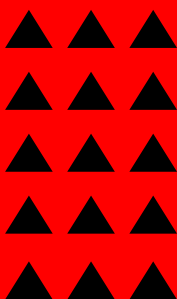





**The Register<sup>®</sup>**

**SECURITY TRUMPS  
SAVINGS WHEN IT  
COMES TO TECH  
PROCUREMENT**

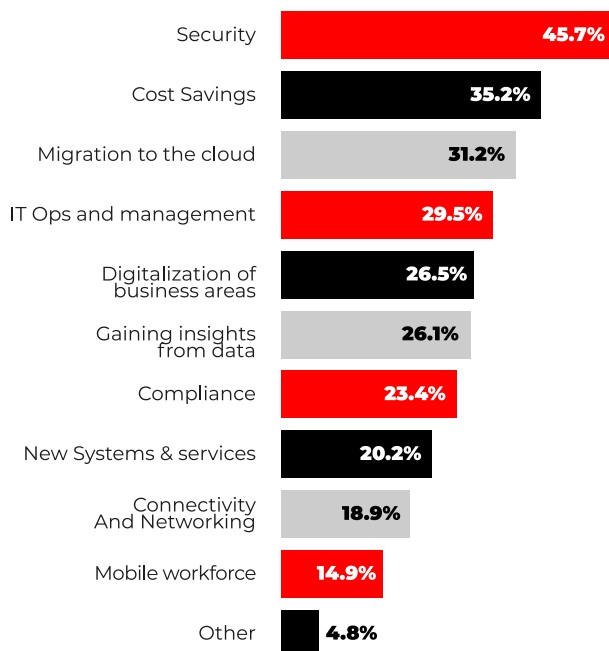


# The world is facing unprecedented economic and political volatility, with major economies teetering on the brink of recession, energy shortages, and rising interest rates weighing down on investment.

You might think this will inevitably feed through into technology buying decisions with financial concerns outweighing technology initiatives. That's what we were aiming to find out with our latest research into buying and procurement, which covered over 1,100 technology professionals in a broad range of industries, right across the globe.

FIGURE 1:

## WHAT ARE THE BIGGEST TECH-RELATED INITIATIVES IMPACTING YOUR ORGANIZATION RIGHT NOW?



According to our readers, the top imperative right now is security, named as a key driver by 45.7 per cent of

respondents. Perhaps this shouldn't be a shock. Political and economic volatility has made the cyber security world even more dangerous. And with ample evidence of the catastrophic effect of a data breach, and a renewed focus on cyberattacks at the national level, skimping on security is clearly a dangerously false economy.

Cost-savings were indeed the second most mentioned imperative, flagged up by 35.2 per cent of readers overall. Drilling into the raw data a little further showed they were far and away the biggest driver at financial, banking and insurance organizations.

How should we read the runes on this? No-one is in the business of running IT just to run up costs, but it seems likely that all tech buyers will pay more attention to value for money and TCO for the foreseeable future. This applies to their current infrastructure as well as future putative buys.

Should we perhaps assume security is woven into the very DNA of financial organizations, as is a sharper focus on cost – particularly given the current financial upheaval.

As for other drivers, cloud migration was mentioned by 31.2 per cent of readers, IT Ops and management by 29.5 per cent. Digitalization of business areas, gaining insights from data, and compliance were all listed by roughly a quarter.

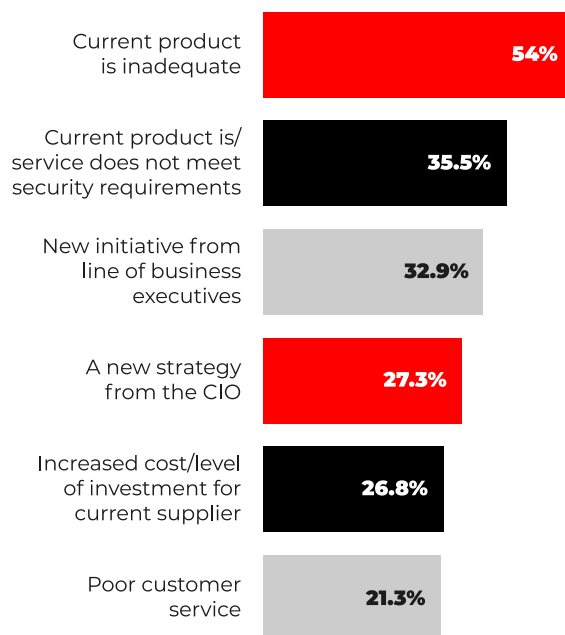
## WHO IS BUYING WHAT?

