
34th Annual Society for Information Management’s

SIM IT TRENDS STUDY: 2013

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
34th Annual Society for Information Management’s

SIM IT TRENDS STUDY: 2013

Research Team Presenters
Leon Kappelman, University of North Texas
Jerry Luftman, Global Institute for IT Management
Ephraim McLean, Georgia State University

CIO Discussion Panelists
Sue Bergamo, former CIO, Net Atlantic, Inc.
Rick Broughton, CIO, MKS Instruments, Inc.
Janis O’Bryan, CIO, Hudson Advisors LLC

SIMposium 2013, Boston, 11-November
THANK YOU!!

650 SIM members who completed the questionnaire!!

SIM IT Trends Survey Team

Leon Kappelman, University of North Texas
Ephraim McLean, Georgia State University
Jerry Luftman, Global Institute for IT Management
Vess Johnson, University of North Texas
Bill Peterson, LiquidHub
Barbara Stewart, Celanese
Natalie Gerhart, University of North Texas
Walter Rich, Georgia State University
A note about the respondents and responses used in this slide deck.

Respondents: Who are they? Two overlapping subsets of the total set of respondents to the 2013 SIM IT Trends Study are used. These are denoted as “Senior IT Leader” or “CIO”:

- “Senior IT Leaders“ = The highest-ranking IT person who responded from each of 484 unique organizations.
- “CIO” or equivalent = top IT person in 285 organizations.

Responses: How many are there? The number of responses (n) to each question is also noted on each slide.
Briefly describe the 484 unique organizations that participated in the study ...
Senior IT Leader
Organization’s industry or economic sector

Financial Services / Insurance: 14.26%
Healthcare/Medical: 10.74%
Manufacturing: 10.74%
Education: 7.02%
Government: 5.79%
IT Services / Consulting: 5.37%
Retail/Wholesale: 5.37%
Not-For-Profit - Public Sector: 5.17%
Business Professional Services: 4.55%
Energy: 3.72%
Transportation/Distribution: 3.10%
Consumer Goods: 2.69%
Media / Entertainment: 2.48%
Tech: 2.27%
Chemical Industry: 1.86%
Construction: 1.65%
Other: 1.65%
Hospitality/Travel/Leisure: 1.45%
Medical Technology / BioMedical: 1.24%
Real Estate: 1.24%
Utilities: 1.24%
Aerospace / Defense: 1.03%
Electronics / Semiconductor: 1.03%
Telecommunications: 1.03%
Agriculture: 0.83%
Automotive: 0.83%
Food Services: 0.62%
Printing / Publishing: 0.62%
Mining / Minerals: 0.41%

484 Responses

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What is the total revenue of your organization (in US $)?

- > 10-100B: 10%
- > 5-10B: 7%
- > 1-5B: 21%
- > 500M-1B: 12%
- > 100-500M: 24%
- > 50-100M: 9%
- > 10-50M: 11%
- 0-10M: 6%

38% have revenue of over $1 billion

Avg. = $4.36 Billion

Median = $502.5 Million

26% have revenue of $100 million or less

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
### Senior IT Leader – Percent Responding

**IT Spending as a Percent of Total Revenue (in US $)**

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>&gt;10%</td>
<td>10%</td>
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<tr>
<td>&gt;9-10%</td>
<td>2%</td>
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<td>&gt;8-9%</td>
<td>3%</td>
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<td>&gt;7-8%</td>
<td>3%</td>
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<td>&gt;6-7%</td>
<td>2%</td>
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<td>&gt;5-6%</td>
<td>4%</td>
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<td>&gt;4-5%</td>
<td>9%</td>
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<td>&gt;3-4%</td>
<td>9%</td>
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<td>&gt;2-3%</td>
<td>11%</td>
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<tr>
<td>&gt;1.5-2.0%</td>
<td>12%</td>
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<tr>
<td>&gt;1-1.5%</td>
<td>10%</td>
</tr>
<tr>
<td>&gt;.5-1%</td>
<td>14%</td>
</tr>
<tr>
<td>&gt;.1-.5%</td>
<td>7%</td>
</tr>
<tr>
<td>0-.1%</td>
<td>4%</td>
</tr>
</tbody>
</table>

