

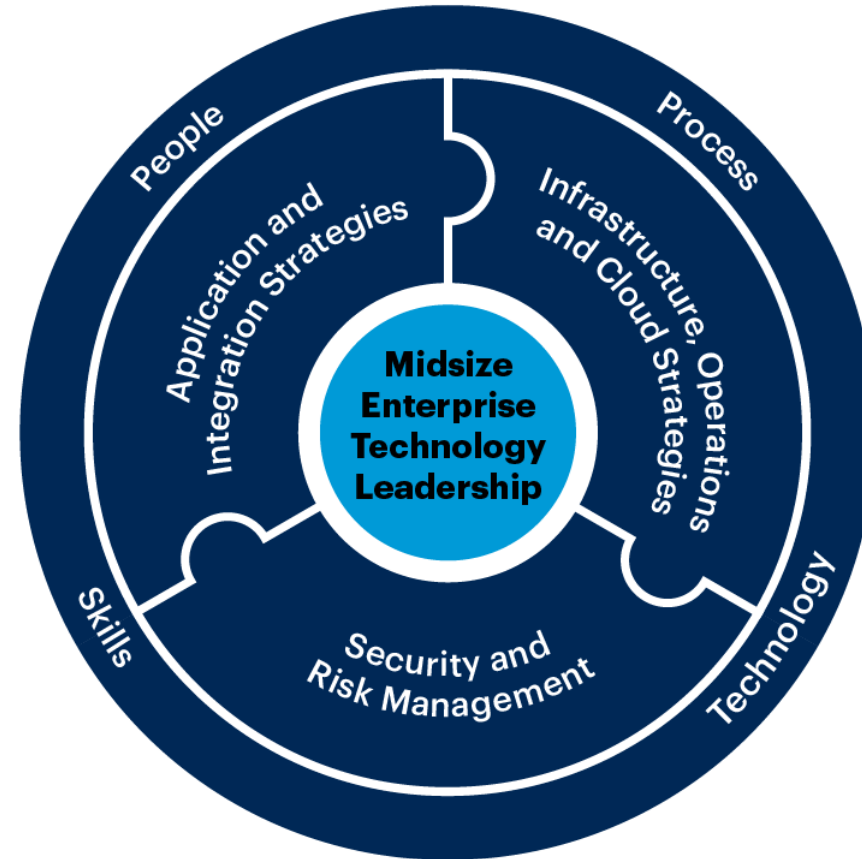
Leadership Vision for 2023

Midsize Enterprise Technology Leadership

December 2022

A Guide to Midsize Enterprise Technology Leadership

- Technology Hype Must Be Managed
- Work Proactively retain critical technology talent.
- Outsource commoditized or highly specialized functions
- Control Cost and Maintain a Healthy Spending Balances



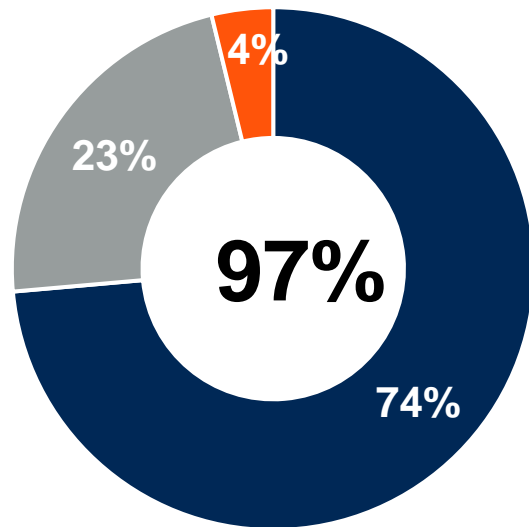
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- Take an integration first approach to architecture
 - Look for AI opportunities
 - Adopt Low/No code solutions for integration and automation
 - Rationalize data by identifying sources of record, data producers and consumers

- Champion a workload placement strategy that maximizes value today and flexibility tomorrow
- Mature I&O processes to offset personnel and financial constraints
- Structure to maximize operational effectively and capacity for growth

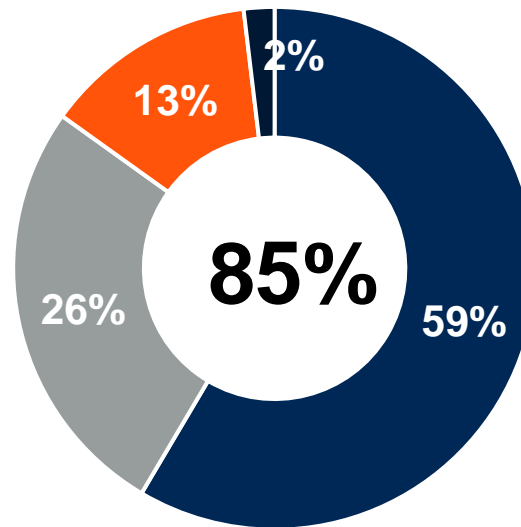
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- Assess your capabilities to provide a comprehensive security program
 - Identify driver of security requirements including compliance, policy and risk tolerance
 - Adopt formal identify governance
 - Look to managed services to emulate SOC activities

Synergy Across Technical Domains is Paramount to Effective Execution

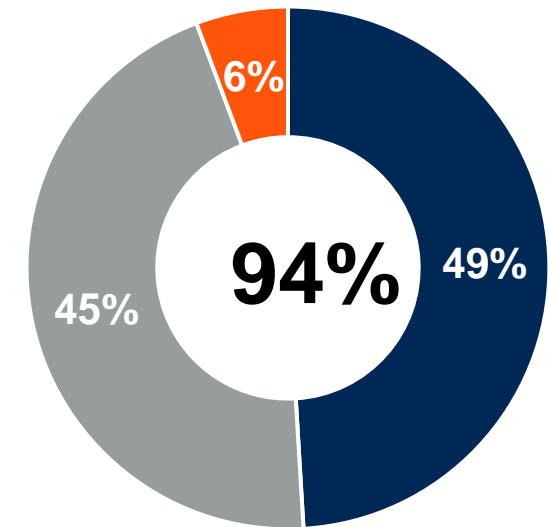
Infrastructure and Operations



Applications Management



Security and Risk Management



- Lead investment decision and strategies
- Participate in, or influence strategies and investment decisions
- Have Visibility into the strategies and decision making for investments
- Involved in the functional area but not visibility into strategy or investment decision

n = 53, MSE Respondents
S08. How involved are you in your organization's following functional areas?
Source: 2022 Gartner Signature I&O Role Survey

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Key Issues

1. What are the major trends affecting MSE Technology Leaders?
2. What are the top challenges affecting technology leaders in MSEs?
3. What actions should technology leaders in MSEs take now to be successful?

Trend: Growth and Cost Optimization Remain a Priority

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Leadership



n = 344 Midsize CIOs and technology executives answering

Q. What would you say is your enterprise's top priority for 2022 and 2023?

Source: 2023 Gartner CIO and Technology Executive Survey

Coded verbatim responses, Multiple responses allowed.

