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PRODUCTIVITY

# IT leaders identify three trends for tech budgets

# While the components of IT budgets are shifting, one thing is constant: growth.

IT budget trends have seen change compared to 12 months ago, with a heavier focus on infrastructure, security, and digital transformation. The [previous article](#) in this third edition of our ProductivITy series uncovered how organisations tend to develop IT strategies with the wider business in mind, so it makes sense that budgets have increased to reflect greater involvement across the board.

Also, given the pandemic and organisations' need to quickly adapt to remote working conditions for example, it's clear that technology has paved the way for change.

According to [Deloitte](#), *"Technology plays a central role in helping companies develop and capitalise on new business models. As the role of technology shifts, budgets and the investment process are subject to increased scrutinisation—and are ripe for evolution"*.

So, how often do IT budget reviews occur? And what trends to IT decision makers identify for now and in the future? In this article, we investigate.

# IT budgets are regularly reviewed



*We set things depending on what our current goal is at the time, and we split everything into quarters for the year. We will have a set of objectives for that quarter, and we take the whole company through it in different sessions. For example, this is what we said we were going to do, this is what we have achieved so far, this is what we're doing next, and it all leads towards that next goal.*

Technical Director, Digital Marketing

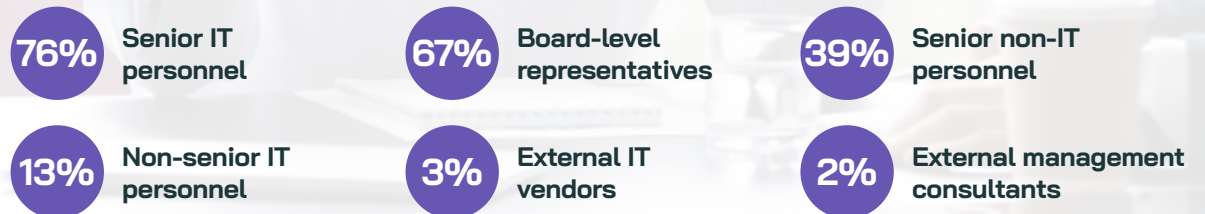
A quarter (25%) of surveyed organisations report reviewing and/or updating their IT budget quarterly or more often than quarterly. As previously uncovered, 31% have a formal documented strategy, with a range of approaches taken instead. 31% have a comprehensive but informal collection of plans and objectives, 18% a collection of different initiatives while 19% admit to not having an overarching/well defined strategy at all but rather react to issues as they occur. With this general approach in mind, organisations will need to constantly reassess their strategies and adapt/respond to evolving needs at the time.

## 1 in 4

**report that their organisation's IT budget is reviewed/updated at least quarterly**

As well as this, a number of stakeholders are involved in planning IT budgets across the business – ranging from senior IT personnel (76%), board-level representatives such as CEOs, CFOs and COOs (67%), to non-IT senior representatives (39%). With IT strategies likely to be influenced by wider parts of the business in a general sense, it's only logical that several stakeholders are also involved in budgets too.

