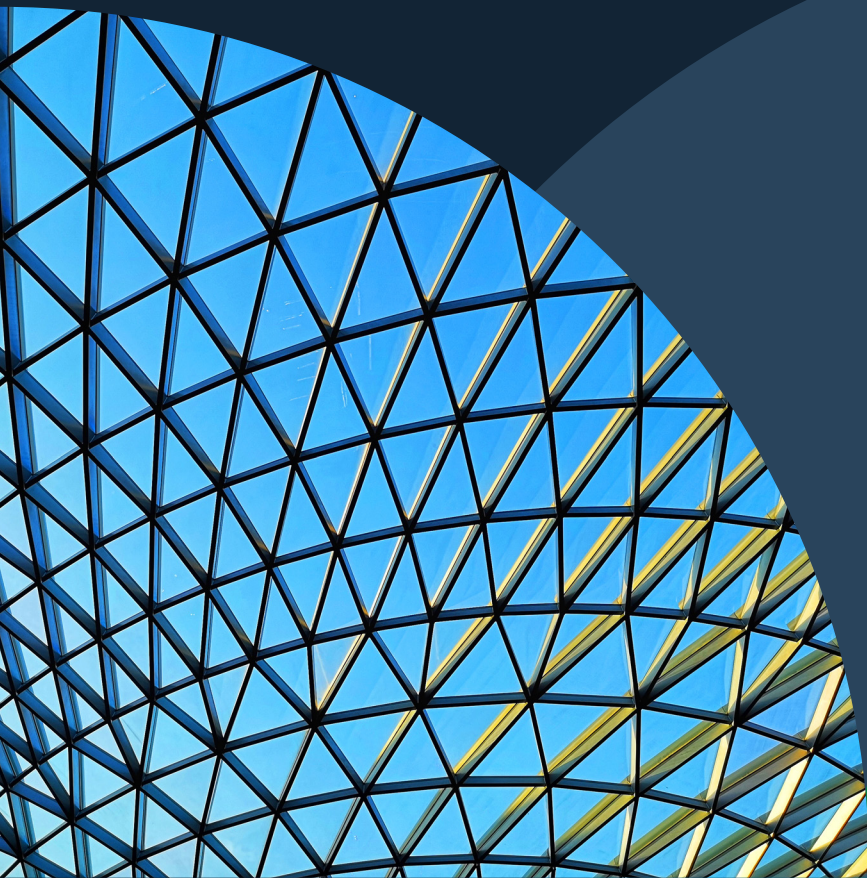


snow\*



2024

## IT Priorities Report

Fourth annual study on the changing role  
and expectations of today's IT leaders

# Table of Contents

- Introduction** ..... 1
- Key Findings** ..... 2
- Looking Back** ..... 4
  - The AI Ascension: Reshaping Industries and IT Leadership Priorities ..... 5
  - Data Deluge: Navigating the Ever-Changing Data Landscape ..... 7
  - At Odds: Balancing Spending, Saving and Investing ..... 9
  - Visibility Barriers: Foggy Conditions With a Chance of Clarity ..... 12
  - CIOs: Catalysts for Change ..... 15
- 2024 IT Priorities** ..... 19
  - The In and Out List for 2024 ..... 24
  - The Innovation Pressure Is Still On! ..... 26
  - Visibility, Adaptability, Innovation: The Power of Technology Intelligence ..... 27
- Appendix** ..... 29

# Introduction

## 2023 has been another year of incredible change.

There were plenty of events with wide-sweeping impacts on many global organizations. From the collapse of Silicon Valley Bank and the macroeconomic after-effects to the continuation of sweeping layoffs across the tech industry, the hits kept coming this year. Despite the continued economic uncertainty, one of the major bright spots of the year (and a significant area of focus) was artificial intelligence.

To understand how events throughout the year have impacted IT leaders' priorities, opportunities and challenges as they look to 2024, Snow Software polled 800 leaders from the U.S., UK, Germany and Australia and found some significant shifts. What's clear is that the ups and downs of the year underline the importance of establishing comprehensive visibility for IT leaders, and that they need a solid foundation of intelligence to continue to quickly adapt and act.



# Key Findings

1

## Artificial intelligence (AI) is topping the agenda for IT leaders.

Generative AI is inundating organizations and the IT industry alike. It's no surprise that integrating AI is also the number one issue that IT leaders have been dealing with in 2023 — and it's the one they expect to be the top priority for 2024. Most seem ready for it, with 82% saying they are completely prepared to leverage generative AI technologies. As budgets improve, we can expect more organizations to experiment with AI in the coming year. In fact, 62% of IT leaders say they are seeing increased investments in emerging applications such as ChatGPT and Google Bard. However, some remain cautious (though not as cautious as they were during the pandemic), with 21% of these leaders saying that they're overspending in this space.

2

## The ability to extract value from data remains high.

Most of our surveyed IT leaders are feeling extremely positive about their data collection, management, use and insights. The number of leaders who say they are drowning in data has vastly reduced to less than half of respondents, and 95% say their direct reports have the data they need to make good business decisions. Nevertheless, **91% of respondents said the need for investment into tools and technologies to extract value from data remains high**, suggesting IT leaders are seeing constant room for improvement or escalating requirements for how they use and manage their data. This may be a result of the ongoing priorities around artificial intelligence — and the increasing complexity of the tech stack.

3

## IT leaders are still struggling with the decision to spend or save.

Managing cost and risk has always been at the core of the CIO's responsibilities (and it's been one of the top priorities and/or challenges identified for the past several years of this report). During periods of transformative technological change, striking the right balance between investing in new technologies and maintaining regular business operations becomes even more crucial. **Increased investment is being reported across the expanse of IT priorities**, beginning with 75% of IT leaders reporting an increase in investment in security tools. But while investment is crucial to stay ahead of the curve, **one in five IT leaders also see overspending on cloud, SaaS, managed services, hardware and even emerging applications like ChatGPT taking place.**

4

## The pressure to sustain innovation continues to be a pressing concern.

While many IT teams navigated budget cuts due to changing market conditions, customer and market demands persisted, leaving many IT leaders with the task of innovating while still being frugal. It's a bit of a balancing act; **91% of IT decision-makers say that innovation is a top priority for their organization but 48% still say they are spending too much time reacting to problems to be innovative.**



5

## Global IT leaders face ongoing role transformation.

Four in five (82%) IT leaders indicate that their role has changed drastically over the past few years. Despite ongoing fluctuations in their roles and responsibilities, IT leaders seem to be embracing change, as this number is slightly lower than last year. The top two reported reasons for the changes were learning new skills for a new technology (56%) and earning new skills for leadership and/or management (42%). Considering the shift in focus to artificial intelligence, the findings suggest that IT leaders are feeling AI's impact on a more personal level. **In fact, IT leaders were split into two groups of thought: those who were more personal risktakers and those with more conservative approaches.** It's hard to say which viewpoint will be the most beneficial until next year or beyond, but it's clear that AI will influence IT leaders today and tomorrow.

6

## Lack of visibility continues to plague IT leaders.

Sixty-seven percent of IT leaders reported that business units are spending more on SaaS and cloud than they are aware of (a ten-point decline from last year's result of 76%). Even though **75% recognize the risk of having visibility gaps, no one clear driver of the visibility gap problem rises above the rest.** IT leaders indicated that the top reasons for visibility issues were cybersecurity protocols (38%), lack of resources such as budget or employees (32%) and lack of skills in the IT organization (29%).

7

## Growth in platform strategies is evident.

A lack of visibility, the drive for greater efficiency and the ongoing market uncertainty could be a few of the many reasons why **nine in ten IT leaders (88%) are moving toward platforms and away from point tools.**

8

## In 2024, IT priorities pivot toward AI and away from digital transformation.

This coming year's top three priorities are integrating AI (35%), reducing IT costs (28%) and reducing security risks (28%). IT leaders are focused on AI (both integrating and managing AI, which ranked first and fourth respectively). As a result, they've pushed other priorities such as digital transformation down their list. In previous years, delivering digital transformation was a top three priority. Now, however, it seems to be a standard way of operating instead of an initiative driving IT leaders' mindshare or behaviors.

# 2023

## Rewind:

The Year of IT Innovation  
and Its Balancing Act for  
IT Leaders



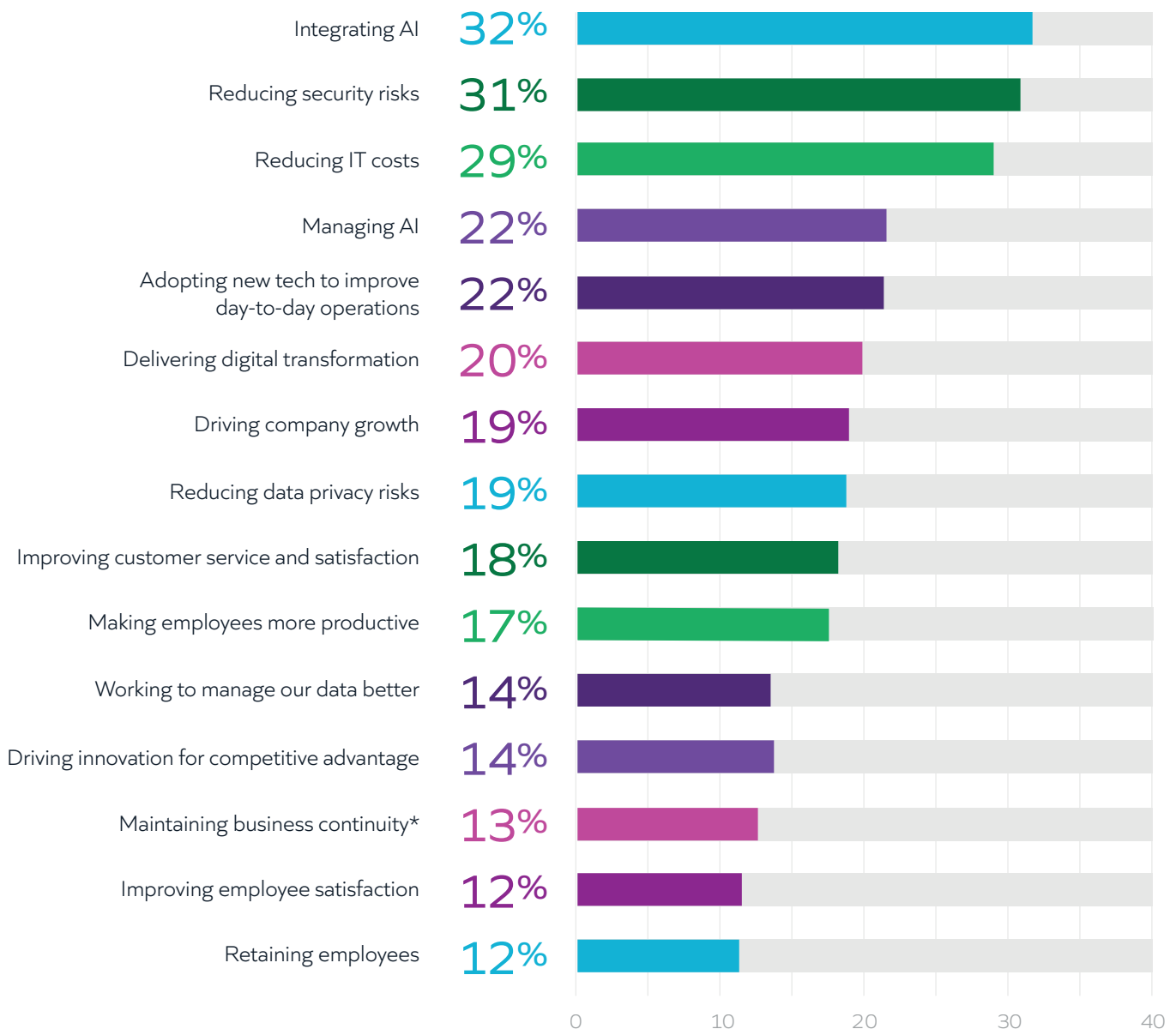
# The AI Ascension:

