity services.

Cybersecurity worries, compliance concerns, and the impact thereof; is ever-growing. Does dedicating just under ten percent of IT budgets deliver sufficient cybersecurity firepower? There is a risk that organisations may think that they are allocating a sufficient proportion of their tech budget, when in reality they are spending too little.

A lack of protection may take a very long time to reveal itself. But that can change rapidly, as a catastrophic event brings economic costs. Of course, once that cost is realised an organisation often increases future cybersecurity expenditure in order to protect itself.

Studies vary, but the costs of cybercrime are simply staggering. A 2017 McAfee study suggests a £480 billion global annual loss, while RiskIQ's 2018 numbers suggested £ 1.2 trillion per annum lost to cyber breaches. It should serve as a warning sign for companies that are underspending on cybersecurity.

Vulnerability and exploit trends

It's clear that the costs of cybercrime are high, but is the overall cybersecurity danger receding – or growing? Are cybersecurity budgets proving effective? Accenture's 9th annual cost of cybercrime study found an 11% rise in security breaches between 2018 and 2019, and a whopping 67% rise from 2014 to 2019.

That is a clear signal that cybercrime is accelerating and the argument can be made that the trend will only be stopped by intelligent, effective cyber defence budgets. In the absence of further spend the result may simply be further breaches and therefore higher costs for businesses.

Whatever one's view on the sufficiency of existing budgets, spend trends are upwards. According to Gartner, spend on external cybersecurity services is set to grow at an annual rate of 8.4% through 2026.

A 2019 CSO Online survey likewise found 66% of respondents suggested that cybersecurity budgets are on the rise. Where should this new money be invested?

9% of IT budgets is dedicated to cybersecurity services.

❝ Anecdotally, we notice that companies that were victims of a cybersecurity breach spend much more on cybersecurity - these companies see security not as a box-ticking exercise, but as essential to business continuity, and rightly so. ❞

David Murphy
Enterprise Architect

How to spend a growing cybersecurity budget?

As with any budgeting matter, smarter spending delivers better results, and CIOs should prioritise tools that drive security efficiency. Automation is high on the list. Intelligent, AI-driven cybersecurity tools deliver greater value for money and offer superior protection too.

Endpoint security is an established, but growing concern and must also be a priority for security budgets. We know that 2020's shift to remote working brought countless new endpoints into the picture. According to IDC, 70% of all breaches still originate at endpoints, despite the increased IT spending on this threat surface. Neglecting endpoint security is unwise.

Of course, no matter how much is spent on cybersecurity, an organisation will never be able to comprehensively mitigate all threats. That's why budgeting for disaster recovery and resiliency is equally important.

CIOs must allocate a proportion of security funding towards testing, and to developing plans to respond in the worst-case scenario. Extended, clumsy recoveries can be more expensive than the attack itself. In terms of expending cold hard cash, and in terms of a damaged reputation.

The role of the CIO in cybersecurity

Cybersecurity spend delivers essential firepower but it is up to CIOs to ensure the optimal use of the funds allocated to secure their IT operations. It implies continuous spend reviews and clear controls. A benchmarking process can help, whether an internal plan, or a framework such as ISO 27001.

That said, cybersecurity is not just about building technological walls and manning electronic checkpoints.

Users are, after all, one of the weak points in cybersecurity defence – in part due to the unpredictable nature of human behaviour. Sophisticated social engineering can bypass highly secure systems.

So, it is essential that CIOs allocate a budget for persistent, ongoing user education. But there is a further essential step: CIOs must provide deep and persistent leadership. User education and culture must be driven from the top.

Finally, we believe that CIOs should use their influence to lift cybersecurity concerns to the top of the agenda. Again, the role of the CIO is evolving – technology leaders must be present at the enterprise risk management table, persuading senior leadership that a security-first posture is simply not optional.

What, then, is the right cybersecurity budget?

It's impossible to suggest a definitive number, or a recommended percentage of IT spend that should go towards cybersecurity. Each organisation has a different cybersecurity profile – with a different threat surface, and varying compliance obligations.

