

# Research reveals rising IT budgets are insufficient to meet strategic and security needs for a quarter of IT leaders

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A third are concerned they will struggle to maintain cyber defences on current budgets

Derby, UK – 23 April, 2019 – Research conducted by Node4, the cloud, data centre and communications provider, has found that despite four in five (81%) IT leaders expecting their budgets to increase across 2019, 23% still believe that this will not be enough to meet their strategic ambitions. In addition, a third of IT leaders (32%) are concerned that they will struggle to maintain cyber defences on current budgets.

The Node4 Mid-Market IT Priorities Report, which surveyed 300 mid-market IT decision-makers, including IT managers, CIOs, IT directors and Heads of IT, revealed that of those who would like additional IT funding, two thirds (65%) believe they would require a budget increase of up to 15% to ensure that they are able to meet the needs of their business.

The report identifies how and why IT leaders in organisations from a range of industries are managing both their existing and new technologies. The findings show:

- Budgets are a cause for concern as IT leaders struggle to meet demands. Two thirds (65%) of those that believe their 2019 budgets do not go far enough, feel that they would require a budget increase of up to 15% to ensure that they are able to meet the needs of their business amidst increasing cybersecurity concerns.
- Data loss is the biggest concern related to security. 42% of respondents stated this was the most difficult challenge they faced when trying to keep their organisation secure, while a close second was concerns about data in the cloud not being as rigorously protected (38%). A quarter of those asked also believed their cyber security defences would not be adequate if targeted in an attack.
- This year, IT leaders are focusing on security before innovation. Data privacy was the main objective of 42% of respondents, followed by business growth (36%), and then digital transformation (29%).
- Private cloud is continuing to prove a popular choice. 29% of IT leaders expect to move their workloads from on-premises to the private cloud this year, while nearly a quarter (24%) expect to move from the public cloud to private. However, first time adoption of cloud services was evenly matched between private and public, with 15% for each saying they will adopt that solution.

“There is increasing pressure on IT teams to deliver both success and security to organisations and this research reveals the state of play for IT leaders in the mid-market this year,” said Paul Bryce, Chief Commercial Officer, Node4. “The vast majority of mid-market IT leaders expect to be working with greater budgets in 2019, and this is no surprise as businesses move to more digital futures. However, not all believe that this amount of budget will be enough to fulfil their ambitions. In contrast to last year’s findings, in which there was a heavy focus on GDPR, IT leaders are now prioritising data security, business growth and digital transformation projects.”

IT leaders challenged by a range of security concerns

As IT teams work to keep businesses safe, a third of respondents (32%) highlighted the growing complexity of cyber threats as the biggest strategic security challenge of 2019. Budgets were also flagged as an issue when fighting the growing threat, with maintaining defences due to cost (22%) a key concern. Around one in five respondents believe that finding a cloud provider with enough security experience (18%) is their biggest challenge for this year.

Looking more closely at specific risks, the most common concern among respondents was data loss (42%), shortly followed by concerns about data in the cloud not being as rigorously protected (38%), ransomware attacks (35%), maintaining cyber defences on the budget provided (32%), concerns that the defences would not be adequate if tested (25%), concern due to targeting by cyber criminals in 2018 (24%).

Agility is key for cloud workload distribution and migration

Most (54%) of respondents have between 21%-50% of their workloads in the cloud, but respondents were more likely to have less data in the cloud than more: 0-30% cloud utilisation accounted for 32% of respondents, while 70-100% cloud utilisation accounted for just 10%.

Private cloud is receiving more investment from mid-market businesses. A significant number of respondents are planning to move resources to the private cloud, with almost a third (29%) expecting to move workloads from on-premises to the private cloud. In addition, a quarter (24%) expect to move workloads from public cloud to private.

However, that's not to say that public cloud is falling out to favour. 20% plan to move workloads from on-premises to public cloud, and 18% expect to move from private cloud to public cloud. There is also some data coming back on premises, mostly from private cloud (17%), but also from public cloud (15%).

First time adoption of cloud remains a significant factor across the research base. Equal percentages (15%) plan to adopt the public or private cloud for the first time in 2019.

You can download the full report here: <https://info.node4.co.uk/mid-market-report-2019>

About Node4

Established in 2004, Node4 is an innovative and trusted Managed Services Provider that offers unparalleled end-to-end IT infrastructure and services, technical expertise and innovation, all fully managed and flexibly deployed across the company's own infrastructure fabric.

Its Services Gateway provides access to a powerful suite of technology solutions such as connectivity, cloud and data centre hosting, public cloud, data services, collaboration and security which enable the design and delivery of complex technology infrastructures for UK businesses in every sector.

Node4 owns and manages data centres located in Derby, Leeds and Northampton, as well as having dedicated space in a Slough data centre and points of presence in London and Manchester. They are all connected via our national fibre network which has interconnects to all major UK carriers. It is headquartered in Derby with other offices in London, Reading and Nottingham.

Node4 delivers intelligent, efficient and scalable hybrid IT solutions underpinned by exceptional Service-as-a-Standard for customers focused on transforming their businesses to succeed in the digital age.

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