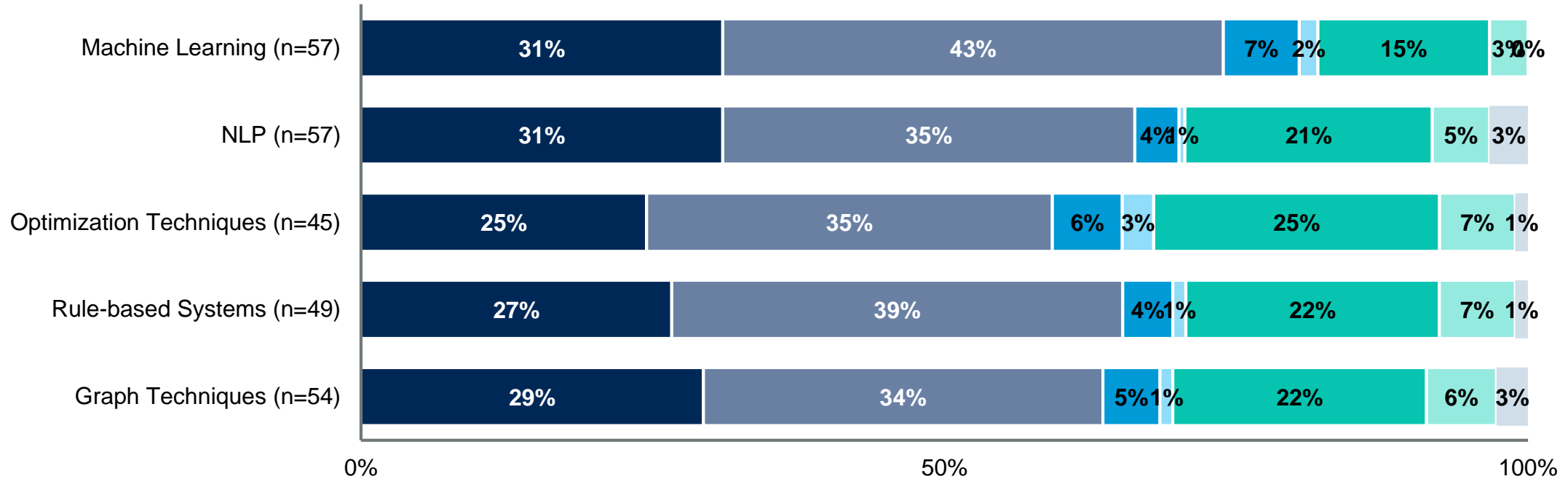
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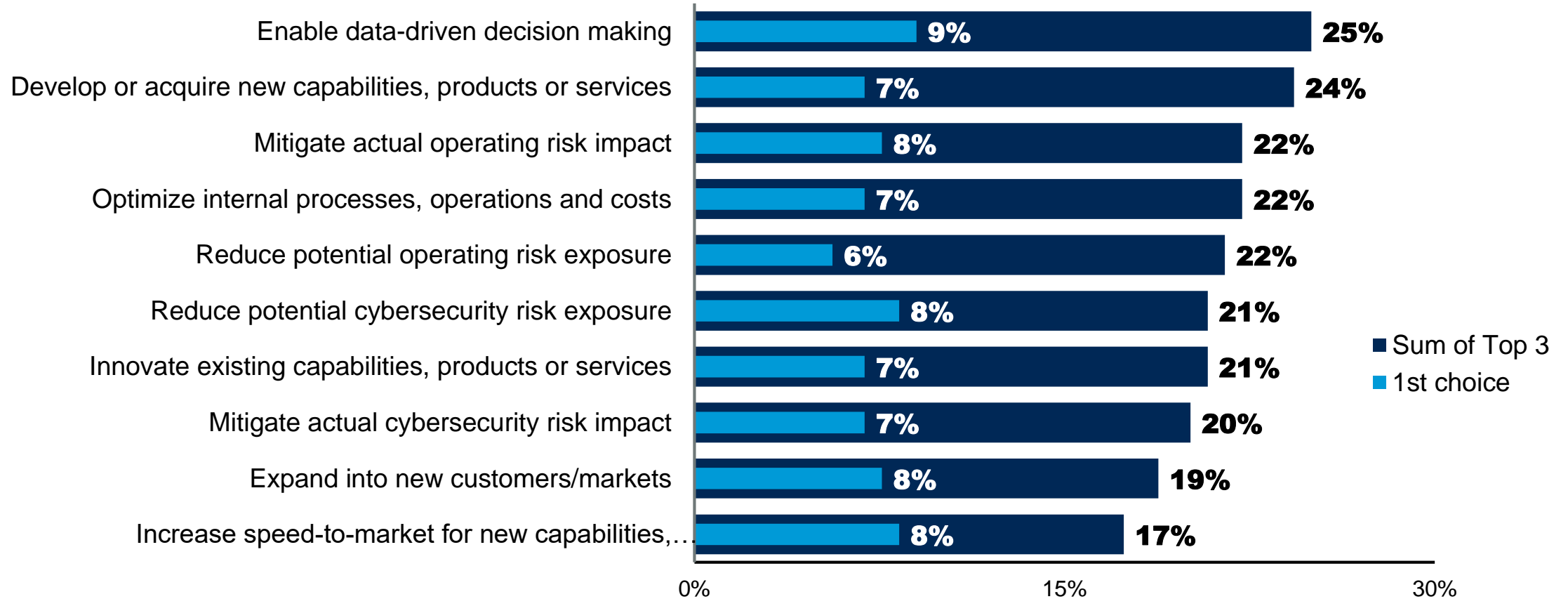
Trend: AI Adoption by Use Case

- Deployed /in use today
- Plan to deploy in less than 12 months
- Plan to deploy in 1 to less than 2 years
- Plan to deploy in 2 to less than 3 years
- Plan to deploy in the next 3 to 5 years
- Knowledge gathering/ investigating/ developing strategy
- No plans at all



n = 49-57 ; Base varies, Excludes Don't know
 SS09. What is the adoption status of the following AI solutions in your organization?
 Source: Gartner P-21023 AI in Organizations Survey 2021

Trend: An Integration First Approach

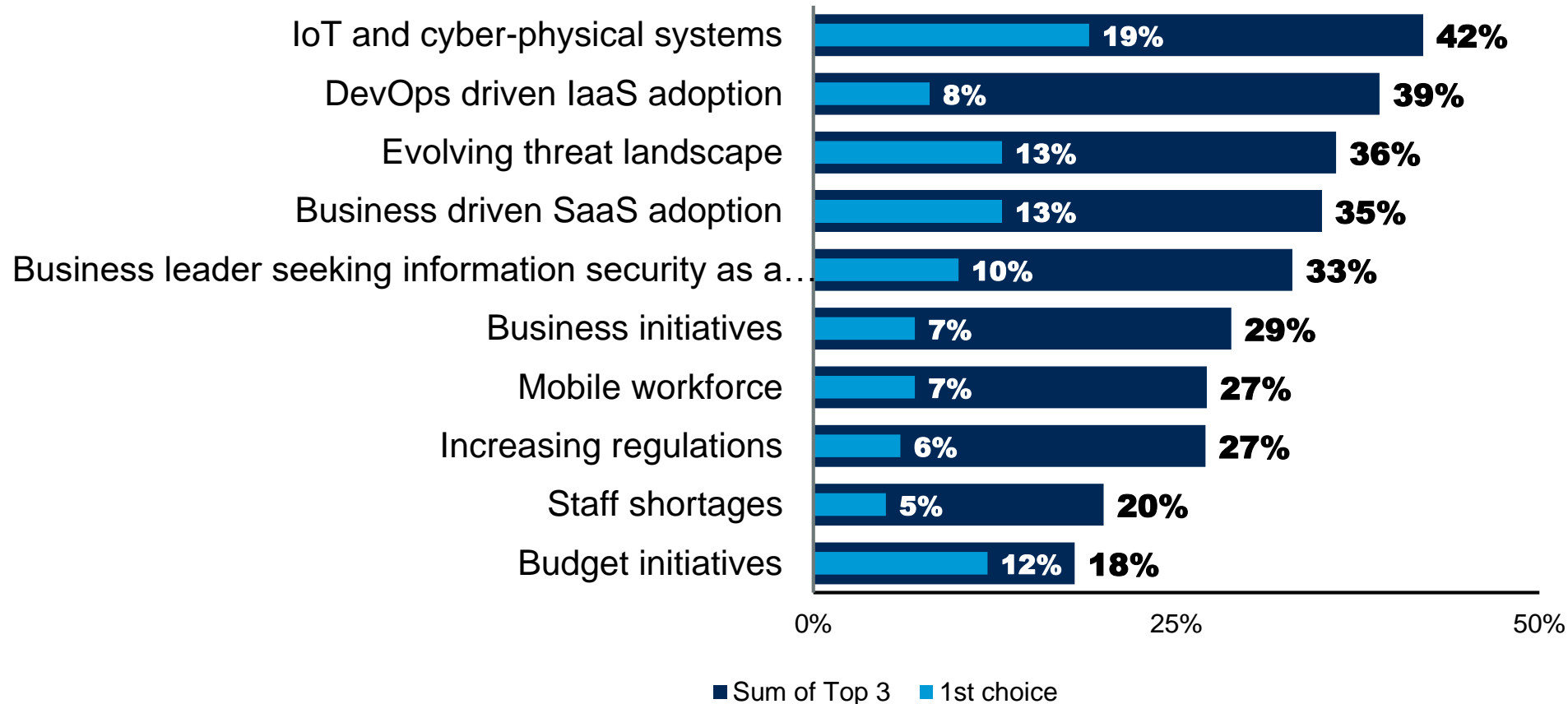


n = 144; Midsize enterprise Respondents

Q08. Which of the following outcomes, if any, has your enterprise sought through partnerships over the past 12 months?

Source: Gartner 2022 Digital Business Ecosystem

Trend: Security Strategies Must Adapt to Business Drivers



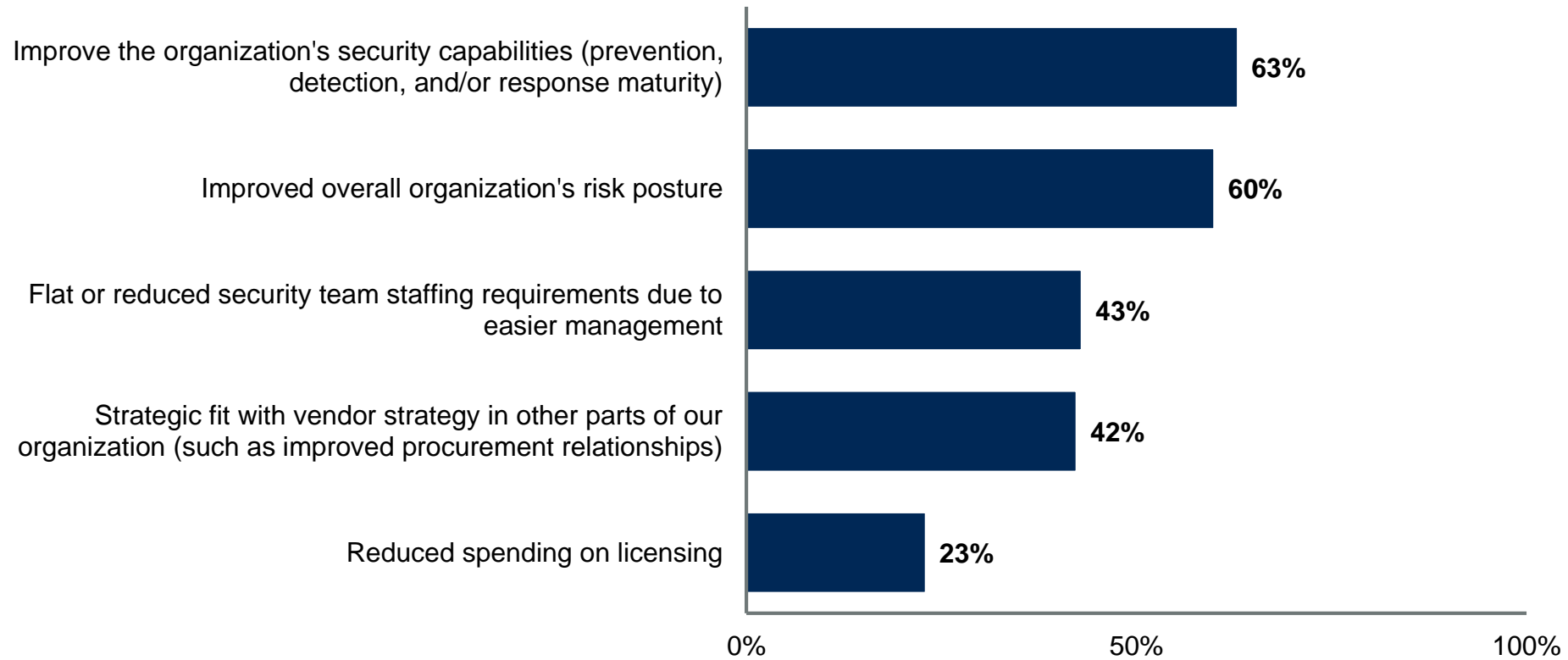
n = 84 ; Total, Excludes Don't know

Q09. What are your organization's top 3 drivers that are likely to impact its information security function and controls in the next 3-5 years?