## Reshaping Industries and IT Leadership Priorities

The excitement and curiosity around the recent growth of AI and the possibilities that come with it are unavoidable. Take, for example, how the introduction of ChatGPT had the entire technology industry buzzing earlier this year. AI stands to transform the way we work completely; it's simply a matter of how and when.

Rocketing past “could be cool” to “look what this can do,” AI has rapidly become a top priority for IT leaders and took over the IT zeitgeist with its promise to boost productivity and drive value. For 2023, integrating AI jumped straight to the top priority spot for IT leaders over the past 12 months (32%), followed by the usual suspects of reducing security risks (31%) and reducing IT costs (29%).

### Which of the following were your organization's top IT priorities over the past 12 months?



One large contributing factor in AI's importance is the economy. As budgets improve — or at least remain stable — organizations are more inclined to experiment with AI.

In fact, 62% of IT leaders say they are seeing increased investments in emerging applications such as ChatGPT and Google Bard. Additionally, 53% of IT leaders believe the use of these applications has increased this year. Not only is AI a top priority, but IT leaders are increasingly poised to use it, with **82% saying they are completely prepared to leverage generative AI technologies**. The preparation and enthusiasm are evident, but who is paying for the bills behind the AI push? Will organizations who are keen to implement AI themselves pay or will their AI tool be a value-add found within their existing tech stack? Will organizations be prepared if, in the future, vendors eventually offer AI capabilities to customers who upgrade their applications to premium tiers or who pay an upcharge to use AI features?

It's tempting to go all-in on AI. Employers seem eager, but are employees ready?

**Well, that depends.**

Eighty-four percent of IT leaders say their employees are ready and excited to explore the capabilities of AI. However, **89% admit the skill sets of their employees need to improve or evolve to best leverage these new technologies**. Naturally, some costs will be associated with implementing AI (i.e., purchasing the AI technology, educating and expanding teams).



IT leaders who have been in their roles for less than 10 years are more likely to make AI a priority over those who have been in them for more than 10 years (29% to 17%)."



If we look at AI preparedness from a team perspective, 70% of IT leaders say emerging technologies no longer fit neatly into on-premises or cloud, so they need new processes and teams to manage them.

**Perhaps it's these expenses, perhaps it's another factor, but not everyone is completely ready to board the AI train.**

Some IT leaders remain cautious, with 21% saying they are overspending on emerging applications such as ChatGPT. This caution is also evident when looking at different experience levels of IT leaders and their willingness to embrace AI. IT leaders who have been in their roles for less than 10 years are more likely to make AI a priority over those who have been in them for more than 10 years (29% to 17%).

Interestingly, IT leaders at smaller companies (those with less than 1,000 employees) say they are more prepared to leverage generative AI. If we look at preparedness by geography, more IT leaders in Germany (89%) and the U.S. (87%) say their employees are ready to implement.

As IT decision-makers look toward 2024 and beyond, we expect them to increase spending moderately. With this funding, they can boost employee skills, integrate AI and use their AI assets to increase operational efficiency and create more opportunities to drive innovation. In fact, **72% believe their organization will be using more AI in the next two to three years**. We'll dig further into this topic in the 2024 look ahead (page 20).



# Data Deluge:

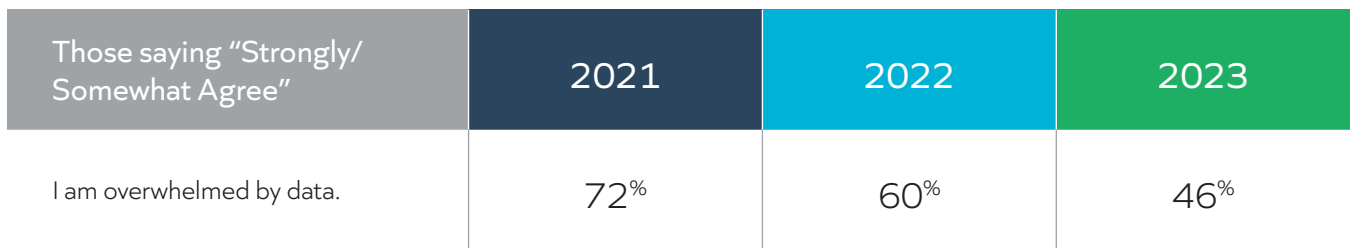
## Navigating the Ever-Changing Data Landscape

The explosion of AI in 2023 spurred a rapid change in technology that's now mirrored in the evolving attitudes surrounding data.

First of all, there's a remarkable improvement in how IT leaders feel about how they manage and access their data. This year, **only 46%** of IT leaders stated that data overwhelmed them. This is a significant decrease from 72% of respondents in 2021 and 60% of respondents in 2022.



### How strongly do you agree or disagree with the following statements?



**On top of that, almost nine in ten IT decision-makers (87%) say the data they receive is actionable and they can clearly apply it to decisions.** Ninety-five percent also say their managers or direct reports have the data they need to make good business decisions.

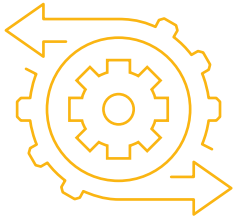
In 2022, 91% said it was easy for their managers and/or direct reports to access data and make recommendations and/or decisions. In 2023, the number of respondents who felt it was easy to access data dropped slightly to less than nine in ten (84%). These findings suggest 2024 will reflect the massive change AI has wrought on technology leaders' way of thinking about their data and the learning curve their teams will experience with AI's growing integration into daily operations.

Despite feeling confident in their data and their ability to access it, **91% of IT leaders say they must invest in tools and technology to extract value from their data and turn it into actionable intelligence**, a slight increase from 89% last year.

The implication is that many IT leaders still see areas for improvement in extracting value from their data. Perhaps they also see the potential for data with the right tools in place. This could also be fueling confidence in other areas while IT leaders still see the need for investment — all driven by potential use cases, especially in the charge to implement AI.

We also see that IT leaders in the U.S. (88%) find it easy to access data to make recommendations or decisions, compared to their counterparts in Australia (84%), Germany (83%) and the UK (81%). As AI regulations change across regions, we could see a larger disparity between nations.





## How strongly do you agree or disagree with the following statements?

Those saying "Strongly/ Somewhat Agree"	Total	Australia	Germany	UK	US
The data I receive is actionable and can clearly be applied to decisions.	87%	86%	85%	89%	89%

The conflicting needs of data — easy to use, actionable, organized but also in-depth and plentiful — speak to the increasingly complex nature of technology and the organizations it supports. It's simply not enough to have data. Organizations need to be able to use it, not only for business decisions, but also for AI training, a goal that many organizations are working toward. As the latest technology evolves and becomes more complex, the needs of data will similarly grow in complexity. The investments organizations make for managing and using their data (i.e., their tooling) will need to provide the continuously improving insights that organizations require to stay competitive.



**91%** of IT leaders say they must invest in tools and technology to extract value from their data and turn it into actionable intelligence



# At Odds:

## Balancing Spending, Saving and Investing

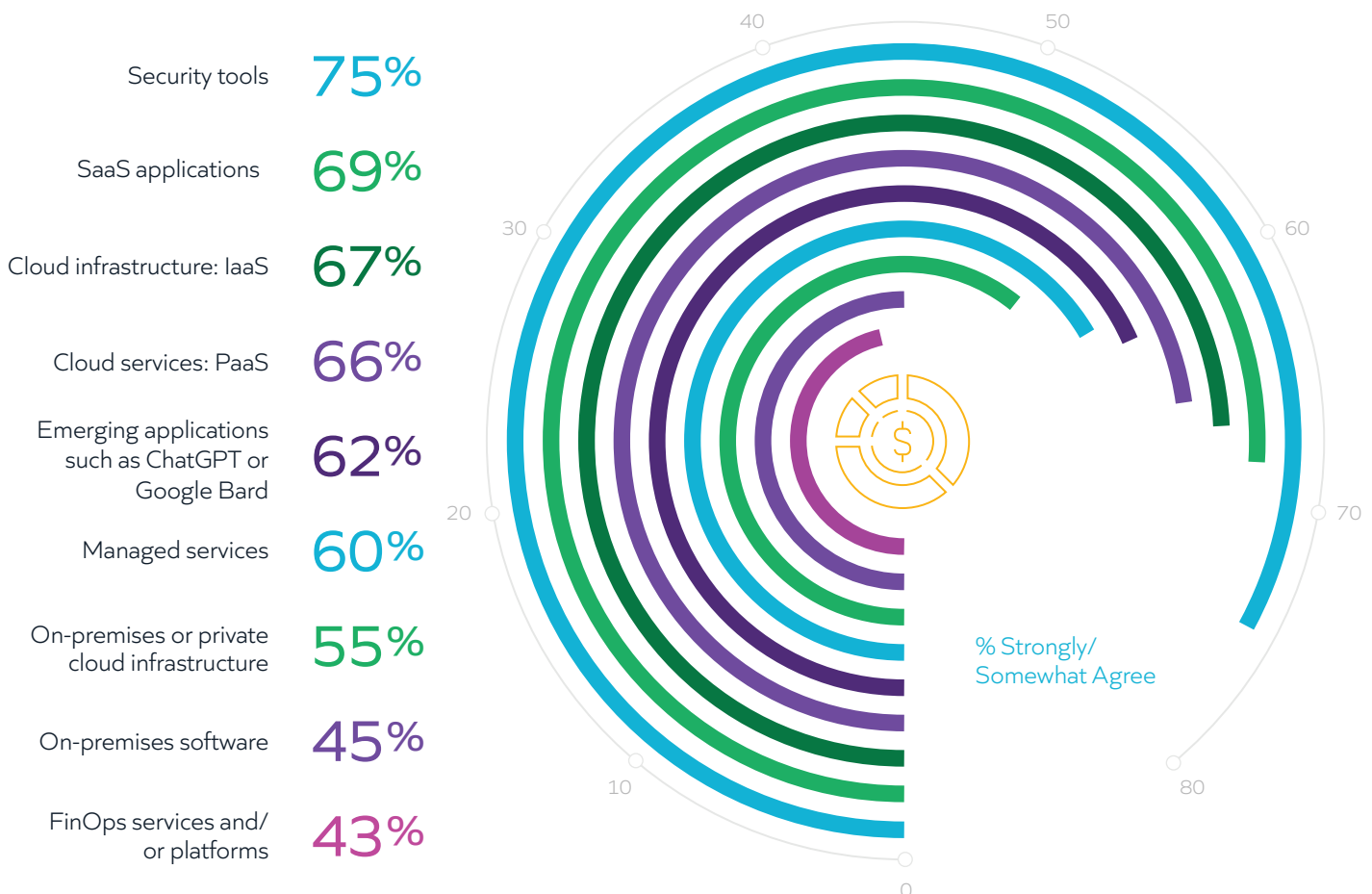
IT leaders have reported spending increases across the board: 75% have increased spending on security tools, 69% on SaaS applications, 67% on cloud infrastructure and 66% on cloud services (i.e., platform-as-a-service). Apart from the six-point decrease in cloud spending, these spending levels are on par with last year's report.

