

# Interactive Breakout Session

**SIM Connect Live** 13-Apr-2018

Presenters

- |                |              |
|----------------|--------------|
| Leon Kappelman | Eph McLean   |
| Russell Torres | Chris Maurer |
| Mark Snyder    | Vess Johnson |

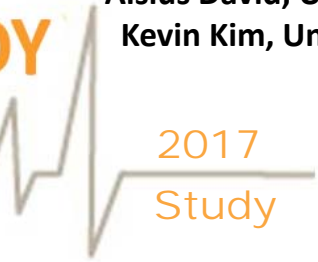
# IT TRENDS RESEARCH TEAM

- Leon Kappelman, University of North Texas
- Ephraim McLean, Georgia State University
- Vess Johnson, University of Arkansas - Little Rock
- Russell Torres, University of North Texas
- Mark Snyder, MBSC & SFT Funds
- Chris Maurer, University of Virginia
- Quynh Nguyen, University of North Texas
- Alsius David, University of North Texas
- Kevin Kim, University of North Texas



## IT TRENDS STUDY

*Taking the Pulse of IT*



2017  
Study



## INTERNATIONAL IT TRENDS STUDY

*Taking the Pulse of IT*



**1<sup>st</sup> ever SIM IT Trends Study European Report now available at no cost to SIM members too.**

**Comprehensive Report (\$995)  
Free to all SIM Members  
<http://www.simnet.org/IT-Trends>**

## SIM's IT Trends Study: The Research Project

- Collaboration of academics and practitioners since inception in 1980
- Focus is IT management in organizations
- Research Population: SIM members + global non-member version
- Some of the Deliverables:
  - Confidential Personal Benchmarks Report to every participant
  - Comprehensive Report to every SIM member
  - SIM Connect Live presentations
  - Monthly articles in SIM's two e-newsletters
- SIM's specific objectives:
  - Important to SIM's value proposition w/members.
  - Create unique intellectual capital.
  - Publicity and branding: "SIM, the voice of IT leadership"
  - Attract new members.
- Academics' objective: get great data and do valuable research.



**IT TRENDS  
STUDY**

*Taking the  
Pulse of IT*



# **2018 Study Launched on April 9<sup>th</sup>**

**38th anniversary data collection underway now**

- Did you and everyone else in your chapter get your personal invitations?**
- Which chapters will win bragging rights and \$ in the Chapter Challenge Contest?**
- Can we beat last year's participation rate of 28.6% of all SIM members completing the questionnaire?**