If those are the imperatives, what prompts the actual acquisition of technology? Things are quite stark here. Over half of respondents, 54 per cent, said “the current product is inadequate”. But the next most flagged response – 35.5 per cent - is that a product or service doesn’t meet security requirements. Less tangible drivers include “new initiatives” from line of business, at 32.9 per cent, or a new strategy from the CIO (27.3 per cent). A price increase is enough to prompt a quarter of our readers to start looking elsewhere.

Those references to the LOB and CIO help us solve the mystery of who – rather than what – really drives tech procurement. When it comes to creating the business case for technology purchases, it’s the techies who are clearly in the driving seat. IT specialists and enterprise architects are the key people in 41.9 per cent of organizations when it comes to technology business cases. Just under a third flagged up IT head of function, with a similar number pointing to CTO/architect. Interestingly, 26.4 per cent credited line of business/

FIGURE 2:

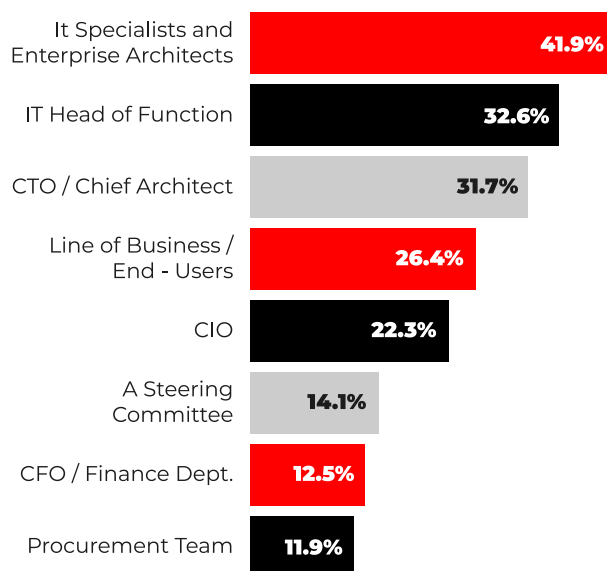
## WHAT PROMPTS A NEW TECHNOLOGY ACQUISITION IN YOUR ORGANIZATION?



end users, just edging out the CIO. Just 11.9 per cent of respondents mentioned a procurement team, with 14.1 per cent saying a steering committee drew up the business case.

FIGURE 3:

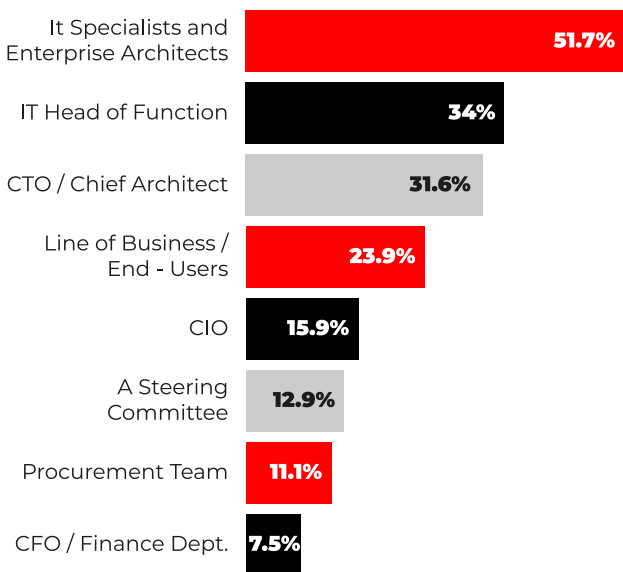
## WHO CREATES THE BUSINESS CASE FOR TECHNOLOGY PURCHASES?



IT specialists and enterprise architects become even more influential when it comes to recommending solutions, being cited by over half of our respondents. The CIO drops back to 15.9 per cent of cases here, behind heads of function, CTO/chief architect and even LOB and end users. Just under 13 per cent of respondents said a steering committee was involved in recommending technology, and 11.1 per cent cited a procurement team.

It's worth noting that over a quarter of organizations have more than ten people involved in decision making. However, it's the CIO who makes the final call in 23.8 per cent of organizations globally, while 22.7 per cent leave the final choice to the CFO/finance department.