- **24%** spend more than 5% on IT
- **47%** spend 2% or less on IT

**Average** = 4.95%

**Median** = 2.24%

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(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Senior IT Leader

Total number of employees who work in your organization

- >50000: 4%
- >20000-50000: 5%
- >10000-20000: 5%
- >5000-10000: 8%
- >4000-5000: 5%
- >3000-4000: 4%
- >2000-3000: 8%
- >1000-2000: 12%
- >750-1000: 7%
- >500-750: 5%
- >250-500: 11%
- >100-250: 12%
- >50-100: 8%
- 0-50: 7%

Avg. = 8,629
Median = 1,070

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Senior IT Leader
Total number of employees who work in IT

- > 1000: 6%
- > 500-1000: 3%
- > 250-500: 8%
- > 100-250: 14%
- > 50-100: 15%
- > 20-50: 19%
- > 10-20: 13%
- > 5-10: 10%
- 0-5: 12%

On average, IT employees = 6.78% of total employees
Avg. = 585
Median = 40
69% have 100 IT employees or less

411 Responses

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Senior IT Leader

IT Employees as a Percent of Total Employees

- > 50%: 9%
- > 40-50%: 1%
- > 30-40%: 3%
- > 20-30%: 2%
- > 10-20%: 7%
- > 7.5-10%: 7%
- > 5-7.5%: 10%
- > 4-5%: 6%
- > 3-4%: 10%
- > 2-3%: 16%
- > 1.5-2.0%: 8%
- > 1-1.5%: 8%
- > .5-1%: 8%
- > 0-.5%: 5%

6.78% = Mean IT employees / Mean total employees

Avg. = 13.77%

Median = 3.37%

45% have 3% or less

411 Responses

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Senior IT Leader

How is IT Organized in your Organization?

- Centralized: 65%
- Hybrid/Matrix: 27%
- Decentralized: 8%

280 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Senior IT Leader
IT Organization Structure 2006-2013

280 Responding organizations

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
What do we know about CIOs?

1. Where do CIOs come from?
2. How long have CIOs held their current positions?
3. To whom do CIOs report?
4. How do CIOs spend their time?
Last position before CIO or Equivalent

Within Org – Non-IT, 4.9%

Outside Org – Non-IT, 4.2%

Within Org – IT Function, 31.6%

Outside Org – IT Function, 59.3%

63.5% from outside the organization.

90.9% from an IT organization.

285 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Last position before CIO or Equivalent

2010-2013 average shown in boxes

Within Org. IT Function
- 2010: 38%
- 2011: 31%
- 2012: 32%
- 2013: 37%

Outside Org. IT Function
- 2010: 54%
- 2011: 61%
- 2012: 54%
- 2013: 59%

Within Org. Non-IT
- 2010: 4%
- 2011: 4%
- 2012: 5%
- 2013: 5%

Outside Org. Non-IT
- 2010: 4%
- 2011: 3%
- 2012: 5%
- 2013: 4%

2013 = 285 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
CIO or Equivalent Time in Current Position (in years)

4.66 Avg. of yearly averages.

3.60 4.10 4.30 4.60 5.10 4.45 5.96 5.20

2006 2007 2008 2009 2010 2011 2012 2013

This looks like a trend

285 Responses

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To Whom CIO or Equivalent Reports: 2013

- CEO: 44.7%
- CFO: 27.1%
- COO: 14.4%
- SBU: 9.2%

283 Respondents

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
To Whom CIO or Equivalent Reports: 2005-2013

- CEO: 44.7%
- CFO: 27.1%
- COO: 14.4%
- BUE: 9.2%

This looks like a trend for the CEO.
This looks like a trend for the CFO.
This looks like a trend for the COO.
This could be a trend for the BUE.