# The 37<sup>th</sup> Anniversary SIM IT Trends Study

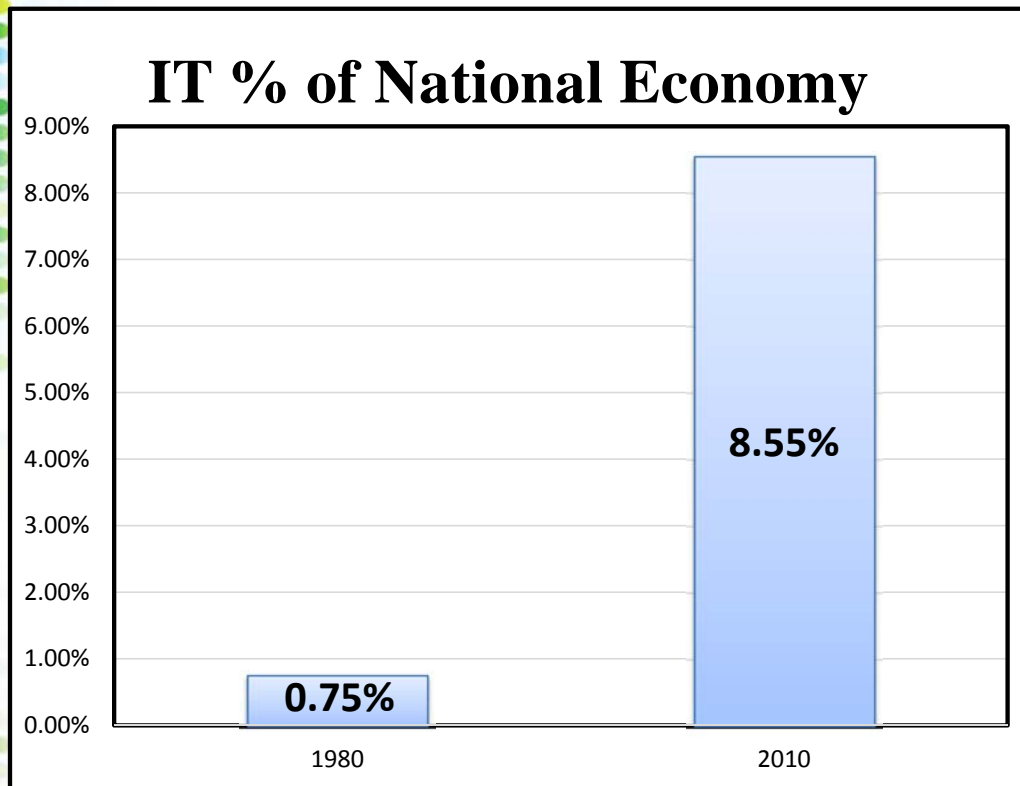
- 1,178 SIM members completed questionnaire
- 28.64% of SIM members
- 469 “CIO or highest-ranking IT executive”
- 769 “unique organizations”
  - Represented by their “senior-most IT leader”
  - Average revenue \$4.65 billion (median \$400 million)
  - Total revenue of 769 \$3.58 trillion: 19.3% of US GDP
  - Total of \$217 billion IT spending
