



IT Services CXO Insights: Key Issues for 2024

March 2024: Complimentary Abstract / Table of Contents

Market Report
Cross IT



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- ▶ Market Vista™
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- ▶ Network Services and 5G
- ▶ Oracle Services
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- ▶ Pricing Analytics as a Service
- ▶ Process Intelligence
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG Information Technology
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
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Background, methodology, and scope of the research

As we enter 2024, global macroeconomic stability remains uncertain. But enterprise leaders provide a positive outlook for 2024 with their vision and priorities aligned to shift from a technology-enabled to technology-first entity. However, realizing the vision includes navigating barriers of cost, innovation, and trust. These obstacles create an imbalance forcing service providers to compete at a much granular level, pushing differentiation and innovation.

IT stakeholders anticipate a shift in the current sourcing model and expect clients to take up a more organized approach toward vendor management. Moreover, they are optimistic about the influence of evolving consumer behavior and the impact of technology, especially generative AI to drive substantial investments in IT services to leap productivity levels and transform current state of operations.

This report provides perspectives on how leading global enterprises have been impacted in 2023 and what they plan for 2024.

Methodology

Our global services market key issues research is based on annual surveys that capture the pulse of the market on key aspects of the global sourcing industry. This report presents the results of a study we conducted in October and November of 2023 with senior stakeholders from IT services, to understand their thoughts as they undertook planning for 2024.

Report focus

- Top business challenges and critical business model changes in 2024
- Outlook and priorities for 2024
- Key themes prioritized in the IT services industry
- Actions for service providers

Scope of this report

Geography: Global

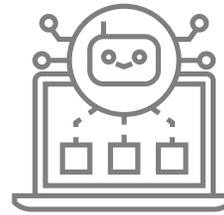
Industry: Cross-industry

Services: Information Technology Services (ITS)

Summary of key messages



Enterprises expect the overall **IT services demand to increase** but expect the sourcing model to have a more fragmented view in 2024



Despite the uncertain times, **substantial investments been directed toward generative AI** across the IT infrastructure, application, and data domain, increasing efficiency and transforming workflows



Focus on optimizing cost and **doing more with less** will be the driver for IT services demand



Continuously **evolving enterprise expectations** will keep providers on their toes

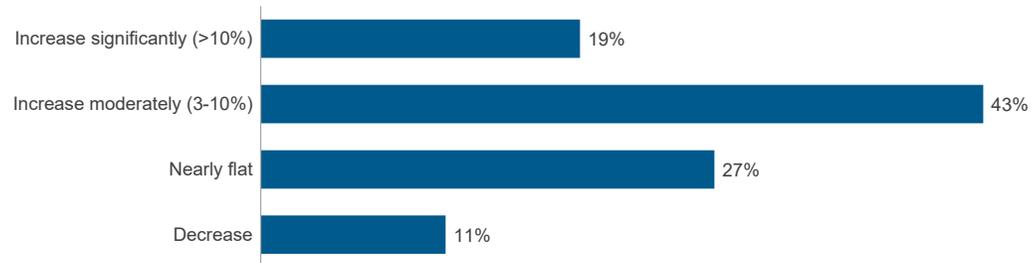


Service provider **bill rates to remain flat** or increase marginally in 2024

This report offers insights into how leading enterprises have been impacted in 2023 and are planning to accelerate value as 2024 unfolds

Average technology spend for IT services expected to increase

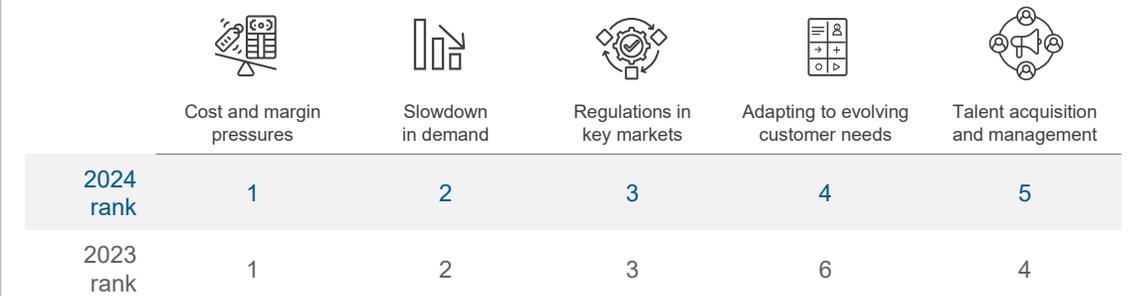
Expected change in technology spend for 2024
Percentage of enterprise respondents



