The Seismic Shift in IT Buying
How Lines of Business are Adopting Cloud

An IDC InfoBrief, sponsored by Cisco | March 2015
There’s a New Buyer of Information Technology Today: Line of Business (LOB)

This technology buyer is predominantly a business executive or manager.

Business budgets in most developed economies across the world now fund nearly 70% of all technology spending.

Business buyers want business outcomes—top-line/bottom-line focus, revenue, productivity, return on investment.
Today’s Line-of-Business Executives are Tech Savvy, Empowered by the Cloud — with a Lot at Stake

Top 4 reasons LOBs are increasing their technology spending:

38% My functional area is becoming more tech savvy and we feel comfortable driving our own IT projects

36% The link between technology and business results is increasing and my functional area feels a sense of urgency to implement new technology initiatives

33% Requirements to incorporate new technologies into legacy IT systems make it difficult for our IT organization to meet demands of our functional area

27% We are able to access technology more easily because of cloud computing
The Centers of Technology Buying Have Shifted — Permanently

62% of respondents expect the percentage of the IT budget controlled/dictated by LOBs to increase in two years.

- **62%** Increase
- **9%** Decrease
- **29%** Stay the same

Source: IDC LOB Sentiment Study - August, 2014. n=304 Technology Buyers in the Business
This is Not All Bad News for IT

72% of LOB respondents disagree with the idea that, in three years, their IT department will be less relevant than it is today.

- 72% Disagree
- 28% Agree

Source: IDC LOB Sentiment Study - August, 2014. n=304 Technology Buyers in the Business
Role of IT in the New LOB-Driven World? A More Valuable Partner

Compared to three years ago, 72% of LOB respondents say IT is becoming a more valuable partner to their functional area.
New LOB Expectations of IT: As a Service Broker

59% of LOB respondents say future role of CIOs will likely be focused primarily on managing contractors, cloud, and other IT service providers.

- 72% Agree
- 34% Disagree
- 7% Neither agree or disagree

Forward-Looking CIOs Are Preparing for the Opportunity

In fact, today’s forward-looking CIOs recognize the new IT buying centers as an opportunity—with the top 2 initiatives for 2015 focused on LOB relationship success.

- Engage business stakeholders more effectively: 78.4%
- Create quick wins for business partners: 63.9%
- Simplify and standardize technology: 63.9%
- Train IT staff to partner better with business stakeholders: 58.2%
- Deepen staff bench strength in management/leadership: 38.7%
- Delegate more IT operations to trusted lieutenants: 31.4%
- Reorganize so the IT group is easier to work with: 30.9%
- Cultivate a relationship with a board member: 24.2%
- Train IT staff to focus on external customers: 17.0%
- Call on external customers/clients: 12.9%
- Delegate more IT operations to trusted lieutenants: 30.9%
- Reorganize so the IT group is easier to work with: 30.9%
- Cultivate a relationship with a board member: 24.2%
- Train IT staff to focus on external customers: 17.0%
- Call on external customers/clients: 12.9%
- Other: 1.5%
- None of the above: 0.5%
Making it Work: Top Ways for IT To find Success with LOBs

1. Ease business use of technology
   “Simplify and standardize technology” – 54%

2. Build relationships
   “IT to partner better with business stakeholders” – 37%

3. Improve engagement
   “Engage business stakeholders more effectively” – 33%

4. Initiate success
   “Create quick wins for business partners” – 31%