  - IT spending averages 6.08% of revenue





# Trends: 40 years

# IT Intensity of the Economy (1980 to 2010)



**IT spending grew by 1040%**

## IT Spending & Personal Economy

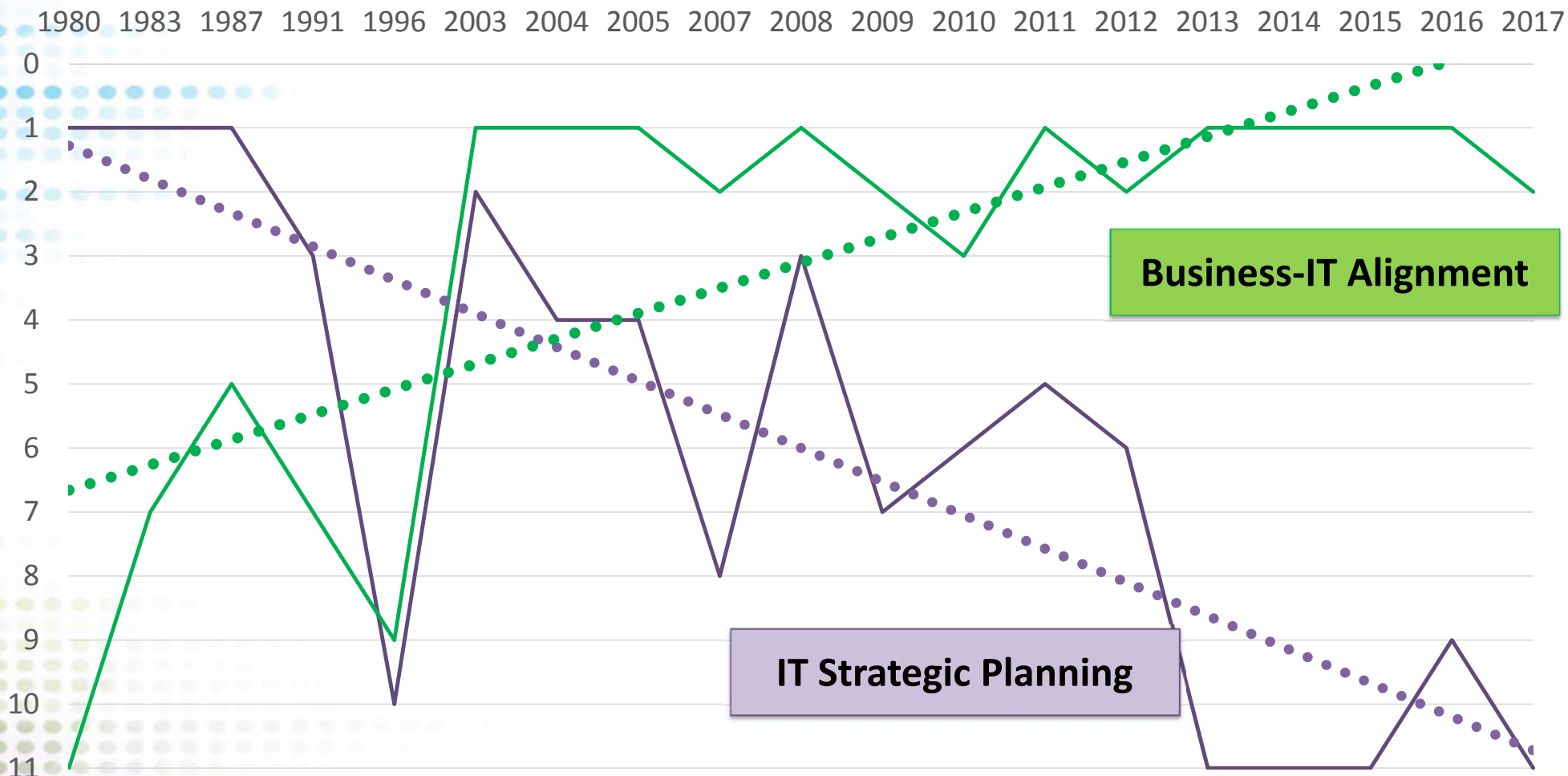
	1980	2010
Internet		\$1,260
Mobile Phone		\$720
Cable TV		\$900
Landline Telephone	\$97	\$240
Market Data / News	\$35	\$600
Tablet		\$240
<b>Total</b>	<b>\$132</b>	<b>\$3,960</b>