**FIGURE 4:**  
**WHO RECOMMENDS THE SOLUTIONS FOR TECHNOLOGY PURCHASES?**



Procurement teams were mentioned by just 7 per cent of respondents, while 6.1 per cent said a steering committee made the final call.

## YOU'RE NEVER ALONE WHEN YOU'RE BUYING TECHNOLOGY

Unsurprisingly, the raw data shows that the bigger the company, the more people tend to be involved in procurement. It also shows the finance folk do have the edge in North American organizations when it comes to final signoff. Interestingly, the CIO, or CTO/chief architect, are more likely to drive decisions in larger companies globally, those with budgets of \$/€10m plus.

**FIGURE 5:**  
**WHO SIGNS OFF TECHNOLOGY PURCHASES?**

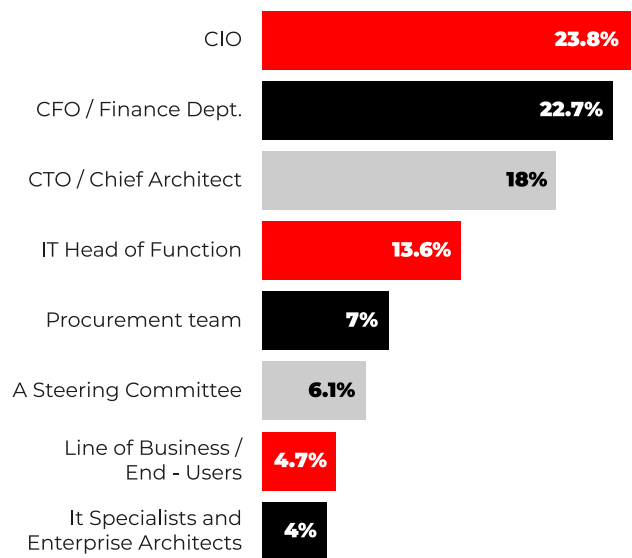
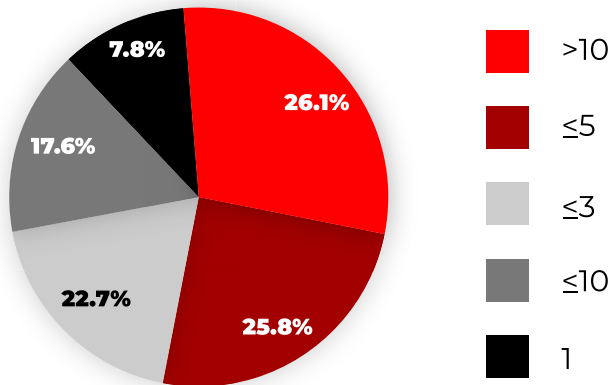


FIGURE 6:

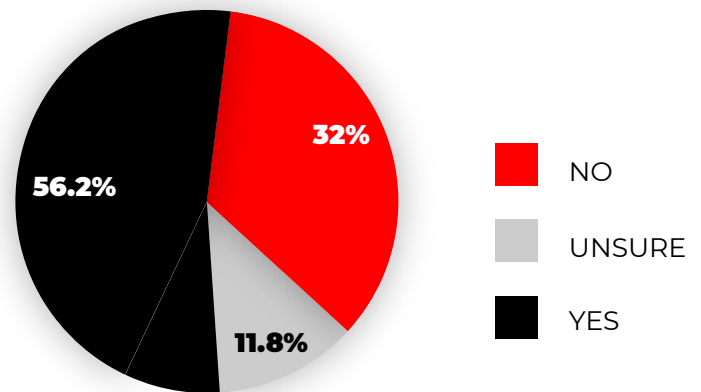
### HOW MANY PEOPLE ARE INVOLVED IN PROCUREMENT?



And it seems procurement decisions tend to be made at a regional level. A bare majority of respondents, 56.2 per cent, said the people involved in purchases were all in the same geographic location, with just under a third saying this wasn't the case, while 11.8 per cent weren't sure. This trend is slightly more pronounced in APAC, with 60 per cent of respondents saying people involved in purchasing decisions are based in the same location.

FIGURE 7:

### ARE THE PEOPLE INVOLVED IN THAT PURCHASE IN THE SAME GEOGRAPHIC LOCATION?



Few organizations will be unaffected by the current global instability, and it's clear that security and cost savings are top of the agenda for companies across the board. But while finance certainly has a say in many organizations, ultimately, technology procurement is a team sport with techies calling the shots. Ignore them at your peril.



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