283 Respondents

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How CIOs Spend Their Time (%)

- IT priorities/strategy: 15.9%
- Business priorities/strategy: 14.2%
- Interacting with internal IT employees: 13.5%
- Interacting with non-IT, non-C-level: 12.3%
- IT operations: 11.6%
- Interacting with non-IT, C-level: 10.6%
- Interacting with IT vendors: 6.8%
- IT governance: 6.6%
- IT human resources: 5.6%
- Software development: 2.4%
- Other: 0.6%

164 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
## How CIOs spend their time

<table>
<thead>
<tr>
<th>2013 Categories</th>
<th>CIO or Equivalent</th>
<th>Previous years: How CIOs spend their time</th>
<th>2007-2012 Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT priorities/strategy</td>
<td>15.9%</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Business priorities/strategy</td>
<td>14.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interacting w/ internal IT employees</td>
<td>13.5%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Interacting w/ non-IT non C-Level</td>
<td>12.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Operations</td>
<td>11.6%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Interacting w/ non-IT C-level</td>
<td>10.6%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>Interacting with IT, non employees</td>
<td>6.8%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>IT governance</td>
<td>6.6%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>IT Human resources</td>
<td>5.6%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Software development</td>
<td>2.4%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>0.6%</td>
<td>1%</td>
<td>7%</td>
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<tr>
<td></td>
<td></td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

164 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
How do the 484 unique organizations utilize their IT resources?
To what extent are IT organizations using the "cloud" and "shared services"?
81% of organizations use "the cloud"
On average, 26.5% of all IT services are cloud-based

Percent of cloud-based IT services provided by ...

- Public/External cloud: 54%
- Private/Internal cloud: 46%

260 Responses

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70% of organizations deliver IT as shared service
On average, 56.4% of all IT services are shared services

Percent of **IT shared services** provided by ...

- **Public/External Cloud**: 26.8%
- **Private/Internal Cloud**: 73.2%

244 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
What are the trends in IT budgets?
Senior IT Leader - Percent of Organizations Reporting IT Budget Change

Actual 2012 to 2013
- Decrease
- No Change
- Increase

Projected 2013 to 2014
- Decrease
- No Change
- Increase

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Increase</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.33%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2014</td>
<td>1.48%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

382 Responses

364 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Senior IT Leader - Percent of Respondents

IT Budget Trends: 2007-13 Actual, 2014 Projected

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Senior IT Leader

Percentage of Revenue Allocated to IT Budget

2013: 332 Responses

2013 Median 2.24%

3.96% Avg. of yearly averages

3.60% 3.60% 3.50% 3.82% 3.83% 3.87% 3.55% 4.94% 4.95%

2005 2006 2007 2008 2009 2010 2011 2012 2013

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Senior IT Leader – Percent Responding
IT Spending as a Percent of Total Revenue (in US $)

- >10%: 10%
- >9-10%: 2%
- >8-9%: 3%
- >7-8%: 3%
- >6-7%: 2%
- >5-6%: 4%
- >4-5%: 9%
- >3-4%: 9%
- >2-3%: 11%
- >1.5-2.0%: 12%
- >1-1.5%: 10%
- >.5-1%: 14%
- >.1-.5%: 7%
- 0-.1%: 4%

In 2013: 23% spend more than 5% on IT
48% spend 2% or less on IT

Avg. = 4.95%
Median = 2.24%

332 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
What going on with IT hiring and salaries?
Senior IT Leader

% Change in Number of Internal IT Employees (FTEs)