**Personal technology expense grew by 2900%**

Provided by Howard Rubin

# Focus of IT leadership Shifted Outward

## Key IS Management Issues / Concerns



**Business-IT Alignment**

**IT Strategic Planning**

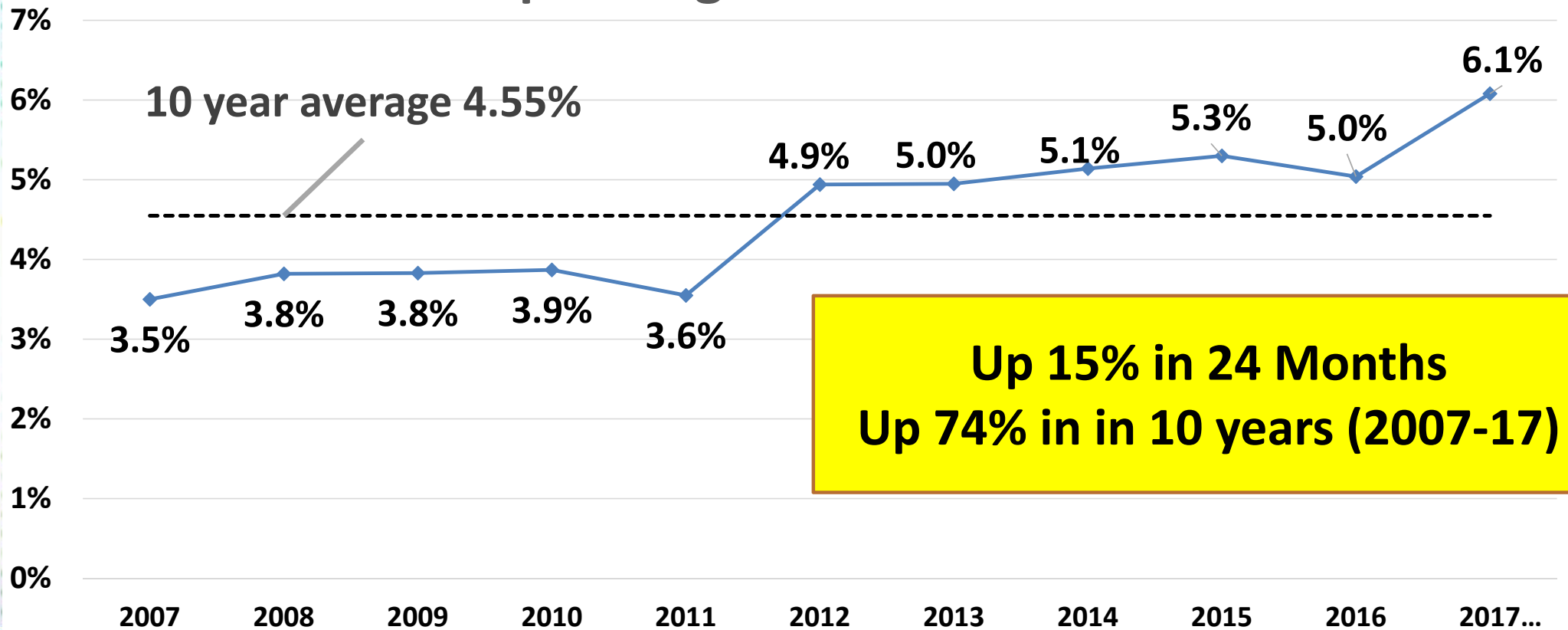


# Trends: 7 to 15 years



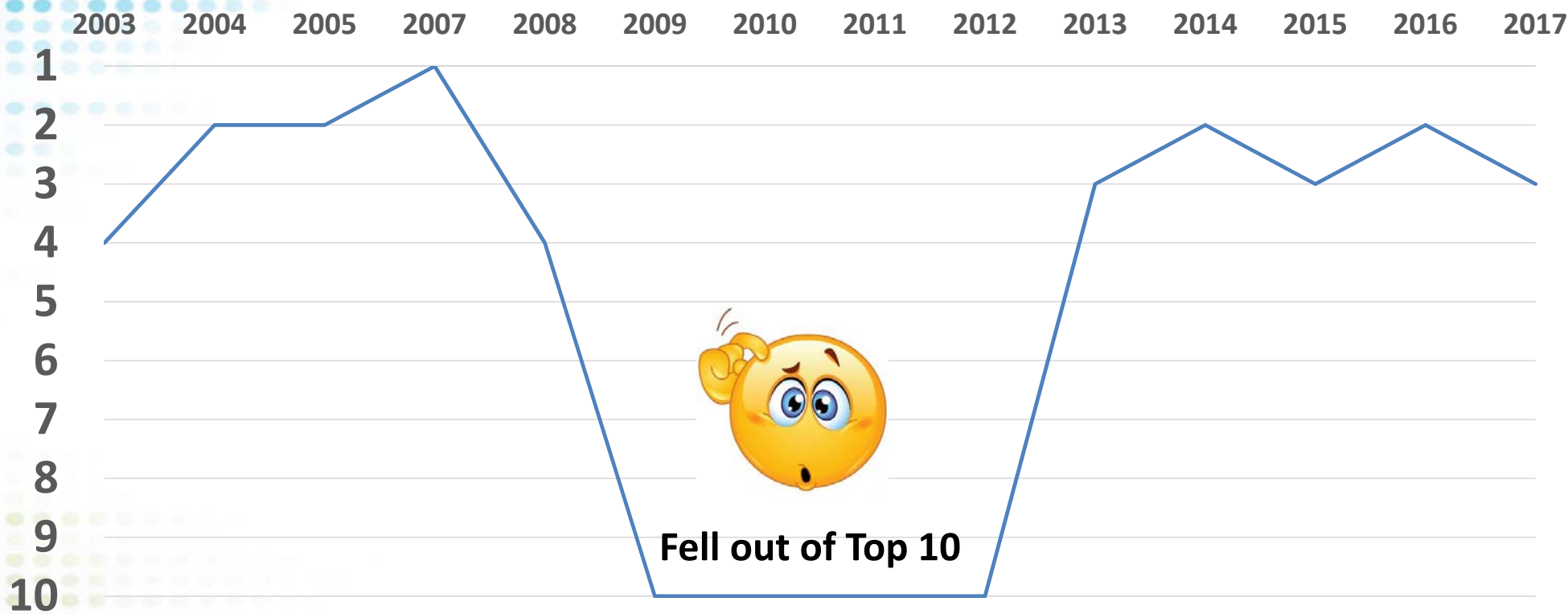
# Increasing IT Intensity of Organizations

