

2021

IT Spending, Focus, and Support Plan Trends



CONTENTS

About This Report	3
Survey Results	
2021 Top 3 IT Investment Priorities	4
2021 Top 3 IT Challenges and Business Drivers	7
COVID-19's Effect on IT Consulting Spending	9
2021 IT Services Delivery Model Outlook	10
The Bottom Line	11
Respondent Profile and Methodology	12



Despite Continued Uncertainty, IT Leaders Embrace Transformation



...a typical employer can save about \$11,000/year for every person who works remotely half of the time. ¹

Kate Lister, President of Global Workplace Analytics

2020 has been a year in which strategy has often had to take a backseat to shifting priorities due to a very disruptive COVID-19 environment. As the year draws to a close, organizational leaders are planning for next year despite an uncertain outlook by embracing the newfound flexibility and cost savings resulting from remote-based work and furthering their digital transformation plans.

To better understand where IT is headed, CTG asked 150 leaders across multiple industries in North America and Europe to share their 2021 priorities, including the digital transformation initiatives they are focusing on and what they see ahead. This white paper shares key insights gained through this study.

¹ Source: <https://globalworkplaceanalytics.com/telecommuting-statistics>



SURVEY RESULTS

2021 Top 3 IT Investment Priorities

Each leader was asked to identify their organization's top three IT investment priorities for 2021.

Across all organizations, the top three IT investment priorities they identified support the digital transformation initiatives that most have underway today:

- Security/Cybersecurity (48%)
- Application Development (36%)
- Information Management and Data Analytics (35%)



```

elif_operation == "MIRROR_Y":
    mirror_mod.use_x = False
    mirror_mod.use_y = True
    mirror_mod.use_z = False
elif_operation == "MIRROR_Z":
    mirror_mod.use_x = False
    mirror_mod.use_y = False
    mirror_mod.use_z = True

#selection at the end -add back
mirror_ob.select=1
modifier_ob.select=1
bpy.context.scene.objects.active =
print("Selected" + str(modifier_ob)
#mirror_ob.select = 0
#name = bpy.context.selected_objects
#obj.data.object.name = name

```

While security/cybersecurity is a top-three priority for all organizations, segmenting the priorities by revenue reveals how priorities shift based on organization size. Cloud migration was a top-three focus for the largest organizations, while application testing and testing automation were both focus areas for mid-market organizations.

2021 Top 3 IT Investment Priorities, by Size of Organization

	All	\$2B+	\$500M-\$2B+	\$100M-\$500M	\$1M-\$100M
Security/ Cybersecurity	1	1	2	1	2
Application Development	2	3			1
Information Management and Data Analytics	3		1	2	
CRM/Customers Digitalization			3*	3	
Help Desk Support Services					
Application Testing/ Testing Automation					3
Cloud Migration		2			
Collaboration Platform Services					
Hardware/ Infrastructure			3*		
Compliance Related Services (i.e., GDPR)					
ERP Support/ Implementation Services					
AI/RPA-Driven Process Efficiencies					

* Indicates a tie for number of responses



Looking at responses from an industry perspective reveals that, for most, both security/cybersecurity and application development remain clear priorities. Other priorities varied.

Both healthcare and life sciences and retail and manufacturing have a strong focus on information and data analytics, a clear nod to the tremendous amounts of data these industries are managing today.

CRM and customer digitalization were investment priorities for telecom and retail and manufacturing, which are bracing for a largely online holiday shopping season.²

2021 Top 3 IT Investment Priorities, by Industry Vertical

	All	Banking, Finance, and Insurance	Healthcare and Life Sciences	Information Technology	Retail and Manufacturing	Telecom
Security/Cybersecurity	1	1	2	1	1	1
Application Development	2	3	3*	2	2	3
Information Management and Data Analytics	3		1		3*	
CRM/Customers Digitalization					3*	2
Help Desk Support Services						
Application Testing/ Testing Automation				3		
Cloud Migration		2				
Collaboration Platform Services						
Hardware/ Infrastructure			3*			
Compliance Related Services (i.e., GDPR)						
ERP Support/ Implementation Services						
AI/RPA-Driven Process Efficiencies						

* A number of responses tied

** Only those industries with 10 or more respondents were included

²Look for CTG's "2020 Ecommerce Consumer Trends: Holiday Market Retail Survey Report" on CTG.com in the Knowledge Center under White Papers.