We know organizations are rushing to implement AI — a [Gartner® study](#) from October 2023 found **55% of organizations are currently working on or are already piloting their own generative AI solutions**, a significant

increase from 19% only five months prior. The time, money and resources required to build these products is a significant investment, leading to an intense balancing act for organizations as they funnel investments into transformative technology while still maintaining day-to-day operations.

AI investment spending, the newest entry to the spending list, is at 62%, which is no surprise given the previous data that indicated a priority shift for IT leaders and organizations.

How has your organization's investment in the following technologies changed over the past 12 months on a scale of 1-5, where 1 = Significantly Decreased and 5 = Significantly Increased?



These spending increases also align with the uptick in perceived overspending.

Twenty-eight percent of IT leaders believe they are overspending on both cloud infrastructure and cloud services, 25% on security tools, 25% on hardware, 24% on on-premises software and 23% on SaaS applications. Despite the popularity of AI, 21% of IT leaders already see overspending on emerging applications such as ChatGPT or Google Bard. Over one in ten (12%) respondents said they are overspending on FinOps services or platforms, despite 17% of those surveyed stating they had seen an increase in the use of FinOps services and platforms. If you consider that, over the past year, 72% of IT leaders have seen an increase in the use of cloud services and 28% indicate it's

an area of overspend, the financial management aspects of FinOps practices and tools seem to be more necessary than ever, especially in the face of rapid AI development.

The breadth of collaboration within FinOps is what sets it apart from other practices such as MarketingOps, DevOps or even RevenueOps. Cloud infrastructure and services extend across most organizations; therefore, it is essential to include stakeholders who would be impacted by potential changes, even those made in the best interests of the business. That's why more than 12,000 professionals have adopted the FinOps framework to date. With continued acceleration of cloud use, **FinOps will increase in importance, and the scope will extend beyond infrastructure management to include software and SaaS.**



## What is FinOps?

According to the FinOps Foundation, FinOps is defined as “an evolving cloud financial management discipline and cultural practice that enables organizations to get maximum business value by helping engineering, finance, technology and business teams to collaborate on data-driven spending decisions.”



Beliefs on overspending also appear to have a generational component.

Category of Spending	Age 18-35	Age 36-50	Age 51+
Cloud infrastructure: IaaS	32%	29%	19%
Cloud services: PaaS	34%	28%	18%
Security tools	27%	27%	18%
SaaS applications	28%	23%	14%
Emerging applications (i.e., ChatGPT, Google Bard)	28%	19%	12%
“Spending is fine.”	12%	22%	30%

Those in the oldest age bracket of 51+ are consistently around 10% less likely to believe they are overspending on various cloud-based services than those between ages 18-50. These stats are also mimicked in other areas. For example, those 18-35 and 36-50 are more likely than those 51 and older to say business units are procuring far more cloud and SaaS than IT knows about — 71% of those 18-35 and 70% of those 35-60 vs. 52% of those 51 and older. This is an even larger percentage discrepancy than the responses on overspending. The belief that more cloud and SaaS is being procured than IT is aware of could also correlate to beliefs on overspending, as those under 50 could feel they require more visibility to get a firmer grasp on where they believe overspending is occurring based on procurement happening outside of IT.

In 2023, economic uncertainty forced 80% of IT leaders to rethink their strategy, with 70% of IT leaders seeing immense budget impacts. In 2022, the biggest spend increases came from security and cloud. Projected spend increases for 2024 look like they'll come from security and cloud, too, but for entirely different reasons. Despite a focus on efficiency in 2022 and 2023, AI has had what appears to be an energizing effect on tech, the likes of which have not been seen in decades.



**One in five** IT leaders also believe they are overspending on cloud, SaaS, managed services hardware and emerging technology.





# Visibility Barriers:

## Foggy Conditions With a Chance of Clarity

When it comes to visibility, most IT leaders continue to report challenges. Why? Haven't IT leaders been talking about lack of visibility for some time?

**In short: visibility is difficult to achieve.**

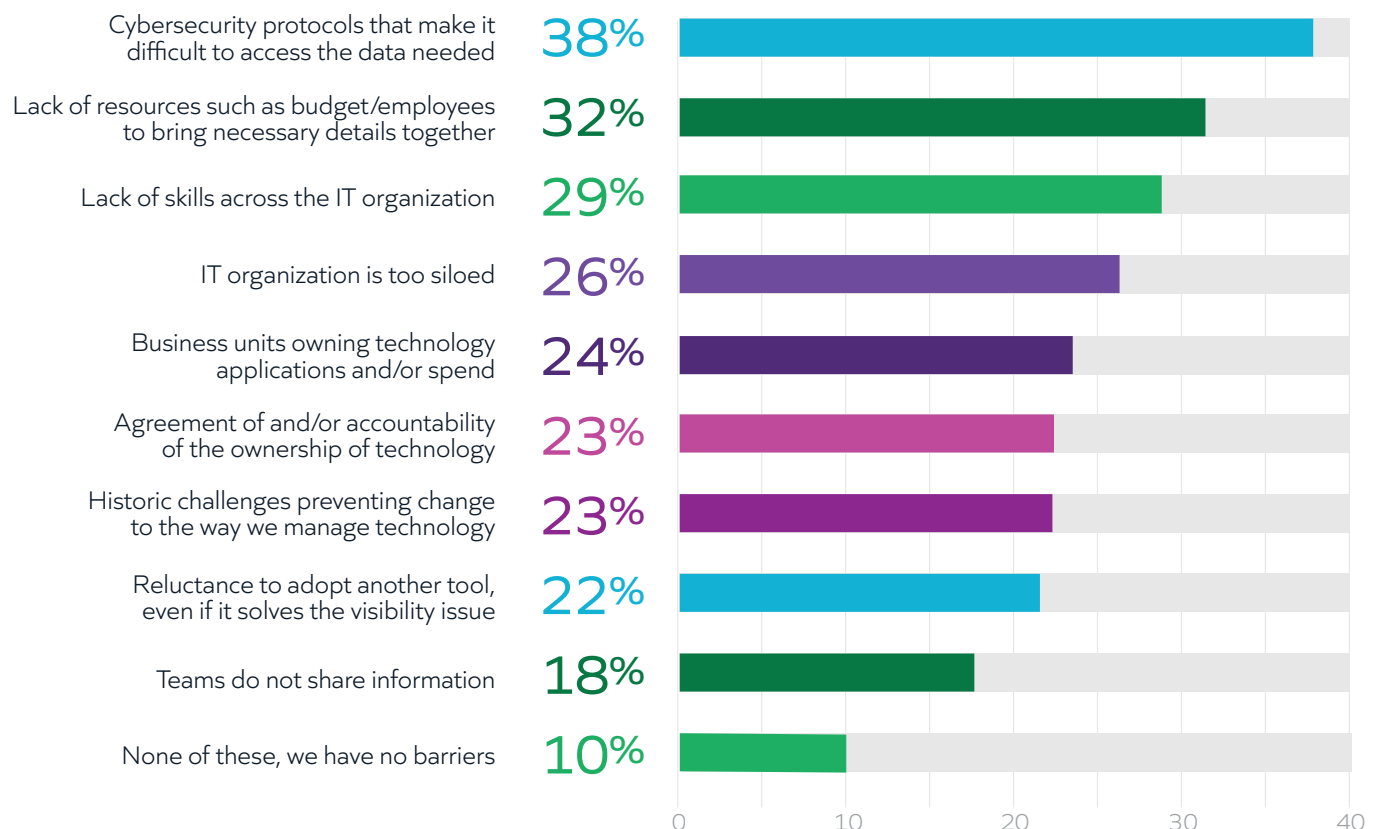
Decentralized purchasing patterns within organizations — ones in which business units and individuals drive a significant source of technology spend — have created a disconnected reality for many in IT and are a likely reason behind the obscurity. Distributed technology budgets and broad use across organizations are relatively normal in 2023. It seems, however, when there's an issue with that same technology, IT leaders still have to deal with the mess. The same situation seems true for IT leaders in this year's survey, as many were asked to identify and find efficiencies across their budgets.

**Visibility once again seems to elude them.**

**Sixty-seven percent of IT leaders say business units are procuring far more cloud and SaaS than what IT is aware of. While this is down by ten percentage points from last year's report, it is still a staggering number. Three-quarters (75%) of IT leaders said that there is a risk in having gaps in visibility across their IT environment.** Additionally, the problem may be more prominent for U.S. organizations; our surveyed IT leaders in the U.S. are more likely than those in the other countries to say that the biggest barrier to achieving visibility across their IT environment is the siloed nature of the IT organization.

Even more alarming, when asked about what was causing the gap in visibility, IT leaders could not seem to agree on one or even two factors they could identify as causing the issue. The complexity of solving these problems ranges from cybersecurity protocols (38%), lack of resources such as budget and/or employees (32%), and lack of skills across the IT organization (29%).

## What are your biggest barriers to achieving visibility across your IT environment, including software, hardware, SaaS and cloud?





