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How Organizations Prioritize IT Budget Investments to Meet Modernization Goals

> The demand to get more from every IT dollar has never been so intense. Organizations know they must modernize IT to compete in today's fiercely competitive environment.



Where are they on their modernization journey? What progress have they made, and what are their IT spending priorities? What obstacles are getting in the way?



In a recent IDG survey, we asked IT decision makers about the state of IT modernization at their organizations. IT modernization is defined as **"the transformation of IT** *platforms (public and/or private cloud, on-premises data centers, and/or edge), applications, governance, and processes to achieve revenue goals.*"<sup>1</sup>

The state of IT modernization today

## 67%

More than two-thirds (67%) report their organizations have started implementing technology to support IT modernization or are in post-implementation stages.

## 42%

Organizations that have made greater progress with IT modernization report a higher percentage of IT infrastructure in the cloud (42% on average versus 31% among those organizations still in the planning stages).



IT is the primary or sole owner of the IT modernization budget at 65% of respondents' organizations. Organizations that have made more progress with IT modernization are far more likely than others to report that IT is the primary budget controller.

On average, **nearly one-third** (30%) of 2021 IT budgets are allocated to IT modernization initiatives.

What are organizations' top investment priorities to support IT modernization?



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Modernizing on-prem applications to be cloud-ready





Increasing automation of application deployments



### Improved application performance/speed

is a much greater motivator for organizations that have made more progress with IT modernization (66% versus 29% for those in the planning stages).

# What's getting in the way of progress with IT modernization?

New skills needed (46%) and data privacy/security concerns (37%) rank as the top obstacles.



## One of the many lessons of 2020 is that everything can change in a very short amount of time.

VMware can help you effectively prioritize your IT budget investments to make the modernization journey as smooth as possible. The key is a flexible platform that enables support for any application (traditional or cloud-native) in any environment (on-prem, public cloud, or edge) via a consistent infrastructure.

### **m**ware<sup>®</sup>

Want to learn more? VMware VP and CTO Kit Colbert explains the spectrum of application modernization options <u>here</u>.



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