2021 Top 3 IT Challenges and Business Drivers

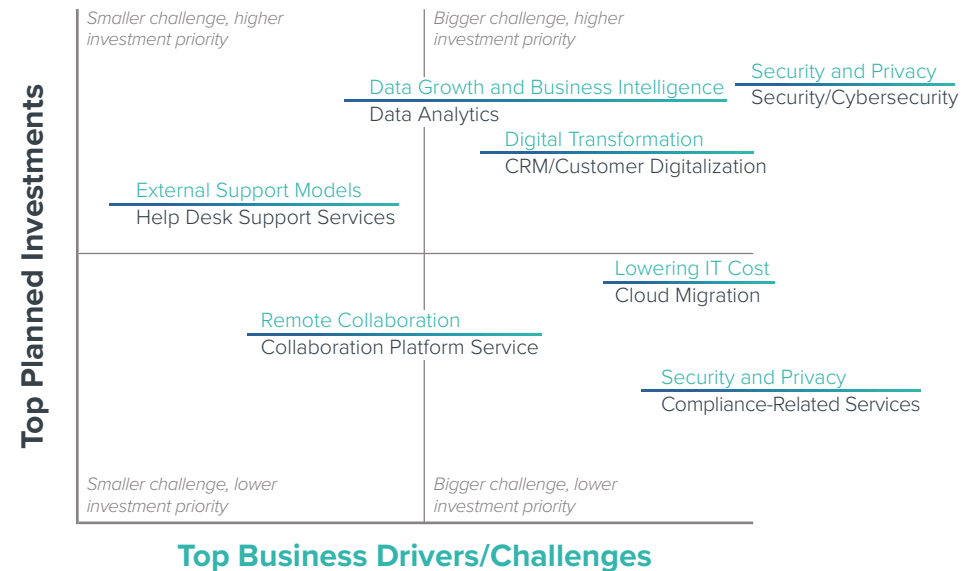
The survey also asked participants to name their top three anticipated 2021 challenges/business drivers. Overall, participants again identified cybersecurity/security/privacy, lowering the cost of IT, and digital transformation/digitalization.

Which Are the Top Challenges/Business Drivers as Ranked by Total Respondents?

Challenge/Business Driver	% Who Ranked it in Top 3
Security, Cybersecurity, Privacy (GDPR, CCPA, HIPAA, etc.)	65%
Lowering the Cost of IT Through Automation, Alternative Sourcing Strategies, Cloud Migration, etc.	65%
Digital Transformation/Digitalization/Improved Customer Engagement	62%
Data Growth and the Need for Improved Business Intelligence	49%
Enabling a Remote Workforce/ Supporting Remote Collaboration	39%
External Support Models: Crowdsourcing, Offshore, Managed Services, etc.	17%



An interesting dynamic occurs when IT investment priorities are compared to top business drivers/challenges. Even though some of the IT investment priorities related directly to, or strongly overlapped, the business drivers/challenges, investment priority did not always align:

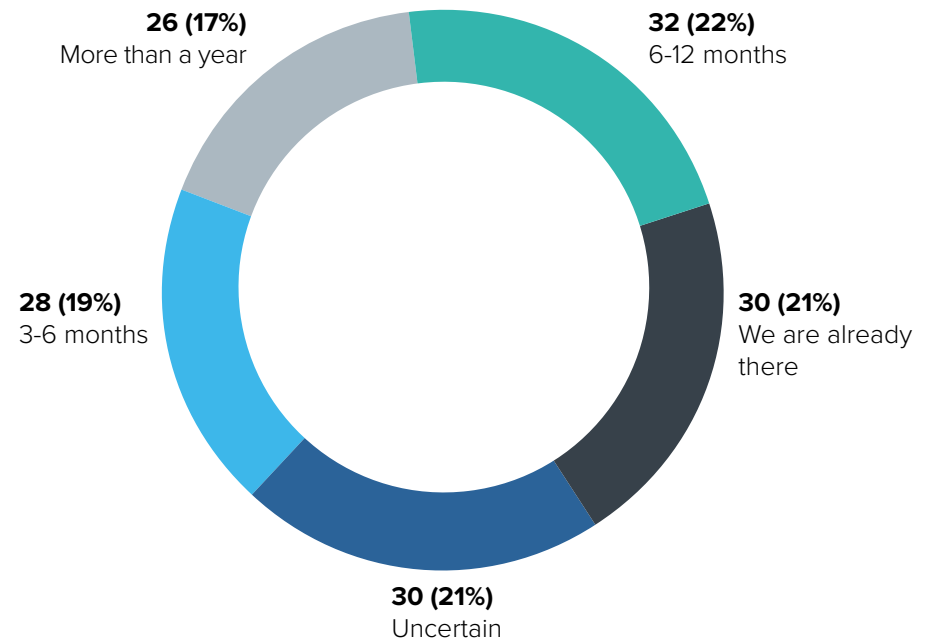


Some of the misalignment could be due to some business drivers/challenges being addressed by one or more investments and vice versa. For example, many organizations are currently moving toward external support help desk models. However, external support models can also be a crucial part of improving customer engagement.

PROFESSIONAL SERVICES

COVID-19's Effect on IT Consulting Spending

COVID-19's impact on business is unquestionable. To gauge the perceived effect on IT consulting spending, survey participants were asked to estimate how long it would be until they were back to pre-COVID spending levels. The answers showed wide variation, with more than 20% of respondents indicating continued uncertainty:





2021 IT Services Delivery Model Outlook

Survey respondents were asked to identify the likelihood that their organization would utilize different types of IT services delivery models in 2021 and beyond.