Visibility issues are having an impact on how organizations conduct everyday business. In fact, the challenges with visibility could be one reason why IT leaders are moving toward platforms and away from point tools (88%). This is in addition to the potential cost savings from consolidating tools and reining in sprawl created by their cloud and SaaS environments.

The shift from point tools to platforms isn't a new trend. One of the last iterations aligned with the growth of SaaS as technology platforms were unable to keep up with new innovations and usability. This was also around the same time that we saw a distribution in buying behavior as more "freemium" SaaS made it easy for users to try then buy their services. However, over the past several years, organizations have moved into efficiency mode and have begun to look for ways to counter the numerous applications and services running unchecked in their IT environments. Platform vendors have also come a long way since the dawn of SaaS, demonstrating their ability to innovate quickly and make it easier to add functionality as needed.

**One thing is very clear: the time for platforms is here.**

Visibility might also be the reason why IT leaders reported inconsistencies in their spending versus savings. IT leaders reported increased spending in security tools above other technologies over the past 12 months (75%), even though 31% also said reducing security risks was their second top priority for 2023 (see page 6).

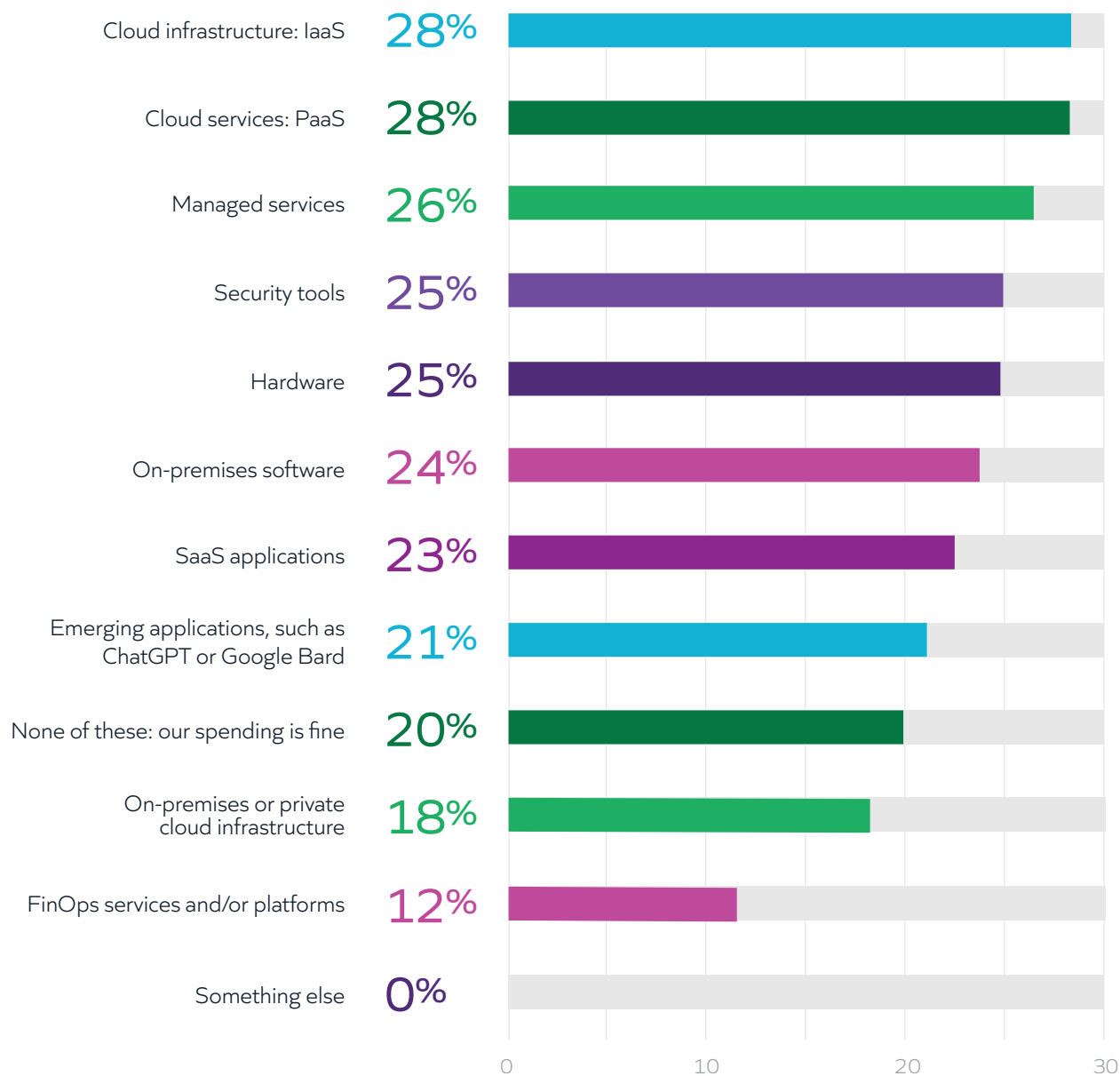
IT leaders also believe they are overspending on cloud infrastructure (IaaS), cloud services (PaaS) and managed services, despite indicating they don't have complete insight into the cloud investments running in their organization. And yet, only 43% of IT leaders reported increasing their spending on FinOps services and/or platforms in the past year — a discipline meant to help organizations unify their view of cloud usage and efficiently manage complex cloud billing.

Visibility is creating more challenges for IT leaders, despite the need to have a complete view of the tech stack and influence cost, risk and investment in AI. The complexity of technology seems to grow exponentially every year, making it vital for IT leaders to address this issue relatively quickly or be at risk of being left behind.



*88% of IT leaders are moving toward platforms, and away from point tools.*

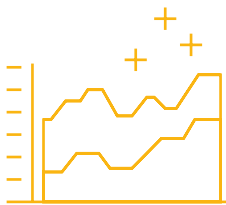
# Where, if at all, do you think you are currently overspending on technology?



# CIOs:

## Catalysts for Change

2023 has been a year filled with continued uncertainty from further market turbulence, geopolitical conflicts, extreme weather events, mass layoffs, wavering confidence in the technology industry and more. Yet, IT leaders seem to be either gaining resilience or just settling into a role entrenched in transformation. **Four in five (82%) IT leaders surveyed said their role had changed drastically over the past few years.** This is down by one percentage point (83%) from last year's report and six points (88%) from the 2022 report.



### How strongly do you agree or disagree with the following statements?

	2021	2022	2023
The role of an IT leader has changed drastically over the past few years.	88%	83%	82%

IT leaders have had a front-row seat to the rollercoaster of events over the last several years; it should come as no surprise that they believe their roles have gone through dramatic changes. In fact, there doesn't seem to be an end in sight.

The whole-hearted, enterprise-wide embrace of artificial intelligence seems to be one of a few factors behind this year's changes. Of our surveyed IT leaders, 56% indicated that they were required to learn a new skill related to a new technology, while 42% focused on adding leadership and/or management skills. Three in ten (29%) said they are responsible for more financial matters within the organization, and 27% felt they are taking on more HR matters.

New technologies, leaner budgets and ongoing market pressures seem to be driving IT leaders into management positions. However, 20% said they had to figure out their new role on their own, and 17% would like to find a mentor/advisor to help them with the transition.



*82% of IT leaders say they have more accountability for the financial impact of their IT investments."*

In fact, 58% of IT leaders wish they had better management training.

Amid all this transformation, IT leaders see themselves as agents of change and influence within their organization. They believe they are a trusted advisor to the business (89%) and a business leader in their organization (79%). **Eighty-two percent also say they have more accountability for the financial impact of their IT investments.** This continues to come with increasing pressure though, as 86% say IT is often asked to innovate faster and demonstrate ROI (up one point from 85% last year). Sixty-seven percent say their business partners demand speed, but they are worried about cost and risk. This figure is down 10% from last year’s report (where 77% reported this same sense of urgency).

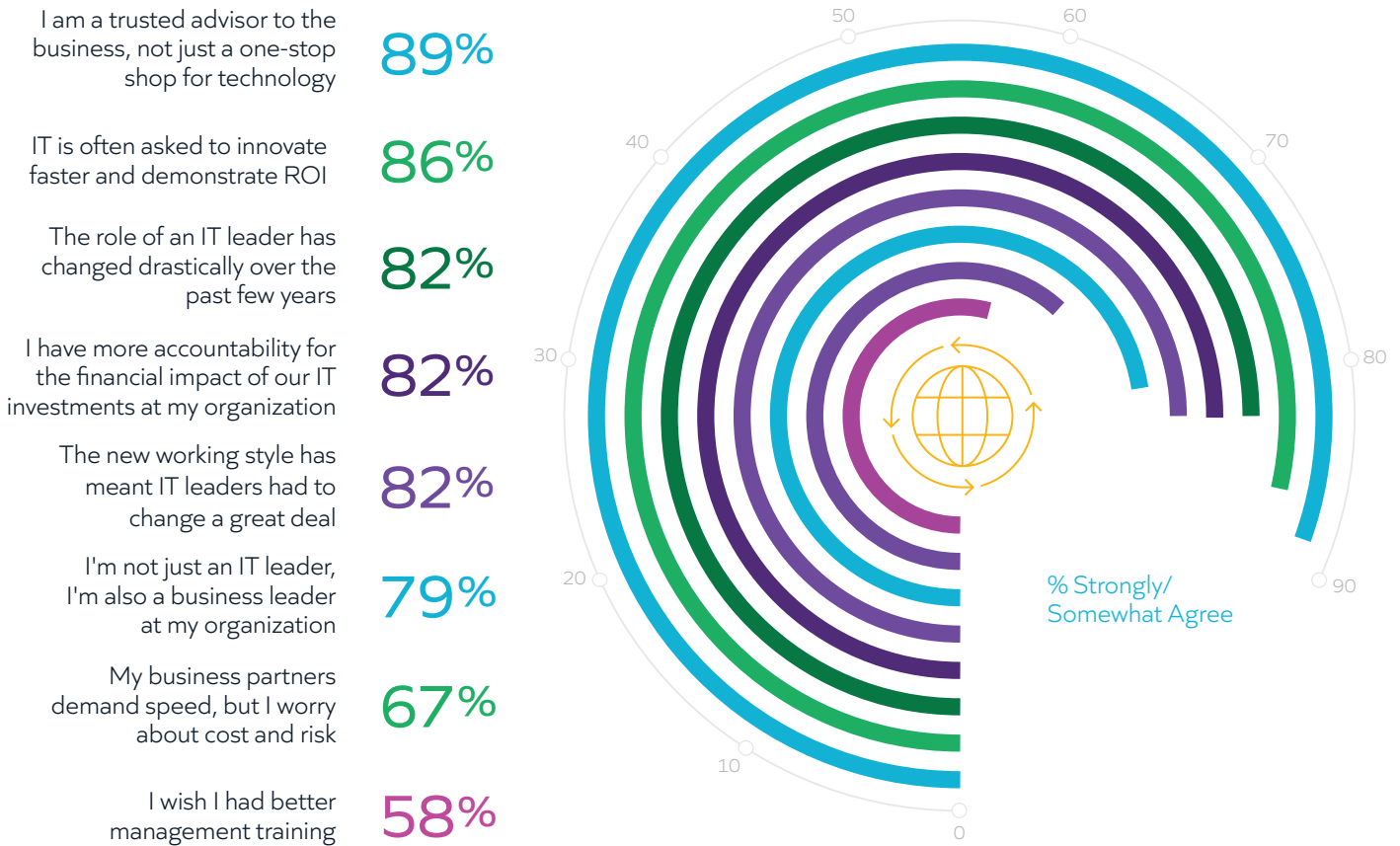


## How has your role as an IT decision maker changed over the past few years?

	2022	2023	2024
I was required to learn new skills for a new technology	48%	40%	56%
I was required to learn new skills for leadership/management	42%	34%	42%
I am responsible for more finance matters in the organization	42%	33%	29%
I am responsible for more HR matters in the organization	41%	29%	27%
I became a manager from an individual contributor	33%	24%	23%
I need to find a mentor/advisor to help with new role transition	31%	22%	17%
I had to figure out my new role on my own	29%	21%	20%
Something else	*	0	*
None of these, it hasn't changed	4%	6%	9%

\*This field was not an option in the given year.