61% of the respondents agree technology spend will increase

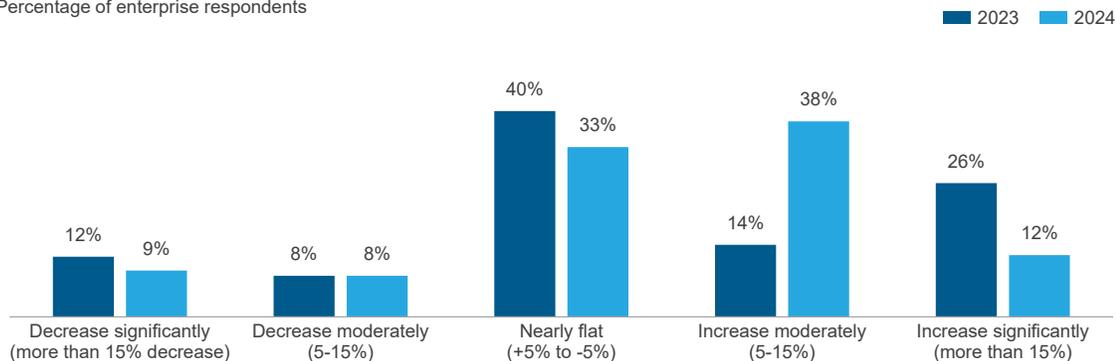
Key business challenges expected in 2024

Key business challenges expected in 2024
Ranking based on percentage of respondents selecting as highly challenging



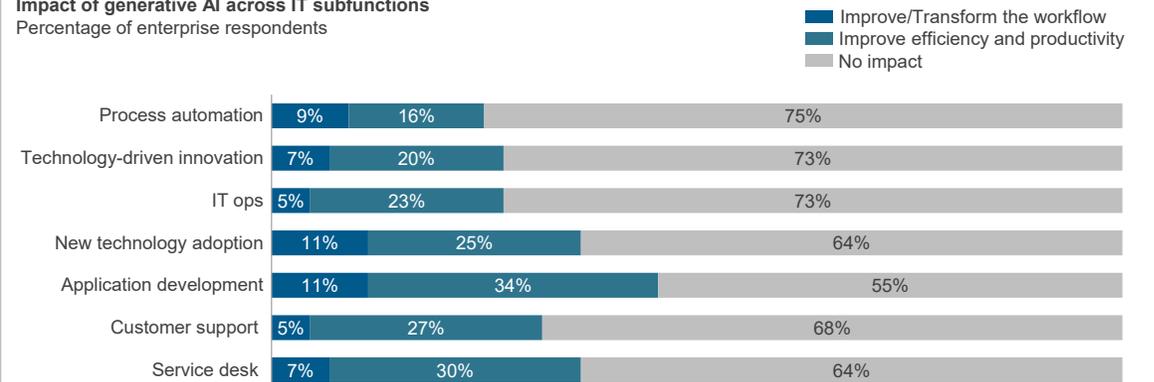
Expected change to global services budget

Expected change to global services (outsourcing and shared services / captive / GIC / GBS) budget in 2024
Percentage of enterprise respondents



Impact of generative AI across IT sub-functions

Impact of generative AI across IT subfunctions
Percentage of enterprise respondents



Research calendar

Cross IT

	Published	Current release	Planned
Reports title	Release date		
Digital Interactive Experience (IX) Services in North America – Provider Compendium 2023			November 2023
Operational Technology (OT) Security Products PEAK Matrix® Assessment 2023			November 2023
Shifting Gears: Embracing Experience Level Agreements (XLAs) for Experience Excellence			December 2023
FinOps for Enabling Value in Cloud: Unveiling the Top 10 Multi-cloud FinOps Visibility Tool Providers			December 2023
Generative AI for the Future of Application Services – Propelling Productivity and Reshaping Cost Paradigms			January 2024
Accelerating Clients' Cloud Journeys: IT Services and Cloud Provider Partnerships to Drive Ecosystem Value			January 2024
Driving Sustainability in Retail and CPG industry: A Business Model Transformation Approach			January 2024
Enterprise Pulse – Top Five Emerging Application Service Providers			February 2024
Customer Data Platform (CDP) State of the Market 2024			February 2024
IT Services CXO Insights: Key Issues for 2024			March 2024
Digital Workplace State of the Market 2024			Q1 2024
Mainframe Services PEAK Matrix® Assessment 2024			Q2 2024
AI-led Network Transformation for Businesses			Q3 2024
State of the market – Identity and Access Management (IAM)			Q3 2024
System Integration (SI) Capabilities on Microsoft Azure PEAK Matrix® Assessment 2024			Q3 2024

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