

# Enterprise Horizons

How the world's IT leaders are investing for growth.



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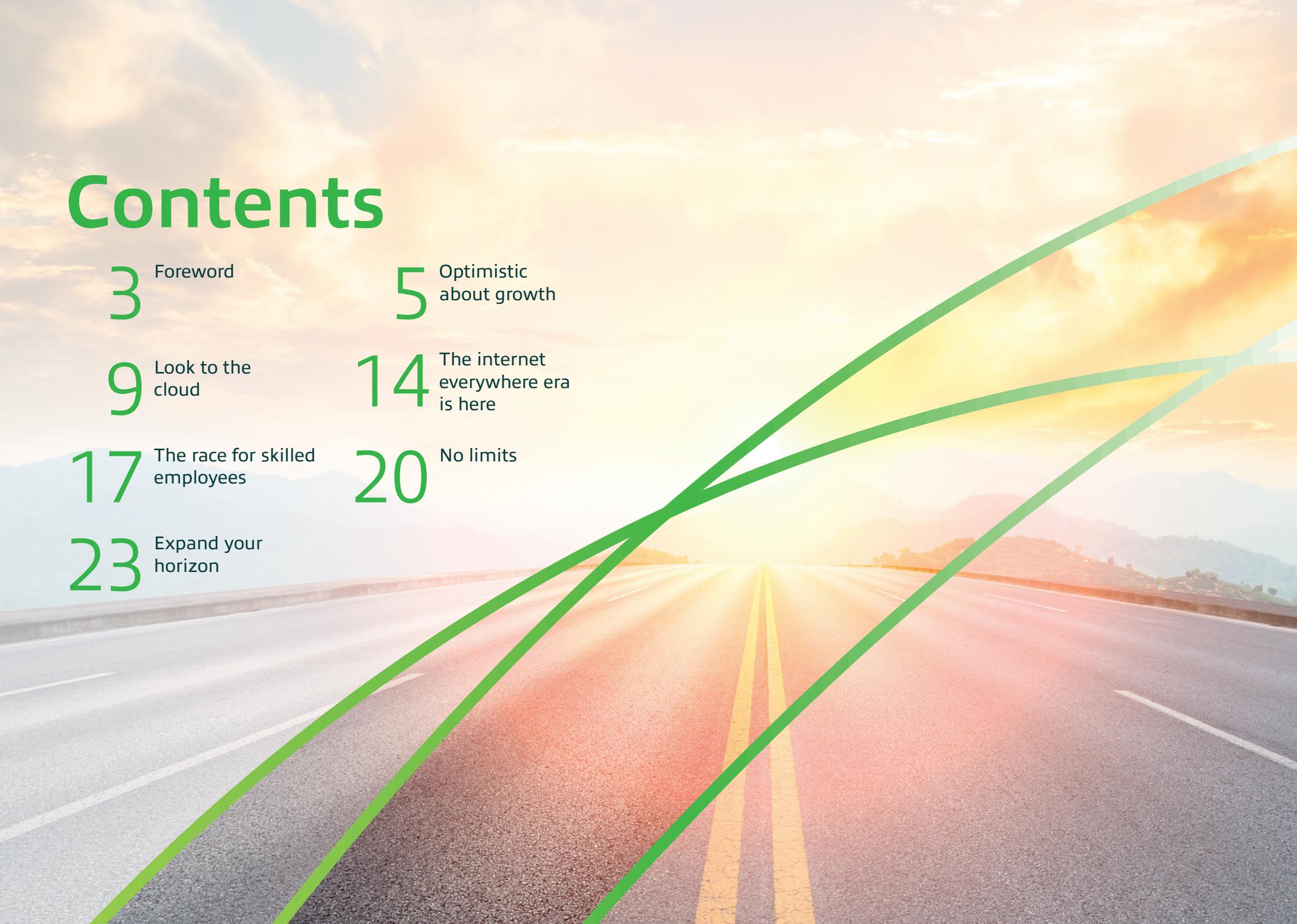
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# Foreword

## Accelerating growth in today's hyperconnected world

Over the last few years, enterprise technology leaders worldwide have been dealing with disruptive forces which created a global pressure and urgency to innovate to a degree that we haven't seen in decades. When the global Covid-19 pandemic hit, businesses responded by investing heavily in emerging technologies to help them deliver new solutions at breakneck speed, with CIOs in the driving seat.

**The world has moved on yet again, with new macroeconomic, geopolitical and environmental challenges.** The pace of technology is advancing at lightning speed, coupled with an explosion in the number of devices and digital apps people are using to stay connected. The way we work has shifted, with flexible, hybrid and remote working becoming the norm for many. Growth versus survival is a board priority, despite significant headwinds. Against this backdrop, the role of the CIO is more important than ever.