We observe, however, that cybersecurity budgets are increasing – in line with an ongoing increase in cyber threats. CIOs should ensure that senior colleagues and board members are aware of the risks. CIOs should also use their influence to push for sufficient funds – outlining the clear risks involved in skimping on cybersecurity protection.
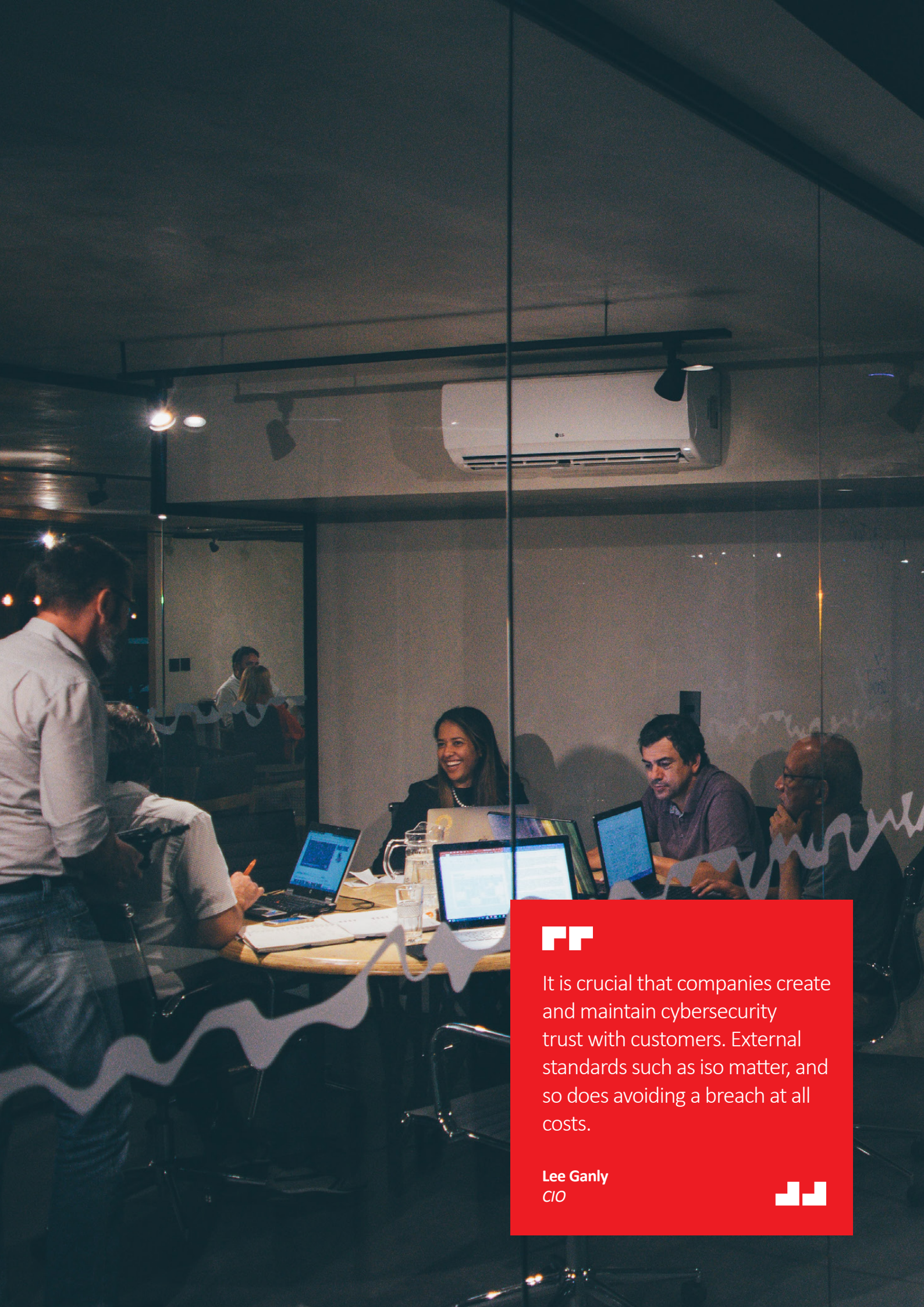
That said, the traditional role of the CIO is to focus on technology. It is up to technology leaders to take a view on threats and to spend budgets smartly.

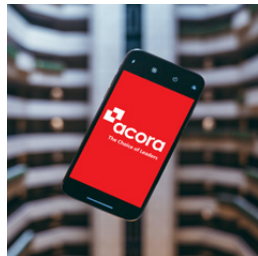It is crucial that companies create and maintain cybersecurity trust with customers. External standards such as iso matter, and so does avoiding a breach at all costs.