# How strongly do you agree or disagree with the following statements?



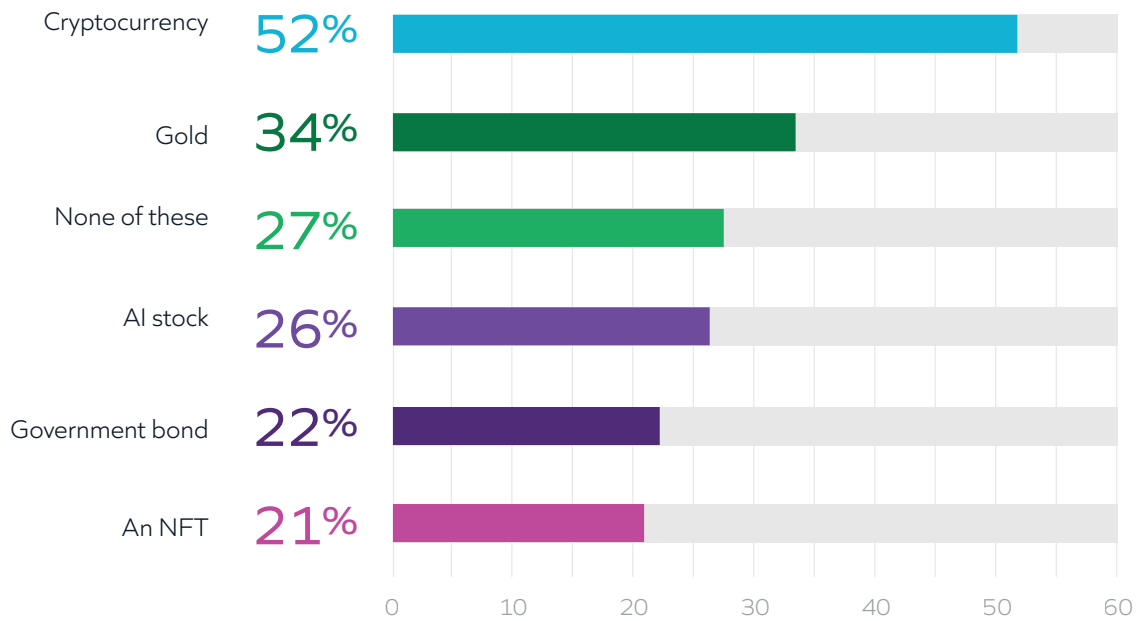
While external factors are impacting IT leaders' roles, there is a growing disconnect from within both the organization and the ranks of IT professionals.

IT leaders seek understanding from their organization. Almost nine in ten IT leaders (88%) also say they wish employees understood the various aspects of IT. Whether IT leaders are expecting their organization to support and follow their evolving role as they navigate new terrain is unclear. However, they seem to expect "give and take" from their employee base.

There also appears to be a growing polarization of views among IT leaders, giving way to potential tension within their own teams. In order to determine IT leaders' personal outlooks, we asked our surveyed IT leaders about their own personal purchasing habits. Over half (52%) noted they had purchased cryptocurrency, 34% purchased gold, 26% invested in AI stock and 21% invested in an NFT, all considered bets that indicate a trend toward risky purchasing. In comparison, IT leaders who were denoted as more conservative in their purchasing habits reported buying government bonds (22%).



## Have you personally ever purchased any of the following?



Those “riskier” leaders tended to have a shorter tenure in IT (10 years or less) and were more confident about their preparedness for generative AI technologies versus their more tenured counterparts (89% to 77%). They are also ready to hold their organization accountable, as they indicated their company needs to do a better job at sustainability (81% to 73%).

Which viewpoint will better serve their organizations — those more prone to risk or those who prefer a more conservative approach — won’t be determined until next year and potentially beyond.

## Seeking Out More Sustainable Options

Sustainability has become a bigger priority for organizations and their IT leaders over the last several years. Global regulations such as the EU’s Corporate Sustainability Reporting Directive may be driving some of this activity, as they require companies to disclose their sustainability initiatives and results.

In fact, 87% of IT leaders surveyed in this year’s report confirmed that sustainability is an increasing priority for their organization. However, 76% said they believe their company needs to do a better job at IT sustainability. While this number is high, this is an 11-point decrease from 2021 (88%) and a 4-point decrease from 2022 (80%), so it seems as if there is positive movement here. Sustainability is an area in which we will likely see further development in 2024.



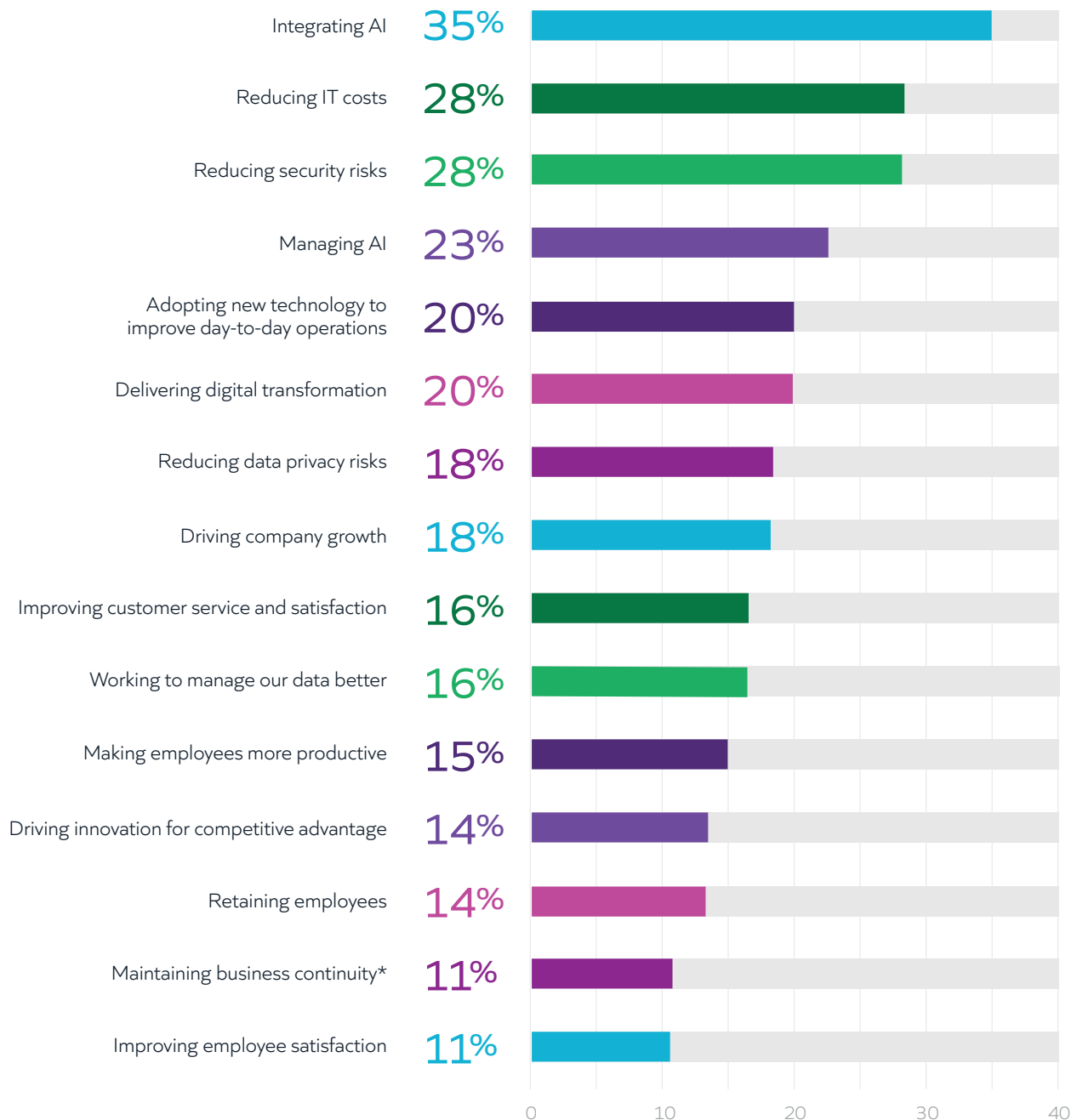
# Anticipating 2024

A Preview for IT Leaders

# 2024 IT Priorities

When polled at the end of last year, most IT leaders did not expect that artificial intelligence would dominate their year. Instead, many continued to prepare for economic uncertainty, and indicated that reducing IT costs would be their number one priority for 2023. While still a critical priority, it seems like 2024 is already primed to be another year driven by the potential of AI.

Now, looking ahead, which of the following will be your organization's top IT priorities over the next year?



1

## Integrating AI

While we've discussed IT leaders' focus on integrating AI this past year (and much of it likely carries over for 2023 observations — see page 4), we haven't talked about the difference between integrating and managing AI, which both ended up in the top five priorities for the coming year. Differentiating these two was purposeful; it helped us to better understand where IT leaders were in their adoption cycle. Based on these findings, it's safe to assume that many IT leaders are in the early days of integrating AI.