Source: Gartner P-22011 Security Vendor Consolidation Survey 2022

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Trend: Security Vendor Consolidation Improves Capabilities and Risk Posture



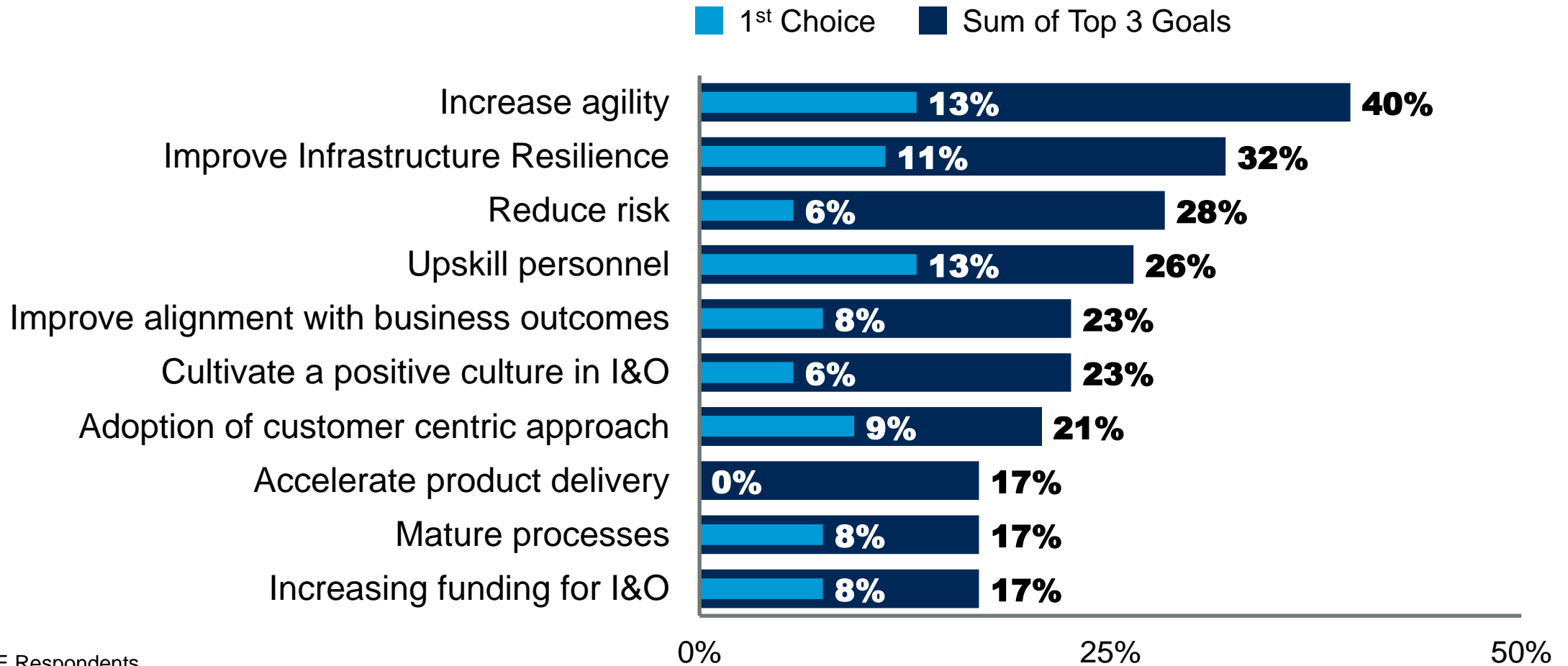
n = 83 ; MSE Respondents

Q06. What primary benefit did your organization receive/is your organization expecting to receive from its security vendor consolidation strategy?

Source: Gartner P-22011 Security Vendor Consolidation Survey 2022

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Trend: Organizations Are Adapting to Get Ahead of the Aggressive Pace of Change

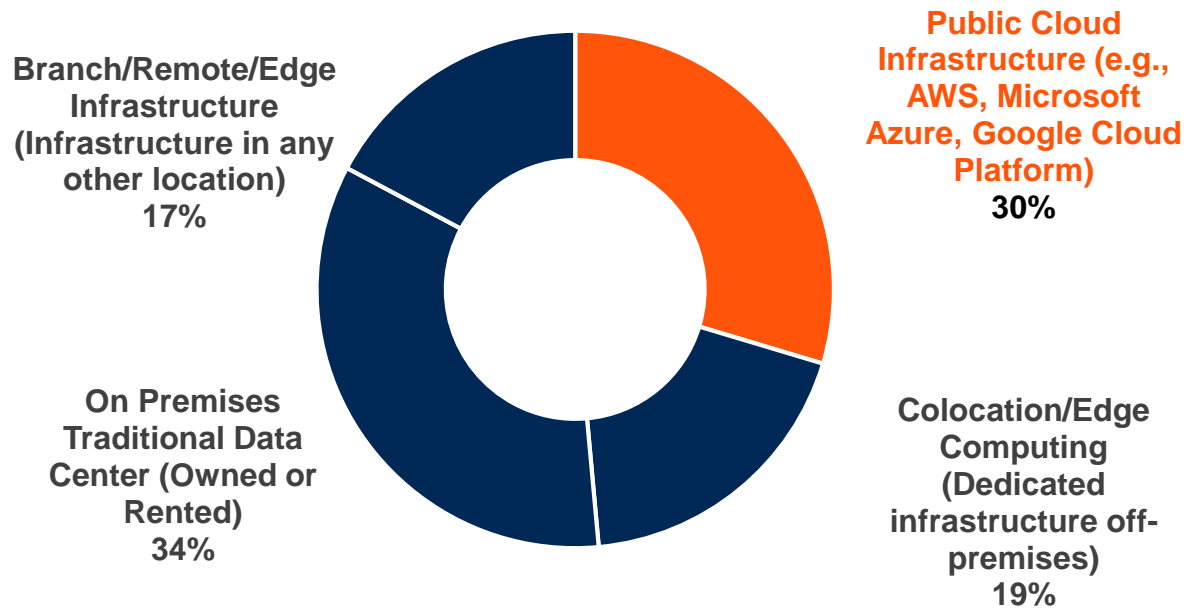


n = 53; MSE Respondents

Q01A. What are the top 3 goals of your Infrastructure & Operations organization in the next 12 months?
Source: 2022 Gartner Signature I&O Role Survey

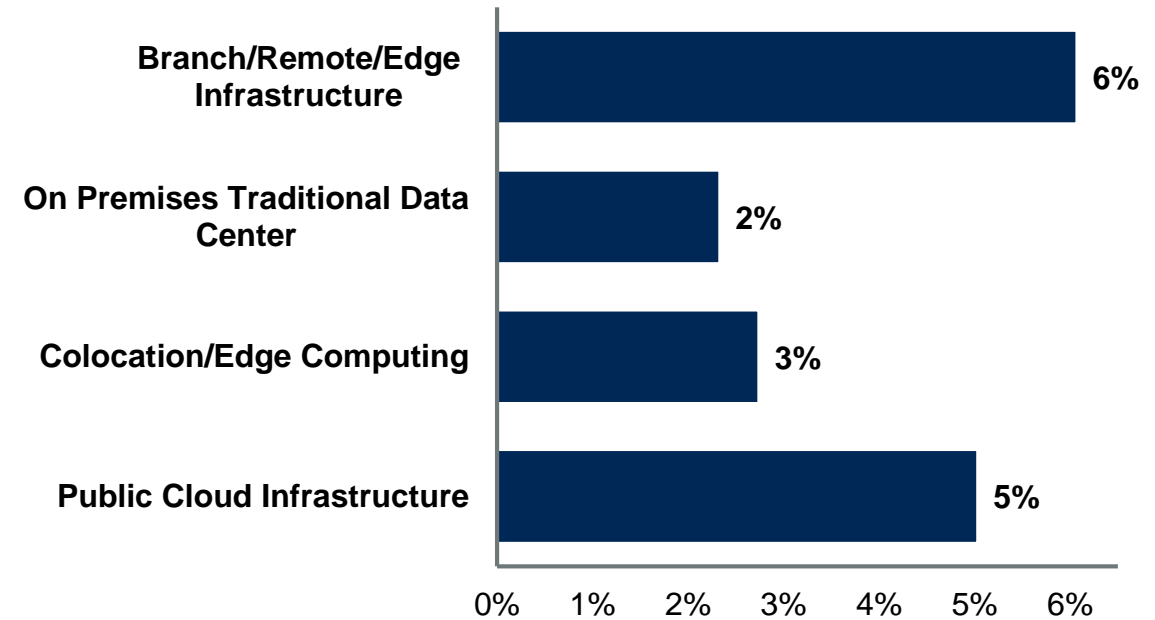
Trend: Workloads Require Diversified Infrastructure Investments