We wanted to understand what this community of enterprise leaders think about the latest tech trends, what's keeping them awake at night, and how they're navigating through uncertainty to seize opportunities to accelerate growth for their organisations. In March 2023, we surveyed over 650 large enterprise and mid-market CIOs across Asia, Europe and North America.

## We found that:

**Positivity about future growth prospects is increasing.** Nearly two-thirds (64%) of businesses have a positive outlook about the next 12 months, up from 52% a year ago.

**Concerns shift with the times.** Factors around the environment and climate change were a top concern 12 months ago and will be a top concern 12 months from now. Today, security threats are the most pressing concern. Financial market volatility is a present worry, but it was a low-priority issue in the past and is expected to fade again.

**There is a talent challenge in key areas, which could have a knock-on impact on growth.** 49% of businesses are struggling to find cybersecurity experts; whilst 41% have trouble finding artificial intelligence (AI) and machine learning (ML) experts. Businesses are starting to close these gaps by upskilling internal teams.

**Secure connectivity is a common concern for expansion.** When entering new markets, procuring connectivity is a main concern for 43% of businesses. They have other worries such as local compliance and finding talent. But they realise that without local network connectivity, there is no business.

**Tech budgets are growing across security, digital, cloud and network.** Around 72% of businesses have committed to, or are leaning toward, increased technology investment. Digital enablers like AI and machine learning, automation and analytics, and the Internet of Things rank near the top; then cloud environments, which will underpin the introduction of new digital enablers; then supporting the networks that connect these technologies together.

It's clear that to thrive in the dynamic, challenging economy, businesses must be able to anticipate change and flex, scale and adapt faster than ever. How? By transforming into cloud-first, data-driven, digital enterprises. This requires a network that's not only optimised for success today, but one that's future-ready too – a network capable of keeping up with evolving demands. Because in today's hyperconnected world – a world where everyone needs access to everything all the time – yesterday's legacy infrastructure simply won't cut it.

**Here we share how CIOs are leading the charge, how they're approaching emerging challenges, how confident they are about future growth, and what opportunities they're prioritising.**

**Ben Elms**  
CRO, Expereo

# Optimistic about growth

## Takeaway

- CIOs are increasing investments to expand and improve their business.
- Post-pandemic optimism remains higher than worries over global uncertainty.
- Thriving businesses understand the value of their network – it's the central nervous system of the entire enterprise, enabling operational efficiency today whilst simultaneously underpinning future growth plans.

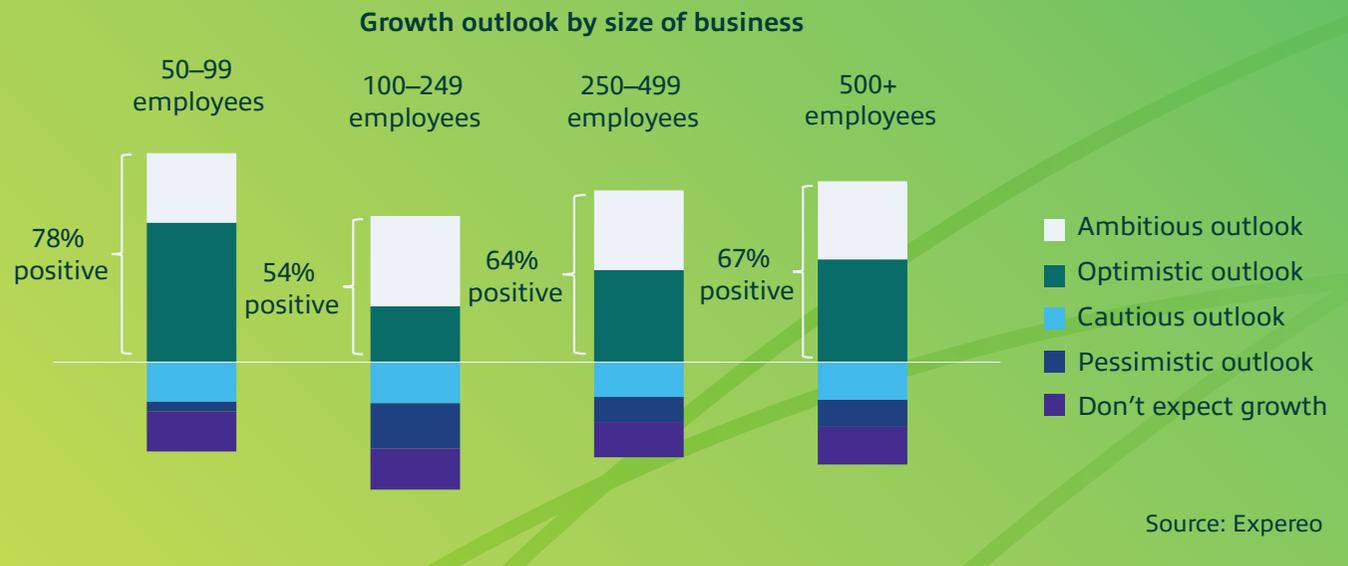
**Fragmented geopolitics.  
Disrupted supply chains.  
Inflation, recession and security threats.**