2013: 47% up, 23% down
2014: 55% up, 18% down

- 10 or >
  - Actual: 13%
  - Projected: 375 Responses

- 5-9
  - Actual: 10%
  - Projected: 325 Responses

- 3-4
  - Actual: 8%
  - Projected: 325 Responses

- 1-2
  - Actual: 19%
  - Projected: 26%

- 0
  - Actual: 11%
  - Projected: 275 Responses

- -1 and -2
  - Actual: 13%
  - Projected: 325 Responses

- -3 and -4
  - Actual: 5%
  - Projected: 325 Responses

- -5 to -9
  - Actual: 5%
  - Projected: 325 Responses

- -10 or <
  - Actual: 5%
  - Projected: 325 Responses

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Senior IT Leader

% Changing Number of Internal IT FTEs

Actual Change 2012-13

Projected Change 2013-14

375 Responses

365 Responses

Average increase

2013: 1.10%
2014: 1.75%

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**Senior IT Leader – Percentage Responding**

‘13 Actual & ‘14 Projected

% Change in Average IT Salary

<table>
<thead>
<tr>
<th>Change Range</th>
<th>2012-2013</th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% or &gt;</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>5-9%</td>
<td>5%</td>
<td>6%</td>
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<tr>
<td>3-4%</td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>1-2%</td>
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<td>40%</td>
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<tr>
<td>No change</td>
<td>7%</td>
<td>6%</td>
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<td>-1 and -2%</td>
<td>2%</td>
<td>1%</td>
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<td>-3 and -4%</td>
<td>0%</td>
<td>1%</td>
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<tr>
<td>-5 to -9%</td>
<td>1%</td>
<td>1%</td>
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<tr>
<td>-10% or &lt;</td>
<td>1%</td>
<td>1%</td>
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</tbody>
</table>

2013: 89% up, 4% down

2014: 90% up, 4% down

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Senior IT Leader

% Changing Average IT Salary

Actual 2012 to 2013

352 Responses

- Decrease: 4%
- No Change: 7%
- Increase: 89%

Projected 2013 to 2014

351 Responses

- Decrease: 4%
- No Change: 6%
- Increase: 90%

Average increase

2013: 2.24%
2014: 2.45%

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Senior IT Leader – Percentage Responding

2013 Actual & 2014 Projected

% Change Total IT Salary

- **10% or >**: 5% (2012-2013), 2% (2013-2014)
- **5-9%**: 7% (2012-2013), 9% (2013-2014)
- **3-4%**: 36% (2012-2013), 41% (2013-2014)
- **1-2%**: 35% (2012-2013), 34% (2013-2014)
- **No change**: 9% (2012-2013), 8% (2013-2014)
- **-1 and -2%**: 2% (2012-2013), 2% (2013-2014)
- **-3 and -4%**: 1% (2012-2013), 1% (2013-2014)
- **-5 to -9%**: 1% (2012-2013), 1% (2013-2014)
- **-10% or <**: 2% (2012-2013), 1% (2013-2014)

2013: 83% up, 7% down
2014: 86% up, 5% down

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Senior IT Leader - 2013 Actual & 2014 Projected

% Changing Total IT Salary

- Decrease
- No Change
- Increase

Actual 2012-2013
- 83% Increase
- 7% Decrease
- 10% No Change

Projected 2013-2014
- 86% Increase
- 5% Decrease
- 9% No Change

Average increase
- 2013: 2.29%
- 2014: 2.45%

369 Responses
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365 Responses
Senior IT Leader – Percentage Responding

% Changing Total IT Salary 2008-13 Actual, 2014 Projected

This looks like a trend

In Ch   D

369 Responses for Actual 2013 and 365 for Projected 2014

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Senior IT Leader

IT Staff Turnover Rate 2006 to 2013

2006: 5.80%
2007: 6.41%
2008: 7.11%
2009: 5.20%
2010: 5.50%
2011: 5.51%
2012: 5.23%
2013: 6.58%

5.92 Avg. of yearly averages

414 organizations responding in 2013

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Senior IT Leader

% IT Budget Allocation for Education/Training

3.47% Avg. of yearly averages

2009: 3.09%
2010: 3.48%
2011: 3.23%
2012: 2.87%
2013: 4.68%

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How are organizations spending their IT budgets?
Senior IT Leader – Allocation of IT Budget