Mean % spent of the I&O budget dedicated to:



n = 53; MSE Respondents excluding Don't Know
 Q08. What percentage of your organization's IT Infrastructure and Operations (IT I&O) budget that is dedicated to infrastructure strategies is currently spent on the following?
 Source: 2022 Gartner Signature I&O Role Survey

Expectation of budget change in the next 12 months (Mean % Increase)



n =53; MSE Respondents who know about the IT I&O budget that is dedicated to infrastructure strategies excluding Don't know
 Q08B. And how do you expect the percentage of budget to change in the next 12 months for each of the following infrastructure strategies?
 Source: 2022 Gartner Signature I&O Role Survey

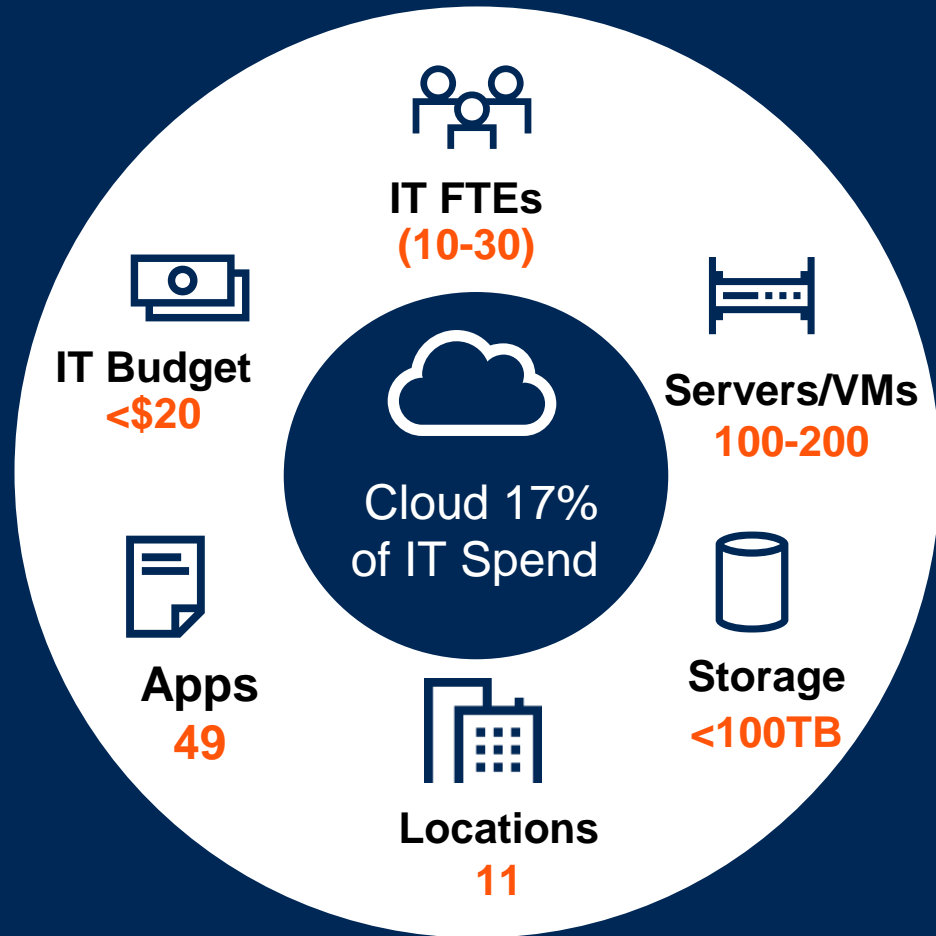
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Key Issues

1. What are the major trends affecting MSE technology leaders?
2. What are the top challenges affecting technology leaders in MSEs?
3. What actions should MSE technology leaders take now to be successful?

Challenge: Aligning Strategies with the Size, Scale, and Operating Environment

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What Do We Know ?

- Economies of scale - DO NOT Apply
- Architectures are typically n-2
- Application migration to public cloud remains difficult
- Cloud costs are difficult to manage
- Operations, cost and security outcomes drive architectures

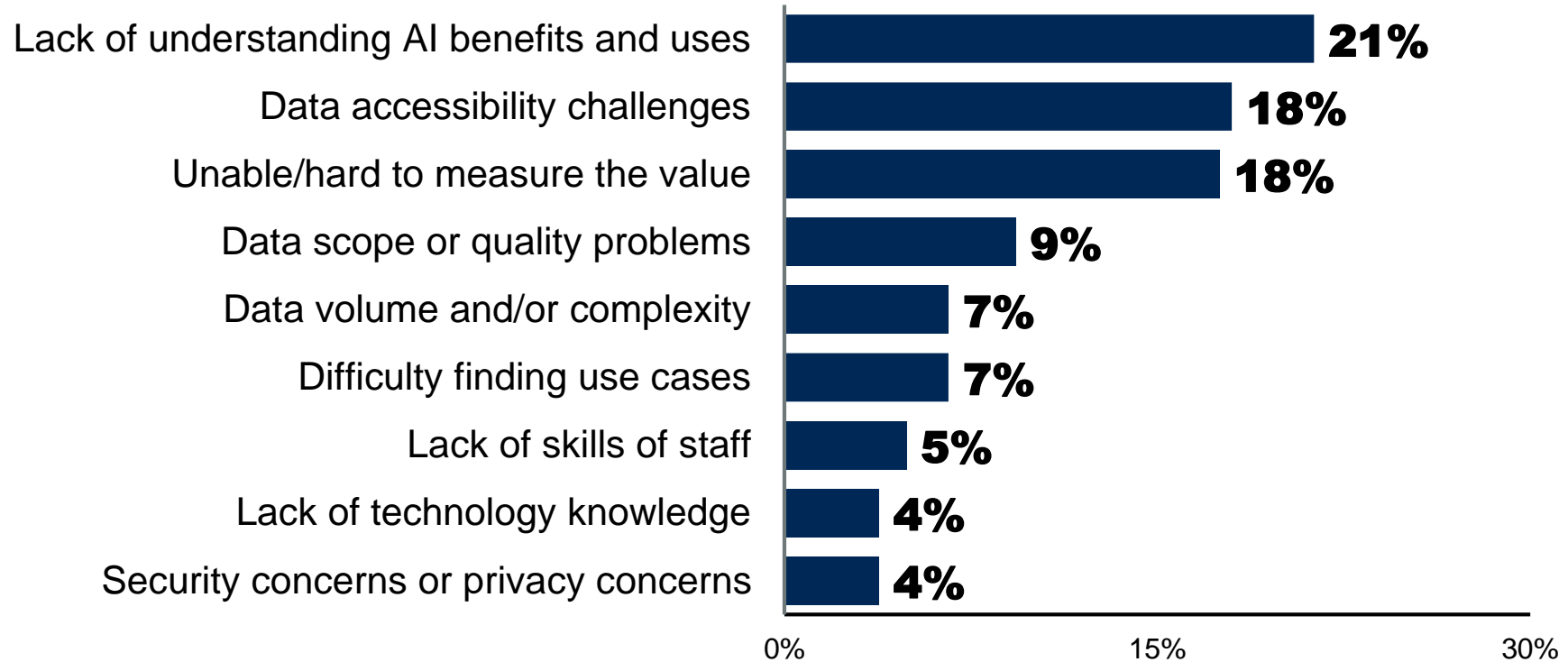
Challenge: Managing Turbulence in Staffing and the Economy



N=115 MSE CIO/Senior IT Leaders answering
 Q: What are The Top Threats /Challenges Facing your Organization in the next 12-24 months
 Source: 2022 Midsize Enterprise Summit Fall 2022

