

2023

IT OPERATIONS SURVEY RESULTS REPORT



EXECUTIVE SUMMARY

In light of the changes underway, we may remember 2023 as the year that brought about a paradigm shift in the way we work and do business. COVID-19 was declared no longer a health emergency by the World Health Organization (WHO), yet the fiscal measures taken to combat its cost on the economy have birthed fresh economic concerns. Moreover, the buzz and anticipation surrounding artificial intelligence (AI) picked up steam while the implications of AI tools continue to be debated.

These changes have compelled companies of all sizes to reassess their operations and business strategies and identify areas for improvement. The 2023 IT Operations Survey looks at the steps that IT departments at small and midsize businesses (SMBs) are taking to navigate this exceptionally challenging year and come out strong.

Factors such as recessionary fears, scarcity of skilled IT technicians and increase in cybersecurity risks are prompting SMBs to consider automation and integration as a means to overcome the challenges they face and deliver best-in-class end-user experience. New in the 2023 survey is data about how professionals at SMBs perceive their work-life balance and the impact of a potential economic downturn on business.



INSIGHTS AND OBSERVATIONS

Here are the key insights and observations of our survey responses:

SMBs are feeling the impact of economic uncertainty

IT budgets and staffing are likely to take a hit as economic uncertainty continues. With the possibility of budget cuts and hiring freezes looming ahead, more businesses are looking to outsource to managed service providers (MSPs) to stay cost-efficient and productive.

Automation is essential

To weather the challenges and increase productivity, businesses are increasingly allocating resources toward automating more of the common tasks and tickets they face.

Integration is non-negotiable

To support increased automation and reduce vendor fatigue, more businesses are replacing legacy tools with properly integrated solutions.

Updating legacy systems

Traditional IT environments, with isolated tools, hinder automation and integration. Businesses are replacing legacy tools with cutting-edge technologies to remain competitive and respond to changing customer needs quickly.

Cybersecurity remains a top priority

Despite anticipating cost reductions and a hiring freeze, organizations are placing a strong emphasis on cybersecurity, with a focus on allocating resources and hiring talent in this area.



Meet the respondents

The IT Operations Survey has grown in scope over the years, delivering a better and deeper understanding of IT issues. Thanks to participation from larger companies, the average company size increased in the 2023 survey, providing us with a more extensive understanding of the IT landscape. Let's look at the demographics.

Regional breakdown

A total of 1,318 people completed the 2023 survey, of which:

- **89%** were from the Americas
- **7%** were from APAC
- **4%** were from EMEA

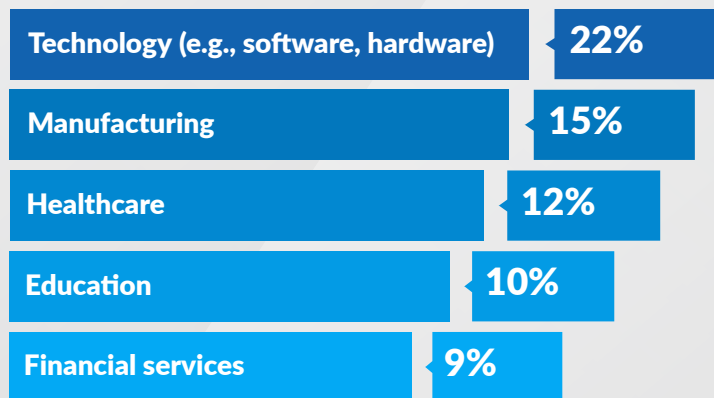


Industry breakdown

In line with previous years, the top five sectors from which we get most of our respondents remain the same. We received input from a diverse mix of participants, including those working at professional services providers like law and accountancy firms (8%), government employees (5%) and retail workers (5%). We also had experts from non-profit organizations, construction, energy, logistics and transportation.

Top industries

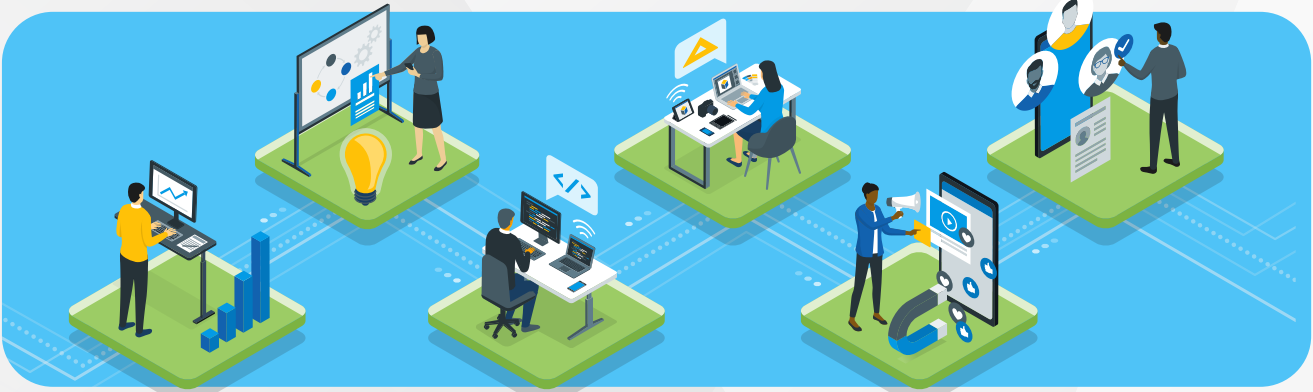
2023



Respondent role

The IT Operations Survey respondents are IT professionals holding various mid- and senior-level positions in their respective companies. Being at the center of IT development, their insights have assisted us in accurately capturing the global trends and challenges in the IT industry.