- **2014-Budget estimated**
  - Consulting services: 3 responses
  - Outsourced Services/Contractors offshore: 4 responses
  - Outsourced Services/Contractors domestic: 5 responses
  - Internal IT staff offshore: 2 responses
  - Internal IT staff domestic: 37 responses
  - HW/SW/Bldgs/Outsourced offshore: 2 responses
  - HW/SW/Bldgs/In-house offshore: 2 responses
  - HW/SW/Bldgs/Outsourced domestic: 9 responses
  - HW/SW/Bldgs/In-house domestic: 34 responses

- **2013-Budget actual**
  - Consulting services: 3 responses
  - Outsourced Services/Contractors offshore: 4 responses
  - Outsourced Services/Contractors domestic: 6 responses
  - Internal IT staff offshore: 2 responses
  - Internal IT staff domestic: 38 responses
  - HW/SW/Bldgs/Outsourced offshore: 2 responses
  - HW/SW/Bldgs/In-house offshore: 2 responses
  - HW/SW/Bldgs/Outsourced domestic: 8 responses
  - HW/SW/Bldgs/In-house domestic: 35 responses

- 281 Responses
- 314 Responses

- Almost 53% of 2013 IT budget goes to people
- Average spent on people 2009-13 = 60.8%

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
# Allocation of IT Budget:
## Is increasing % to things vrs. people a trend?

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
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</tr>
<tr>
<td>Employees / Internal Staff: Domestic</td>
<td>37.1%</td>
<td>38.3%</td>
<td>34.0%</td>
<td>38.0%</td>
<td>43.0%</td>
<td>39.0%</td>
<td></td>
</tr>
<tr>
<td>Offshore</td>
<td>2.2%</td>
<td>2.0%</td>
<td>6.0%</td>
<td>2.0%</td>
<td>3.0%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Outsourced Services/Contractors: Domestic</td>
<td>5.5%</td>
<td>5.7%</td>
<td>8.0%</td>
<td>3.0%</td>
<td>7.0%</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>Offshore</td>
<td>4.2%</td>
<td>3.8%</td>
<td>3.0%</td>
<td>2.0%</td>
<td>5.0%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Consulting Services</td>
<td>3.1%</td>
<td>3.1%</td>
<td>9.0%</td>
<td>11.0%</td>
<td>10.0%</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Does this look like a trend?</strong></td>
<td>52.1%</td>
<td>52.9%</td>
<td>60.0%</td>
<td>56.0%</td>
<td>68.0%</td>
<td>67.0%</td>
<td>60.8%</td>
</tr>
<tr>
<td><strong>Things: Hardware, Software, Facilities</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-house - domestic</td>
<td>34.2%</td>
<td>35.0%</td>
<td>24.0%</td>
<td>32.0%</td>
<td>32.0%</td>
<td>33.0%</td>
<td></td>
</tr>
<tr>
<td>In-house – offshore</td>
<td>2.1%</td>
<td>1.9%</td>
<td>2.0%</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Outsourced - domestic</td>
<td>9.3%</td>
<td>8.3%</td>
<td>14.0%</td>
<td>12.0%</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Outsourced - offshore</td>
<td>2.4%</td>
<td>1.9%</td>
<td>*</td>
<td>*</td>
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<td>*</td>
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</tr>
<tr>
<td><strong>Does this look like a trend?</strong></td>
<td>47.9%</td>
<td>47.1%</td>
<td>40.0%</td>
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<td>39.2%</td>
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</tbody>
</table>

* indicates category not used in that year.

Responses: 2013 actual 314, 2014 projected 281

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Allocation of IT Budget:
Is increasing % to things vs. people a trend, sample differences, or “catch up” investments?

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Senior IT Leader – Allocation of 2013 IT Budget

>77% of IT budget is spent in-house.
>90% of IT budget is spent domestically.