Despite the many reasons CIOs have to be cautious today, they have emerged from the shadow of the worst pandemic in a century and the majority are optimistic about the future.

Nearly two-thirds (64%) are positive about their businesses' growth for the next year, up from 52% 12 months ago.

Interestingly, both CIOs of smaller businesses and of larger enterprises are the most enthusiastic about new growth opportunities (see **Figure 1**), so clearly size doesn't matter!

**Figure 1: Most businesses, particularly smaller and large enterprises, are optimistic about growth**

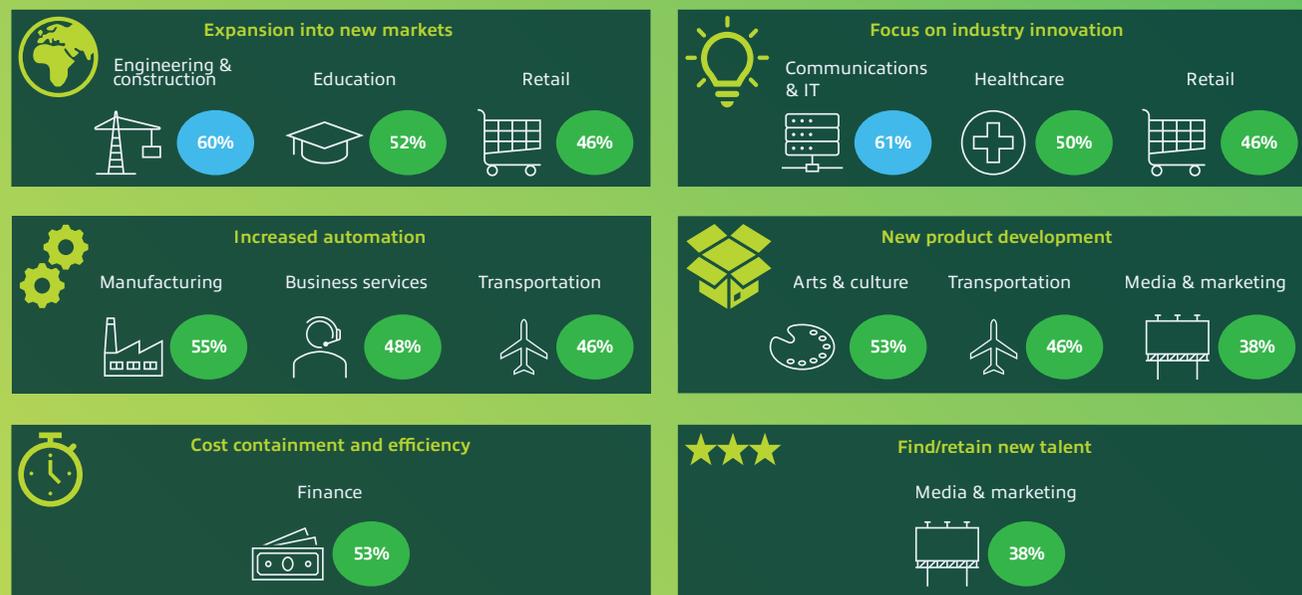


**Figure 2** shows the top investment priorities by sector for delivering growth. Some priorities directly address growth, such as expansion into new markets, products, or services.

Others look to improve operations that underpin growth, such as automation and recruiting talent.

**Thriving businesses focus on doing both.**

**Figure 2: Lead ways that organisations plan to deliver global growth over the next 12-24 months, by sector.**



Source: Expereo

- Financial firms are positive about the future. Still, they prioritise efficiency and cost containment just slightly ahead of investing for innovation.
- The transport industry is not very optimistic about its near-term prospects. Out of need, these businesses are still investing at about equal rates in new automation, market expansion and new product development.