Lee Ganly
CIO

4. IT spend and business models

Survey results and insights

Throughout this report we've pointed to key findings around digital transformation, the customer experience – and cybersecurity. In this section, we'll take a closer look at the numbers in our survey.

First, let's take a look at IT budgets. In the section on cybersecurity we hinted at the fact that companies should consider boosting cybersecurity budgets. But what is happening to technology budgets in the broad?

Q6. Will your overall IT budget increase, decrease or remain the same in the next 12 months compared to the past 12 months.

More than half of ITDMs expect their IT budget to increase in the next 12 months.

- INCREASE
- DECREASE
- STAY THE SAME

40%

51%

9%
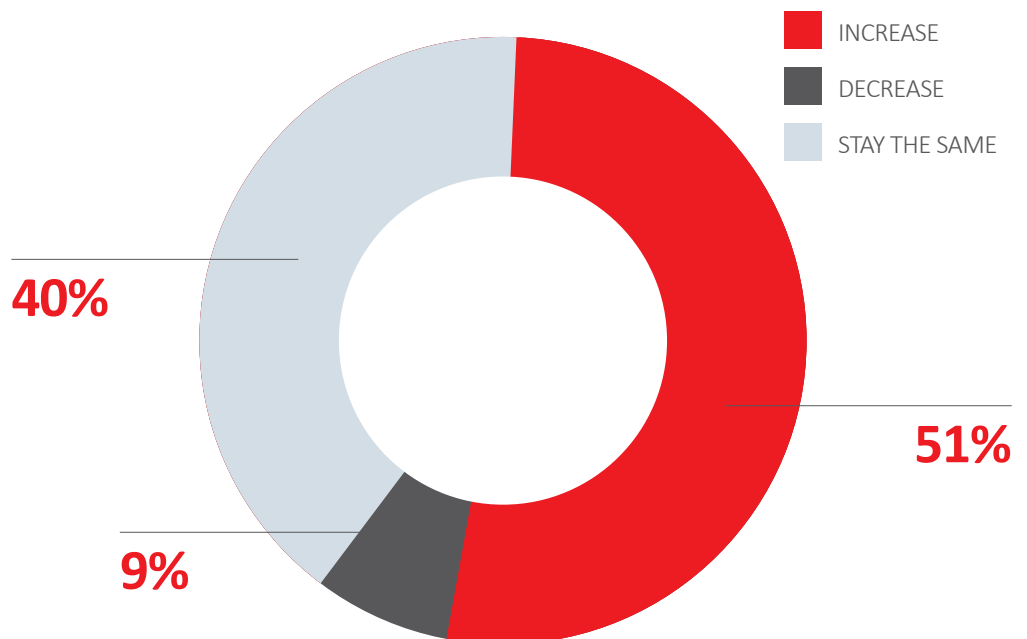
Above-inflation budget increases

Technology budgets are increasing. Only 7% of tech leaders we surveyed expected a decrease, while our respondents pointed to budget increases that are surprisingly above inflation. 64.5% of our respondents suggested an increase of over 5%, while 28.5% suggested an increase above 10%.
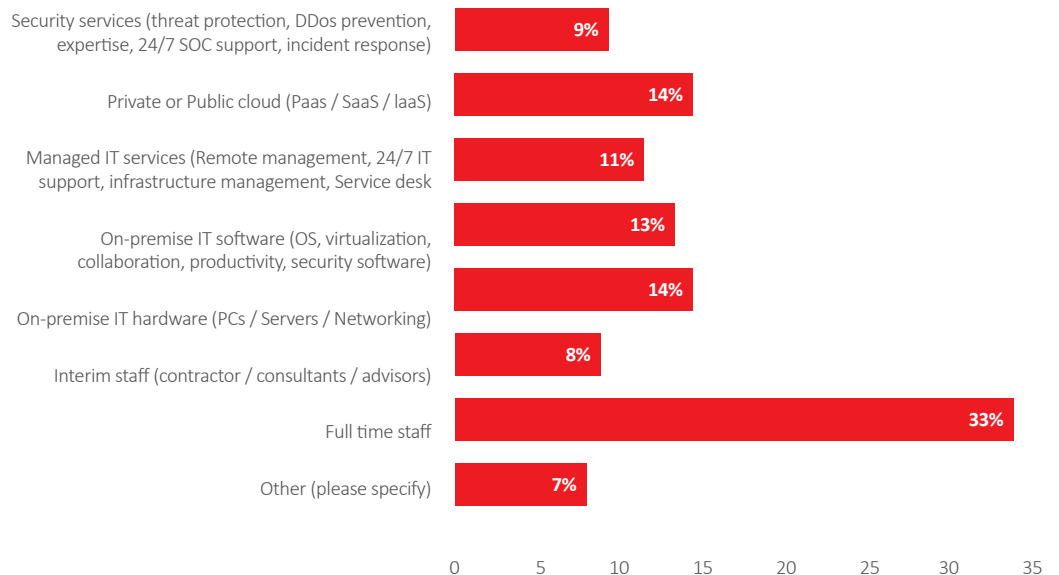
These are large uplifts that chime with the tech-driven nature of today's organisations, the drive to digital transformation, and the cybersecurity threat.

