

News Release

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TENSION BETWEEN THE IT DEPARTMENT AND BUSINESS LEADERSHIP FORCES NEW APPROACH TO DELIVERING TECHNOLOGY TO THE BUSINESS

Global research shows 37 percent of technology budgets now controlled outside of IT departments; 79 percent of C-level executives believe they can make better and faster decisions without the involvement of IT

SEATTLE – April 15, 2014 – [Avanade](#), a global business technology solutions and managed services provider, today released results from a large-scale global survey on the changing role of IT. The research shows technology budgets and decision-making migrating away from IT departments, and IT taking on new roles in the enterprise. Thirty-seven percent of technology spending now happens outside of IT, because the vast majority of business leaders (79 percent of C-level executives) believe they can make better and faster decisions without the involvement of IT. [[Click to Tweet.](#)]

With these shifting budgets and loss of control, the global study of 1,003 business and IT leaders shows a new “services broker” model for IT taking hold. In this model, IT staff consult with departments across the business to better understand their technology needs and objectives, and source internal or external IT services or partners to meet these demands. More than one-third (35 percent) of companies’ IT departments act primarily as services brokers today. Avanade’s research shows that among companies whose IT departments are structured this way, 58 percent report they will expand the role of IT services brokers in the next 12 months. Additionally, 68 percent of companies report their IT department is contributing more to accomplishing business objectives than they did three years ago.

News Highlights

- Thirty-seven percent of budgets allocated in 2014 for technology is now controlled by business departments outside of IT. That means more than one-third of a company’s total technology purchases is made by business people who do not report to the CIO. [[Click to tweet.](#)]
- The vast majority of business leaders – 79 percent of C-level executives – believe they can make technology decisions for their department better and faster without the involvement of IT.
- IT is increasingly playing the role of business advisor to both internal stakeholders and external partners. In fact, 83 percent of respondents said they are comfortable with IT staff interacting directly with important clients and partners in a consultancy role. And 66 percent of companies planning to expand the role IT plays as business advisors in the next year.
- To make this shift, business leaders want IT to build skills in key areas that will help them source innovative technologies that solve business problems for employees, customers and partners in an increasingly digital world. C-level executives report a need for more skills in cloud service (44 percent) and service and system integration (43 percent).
- Companies planning roles for IT as business advisors and services brokers see positive results. They report that IT staff has the needs of the employees in mind – 71 percent of C-level executives say the IT department today has “an employee-centric culture.” And 68 percent of these companies report their IT departments contribute more to accomplishing the objectives of the business than they did three years ago.

Even with these changes, time spent managing the same old legacy systems continues to distract the agenda for IT staff – 36 percent of IT staff’s time is spent managing and maintaining legacy systems. This leads to a situation known as “two-speed IT” where IT staff must balance the support of legacy systems with the need to continuously innovate in order to stay ahead of the competition.

“The tilting balance of control over technology decisions and budget has created a real tension between IT and the business and requires IT to rethink its approach, learn new skills and grow its influence,” said Mick Slattery, Avanade executive vice president, Global Service Lines. “Forward-looking companies are positioning their IT staff as business advisors and see IT contributing more to accomplishing objectives, and driving positive business results than ever before.”

The research also supports the findings of Accenture’s [High Performers in IT: Defined by Digital](#) report, which found that companies with high performing IT organizations invest in IT to deliver strategic capabilities to the business.

Avanade surveyed 1,003 C-level executives, business unit leaders and IT decision-makers in 19 countries. To learn more about Avanade’s views on IT Without Boundaries, please visit www.avanade.com/NoITBoundaries.

About the Global Survey

Avanade’s survey was conducted in February 2014 by Wakefield Research (www.wakefieldresearch.com), an independent research firm. It surveyed 1,003 C-level executives, business unit leaders and IT decision makers, at the top companies in the following countries: Australia, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Italy, Malaysia, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

About Avanade

Avanade helps customers realize results in a digital world through business technology solutions and managed services that combine insight, innovation and expertise focused on Microsoft® technologies. Our people have helped thousands of organizations in all industries improve business agility, employee productivity and customer loyalty. Avanade combines the collective business, technical and industry expertise of its worldwide network of experts with the rigor of an industrialized delivery model to provide high quality solutions using proven and emerging technologies with flexible deployment models—on premises, cloud-based or outsourced. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture LLP and Microsoft Corporation and has 21,000 professionals in more than 20 countries. Additional information can be found at www.avanade.com.

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