## IT Spending as % of Revenue



# IT Workforce Issues Keep IT Leaders Up at Night

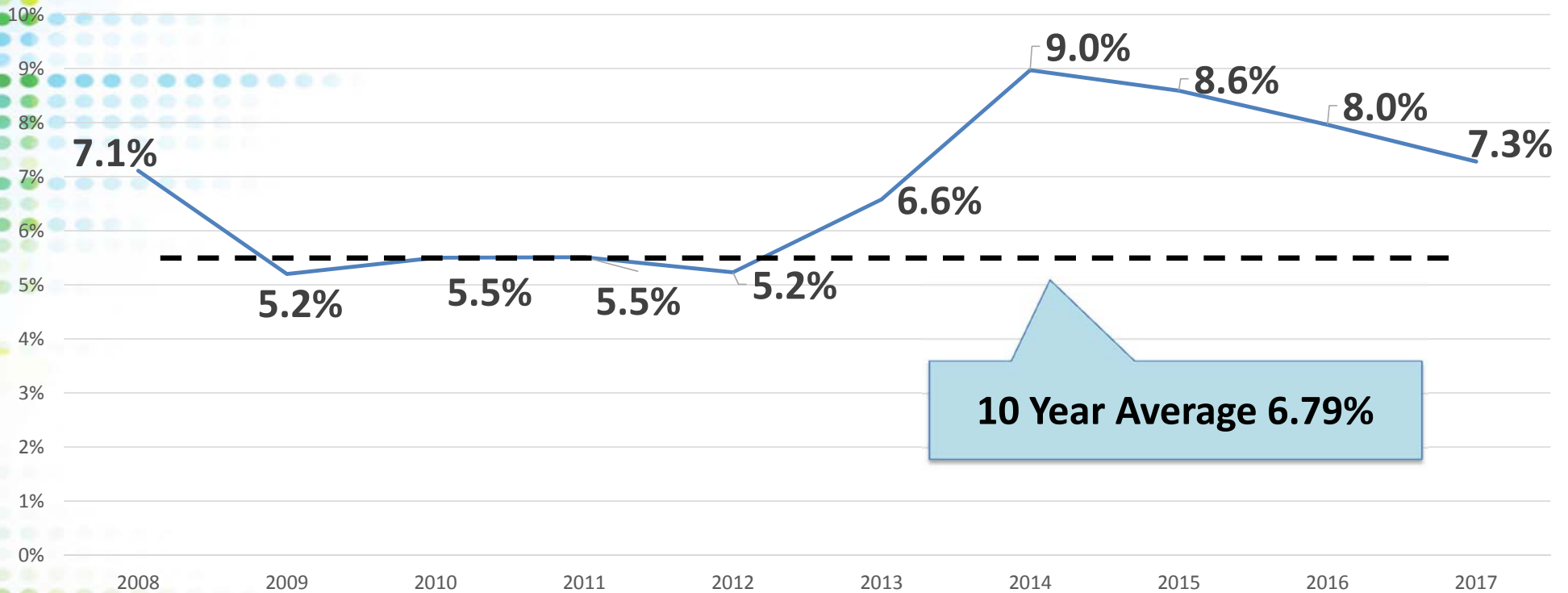
## Most Important IT Management Issues for IT Leaders