**On the surface, market expansion and product development seem to be on different tracks, versus cost containment and automation. But CIOs see the connection between running an efficient operating base and simultaneously supporting ambitious growth plans.**

**Their growth priorities include:**

- Expanding into new geographies markets and industry sectors
- Forming new partnerships
- Launching new products and services
- Exploring mergers and acquisitions

**Meanwhile, operational priorities include:**

- Exploring automation and innovation
- Improving efficiency
- Containing costs
- Hiring new talent

Rethinking and evolving your network so that it improves operational efficiency today whilst simultaneously supporting the organisation's growth plan is the nirvana – something all CIOs are striving for. It requires a highly adaptable and responsive network solution capable of delivering the quality of experience employees, clients, customers, partners and suppliers expect.

# Look to the cloud

## Takeaway

- CIOs are requesting – and receiving – IT budget increases to support the business.
- Key technology investment areas for all CIOs are connectivity, the migration of work loads and assets to the cloud, applications and artificial intelligence.
- To maximise your cloud investment, a fast, reliable and secure IP last-mile solution is a must.
- ESG is a key concern informing technology investments and is likely to remain so.

To accelerate innovation and boost productivity, organisations must transform into cloud-first, data-driven, digital enterprises, underpinned by the right network and connectivity solutions to meet their needs today and tomorrow.

Nearly two-thirds of CIOs are optimistic about their companies’ business prospects, and over half have secured board commitments to increase budgets to grow their technology investment over the next 12 months. Those in larger enterprises continue to have an especially positive outlook. More than 90% of CIOs in businesses with 500 or more workers predict stability or expansion. This runs counter to 2023 workforce reductions announced by a handful of the world’s largest technology companies.

But what takes priority from a tech investment perspective has shifted in the last 12 months and will continue to shift in response to changing market conditions, as shown in **Figure 3**.

Figure 3: Top concerns influencing technology investments – past, present, and future



Source: Expereo

- Security and environment, social and governance (ESG) issues are persisting concerns as the business must always be protected. Scope 2 and Scope 3 emissions tracking and reporting are long-term commitments.
- Beyond security and ESG, priorities regularly change. Digital automation was a past focus, with economic stability a present concern. Many CIOs expect to turn their attention to supply chains and work patterns next, both areas which underwent massive upheaval during the pandemic.

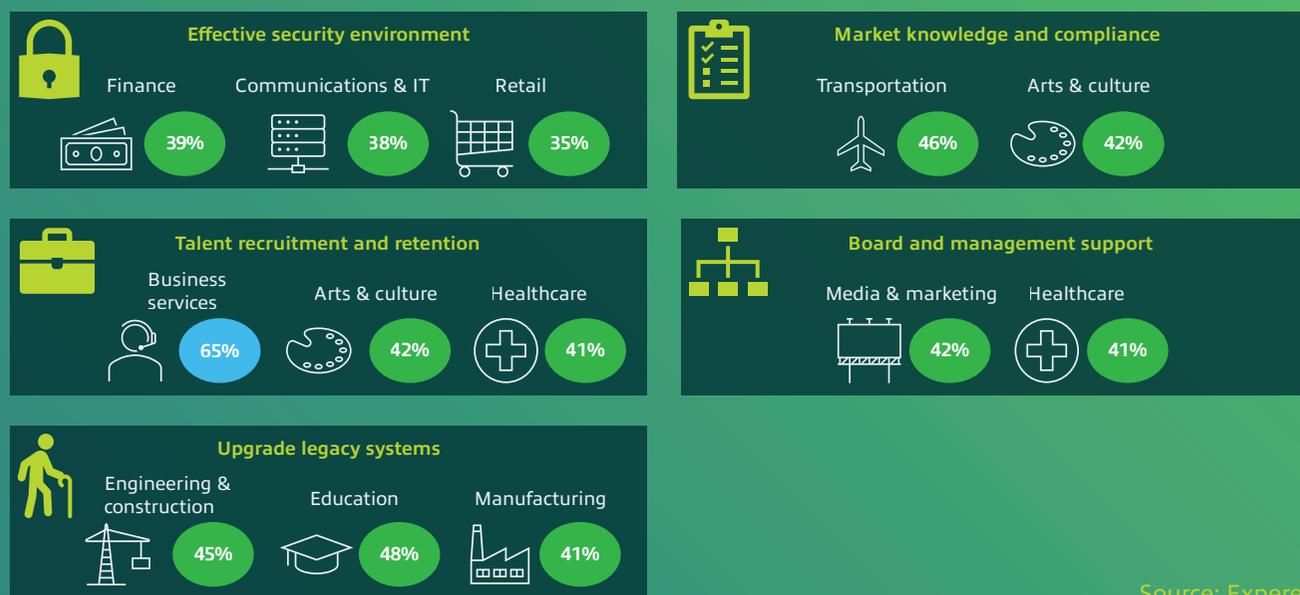
CIOs are addressing what's keeping them awake at night through direct investment: upgrading security or retiring legacy systems.