### Multiple stakeholders are involved in planning IT budgets

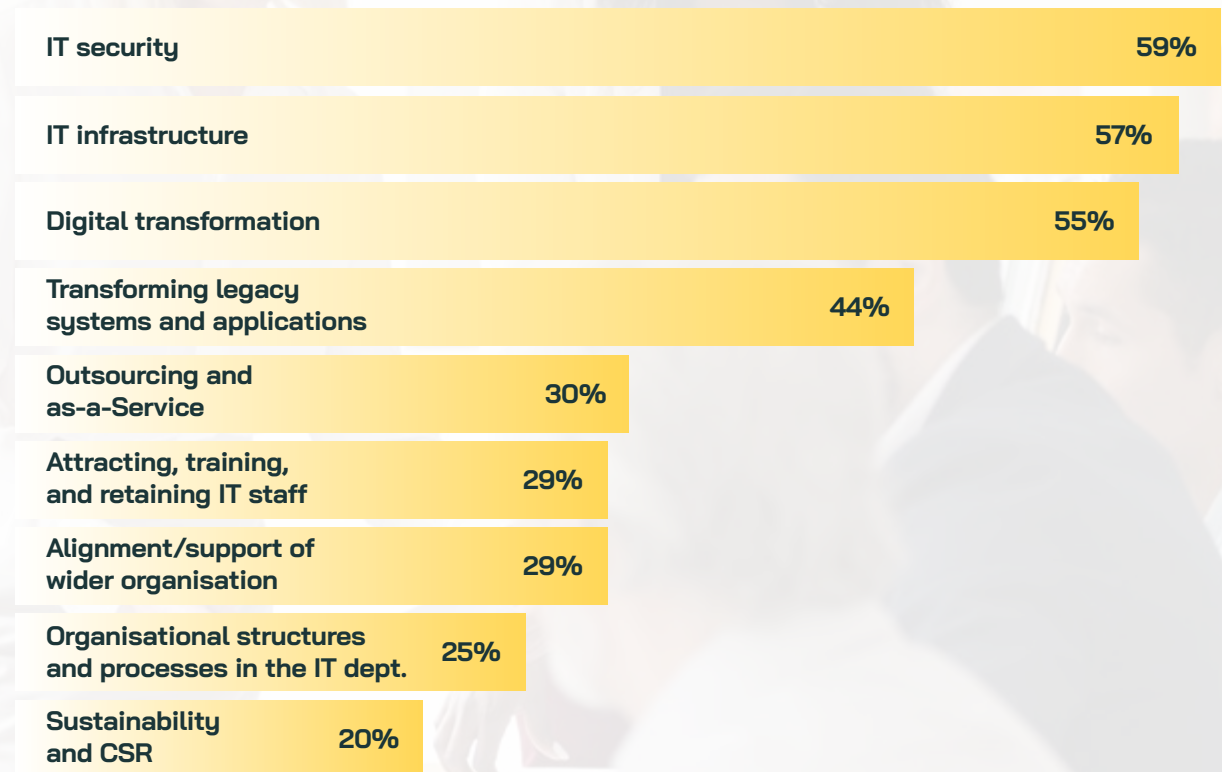




# Budgets are changing and evolving

More than six in ten (61%) report a change in IT budget dedicated to IT security compared to 12 months ago, with 59% reporting an increase. Efforts are also being placed on digital transformation, outsourcing and as-a-Service, as well as the process of transforming legacy systems and applications – with notable proportions reporting an increase in IT budgets across these areas (55%, 30%, and 44% respectively).

## Where IT budgets are increasing compared to 12 months ago

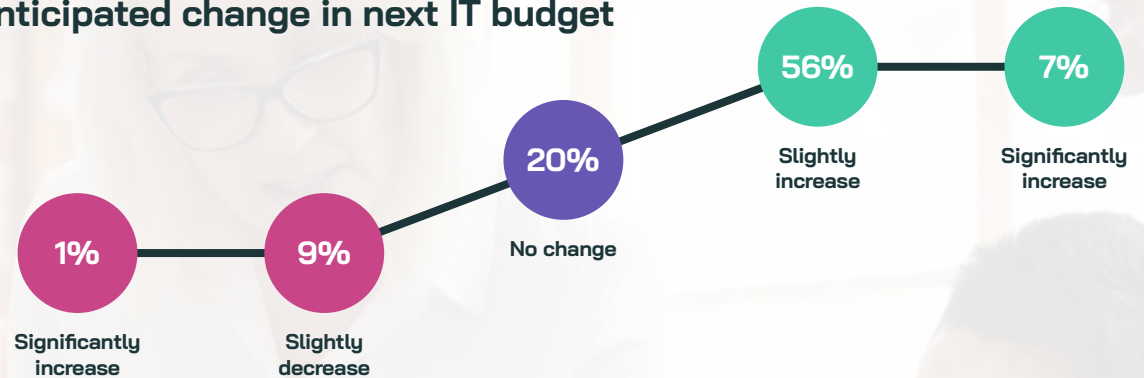


It's clear from the research that organisations have general areas of prioritisation when it comes to IT budgets compared to 12 months ago. Attracting, training, and retaining IT staff doesn't seem to be as pertinent, with around a quarter (29%) increasing budget for this.

# Further positive change is expected in the future

Thinking about the future of IT budgets, further anticipated change is expected. Around three quarters (73%) foresee changes when budgets are next agreed within their organisation, with 63% of those expecting increases.


## Anticipated change in next IT budget



Despite positive strides towards increased IT budgets in the future, it's critical that organisations address difficulties accurately planning IT budgets in the first place. This is a current pinch point for almost all (91%) surveyed, and a very small minority (6%) report finding this extremely easy with no challenges at all.

Of those experiencing challenges, these predominantly relate to IT requirements and investments (58%), budget policies and procedures (29%), and transparency across the wider organisation (28%). As the previous article explored, IT strategies tend to be fluid and integrate wider parts of the business. It appears this approach may well be impacting organisations' ability to understand IT requirements - particularly from the perspective of those from non-IT backgrounds who are involved in planning for such strategies. It's therefore no surprise that further challenges also consist of difficulties with transparency across the wider business.





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# COMMUNITY

*The network for technology insight*

**These survey findings are based on qualitative and quantitative interviews with 213 members of the Vanson Bourne Community, our insight network of IT and business professionals at the forefront of their industries. We regularly engage with our members to tap into their expertise and perspectives on the latest technology-driven trends facing their organisations today.**

Whether you're looking for deeper market understanding or data to drive your strategy, insights from our expert community can help inform your thinking and test your hypotheses.

Our Productivity database and insight series harnesses Community insights to take a forensic look into the IT department, investigating the issues faced by tech teams in ever-changing times. You've just read the latest in our ongoing series, exploring the strategy issues in tech today.

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