Challenge: Barriers to the Implementation of AI Techniques Must be Overcome

Barriers to AI implementation



n = 183: Excludes Not sure

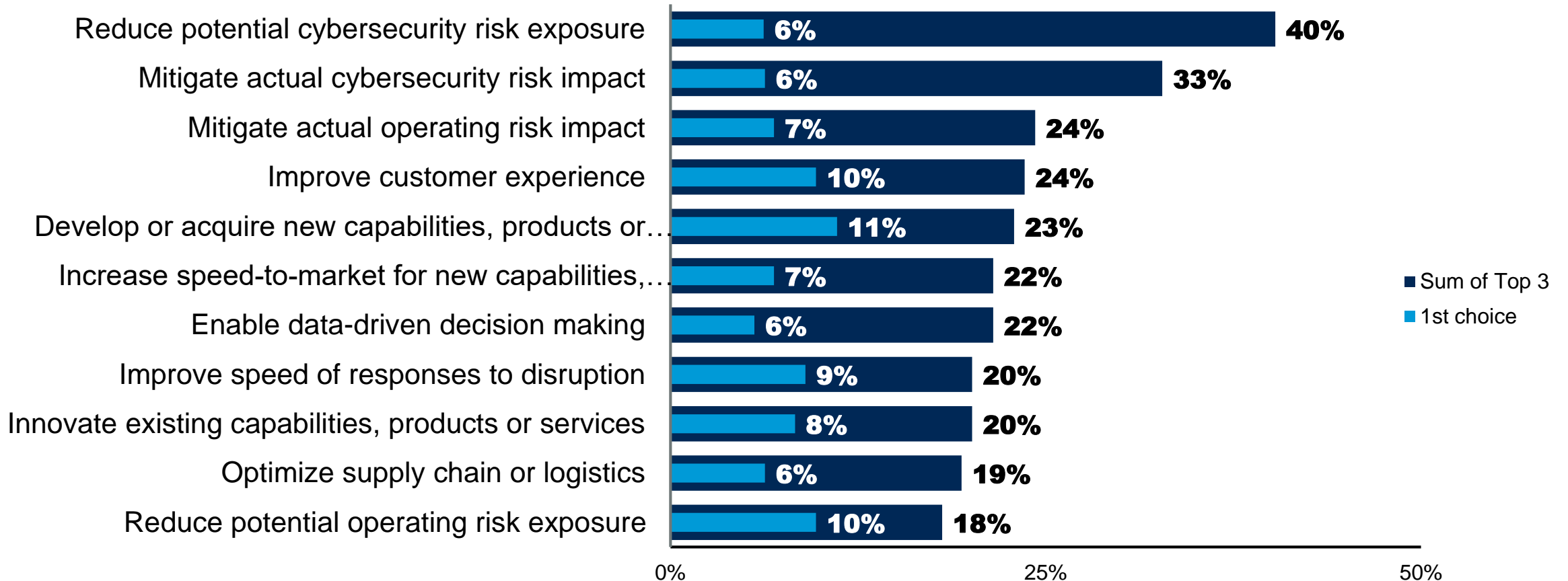
Q18. What are or will be the top 3 barriers to the implementation of AI techniques within your organization?

Source: Gartner P-21023 AI in Organizations Survey 2021

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Challenge: Managing Risk with a Finite Pool of Security Resources



n = 144; Midsize enterprise respondents

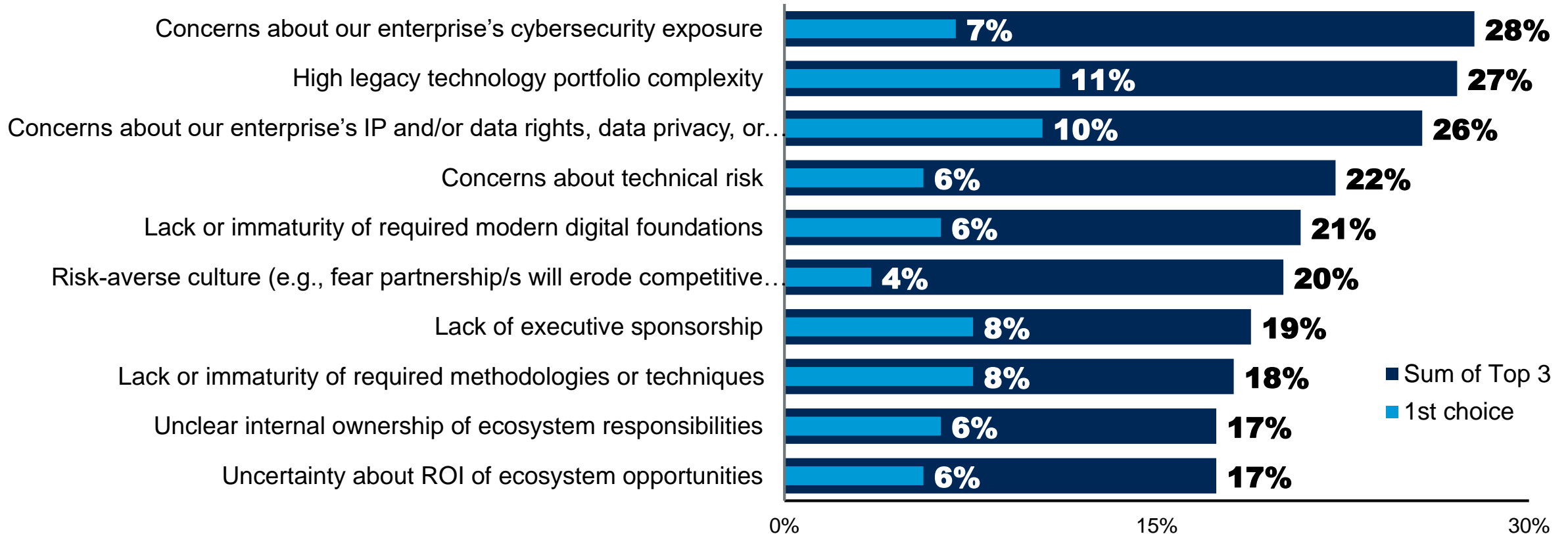
Q01. Which of the following areas, if any, were strategic priorities for your enterprise over the past 12 months?

Source: Gartner 2022 Digital Business Ecosystem

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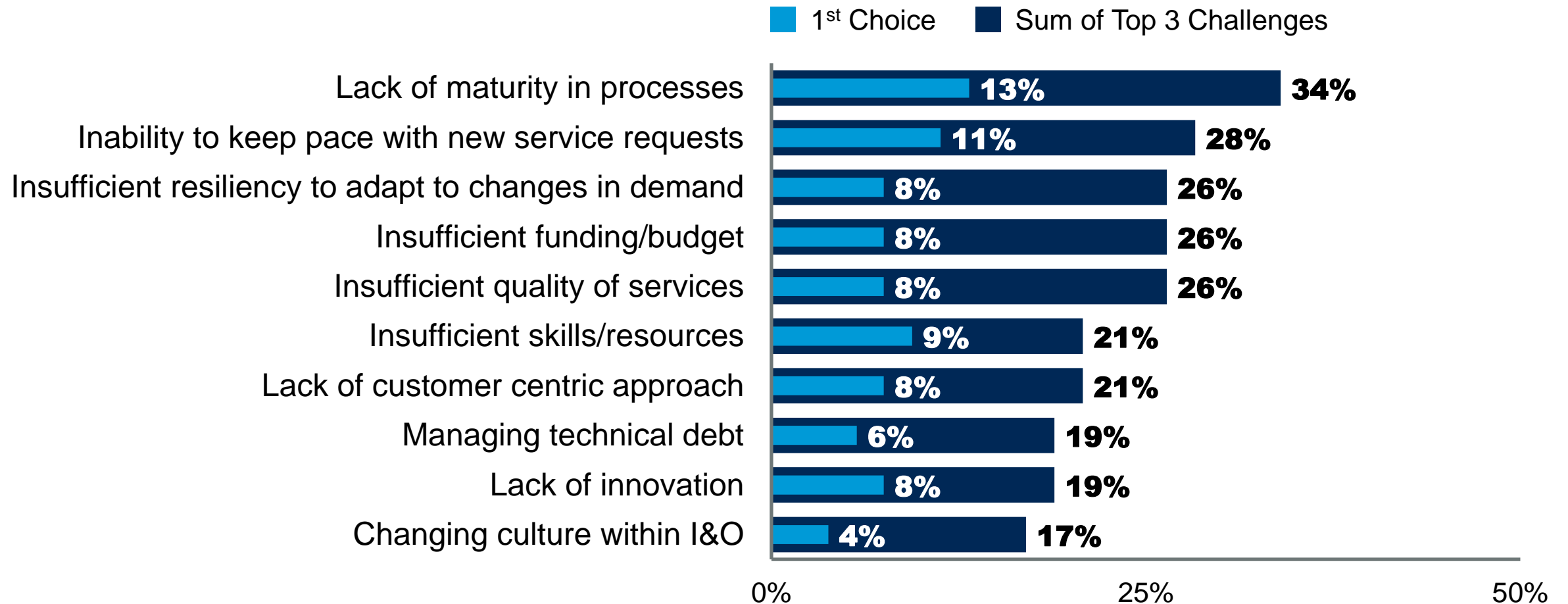
Challenge: Overcoming Security, Complexity and Risk Obstacles



n = 144; enterprise leaders, excluding unsure
 Q13A. Which of the following internal barriers have presented the greatest obstacle(s) over the past 12 months?
 Source: Gartner 2022 Digital Business Ecosystem

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Challenge: I&O Maturity and Resources Impede Execution Capacity



n = 53; All Respondents excluding Don't know

Q03A. What are the top 3 challenges or threats that your IT Infrastructure & Operations (IT I&O) organization faces currently?
Source: 2022 Gartner Signature I&O Role Survey

Challenge: Balancing RUN AND CHANGE

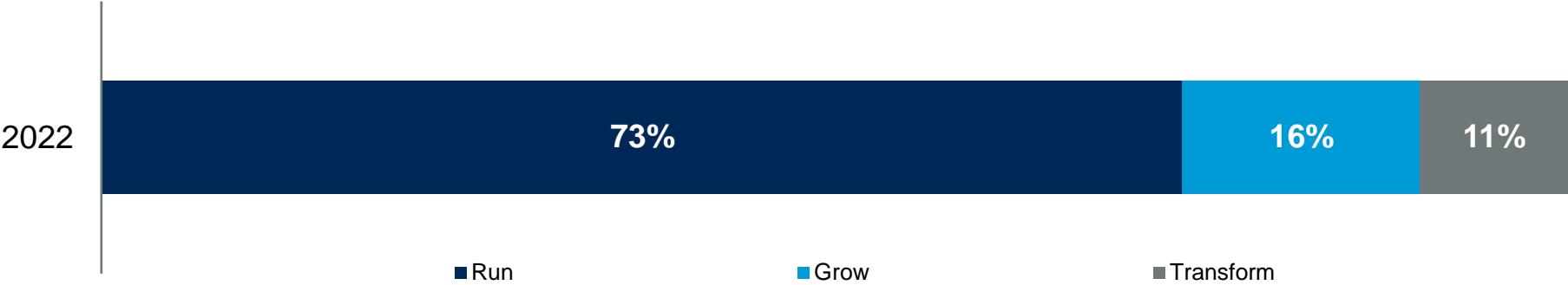


Value Prop

- **Maintain** current business capabilities
- **Expand** existing business capabilities
- **Drive** innovation and new business capabilities

