



SIM IT Trends Study Finds IT’s Head in the Cloud

This year’s IT Trends Study finds **Cloud Computing becoming a larger and more important part of IT in organizations**. Ranked as the **4th largest IT investment** this year (up from 7th in 2015), 801 participating SIM members ranked it **3rd as a technology that should get even more investment dollars**, and their **4th most personally worrisome technology**.

On top of that, **89.7% of organizations increased their Cloud usage this year** and the **percentage of all IT services delivered via the cloud grew from 27.2% in 2015 to 31.9%**. The **Cloud is also having a significant impact on IT budgets**. Overall IT spending increased about 4.1% this year, so **the increase in cloud spending is coming at the expense of other categories, especially hardware and software** (see table below). Predictions are for **cloud spending to increase more than 25% in 2017, with less money going to every other IT spending category next year except employees** (which is flat).

IT Budget Allocations: 2015 - 2016 Actual, 2017 Projected

Budget Categories	% Allocated to Each Category			% Change Projected 2016 to 2017
	2015 Actual	2016 Actual	2017 Projected	
Hardware	15.8%	12.0%	10.9%	-9.0%
Software	17.9%	15.4%	15.0%	-2.4%
Facilities (including supplies and consumables)	5.6%	5.0%	4.9%	-2.5%
Employees	37.6%	37.7%	37.7%	0.0%
Consultants	5.6%	7.2%	6.9%	-5.3%
Contractors	5.9%	5.7%	5.5%	-3.0%
Cloud Services (SaaS, PaaS, IaaS, process, etc.)	7.7%	12.1%	15.1%	25.3%
Other	3.9%	4.7%	4.2%	-10.7%

n=398 unique organizations (2016 actual & 2017 projected), 319 (2015 actual)
Annual totals may not equal 100% due to rounding

The “Personal Benchmark Reports” will be sent in the next few weeks to the 1213 SIM members who participated in this year’s study. The study will be presented at SIMposium on October 25th and the “Comprehensive Report” will become available to all SIM members shortly thereafter.

And a **big shout out to this year’s IT Trends Study Sponsors for their generous support!!**

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