Through 2020 we may see even larger increases due to the drive towards remote working.

Our findings are mirrored by other surveys that predict growth in IT spend. IDG's 2019 annual CIO Tech Poll found that 55% of respondents expected an increase in IT spend. COVID-19 may put some projects on hold through 2020 which will temporarily impact the growth in IT spend, but we expect growth to resume once programmes are back on track.

Q5. With the total equal to 100%, please indicate the proportion of your IT budget that will be allocated to each of the following areas over the next 2 months? If no spending is planned in a particular area, please enter '0'.

On average, a third of ITDM's IT budget is spent on full time staff, with 14% each spent on private/public cloud and on premise IT software.

Category	%
Security services (threat protection, DDos prevention, expertise, 24/7 SOC support, incident response)	9%
Private or Public cloud (Paas / SaaS / IaaS)	14%
Managed IT services (Remote management, 24/7 IT support, infrastructure management, Service desk	11%
On-premise IT software (OS, virtualization, collaboration, productivity, security software)	13%
On-premise IT hardware (PCs / Servers / Networking)	14%
Interim staff (contractor / consultants / advisors)	8%
Full time staff	33%
Other (please specify)	7%

A steady shift to the cloud

Cloud platforms in their various shapes – SaaS, IaaS, etc – are now an established component of most IT budgets. However, in our survey, the proportion of IT spend going towards private or public cloud is roughly the same as on-premise hardware.

Cloud services and on-premise hardware each account for 14% of IT budgets, according to our respondents. On-premise IT software counted for another 13%.

The companies we surveyed are still spending significant amounts of money on hardware and software outside the cloud environment. It points to a steady, rather than wholesale, shift to cloud computing. It suggests that, for many organisations, there is still significant mileage in a cloud adoption strategy.
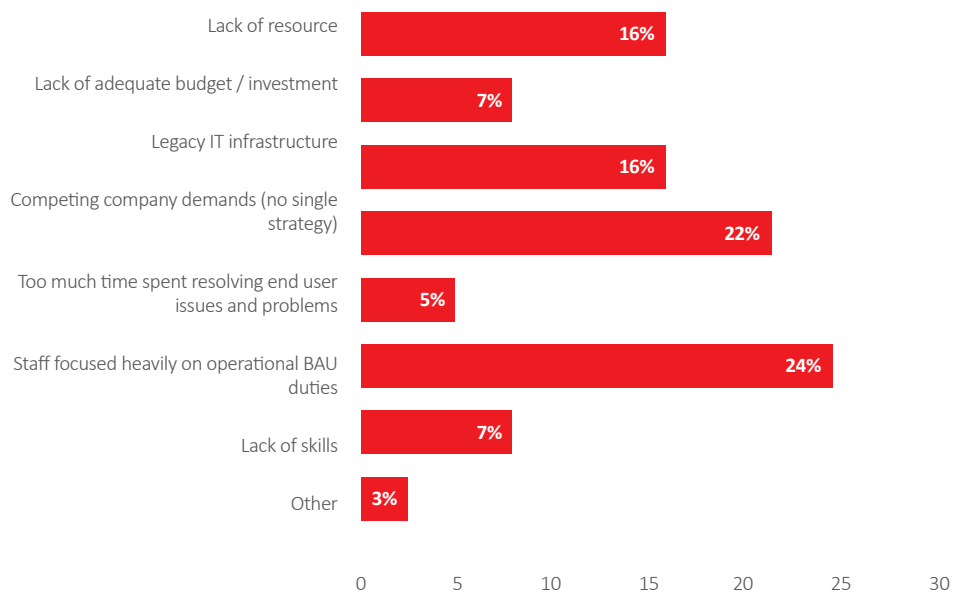
IT spend as a business differentiator

As a final point, we suggest that the way that organisations structure IT spend can significantly differentiate IT outcomes. We asked CIOs which factors hold back their IT capability. Budget size did not rise as the biggest concern. Instead, respondents suggested that a heavy focus on business as usual was the biggest reason why strategic IT was not moving at the desired pace.