Metrics

- Price-for-performance ratios, leading indicators of risk
- Improvements in business operations and performance
- Leading indicators of revenue or market share



**MSE Resource
Distribution**

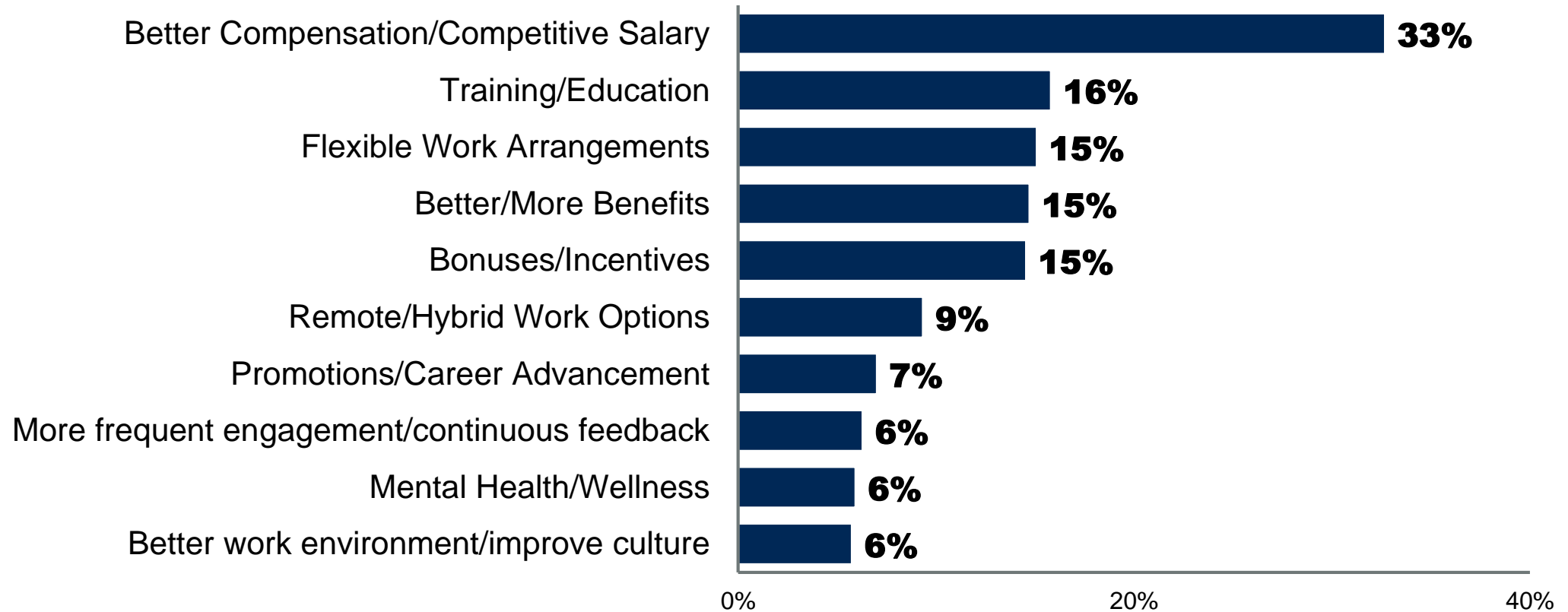
Source: IT Key Metrics Data 2023: Industry Measures – Insights for Midsize Enterprise

Key Issues

1. What are the major trends affecting MSE technology leaders?
2. What are the top challenges affecting technology leaders in MSEs?
3. What actions should MSE technology leaders take now to be successful?

Action: Retain Critical Technology Talent

Midsize Enterprise
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n = 557, All respondents excluding None/Bad Answer/Generalization/Duplicate/Don't Know

Q07c. What actions, if any, are you taking to retain IT employees?

Source: Gartner 2022 Midsize Enterprise Baseline

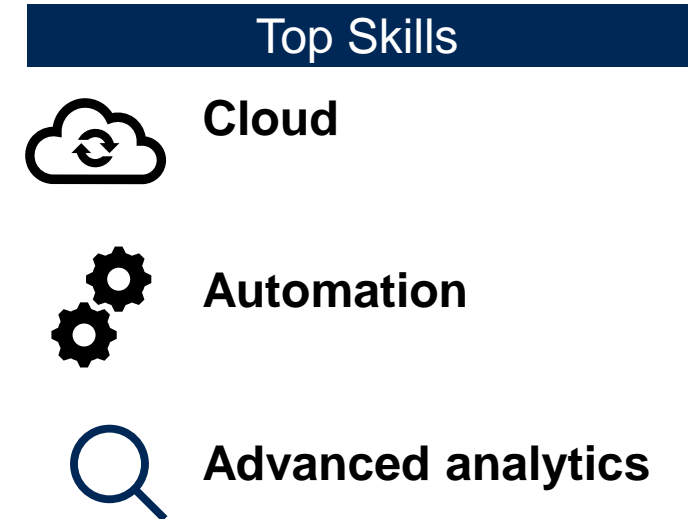
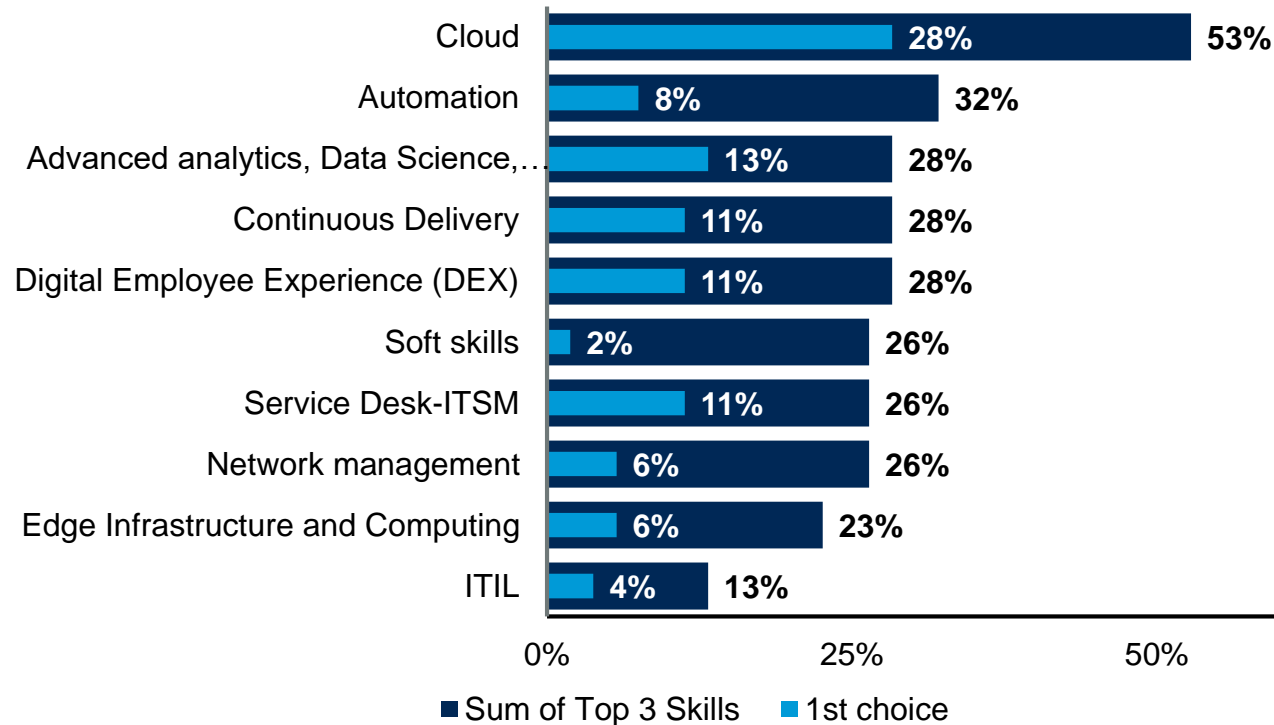
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Action: Tie Upskilling to Execution of Mission Critical Priorities & Capabilities

Skills IT I&O organizations will be investing in the next 12 months



n = 53; MSE Respondents

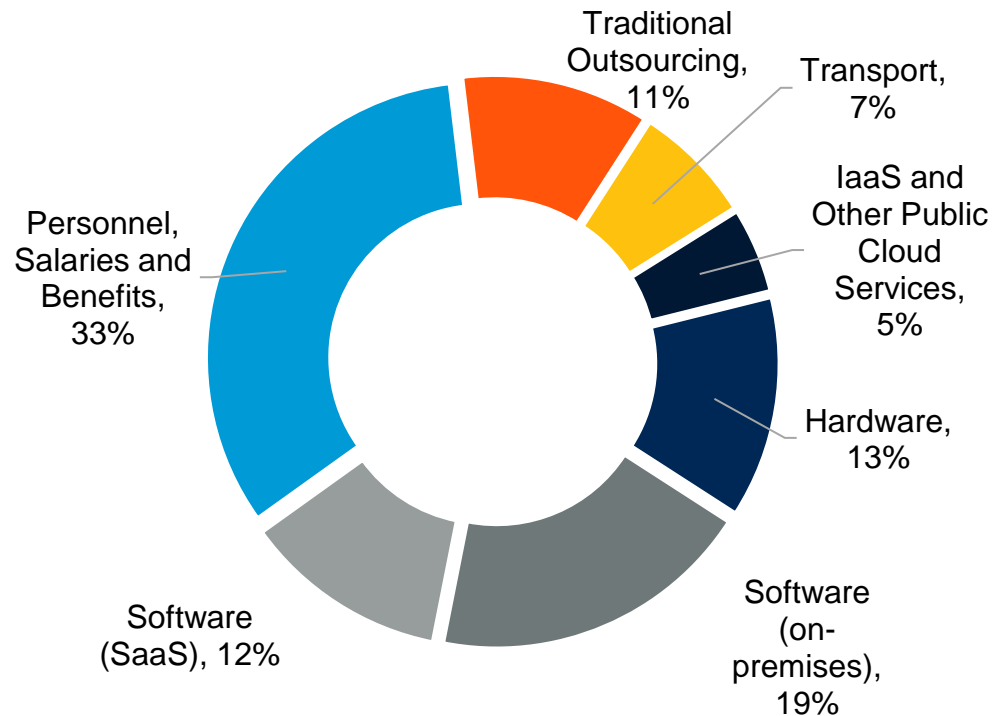
Q07. What skills will your IT Infrastructure & Operations (IT I&O) organization be investing in the next 12 months?