Other focus areas are more complicated, though, and require a shift in company culture as well as cash.

For example, finding and retaining talent, building up local market knowledge, and ensuring compliance.

And when looking to fuel growth through expansion into new markets, challenges vary by sector, as **Figure 4** shows.

**Figure 4: The biggest challenges facing businesses' global expansion in new regions**



Source: Expereo

- Security is top-of-mind for CIOs in retail, finance, and information and communication technology (ICT) businesses.
- Market talent is critical for the business services sector and finding and recruiting talent is also important to healthcare organisations.
- In the transport and healthcare sectors, the bigger challenge is gaining local market knowledge and ensuring compliance.

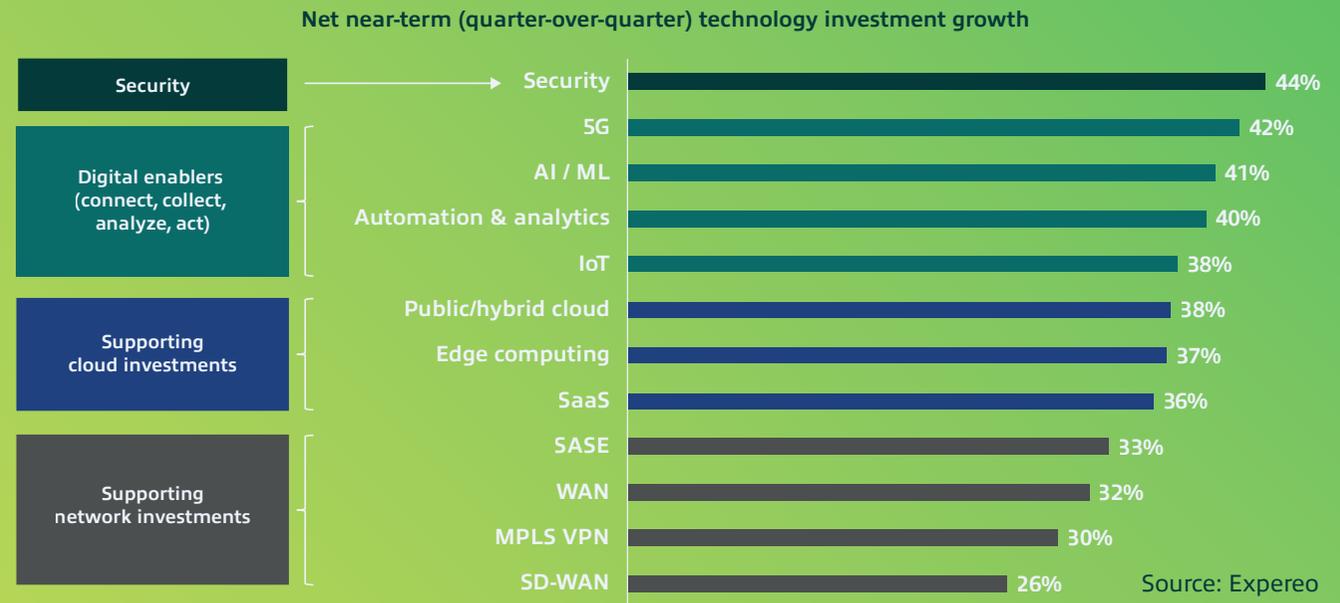
Figure 5 shows that, from an investment perspective, digital is emerging and there is still room for greenfield.

Network platforms and services are generally already well established and fully funded.

And nearly one-third of CIOs are growing their network spend.

**The future is looking good!**

**Figure 5: Current areas of technology investment increases**



- Security ranks at the top, as the umbrella that protects all other growth ambitions.
- Digital technologies are growing in importance in today's hyperconnected world, especially those that leverage data. They connect and collect, process, analyse, and act. This includes the internet of things (IoT), 5G, analytics and automation, and AI/ML (Artificial Intelligence and Machine Learning).
- Cloud is critical – it hosts and supports these digital environments. This includes public, hybrid, edge cloud, and software as a service (SaaS).
- Network connectivity is the lifeblood of the organisation, enabling both cloud resources and digital environments. This includes secure access service edge (SASE) WAN, and SD-WAN.

**The good news is that CIOs have the backing of their management boards to expand investment, and they know the scope of their challenges.**

Areas like security are well-defined for direct investment.

There are also abstract challenges such as “efficiency”, which must translate into practical tools and can take many forms – new digital applications to collect and act on data, more cloud services, or upgraded networks.