Similarly, legacy IT infrastructure was also flagged as a concern, with 16% of respondents saying that it is holding back IT capability.

Some organisations must consider a temporary boost in budgets to trigger a move from legacy infrastructure to contemporary IT infrastructure. In other words, organisations must take a strategic, rather than merely operational, approach to IT.

Q12. What is the one thing that holds your IT capability back the most?

Just under a quarter of ITDMs believe that staff being focused heavily on operational BAU duties is what's holding their IT capability back the most.

Category	Percentage
Lack of resource	16%
Lack of adequate budget / investment	7%
Legacy IT infrastructure	16%
Competing company demands (no single strategy)	22%
Too much time spent resolving end user issues and problems	5%
Staff focused heavily on operational BAU duties	24%
Lack of skills	7%
Other	3%

It is crucial that companies create
and maintain cybersecurity
trust with customers. External
standards such as iso matter, and
so does avoiding a breach at all
costs.

Lee Ganly
CIO

5. Operational IT vs. Strategic IT

The role of managed services

29% of respondents say day to day IT blocks strategic IT.

▐▐ Most companies have coped well with covid-19 and remote work, but longer-term questions are cropping up and CIOs need to implement strategies to maintain remote working in the long run. **▟▖**

James Karp
COO

We've taken a close look at exactly how UK companies are spending their IT budgets. In the last section we compare IT expenditure that is designed to support operational capabilities with the important role of IT spend that is more strategic in nature.

IT must be a strategic priority

Information technology is, of course, principally an operational matter. Few organisations of size can function without consistently performing technology that supports everyday operations. Operational IT priorities will always be a CIO's primary concern.

However, the tech leaders we surveyed suggested that operational IT frequently gets in the way of more strategic work. 29% of respondents said that IT capabilities are held back by day to day tasks ranging from fixing end-user issues through to ensuring that business as usual continues.

Leaving strategic IT as a low priority can put an organisation at a disadvantage in a world where the physical and the digital is increasingly blurring.

Yes, it is challenging to manage technology requirements as it stands today, while simultaneously building a tech estate fit for the future.

Nonetheless, our survey found that CIOs value the importance of strategic IT, with 89% of our respondents identifying with a transformational or strategic role.

Strategic IT is critical in today's business environment

Business agility is growing in importance. In some sectors, agility is a do or die capability. Across all sectors, 2020 thoroughly illustrated how technology agility is hugely beneficial in a crisis. Strategic IT investment plays a key role in delivering that agility.

Organisations are likely to be far more fleet-footed in responding to environmental and technological change if CIOs and supporting teams have the capacity to take a strategic approach to planning and provisioning IT. Getting stuck in the operational mud will block this capability.

For many others, upheaval came in the first months of 2020. CIOs and their staff must have the freedom to evaluate the potential for disruption driven by technology. Tech leaders must also have the time and space to consider how technology can overcome disruption.

Just **7%** of respondents said a limited budget is holding back IT capabilitlies.

FF At Acora, we run an ops blueprint: encouraging colleagues to suggest operational improvements anywhere in the business. Importantly, we then consolidate the suggestions and look at the bigger picture – and how we can develop an optimal solution to drive transformation. **JJ**

David Murphy
Enterprise Architect

Staff are under pressure

What happens to strategic IT priorities when technology staff are under pressure?

On top suggesting that day to day work reduces the opportunity to think strategically, 16% of tech leaders in our survey also said that a lack of resources limited their progress on the technology front. That compared to just 7% who flagged that a limited budget is the main concern.

Budgets are clearly not the primary issue that is holding back strategic IT. It is not unreasonable to conclude that pressured staff may be a bigger problem, through no fault of their own.

CIOs know that an ongoing effort must be made to push strategic objectives. However, staff that are pre-occupied with the day to day won't have the necessary headroom for strategic thinking.