Delivery Model	Very Likely or Somewhat Likely	Unlikely or Very Unlikely
Hybrid	73%	12%
Offsite Remote-based	68%	19%
Onsite	61%	12%
Offsite Delivery Center	51%	26%

Positive responses to offsite and hybrid-based models aligned with the previously reported priority of lowering IT costs. It likely also speaks to the fact that COVID-19 forced most organizations, at least for some period, into a remote workforce arrangement. Many organizations not previously comfortable with offsite work now have the first-hand experience of the cost savings and productivity benefits it can offer.



The Bottom Line

As 2020 draws to a close and we look forward to 2021, many of the challenges presented by COVID-19 remain. COVID-19 has redefined “new ways of working” from a hypothetical future state to our current reality. Higher adoption of remote work and increased digital interactions are now mission critical and likely to stay.

Now, more than ever, IT leaders must embrace digital transformation technologies, workflows, and processes to optimize collaboration with external stakeholders and improve how employees work within the company. Whether by enabling remote workers, creating new ways to interact with customers, scaling IT projects to meet demand, or identifying more cost-effective ways to deliver traditional IT services—an organization’s survival in this post-COVID-19 world depends on agility and preparation. Competitive advantage is at stake.

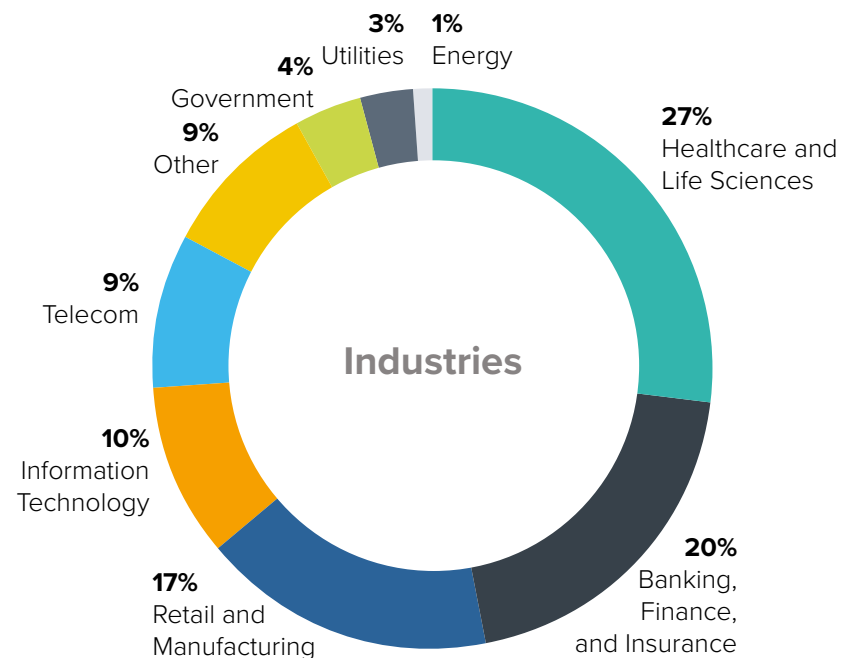
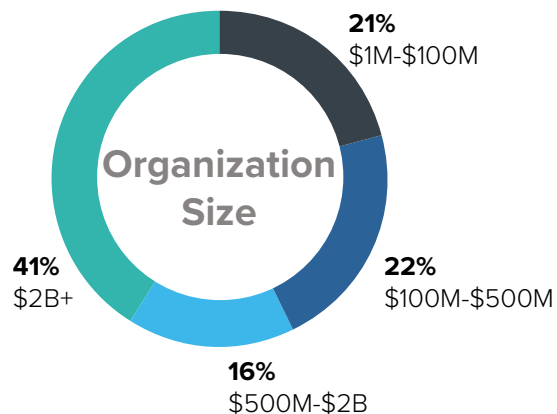
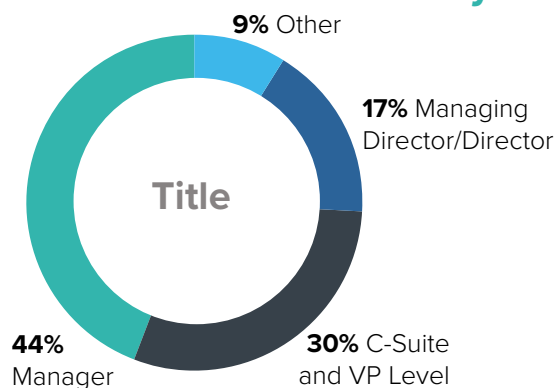
Given that organizations across industries and of all sizes have identified the same top investment priorities and also face similar business challenges and drivers, how well an organization is positioned for success will come down to not only what you are working on but how well you execute. Organizations that can implement quickly and effectively will be better positioned to win the digital transformation race, but those that can continuously adapt to change will also survive.



Respondent Profile and Methodology

CTG fielded this market research survey via Survey Monkey to 150 IT leaders in North America and Western Europe, representing multiple industries and organization sizes (measured by revenue).

Survey Participants



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