It's vital for tech leaders to build a close relationship with those leading the organisation's P&L and demonstrate how the new investments in digital, cloud, network connectivity and services will empower teams, deliver tangible business value and boost the bottom line.

# The internet everywhere era is here

## Takeaway

- All CIOs agree when it comes to the ideal enterprise network, it must be robust, flexible, high-performing, scalable and easy to use.
- Given the increase in hybrid working, the ability to change the dynamics of the network to meet diverse connectivity needs at a moment's notice is vital.
- Having the board's support for investing in IP connectivity is a critical requirement to be able to deliver on global plans. CIOs must be able to articulate the enterprise-wide benefits of a powerful, flexible enterprise network.

Nearly half of enterprise CIOs agree that connectivity is critical to their global plans, but there are challenges to overcome.

More than a third need to deal with network performance issues (37%); expanding connectivity effectively into new markets (37%); and the constraints of legacy platforms (35%).

CIOs can also face internal challenges. Around 25% of executive boards regard connectivity mainly as a cost centre. CIOs in China face the most investment pushback, whilst in the US and continental Europe, the strategic value of connectivity is rarely questioned.

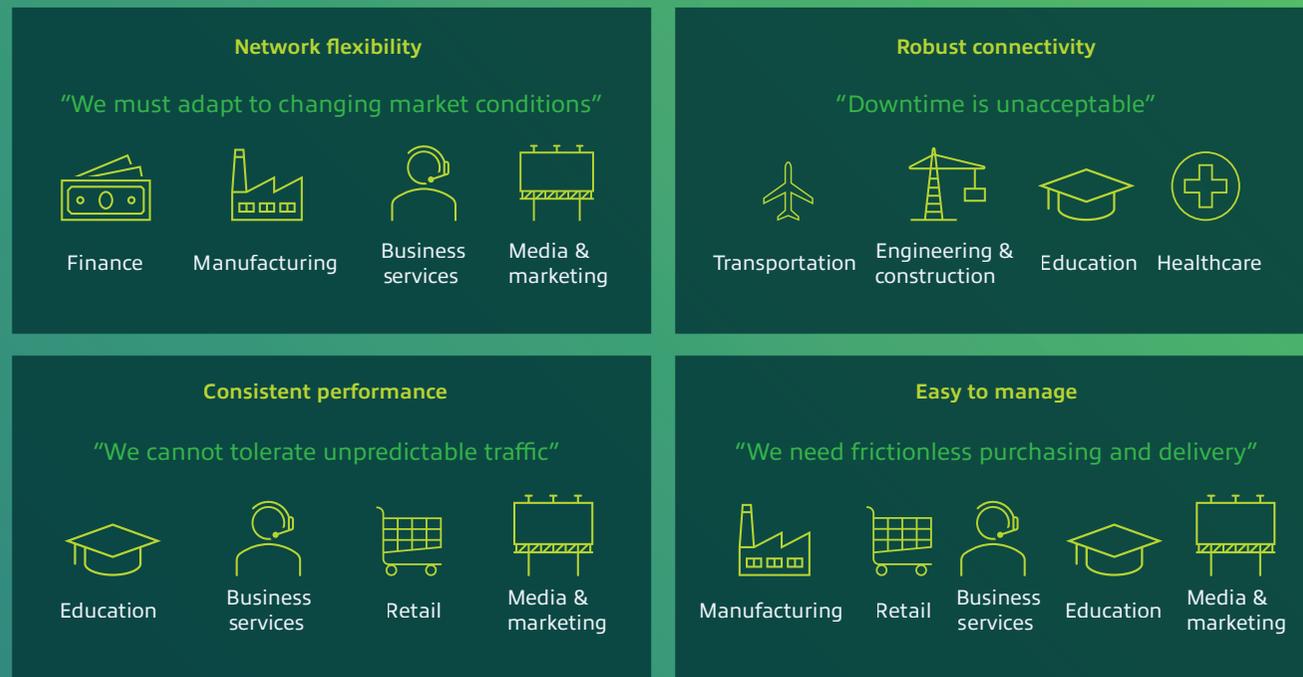
**When it comes to their ideal enterprise network, CIOs want it to be:**

- Robust – zero downtime
- Flexible – adaptive to changing market conditions and user needs
- High performing – consistent in terms of latency and delivery, no matter the level of demand
- Scalable – able to adjust capacity
- Easy to use – reconfigurable and manageable

**A seamless user experience is paramount too.**

However, there are trade-offs. Which of these network characteristics is a priority at any given time can change and priorities also differ depending on which sector you're in (see **Figure 6**).