2

## Reducing IT costs

It's no surprise that cost has been top of mind for IT leaders over the past several years. Significant global events and trends from COVID-19 to supply chain bottlenecks to economic uncertainty and more reset the stakes for IT leaders when it came to costs. Now, 82% of CIOs and IT leaders report being responsible for financial decisions, and 86% say they are asked to innovate faster and demonstrate ROI. There's clearly a trend where IT leaders are expected to be more financially prudent and create efficiencies for the business.

3

## Reducing security risks

While security moved down one slot from last year's predicted priorities, it remains a top area of concern for IT leaders looking ahead to next year. IT leaders also reported this being their biggest area of increased spend over the past year, despite the emphasis on artificial intelligence. The threat landscape continues to evolve, and IT leaders seem to be taking the potential of a cyberattack or data breach seriously, especially as the average cost of a data breach only continues to rise. It's now estimated at \$4.45 million.

4

## Managing AI

As mentioned above, integrating and managing AI are new priorities that were added to this year's report. Both reflect different parts of the adoption cycle, and while managing AI ranked fourth overall in the 2024 list of IT priorities, it does indicate that IT leaders believe that they will move quickly. Exactly what that looks like is yet to be seen, but this is an area to watch over the next year.

5

## Adopting new technology to improve day-to-day operations

It's very likely this priority is associated with the adoption and use of artificial intelligence, but as a broader priority, it may indicate the need for technologies that provide solutions to pain points IT leaders reported earlier in the report such as lack of visibility, investment in security tools, and a move to platforms.



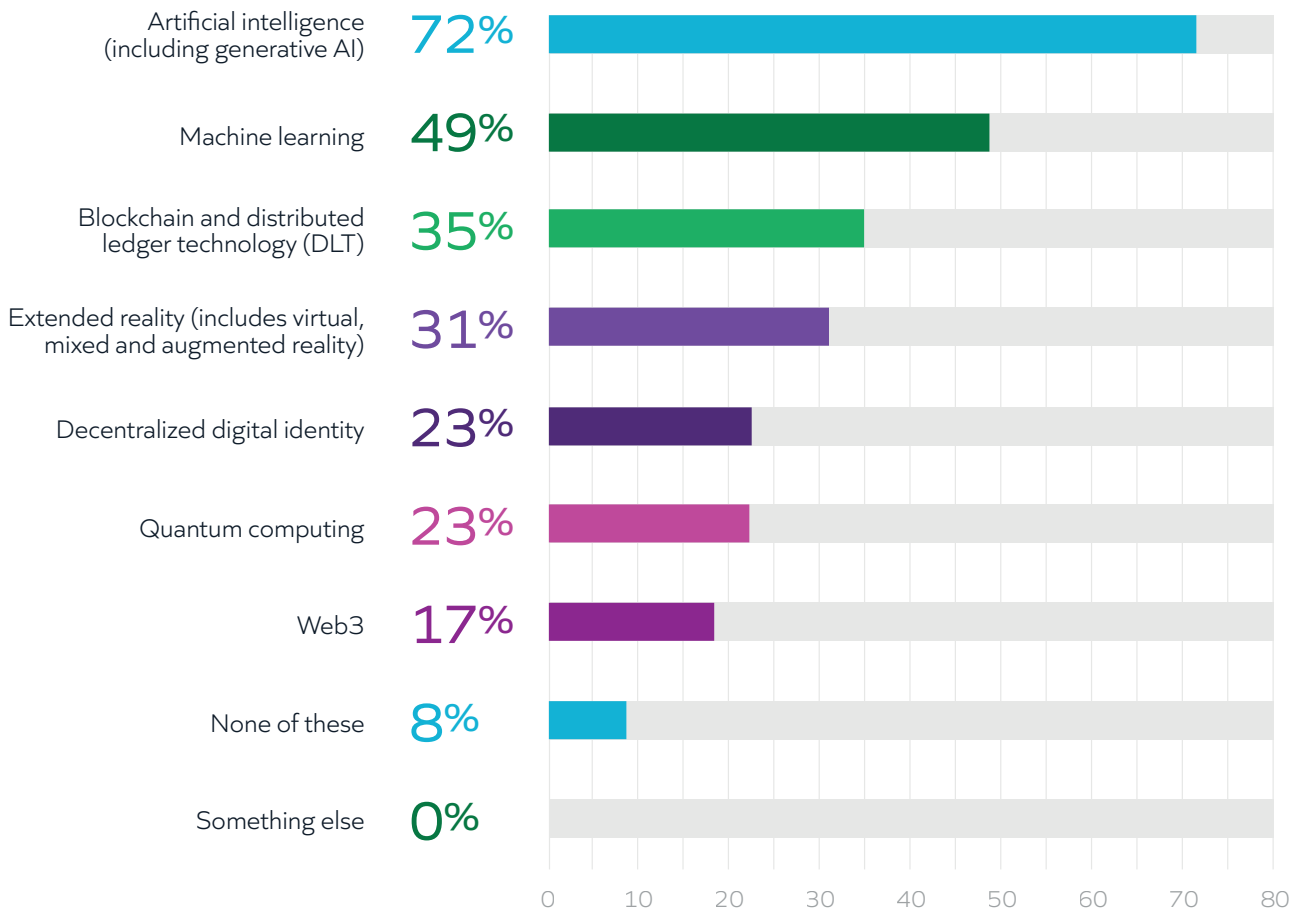
## Now, looking ahead, which of the following will be your organization's top IT priorities over the next year (year over year)?

	2022	2023	2024
Adopting new technologies to improve day-to-day operations	30%	26%	20%
Reducing IT costs	28%	33%	28%
Improving customer service and satisfaction	28%	23%	16%
Delivering digital transformation	27%	26%	20%
Driving innovation for competitive advantage	24%	22%	14%
Reducing security risks	23%	28%	28%
Driving company growth	23%	25%	18%
Making employees more productive	23%	20%	15%
Improving employee satisfaction	22%	20%	11%
Retaining employees	15%	17%	14%
Reducing data privacy risks	20%	n/a	18%
Maintaining business continuity *	18%	n/a	11%
Working to manage our data better	n/a	n/a	16%
Integrating AI	n/a	n/a	35%
Managing AI	n/a	n/a	23%



These priorities also give us some sense of what to expect over the next few years, as IT leaders provided their predictions around emerging technology investments to come over the next two to three years.

## Over the next two to three years, which of the following technologies and services do you believe your organization will be using more of compared to this year?



Again, AI ranks number one in potential investment for the next several years but machine learning comes in second. These results suggest that organizations are still uncertain about how AI will handle their data and in what form they will use it.

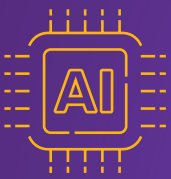
While we did not ask specific questions regarding IT leaders' predicted use of AI in the coming year, [Gartner® recently reported](#) they believe most will continue to use it for operational efficiencies in 2024. However, [they also predict that, by 2027](#), there will be much more development and reliance on AI for areas beyond productivity gains such as legacy application modernization.

# The In and Out List for 2024

We've seen more than a few shifts over the past four years in this report. It's worth calling out a couple of them, as we address the current trends IT leaders are facing. These are trends impacting IT leaders' buying decisions or ranking high in their priorities — or no longer holding sway with them. Here are a few key areas that are now "in style" and others that have fallen out of favor.



## Generative AI



As mentioned in earlier sections of this year's report, generative AI seems to be the focus for many IT leaders and organizations around the world. The investments that major technology players such as Microsoft®, Google and Apple are making represent a belief that others are reiterating across the industry — generative AI is a significant change in the way we work and, possibly, how we interact with technology. Investing in artificial intelligence and assessing how it could impact your organization is going to be a significant priority going into next year, despite all the risks and benefits that have not surfaced yet.

## FinOps



While still a lower item on IT leaders' investment list according to our polling, IT leaders are aware that they have a challenge with visibility (and the risks that a lack of visibility might present) and the fact that they are overspending on cloud. FinOps is a practice that solves for both areas and facilitates collaboration between teams such as IT, Finance, Engineering and more. This will be an area we'll be monitoring closely over the next few years, as more organizations embrace and build their own FinOps practices.

## Sustainability



There has been a significant focus on sustainability over the last several years, with more regulations being introduced such as the Corporate Sustainability Reporting Directive (CSRD) and SEC Disclosure Rules). Organizations seem to be responding by continuing to double down on their sustainability goals and constantly evaluating the impact they might have. While many IT leaders indicate that their organizations are working toward more sustainable practices, they also believe there's more to be done here.

## Platform Strategies



IT leaders overwhelmingly indicated a move toward platform strategies and away from point tools. There are a few reasons that this transition may be taking place: challenges gaining visibility and the potential risks they pose, a focus on reducing IT costs, bolstering security posture and a need for overall consolidation after years of sprawl.

## Digital transformation



While digital transformation is a bit of a catch-all term for many organizations as they adopt cloud technology or increase their reliance on SaaS applications, it's become more of a new normal than a standout trend driving IT leaders' priorities or buying patterns. Based on the data, we can tell digital transformation initiatives are still happening. However, they seem to be moving forward as a normal course of order versus being a standalone effort. In fact, in our current report, only 20% of IT leaders ranked "delivering digital transformation" as a top priority for 2024. It averaged out at sixth in their priority list, but in previous years, it's been consistently in the top three.

## Remote or hybrid work



It's not surprising that remote work (or hybrid with more emphasis on the remote side of the equation) has decreased in overall importance. Many organizations are looking to recoup the losses on their facilities investments brought about by COVID-19 and are bringing people back into the office. Significant players from Salesforce, Apple, Amazon and others are mandating that employees come back for at least a few days a week if they're not returning entirely to the traditional five-day-a-week standard. While hybrid work will certainly continue, especially for those companies that let some or all their physical office leases roll, it's become less of a conversation point that drives the need for technology adoption or changes.

## Cloud migration



Similar to their attitude toward digital transformation, IT leaders today seem less concerned with full-fledged cloud migrations. Instead, they're looking at the cloud as they adopt new technologies. While cloud spending remains a top concern (and the number one area where IT leaders believe they are overspending), there seems to be more ebb and flow of cloud use within organizations, indicating a further move toward hybrid cloud implementation as the standard. That's if an organization didn't build themselves out as a cloud-native organization, of course.

# The Innovation Pressure Is Still On!

Tech companies and IT leaders have been riding a wave of insecurity in the last couple of years — most recently navigating macroeconomic uncertainties. Will we go into a recession? Will COVID-19 strike again? Could we face another set of supply chain issues? Or additional tech layoffs? Many IT teams have also faced budget cuts, yet customer demands remain and emerging technologies are unrelenting, leaving many IT leaders with the task of innovating while still being frugal.