Outsourced 22.9%
Internal 77.1%

Off-Shore 9.6%
Domestic 90.4%

314 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
Senior IT Leader – Allocation of 2013 IT Budget

- 90.4% of IT budget is spent domestically, 9.6% offshore.
- 77.1% of IT budget is spent in-house.
- 22.9% is outsourced, but only 5.7% is outsourced offshore.

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Senior IT Leader

% IT Budget for Offshore Outsourcing (People/Things)

Actual 2013 and Projected 2014: 314 Responses

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What are the

• most user IT performance measures,
• most important IT management issues,
• largest IT investments, and the
• things keeping IT leadership up at night?
How is performance measured for in-house and outsourced IT?
### Senior IT Leader: Top 3 in Your Organization

#### Most Used Metrics for Internal IT

<table>
<thead>
<tr>
<th>2013</th>
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<tbody>
<tr>
<td>1. Projects delivered on time</td>
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<tr>
<td>2. Projects delivered on budget</td>
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<td>3. Increased customer/client satisfaction</td>
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<tr>
<td>4. SLA targets</td>
<td>3</td>
</tr>
<tr>
<td>5. Productivity improvement</td>
<td>6</td>
</tr>
<tr>
<td>6. Project ROI</td>
<td>4</td>
</tr>
<tr>
<td>7. Increases in new products/services</td>
<td>8</td>
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<td>8. Innovative ideas</td>
<td>10</td>
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<tr>
<td>9. Lower error rates</td>
<td>13</td>
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<td>10. Improved decision making</td>
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</table>

276 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
<table>
<thead>
<tr>
<th>Metric</th>
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<th>Internal 2013</th>
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<tr>
<td>Increases in new products/services</td>
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<td>Innovative ideas</td>
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<td>Industry specific measurements</td>
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<td>Earnings per share</td>
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### Three IT Metrics Used Most for Internal & Outsourced IT

#### Figure 15: Performance Measures Used for Internal and Outsourced IT, 2012-2013

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<td>2012</td>
<td>% 2013</td>
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<td>7.6%</td>
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<td>Industry specific measurements</td>
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<td>0.4%</td>
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<tr>
<td>Earnings per share</td>
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<td>0.4%</td>
<td>14</td>
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<tr>
<td>Organizations responding</td>
<td>276</td>
<td>195</td>
<td>226</td>
<td></td>
</tr>
</tbody>
</table>

- **On-time Project:** internal #1 (66%), external #1 (74%)
- **In-budget Project:** internal #2 (50%), external #2 (66%)
- **SLA Targets:** internal #4 (30%), external #3 (51%)
- **Customer Satisfaction:** internal #3 (33%), external #6 (14%)
- **Improved Decision Making:** internal #6 (8%), external #12 (2%)
- **Innovation:** internal #8 (12%), external #9 (6%)
- **Revenue Growth:** internal #11 (7%), external #10 (3%)
What are your organization’s largest / most significant IT investments?

Which of these IT investments keep IT leaders up at night?
Top 10: Organization’s Largest/Most Significant IT Investment

- Analytics / Business Intelligence: 42.0%
- Customer Relationship Management: 19.5%
- Cloud Computing (e.g., SaaS, PaaS, IaaS): 18.6%
- Enterprise Resource Planning: 16.6%
- Big Data: 12.6%
- [Mobile] Apps: 11.8%
- Enterprise Application Integration: 10.4%
- Network / Telecommunications: 9.7%
- Customer / Corporate Portals: 9.3%
- Business Process Management Systems: 9.1%

Top 3 in Your Organization?