Managed services restore focus

One of the more interesting findings in our 2020 CIO survey is that the organisations we surveyed indicated that they spend around three times as much on internal staff, as on managed services.

It would be very self-serving of us to simply suggest that companies are therefore underspending on managed services, but it is worth taking a moment to pause and think about the implications of that 3:1 ratio.

Respondents represented larger organisations in the UK, but even companies with large internal teams cannot match the capabilities of the technology team at a leading MSP.

In contrast, outsourced IT can leverage economies of scale, and benefit from skills built in a much broader environment. Indeed, 44% of respondents said that they leaned on MSPs for specialised skills.

That is not to say that internal teams have no role, or that organisations should outsource entire IT departments.

Successfully executing strategic IT, and indeed digital transformation, requires intimate knowledge of an organisation. Knowledge that can only be obtained by working in that organisation full time. Day in and day out, internal teams matter.

However, we want to suggest that it is worth thinking about the ways in which an MSP can free up staff to be more focused, and to move from operational IT to strategic IT.

Spending less time working out how to fix relatively simple problems, and dedicating more time to driving transformation, growth and customer satisfaction via strategic use of IT.
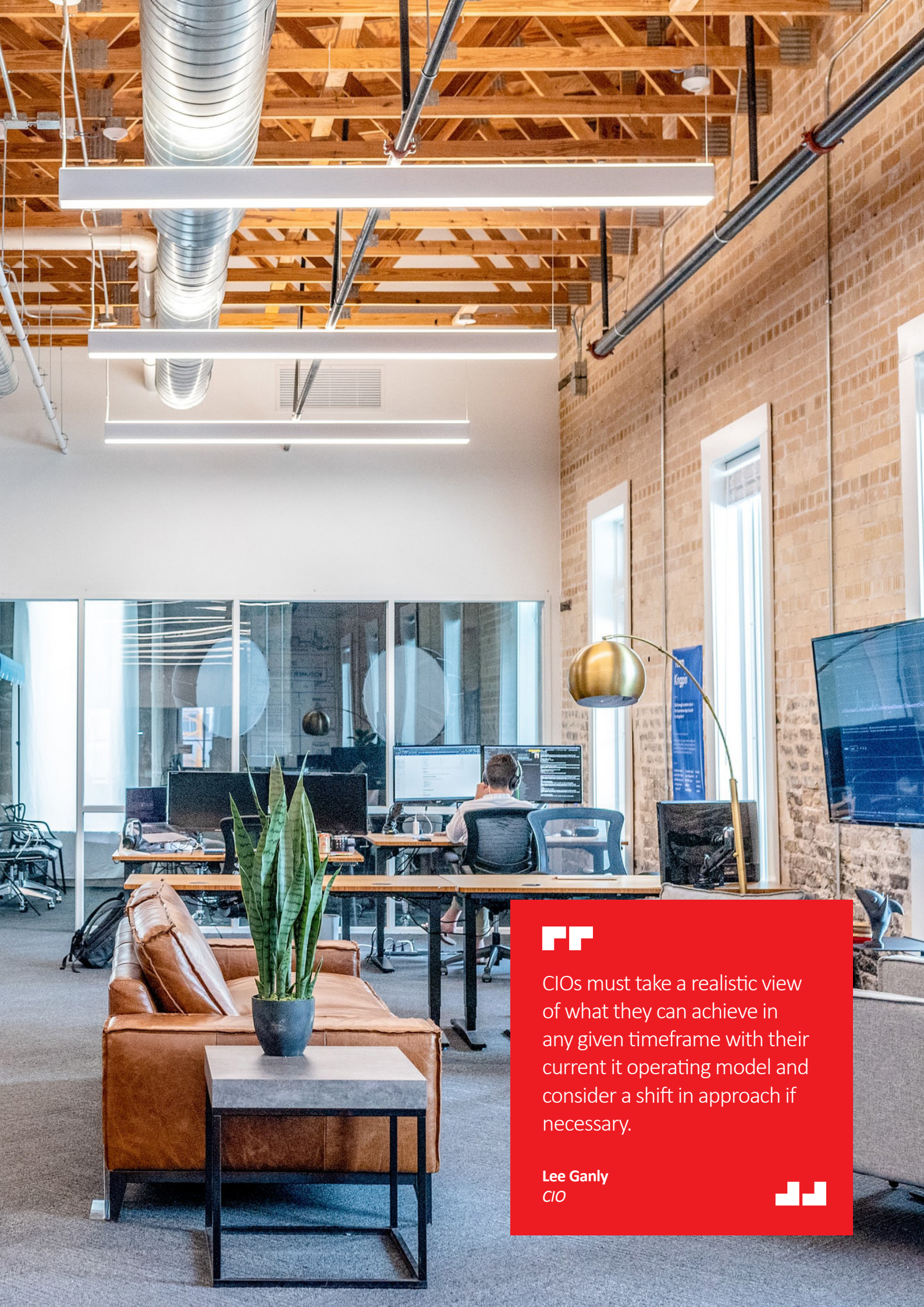
CIOs must take a realistic view of what they can achieve in any given timeframe with their current it operating model and consider a shift in approach if necessary.