Fell out of Top 10

—Attract, Develop, and Retain IT Professionals

# Turnover Rate of IT Employees

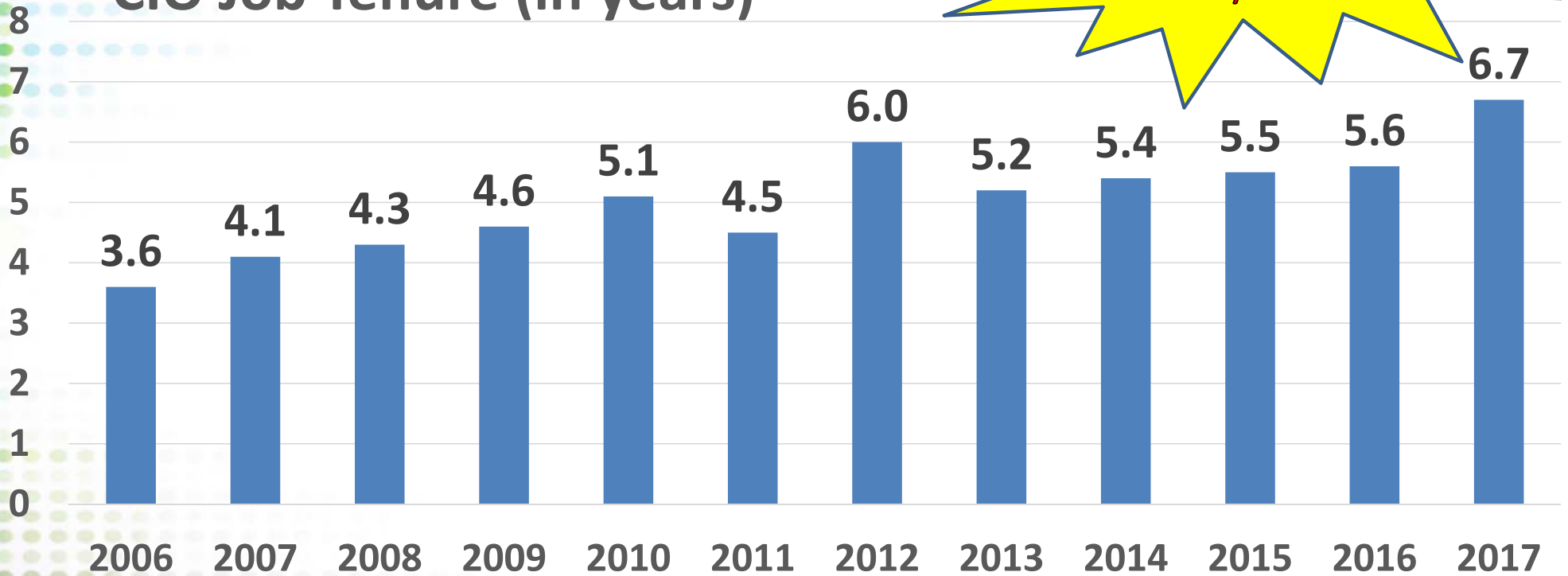


10 Year Average 6.79%

— Turnover Rate

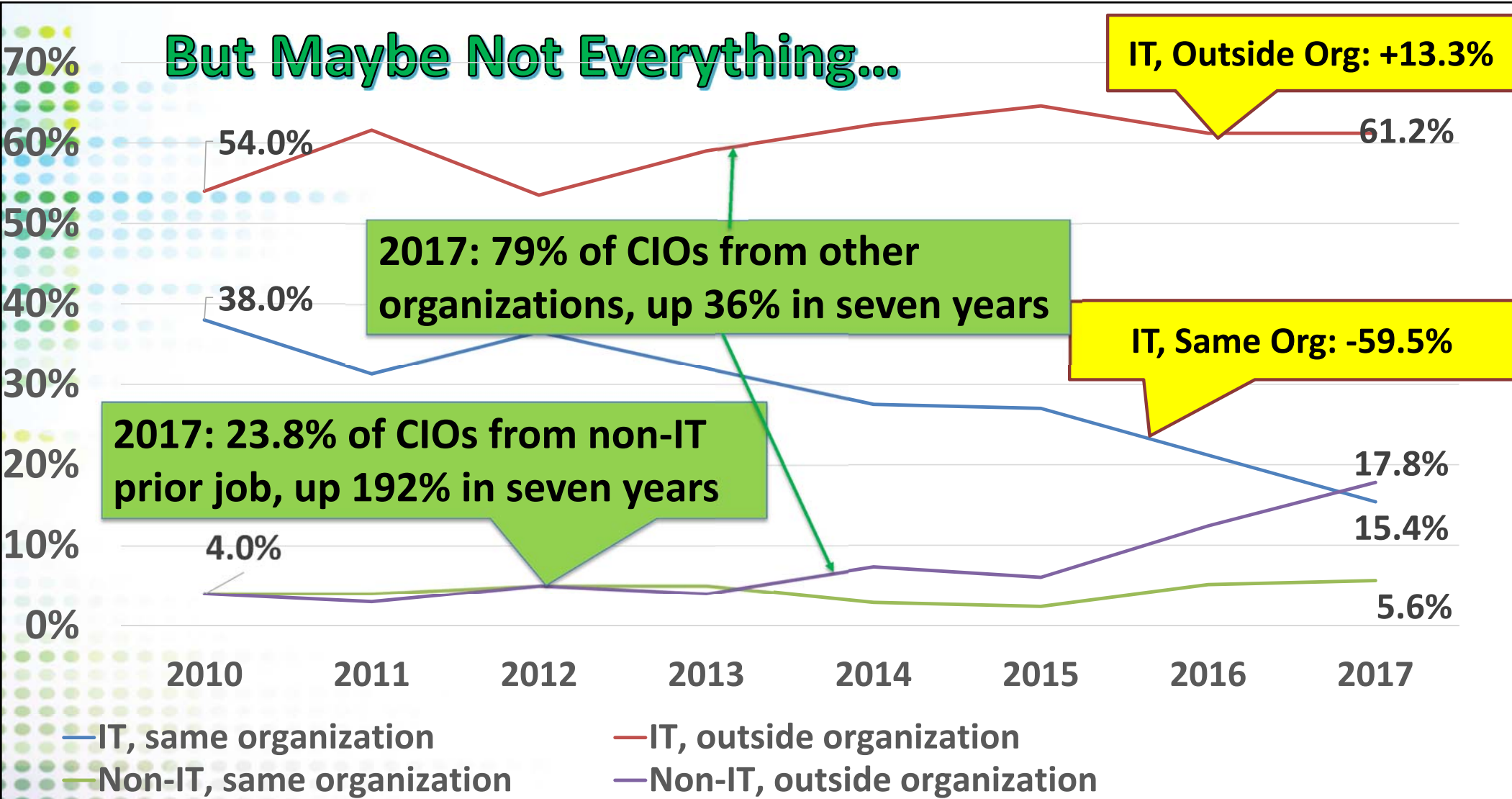
# CIOs are Doing Some Things Well

## CIO Job Tenure (in years)



86.1% Increase in  
11 years

# But Maybe Not Everything...





# Trends: Past 4 years

# How IT Spending Changed

- “Keeping the IT Lights On” share of IT budget **down** over 25% (to 40.5% of total IT spending) in 24 months (2015-17).
- On average, 34.6% “of all IT services” were cloud-based in 2017, **up** 27.2% from 2015.
- Cloud share of IT budget up 44.1% in same period.

# IT Workforce Trends

- **61.3%** of organizations reported an **increase** in IT staffing levels in 2017.
- **94.8%** of organizations increased IT salaries in 2017.
- **Average IT salary increased 4.2% last year.**