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
## Senior IT Leader - Top 10 Organization’s Largest/Most Significant IT Investment

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td><strong>1</strong> Analytics / Business Intelligence</td>
<td><strong>1</strong></td>
</tr>
<tr>
<td><strong>2</strong> Customer Relationship Management</td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>3</strong> Cloud Computing (e.g., SaaS, PaaS, IaaS)</td>
<td><strong>2</strong></td>
</tr>
<tr>
<td><strong>4</strong> Enterprise Resource Planning</td>
<td><strong>3</strong></td>
</tr>
<tr>
<td><strong>5</strong> Big Data</td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>6</strong> [Mobile] Apps</td>
<td><strong>6</strong></td>
</tr>
<tr>
<td><strong>7</strong> Enterprise Application Integration</td>
<td><strong>8</strong></td>
</tr>
<tr>
<td><strong>8</strong> Network / Telecommunications</td>
<td><strong>12</strong></td>
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<tr>
<td><strong>9</strong> Customer / Corporate Portals</td>
<td><strong>16</strong></td>
</tr>
<tr>
<td><strong>10</strong> Business Process Management Systems</td>
<td><strong>9</strong></td>
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</table>

483 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator

195 Responses
### Your Organization’s Largest /Most Significant IT Investments, 2003-2013 (1)

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<thead>
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</table>

(1) Blank cells indicate that the issue was not asked about in that year of the survey.

2013: 483 Responses

**Fell off Top 10 (2012 to 2013):**
- Collaboration Tools (4th to 12th)
- BYOD (7th to 21st) but #5 most personally worrisome investment of same 483

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
<table>
<thead>
<tr>
<th>Greatest Concern to You</th>
<th>IT Investments – 3 Greatest Concerns/Worries to YOU</th>
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<th>2012</th>
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<tr>
<td>1 Analysts / Business Intelligence</td>
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</tr>
<tr>
<td>3 Disaster / Recovery</td>
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<td>4 Cloud Computing (e.g., SaaS, PaaS, IaaS)</td>
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<tr>
<td>5 BYOD (Bring Your Own Device)</td>
<td>21</td>
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<td>6 Enterprise Architecture</td>
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<td>7 Enterprise Application Integration</td>
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<td>8 Legacy Applications</td>
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483 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
<table>
<thead>
<tr>
<th>Most Important/Worrisome to Senior IT Leader</th>
<th>Largest IT Investments for the Organization</th>
<th>Technology / Application</th>
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<tr>
<td>10</td>
<td>2</td>
<td>Customer Relationship Management</td>
</tr>
</tbody>
</table>

Big investment, big project, but been there, done that.

Relatively small investment, relatively big risk

Relatively small investment, relatively big benefit
What are the most important IT management issues to organizations?

And which of these issues are most important or worrisome to their IT leadership?
Your Organization’s Top 10 Most Important IT Management Concerns/Issues

- **Alignment of IT and with the business**: 43.7%
- **Business Agility**: 27.5%
- **Business Productivity**: 23.4%
- **Business Cost Reduction / Controls**: 18.6%
- **IT Cost Reduction / Controls**: 16.8%
- **Time-to-Market / Velocity of Change**: 16.1%
- **Security**: 11.2%
- **IT Service Delivery**: 10.8%
- **IT Efficiency**: 10.6%
- **Revenue Generating IT Projects**: 9.9%

483 Responses

(c) 2013 SIM International, Leon Kappelman, PhD, Primary Investigator
### Senior IT Leader – Top 10

**Most Important IT Management Concerns/Issues to Your Organization**

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<td>3. Business Productivity <em>(2)</em></td>
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<td>6. Time-to-Market / Velocity of Change <em>(1)</em></td>
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<td>7. Security <em>(previously combined with Privacy)</em></td>
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<td>9. IT Efficiency <em>(previously combined with IT Reliability)</em></td>
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*New question for 2013; (1) and (2) were combined in prior years*
### Organization’s Top IT Management Concerns/Issues

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<td></td>
<td></td>
<td></td>
<td>New</td>
</tr>
<tr>
<td>IT Efficiency</td>
<td>9</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Generating IT Innovations</td>
<td>10</td>
<td>4</td>
<td>9</td>
<td>6</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

#### Fell off Top 10 (2012 to 2013):
- Business Process Re-engineering (3rd to 12th)
- IT Strategic Planning (6th to 15th)
- Enterprise Architecture (8th to 21st) but #6 most worrisome investment of same 483
- Sign of shift to more tactical, operational, and measurable objectives?