Lee Ganly
CIO

Conclusion

2020 has seen incredible challenges for businesses across the globe. In many cases, technology served as a critical enabler of business continuity. From remote working, through to online shopping.

In the years to come technology will continue to shape the business landscape. In turn, CIOs will play a growing role in determining the future of the businesses that they work for.

We are confident that technology leaders are embracing change – from digital transformation, through to building the customer experience and combatting cybersecurity threats.

It is clear, however, that for many organisations, existing IT operating models are not positioned to meet today's objectives.

Tech leaders cannot be expected to be fully prepared for the unknown, but as 2020 has shown, agile businesses with access to cutting-edge tech are more likely to adapt, while businesses reliant on inflexible, legacy infrastructure struggle.

We believe that IT leaders should double up on transformation – leaving legacy technology behind at speed. It may involve a shift in operating model, or leaning on a technology partner.

Either way, change is here to stay, and CIOs are increasingly in a prime position to help organisations adapt to a changing environment – and to thrive in an uncertain world.

Q13. To what extent would you agree that managed services is an important part of your organisation's IT model?

Nearly 80% of ITDMs agree that managed services is an important part of their organisation's IT model.

| Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
34%	45%	17%	4%
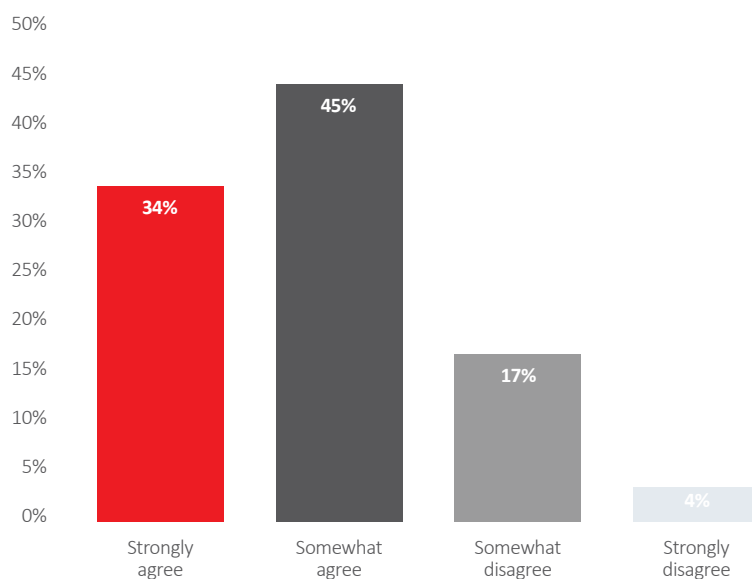
Methodology and Sources

In March 2020 IDG surveyed 116 senior IT decision makers across the United Kingdom, on behalf of Acora. IDG is the publisher of CIO magazine.

Respondents worked for a mix of commercial and non-profit operations.

All companies surveyed employed over 200 workers, with 21% employing over 10,000 members of staff.