Despite having so much on their plates (more on the changing role of the IT leader on page 15), IT decision-makers are still expected to be innovative to help their organizations stay ahead and adapt to market conditions. This adaptation is a balancing act for IT leaders. **Ninety-one percent say innovation is a top priority for their organization, yet 48% also say IT spends too much time reacting to problems to be innovative.**

## So where does that leave IT leaders?

Overall, things are looking better. Now that some of the economic uncertainty has stabilized a bit (at least at the time of the writing of this report), IT leaders can shift focus back to innovation, revisit projects that may have been put on hold, increase investment and capitalize on emerging technologies such as generative AI. **In fact, 91% of IT leaders say their organization should become more innovative when it comes to IT and technology resources.**

It's no secret that IT teams are often asked to innovate quickly and demonstrate ROI almost as fast. But is AI part of this innovation?

## Yes and no.

IT leaders also shared that priorities like integrating AI (32%) and managing AI (22%) seem to be taking time away from overall innovation. An argument could be made that integrating AI is innovative, however.

Another positive thing to note is that IT decision-makers are seeing a shift in which they're spending less time being reactive. In 2022, 61% of IT leaders saw reactivity impeding innovation, while in 2023 that number is just 48% — a 21 point drop. The number of IT decision-makers who say their organization is slow to adopt new technologies is also seeing a downward trend, down from more than two-thirds of respondents to less than half.

One important concern for IT leaders is that employee skills can't keep pace with quickly evolving, high quality innovations.

Currently, nine out of ten decision-makers say the skill sets of most employees need to evolve to best leverage the latest technology. IT leaders know the importance of having the right team in place. As we move into 2024, **74% say their budget for emerging technologies will increase, and 58% say their budget for IT practitioners will also increase, putting IT teams in the right position to drive innovation.**

With innovation a top priority and generative AI sweeping the industry, we see the two going hand-in-hand into the new year. IT leaders will reallocate budget and resources to push innovation forward and ensure they are embracing emerging technologies to the fullest.



Despite having so much on their plates, IT decision-makers are still expected to be innovative to help their organizations stay ahead and adapt to market conditions. This adaptation is a balancing act for IT leaders.



# Visibility, Adaptability, Innovation:

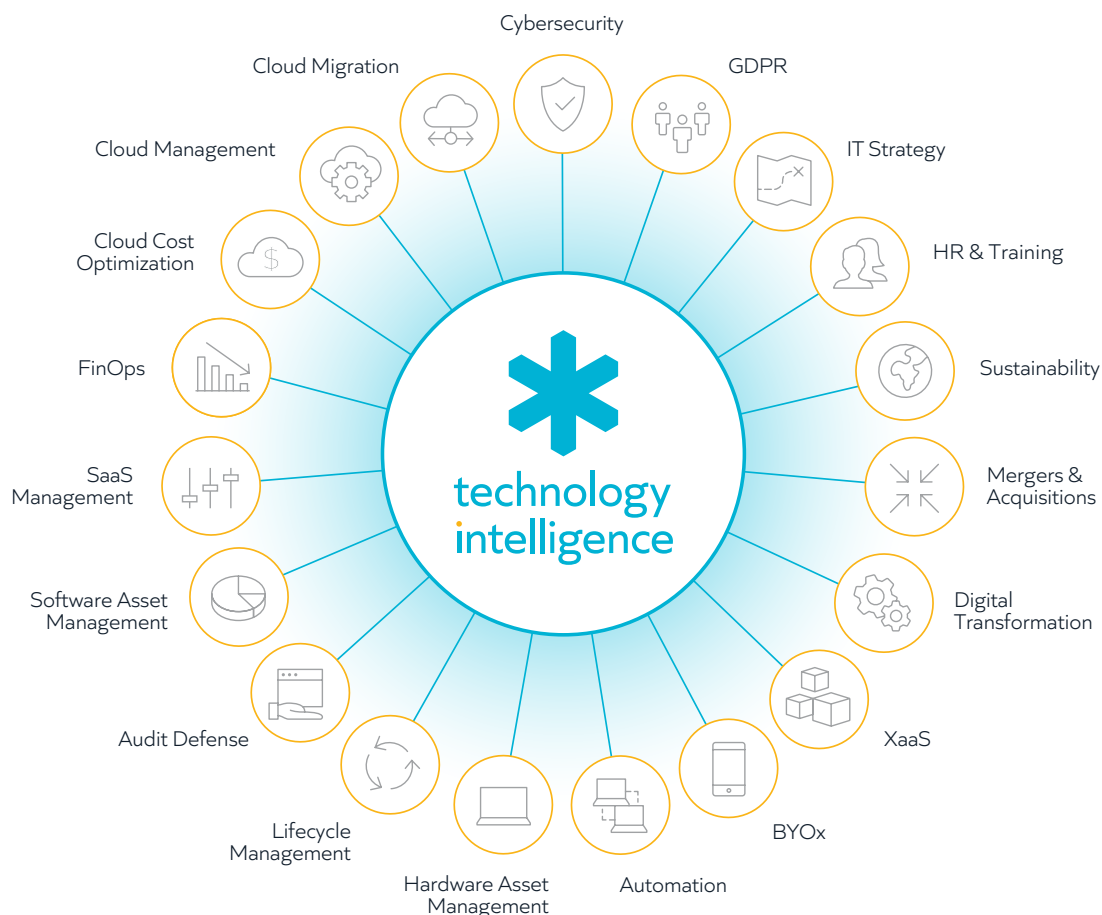
## The Power of Technology Intelligence

Over the last several years, we have seen a convergence of technologies and disciplines as well as a fundamental change in the way people consume technology — all in reaction to significant market shifts. As more purchasing power shifts to individual users and business units, it's evident that traditional ways of tracking technology use in an organization are incomplete.

In this year's report, IT leaders reported a continued lack of visibility, but with no one specific cause driving the problem.

That's a direct result of the above tectonic shifts. Enterprise technology is about to become even more complex with the increasing focus on artificial intelligence. Now is the time for IT leaders and their organizations to ensure they have a complete understanding of what is in their tech stack.

That's where Technology Intelligence comes in.



**Technology Intelligence is the ability to understand and manage all your technology** — not just the tech of which IT is aware, but the unknown and maybe even unsanctioned applications or services running on your network. While gaining visibility is increasingly difficult, and not a one-time exercise, being able to action the data on your IT environment effectively is equally important.

This actionable insight can impact priorities such as reducing IT costs, managing security risks, driving innovation agendas, integrating or managing AI and more. Technology Intelligence drives positive business outcomes and provides organizations with the agility needed to operate in uncertain market environments. If there's one key takeaway from the sentiments of IT leaders over the past few years, it's that being able to adapt to ongoing and significant change will be a constant for the foreseeable future.

The time for Technology Intelligence is now.



At Snow, we deliver Technology Intelligence through the power of our Snow Atlas platform. The need for enterprise-wide visibility and actionable data, along with the growing interest in platforms, continues to fuel our belief that organizations need a solution like Snow Atlas. It's a platform that not only supports IT leaders' current priorities, but also scales and adapts to meet the pace of change in today's market. To learn more, visit: <https://www.snowsoftware.com/products/snow-atlas/>.



# Appendix



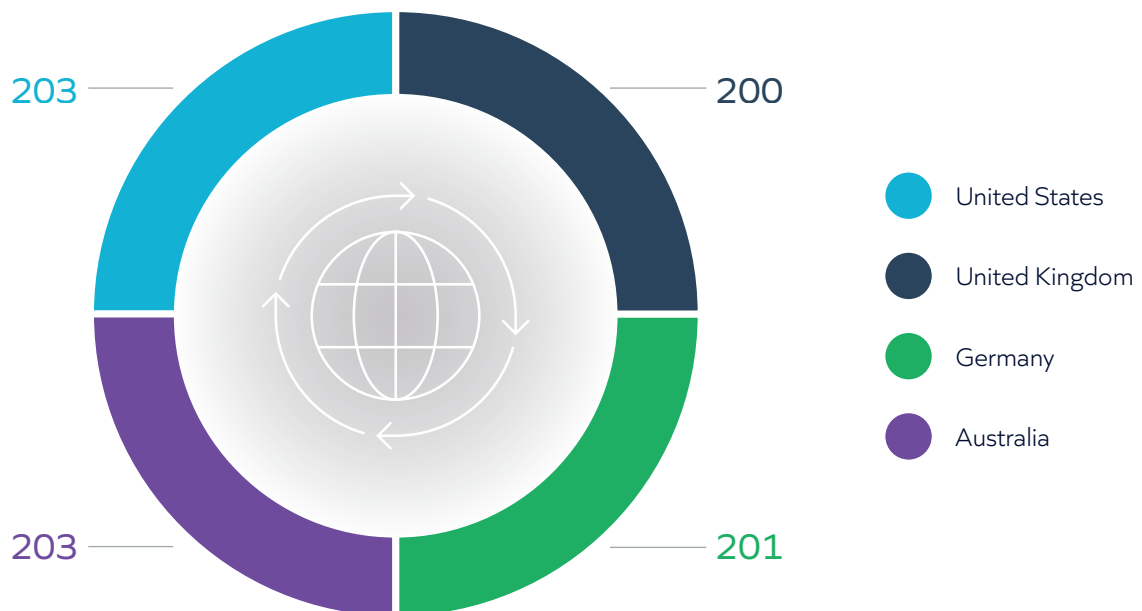
# Methodology

Snow Software commissioned Regina Corso Consulting to conduct a survey of IT decision-makers in the U.S., UK, Germany and Australia to understand how they feel about their current digital experience and digital potential. This survey was conducted among 807 IT leaders from companies with at least 100 employees between August 23 and September 5, 2023.