Figure 6: Global connectivity qualities that matter most to sectors



Source: Expereo

- Manufacturers care about service flexibility more than seamless user experiences.
- Media and marketing companies may tolerate unpredictable performance, static bandwidth, and the occasional outage, but demand flexible contracts that grow and shrink as needed.

A big driver for investing in a more flexible, scalable IP network is the fact that the nature of work has changed.

Organisational boundaries were redrawn during the pandemic and many global enterprises have moved to a hybrid working model. Indeed, across countries and industries, nearly half of CIOs now need to support hybrid arrangements. Many (41%) report that existing workers and new hires specifically expect to work from home. The effort to support remote workers with similar levels of security and performance as they would experience if working in the office complicates CIOs' connectivity challenges. A dynamic network solution allows you to shift workloads around the world at a moment's notice, whenever the need arises.

# The race for skilled employees

## Takeaway

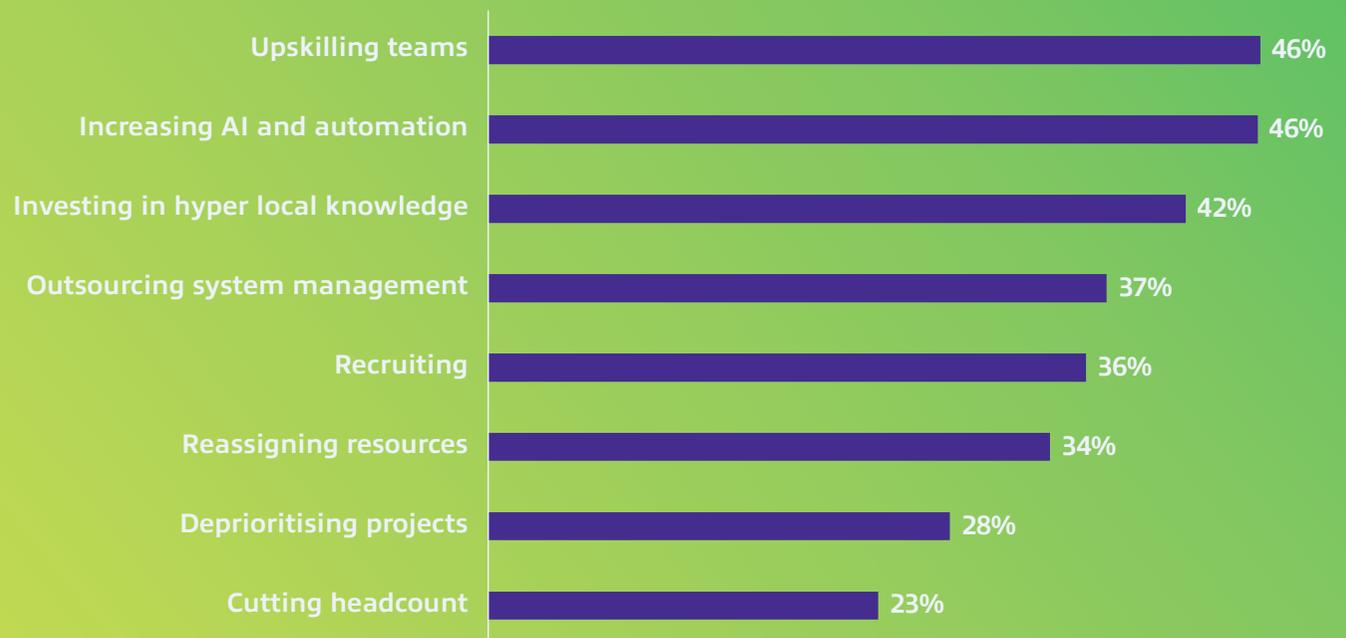
- The competition for talent is real. There are few skilled experts for key new technologies, and they are in high demand.
- CIOs are using internal upskilling for critical needs and forging new partnerships to help take care of other ICT tasks.
- AI and machine-learning tools can play an important role to in your workforce strategy, but it's critical to remain human-centred.

There is a very real talent shortage in many key digital technologies, including cybersecurity, data analytics and automation, and AI and machine learning.

CIOs are struggling to find and hold onto high-value knowledge workers to fuel their expansion plans. Paying competitive salaries helps but is not enough. Talent must know the technology, the industry's regulatory and compliance requirements, and the company's practices.

That's why, as **Figure 7** shows, CIOs are increasingly turning inward first to upskill the existing workforce on new technologies. Growth can be accelerated when this strategy is combined with bringing in new subject matter experts as required.