Half of our respondents employed more than 30 technology staff members on their teams, with 75% of respondents handling an IT budget in excess of £ 1 million.
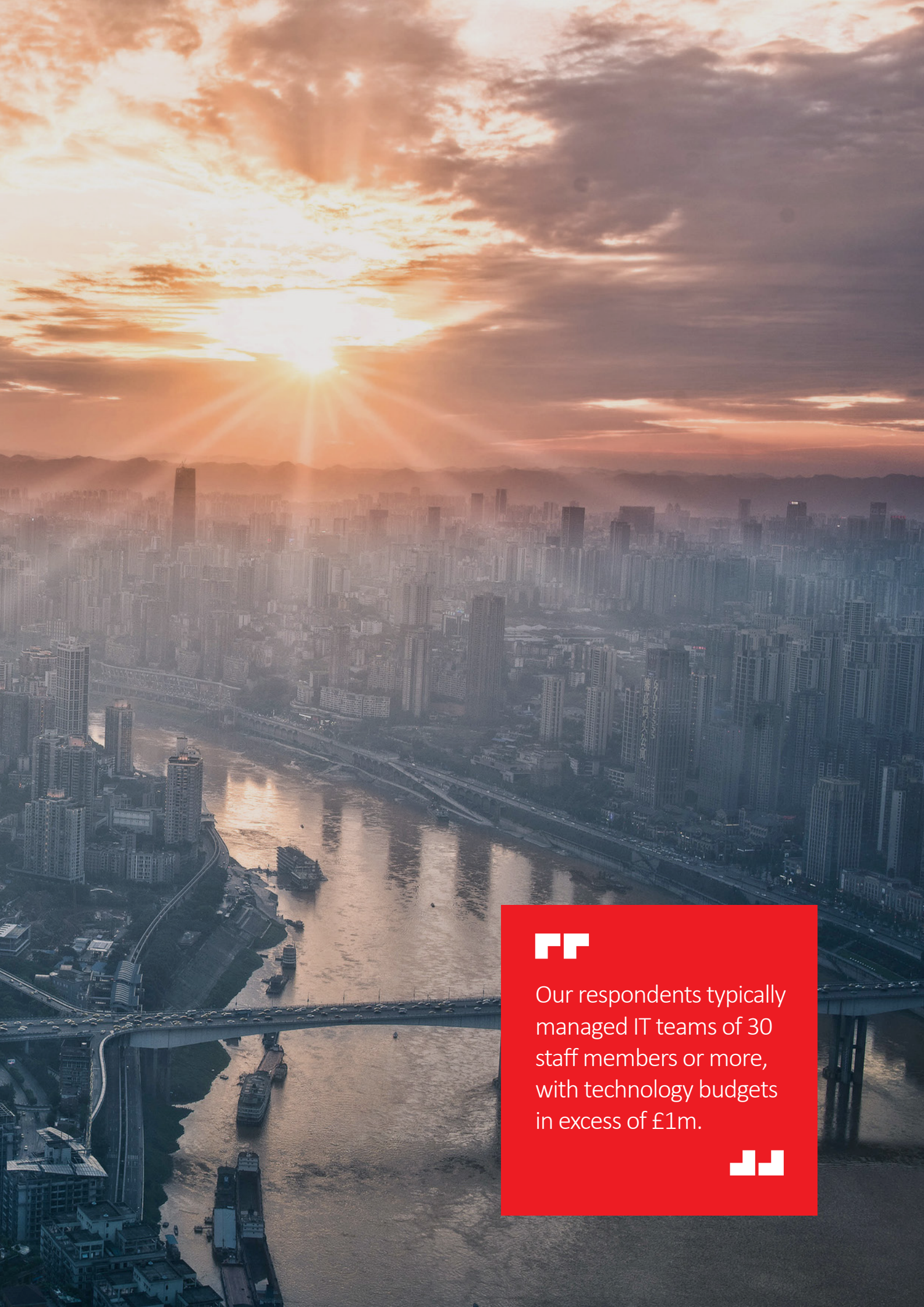
Our respondents typically managed IT teams of 30 staff members or more, with technology budgets in excess of £1m.

The Choice of Leaders

About Acora

Acora is a UK based, award-winning, specialist provider of managed services to the mid-market. More than 200 clients trust us to take responsibility for part, or all, of their business IT.

Our flexible, high value managed services cater to your end user or infrastructure management requirements. They enable you to run an efficient and innovative IT operation that scales and flexes quickly, without investing in the capital or headcount that such an operation would normally require.

We provide a range of IT support and Microsoft-centric, business software and cloud solutions to help organisations modernise their IT so they can compete and win in the digital economy.

We will deliver within budget, security and compliance parameters, so you can focus on your business goals.

If you would like to find out more about how partnering with Acora can help transform your business, you can contact us via phone, email or through our website. Our team will be happy to help.

The Choice of Leaders

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