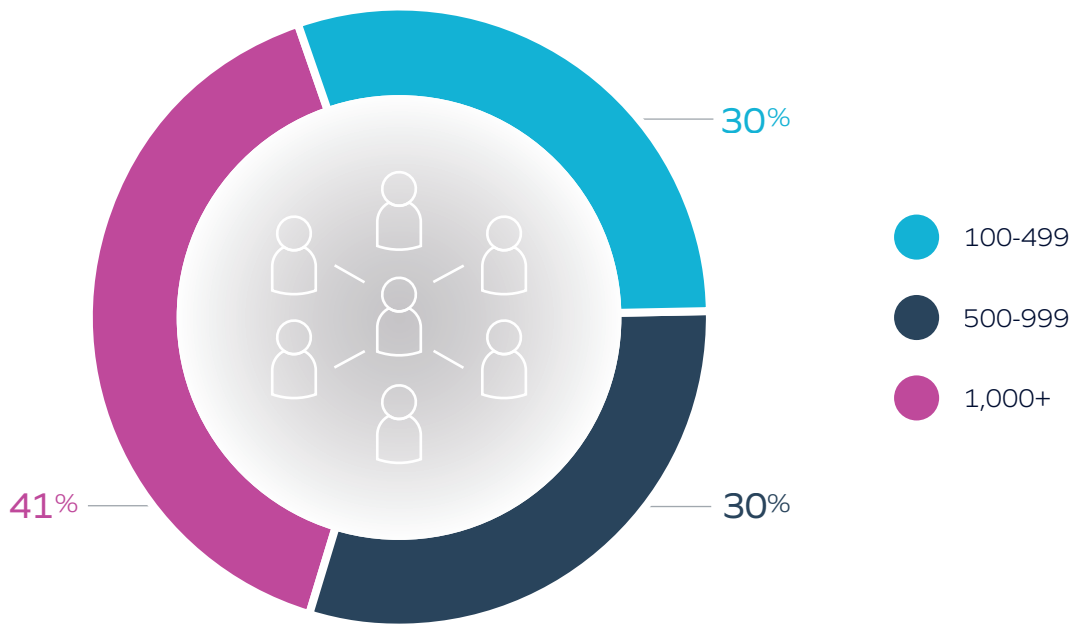
Notes for reading charts and tables: percentages may not add up to 100% due to rounding, or because the question was a multiple-response-allowed item. Unless otherwise indicated, the bases for all slides are of the total of 807 IT leaders. Where possible, trends from the 2022 and 2023 IT Priorities Reports are shown. Keep in mind that, in 2020 and 2022, the survey was of four countries (U.S., UK, Australia and Germany), and in 2021 the survey was of five countries with India added.

## IT Leader Demographics

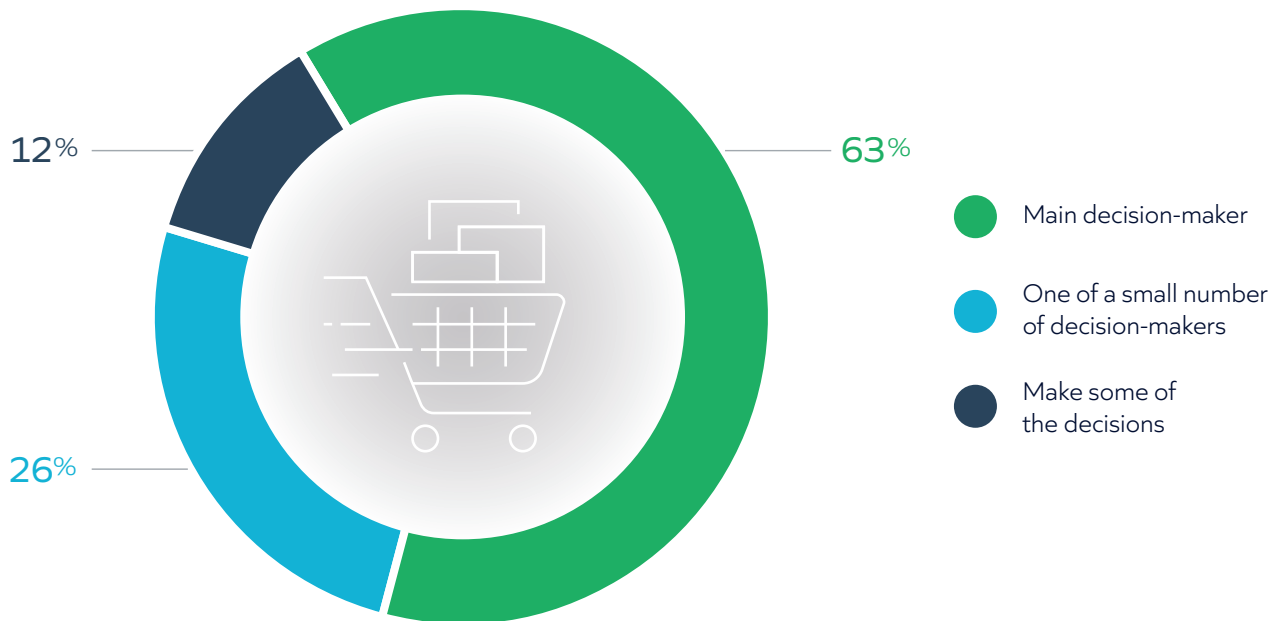
### Location



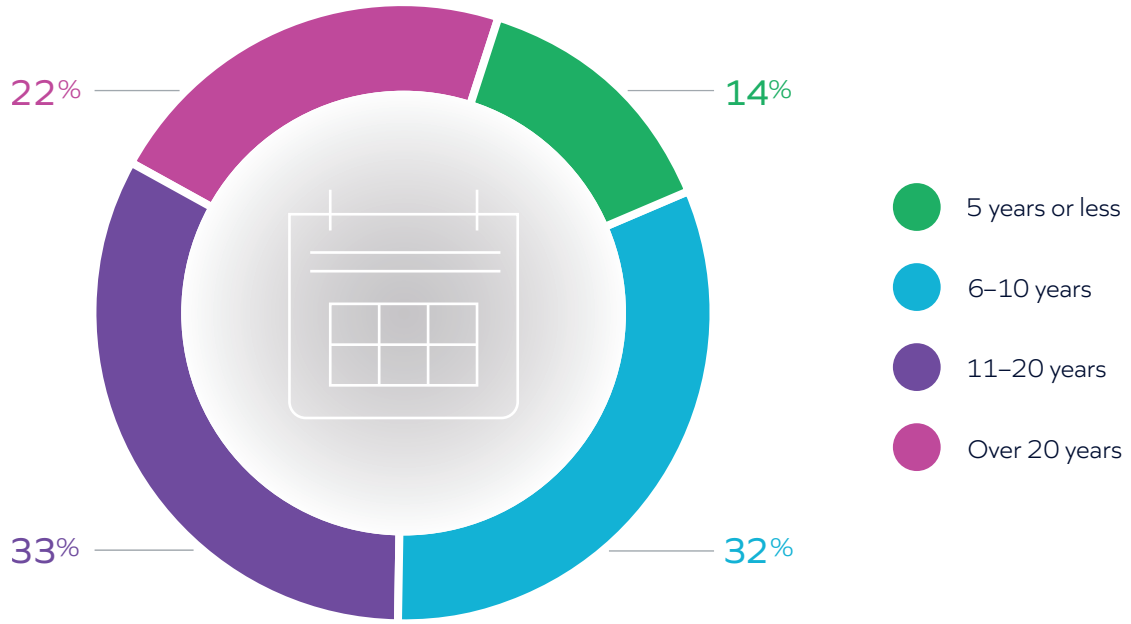
## Company Size



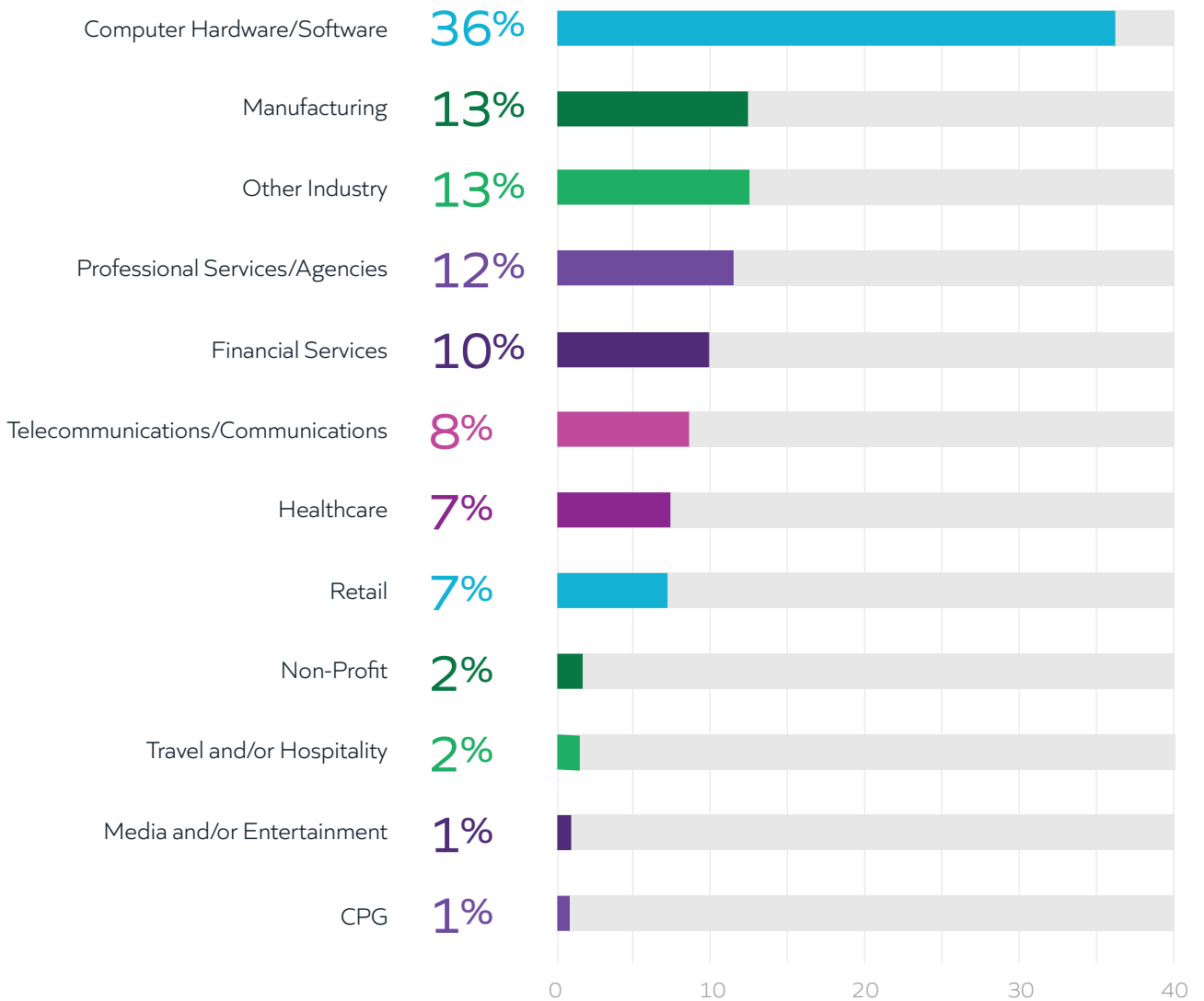
## Role in Purchasing Decisions



# Years of IT Experience



# Industry





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## About Snow Software

Snow Software is changing the way organizations understand and manage their technology consumption. Our Technology Intelligence platform provides comprehensive visibility and contextual insight across software, SaaS, hardware and cloud. With Snow, IT leaders can effectively optimize resources, enhance performance and enable operational agility in a hybrid world.

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