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### Senior IT Leader – Top IT Management Concerns/Issues

#### Your Most Impt. or Worrisome

<table>
<thead>
<tr>
<th>Year</th>
<th>Concern</th>
<th>Org’s Most Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td><strong>3 Most Important/Worrisome to YOU</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>This question was asked for the first time in 2013.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Alignment of IT and / with the business</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Security</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Talent / Skill Shortage</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Business Continuity / Disaster Recovery</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>Prioritization Process for IT Projects</td>
<td>11</td>
</tr>
<tr>
<td>6</td>
<td>Business Agility</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>IT Service Delivery</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Change Management</td>
<td>19</td>
</tr>
<tr>
<td>9</td>
<td>Time-to-Market / Velocity of Change</td>
<td>6</td>
</tr>
<tr>
<td>10</td>
<td>CIO Leadership Role</td>
<td>23</td>
</tr>
</tbody>
</table>

483 Responses

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## Senior IT Leader - Divergence

### Most Important Management Concerns/Issues

<table>
<thead>
<tr>
<th>Concern/Issue</th>
<th>To your Organization</th>
<th>Most Important / Worrisome To YOU</th>
<th>Ratio = (IT Leader/Org)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rank</td>
<td>% Respondents</td>
<td>Rank</td>
</tr>
<tr>
<td>Alignment of IT and/with business</td>
<td>1</td>
<td>43.69%</td>
<td>1</td>
</tr>
<tr>
<td>Business Agility</td>
<td>2</td>
<td>27.54%</td>
<td>6</td>
</tr>
<tr>
<td>Business Productivity</td>
<td>3</td>
<td>23.40%</td>
<td>16</td>
</tr>
<tr>
<td>Business Cost Reduction / Controls</td>
<td>4</td>
<td>18.63%</td>
<td>22</td>
</tr>
<tr>
<td>IT Cost Reduction / Controls</td>
<td>5</td>
<td>16.77%</td>
<td>13</td>
</tr>
</tbody>
</table>

483 Responses

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Bottom Line: 2013 SIM IT Trends Survey

• **Positive things happening in IT**: More organizations raising IT budgets, salaries, & headcounts; IT budgets high as % revenue; >90% of IT spending domestic.

• **Positive for IT professionals too**: CIO tenure, IT hiring, salaries, turnover, & IT budgets for training all up; >20% IT leaders say “shortage of skills” keeps them up at night.

• **Uncertainty and economic weakness still taking a toll**: 27% cutting IT budgets, 23% cutting IT employment, 7% reducing total IT salaries, 4% cutting IT average salaries.

• Both **organizations and senior IT leaders are focused on more tactical and operational issues and investments**.

• **IT appears fairly resilient and generally seen as “part of the solution”** during these still challenging times.

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Next Steps?

• Deeper analysis to explore and better understand ...
  – Differences by industry, size, organizational and individual characteristics
  – Divergence between personal and organizational priorities and concerns
    • Do performance measures or to whom CIOs report make a difference?
    • Does the frequency and quality of CIO’s C-level interactions make a difference?
    • Does how IT leaders spend their time or how IT is organized make a difference?
  – Differences between current CIOs and next generation of CIOs

• Get ready for 2014 and the 35th Annual SIM IT Trends Survey
  – New questions and perhaps some periodic rotation of questions.
    • “Alignment” - 34 years as a top key issue - Right concept? Or do we need a “paradigm shift” in our thinking about IT and its customer, the business?
    • Deeper dive into IT skills shortage.
    • Turnover, voluntary or involuntary?
    • Insourcing?
    • CIO role in strategic planning?
  – Better data management for better analytical and longitudinal research.
  – Arrange for sponsors and more prizes to hopefully get more responses.

• So until next time, “may the wind always be at your back, may the sun shine warm upon your face,” and may your uptime be 100% 24/7/365!

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34th Annual Society for Information Management’s

SIM IT TRENDS STUDY: 2013