Source: 2022 Gartner Signature I&O Role Survey

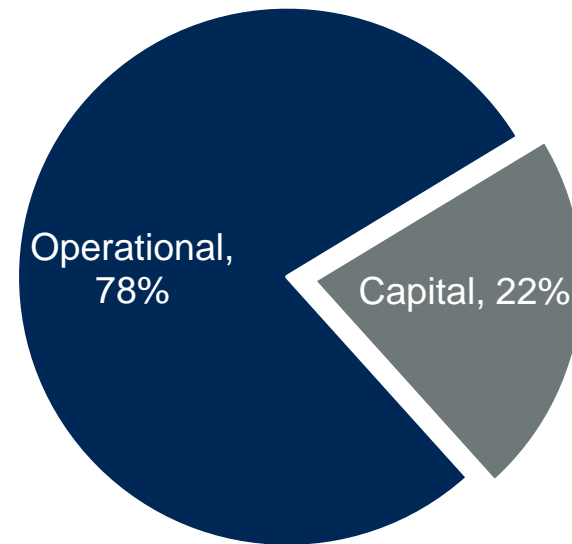
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Action: Maintain a High Degree of Cost Visibility & Discipline

IT Spending by Asset Category



Operational vs. Capital IT Spending



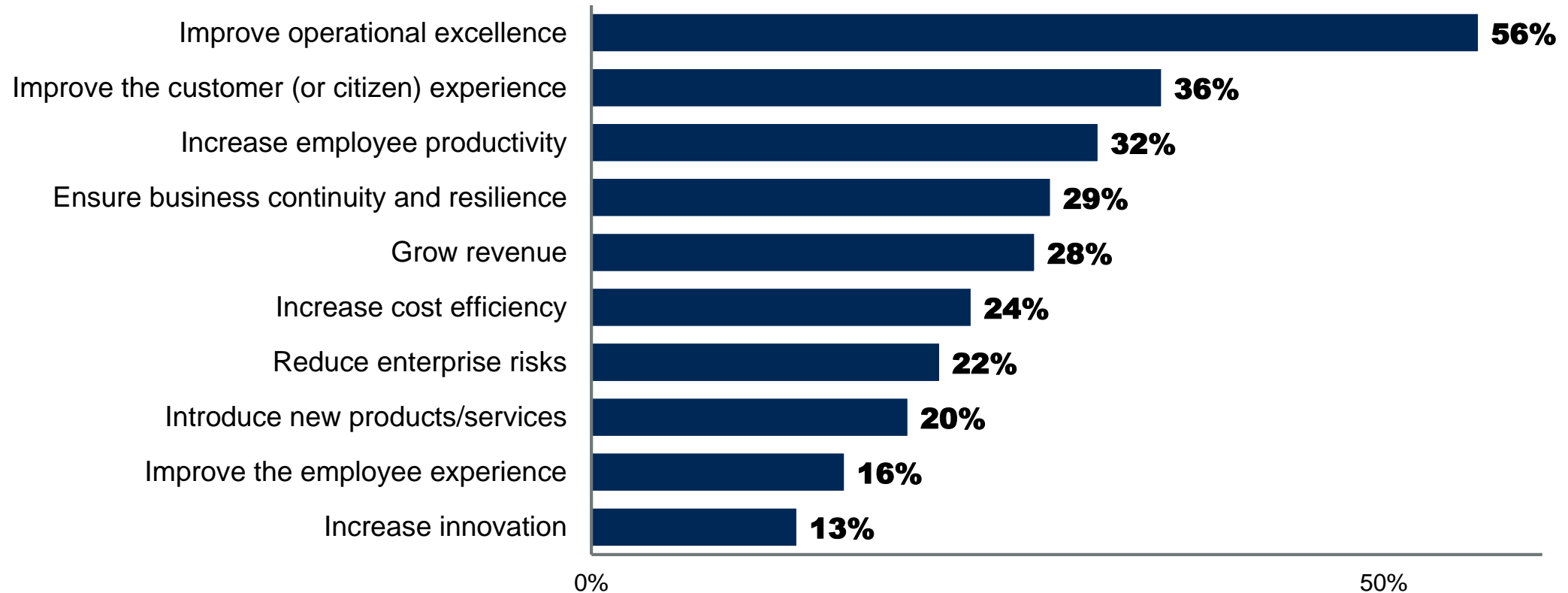
Framework to Manage Spend

1. **Plan:** Create a cloud budget
2. **Track:** Gain visibility into cloud spend
3. **Reduce:** Lower monthly cloud bill
4. **Optimize:** Use analytics to gain insights
5. **Monitor:** Continuously monitor

Source: [IT Key Metrics Data 2023: Industry Measures — Insights for Midsize Enterprises](#) (G00779690)

Build architectures and budgets according to the best practices defined by financial leaders

Action: Empower Data Driven Insights and Decision Making via Integrations



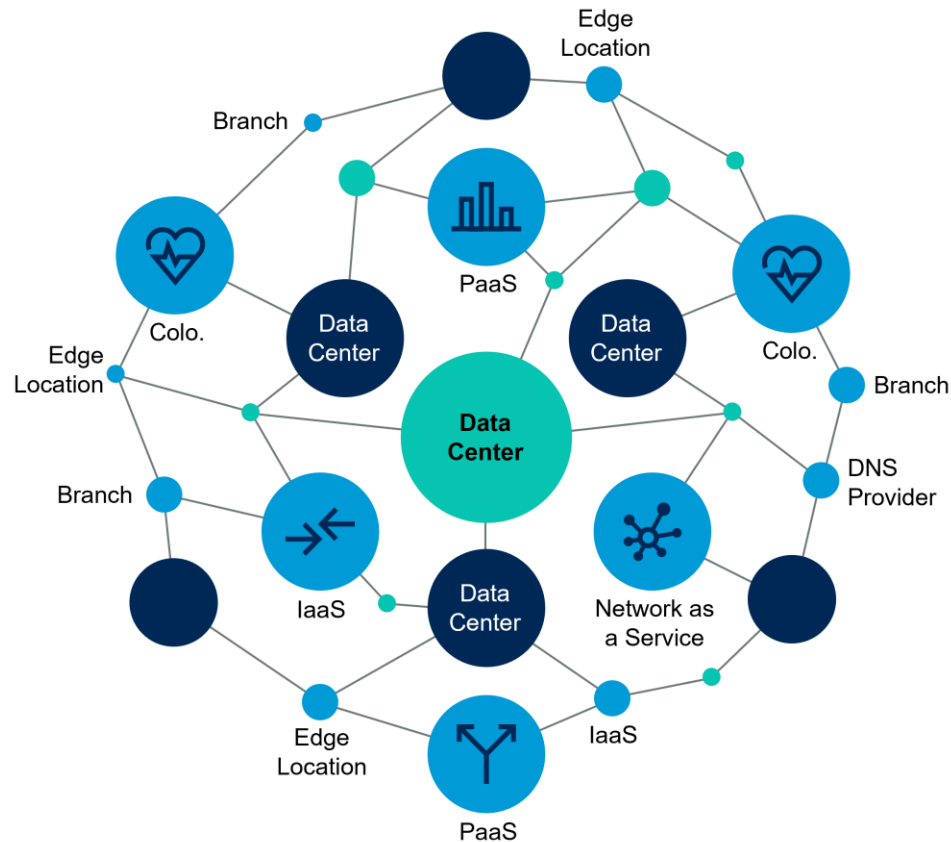
n = 357 MSE CIOs and technology executives answering, excluding “not sure”

Q. How would you describe the primary objectives of your enterprise's [i.e., your businesses or government's] digital technology investments in the last two years?