Figure 7: CIOs are pushing on multiple fronts to deliver resources for business growth



Source: Expereo

**Besides growing and upskilling the workforce, CIOs are trying to reduce the overload on their teams, to make the most of existing resources by:**

- Automating and outsourcing tasks that can be handled by others
- Using AI tools responsibly, for repetitive tasks, to accelerate the pace of innovation
- Moving people onto strategic projects and cancelling low-priority projects

**In addition, the pandemic years have changed the nature of work. CIOs are empowered to tap into a global talent pool today, and workers and partners can be located anywhere:**

- 43% have expanded hiring options
- 38% manage a team which is scattered across markets

**In fact, it's becoming increasingly common to hire an employee without the manager having interviewed them in person.**

**When it comes to the impact of AI in the workplace, there's a lot of hype and excitement in the media, as well as genuine concerns that jobs will be at risk.**

For CIOs, the suite of newly released generative AI tools on the market today have the potential to optimise operations, reduce costs, increase productivity, empower employees and boost customer satisfaction. Many IT leaders are exploring the role AI can play in fuelling business growth, but it's critical to retain a human-focused approach. Human intelligence will always be required to ensure that your AI and machine-learning tools are relevant, ethical and appropriate.

# No limits

## Takeaway

- Expansion is a route to grow the business, but every geographic region and national market has unique business and technology challenges.
- Consider the network capacity and connectivity requirements of new territories up front.
- To support new offices and operations, CIOs are turning to trusted partners to help.

When it comes to expansion, highly regulated markets pose one set of challenges; highly deregulated markets a different set. Neither is easy! Legal and regulatory compliance, talent and sourcing, all have to come together.

CIOs broadly agree that Latin America and the Caribbean are challenging markets to grow the business. But that doesn't make Asia and North America easy. CIOs in the USA and China agree that it's harder to expand business in North America than in the greater China region.

Certain sectors find certain regions especially challenging:

- Engineering and construction firms struggle most in North Asia and Greater China
- The education sector is most challenged in Central America and South Asia
- Business services companies find the Americas and Southeast Asia challenging

Something all CIOs agree on is that when the business expands into a new market, secure connectivity is a primary concern. Once this is settled, they diverge on priorities (see **Figure 8**).

Figure 8: Priorities when entering new markets differ by sector



Source: Expereo

- Organisations in the finance, healthcare, and arts & culture sectors are aware that they may be subject to stricter government oversight and legal liability.
- Manufacturing and services companies need to pay special attention to local regulatory compliance.
- Other industry sectors, such as media and business services, need specialised expertise that may be hard to find in local markets.

Nearly half of CIOs plan to expand to new markets to deliver growth, but they understand that market expansion is challenging.

Most see North America as holding promise but are realistic about this market's challenges. Expanding across Europe holds a favourable middle ground between size of opportunity and ease of doing business. Each sector views expansion prospects through its own unique lens of opportunity and challenges, technology, regulatory, and skills/resource recruitment.

# Expand your horizon

## Takeaway

- The world's leading CIOs have an eye on the future today. They are already progressing their network and connectivity plans, transforming the business into a future-ready, data-driven, adaptive, modern enterprise.

The connectivity genie is out of the bottle and there's no going back. New digital technologies are permeating all areas of society and transforming how businesses operate, communicate and deliver value to customers, putting pressure on CIOs to not only meet the business demands of today, but also to bridge to what the business will need tomorrow – and beyond.

Mid-market and large enterprise CIOs are strongly optimistic about their companies' prospects for the next 12 months. They are securing increased budgets from their boards, which they are investing in growth opportunities and operational improvements.

CIOs are also clear that the road ahead may be bumpy. Their priorities include:

- Internal technology upgrades to make the business more digital, supported by cloud hosting and network connectivity
- Supporting the business's new products and services
- Supporting the business's expansion to new sites and new markets
- Training, finding, and holding onto talent, particularly in key areas including analytics, AI/ML (artificial intelligence and machine learning) and cybersecurity

**The pandemic unlocked a world of possibilities in terms of using technology to foster new ways of working, connecting and collaborating.**

For CIOs in today's hyperconnected world, the focus must be on consolidating and simplifying complex operations whilst building the foundation for long-term business success. Intelligent, global connectivity is mission-critical. It not only enhances operational resilience but also unlocks the enterprise-wide flexibility and speed which is necessary to spark innovation and drive growth.

In our internet-everywhere world, connectivity rules. CIOs need to be able to visualise and – critically – control their network, to access the right data when they need it and extract insights from that data quickly, and then be in a position to act on those insights effectively to scale the business and drive growth.

**Are you ready to take the leap and go faster to the future?**

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