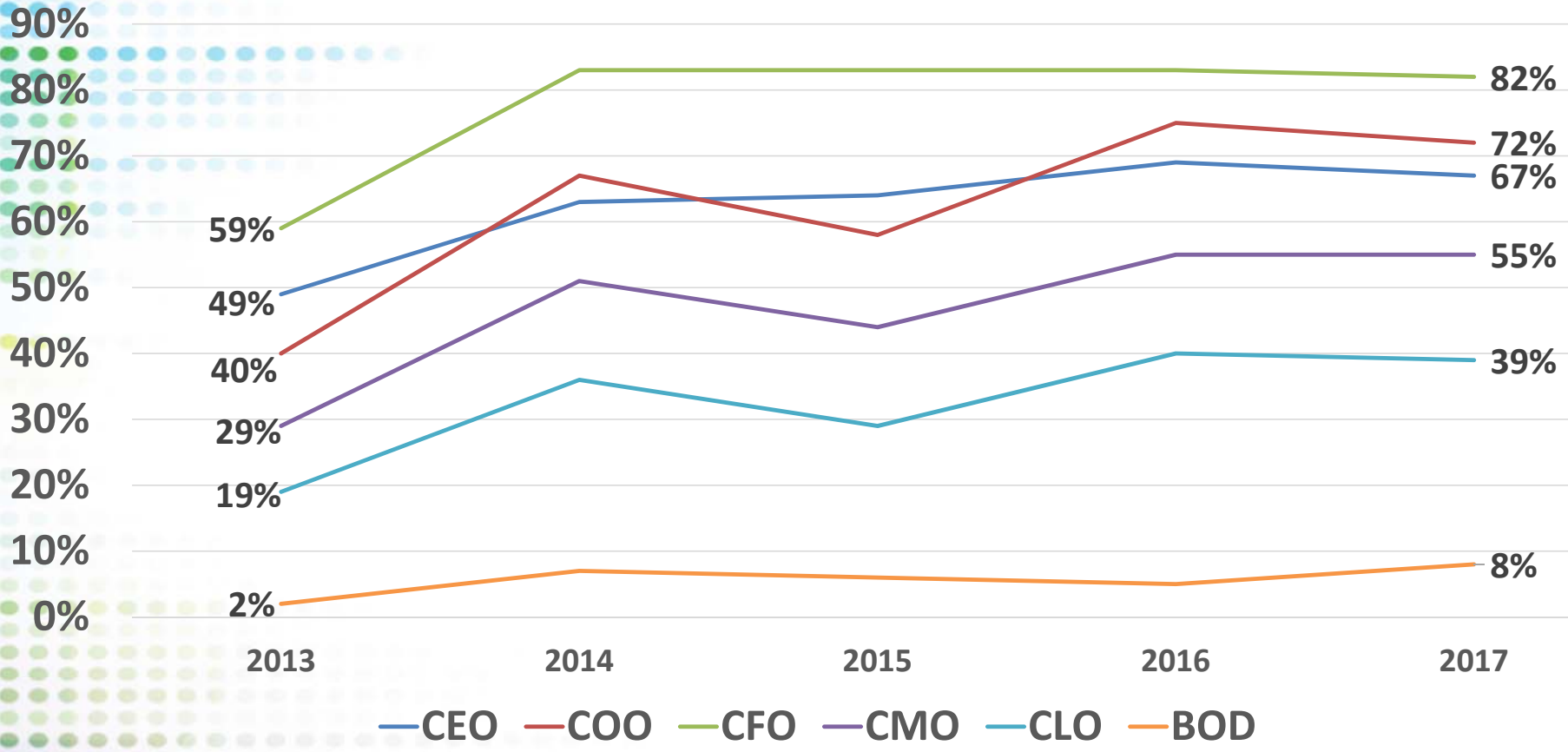




# Increasing Importance of IT to C-Suite

% of CIO's Interacting with C-Suite at least Weekly

**48 Month Increase**



CFO	39%
COO	80%
CEO	37%
CMO	90%
CLO	105%
BOD	300%

# Takeaway Observations

- **Over the past 38 years:**

1. IT intensity of organizations & everything else increased.
2. IT became more important to and more about the business.

- **Over the past seven years:**

3. Frequency of CIO interactions with C-Suite peers has increased greatly. Likely a sign of 2.
4. Many more CIOs from non-IT backgrounds & other organizations. IT bench not business-oriented enough?