Source: 2023 Gartner CIO and Technology Executive Survey

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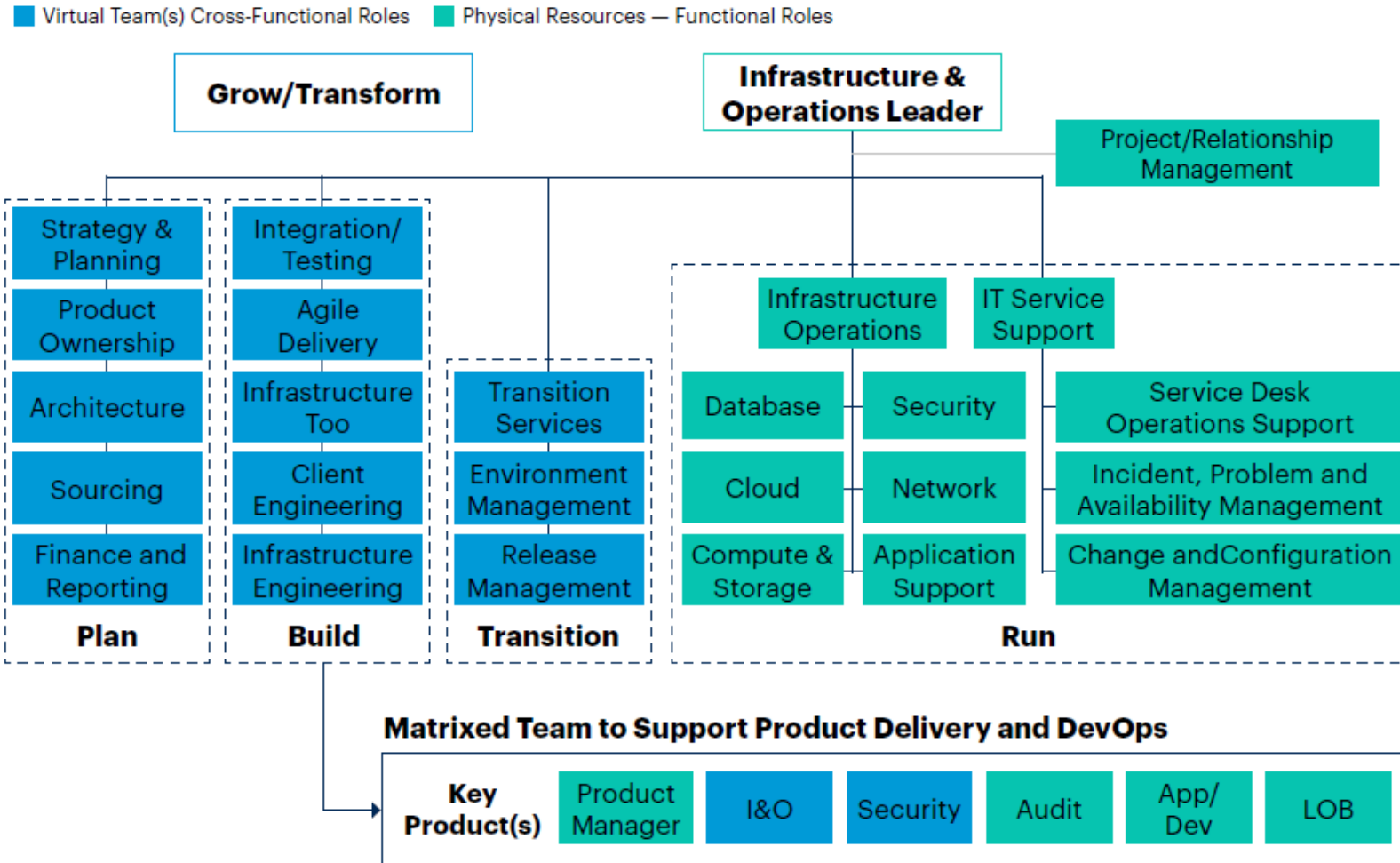
Action: Champion a Workload Placement Strategy That Maximizes Value today and Flexibility Tomorrow



What Does That Mean (Tactically):

- Operational efficiency must drive design thinking
- Staying within a single vendor ecosystem is operationally expedient
- A more focused & narrow scope will aide in upskilling and/or outsourcing and operational process maturity

Action: Structure I&O to Drive Execution



Source: Gartner

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Action: Mature I&O Processes to Offset Personnel and Financial Constraints

Evaluate, Plan and Design	Measure and Optimize	Transition and Operate IT Services	Plan and Manage I&O Talent	Manage the Function of I&O
Articulate Customer Needs	Measure Staff Performance and Needs	Transition Services	Develop Workforce Strategy	Develop I&O Strategy
Rationalize New Requests	Monitor I&O Performance	Support IT Services	Attract and Hire Talent	Design Strategic Sourcing Approach
Establish Service-Level Expectations	Align I&O Metrics With Business Goals	Ensure Future Service Availability	Develop Employee Skills and Competencies	Design and Evolve Organizational Models
Build a Business Case	Optimize IT Service Management Processes	Provide Service Governance	Manage Employee Performance	Manage I&O Finance and Budgeting
Design Solution Specifications	Automate Operations		Build Effective Teams and Culture	Embed Security Into Solution Delivery
			Manage Talent Retention and Career Growth	

Source: Gartner
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Recommended Gartner Research

- 🔍 [The Top 3 Technology Priorities in Midsize Enterprises](#)
- 🔍 [Hype Cycle for Midsize Enterprises, 2022](#)
- 🔍 [An I&O Organizational Structure for Midsize Enterprises to Drive Digital Transformation](#)
- 🔍 [How Midsize Enterprises Can Extend Active Directory Identities to the Cloud Securely](#)
- 🔍 [Security Staffing Option for Midsize Enterprises](#)
- 🔍 [Microsoft Graph: The Midsize Gateway to Data and Administrative Simplicity in M365](#)
- 🔍 [The 6 Building Blocks of Infrastructure and Operations Maturity in Midsize Enterprises](#)

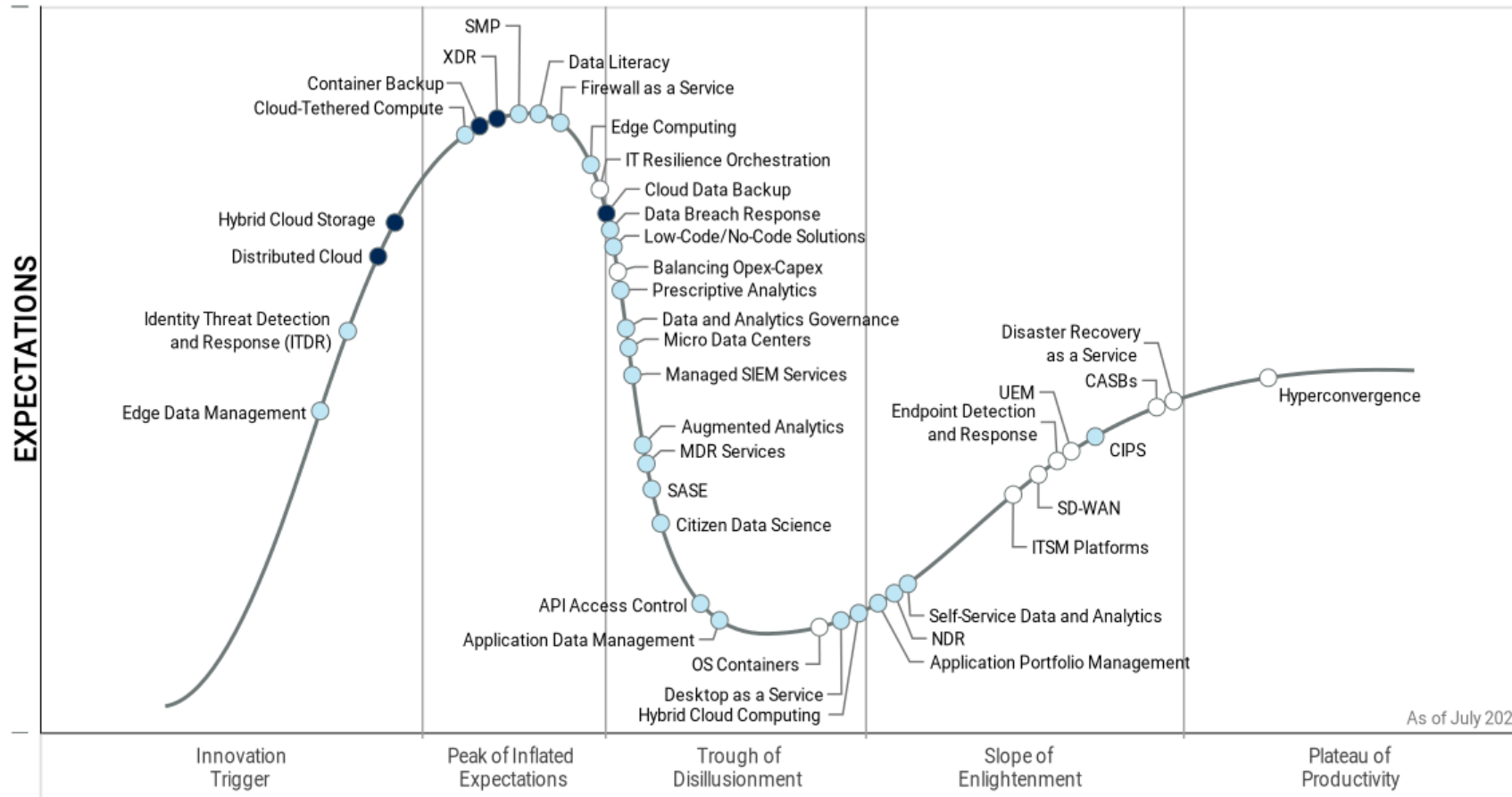
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Action: Manage Technology Hype and Consistent Messaging



Source: Gartner Hype Cycle for Midsize Enterprises, 2022 (G00771225)

Plateau will be reached: ○ <2 yrs. ● 2-5 yrs. ● 5-10 yrs. ▲ >10 yrs. ✗ Obsolete before plateau