- **IT managers and supervisors** account for the largest segment of the respondent base at 31%.
- **Directors of IT** comprised 19% of the respondent pool.
- **System administrators or IT technicians** constituted 18% of the respondent base.
- Other professionals who took the survey included **project managers** (9%), **network engineers** (8%), **heads of technology or C-level IT executives** (6%) and **vice presidents** (3%).



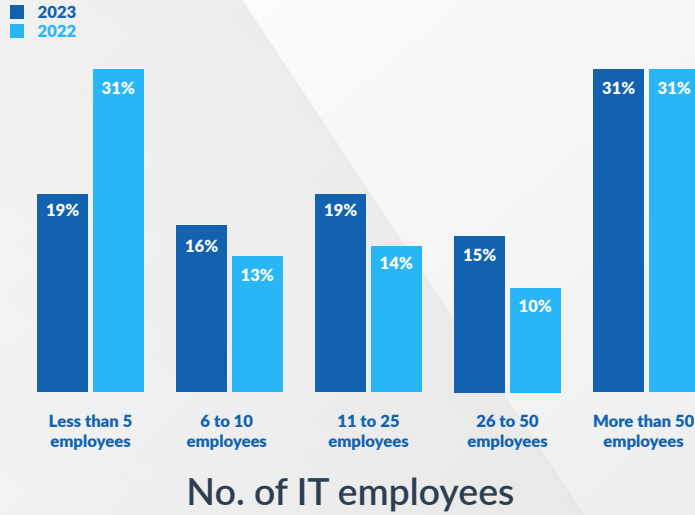
Personnel and IT staff

There are notable changes in demographic data related to company size, the number of IT employees and revenue figures between our 2022 and 2023 respondents. About 66% of 2023 respondents are employed at organizations with more than 500 employees, up from 48% in 2022.

No. of employees	2023	2022
Less than 50	6%	15%
51 to 100	7%	9%
101 to 500	21%	28%
501 to 1,000	18%	13%
1,001 to 3,000	23%	12%
More than 3,000	25%	23%

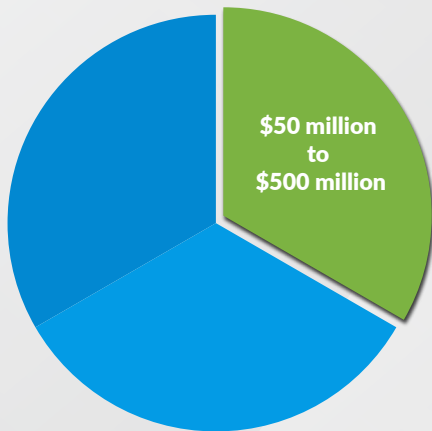


Correspondingly, with an increase in the average company size, respondents reported an increase in the number of IT employees. The most significant increase was seen in organizations with 11 to 25 and 26 to 50 employees. Conversely, the percentage of respondents who selected “less than 5” IT employees decreased to 19% from 31% in 2022.



Revenue

Revenue increased in correlation with the average company size. One-third of respondents said their revenue was between \$50 million and \$500 million, up from about a quarter in 2022, while the \$500 to \$1 billion range registered a 3% uptick.



Annual revenue	2023	2022
Less than \$1 million	5%	16%
\$1 million to \$10 million	13%	24%
\$10 million to \$50 million	16%	18%
\$50 million to \$100 million	15%	11%
\$100 million to \$500 million	18%	13%
\$500 million to \$1 billion	9%	6%
Over \$1 billion	12%	12%
I don't know/prefer not to answer	12%	-

IT departments are maturing year over year

As companies take steps to maximize the potential of their IT infrastructure, they are increasingly identifying with more effective, unified and collaborative IT management models. This trend is reflected in data from the past three years – there has been a decline in respondents who consider their IT department to be reactive, while there was an increase year over year in respondents who view their IT management strategy as efficient and aligned.

IT management capabilities	2023	2022	2021
Reactive – IT is always in fire-fighting mode	19%	19%	27%
Efficient – IT has processes in place to solve known issues and accomplish daily tasks	36%	30%	20%
Proactive – IT is focused on what's next. Repetitive tasks and remedial actions have been automated	30%	34%	33%
Aligned – IT operationally excels. We actively track and manage against SLAs or availability and performance expectations	9%	7%	6%
Strategic – IT plays a strategic role in the business, particularly around driving innovation	7%	9%	14%

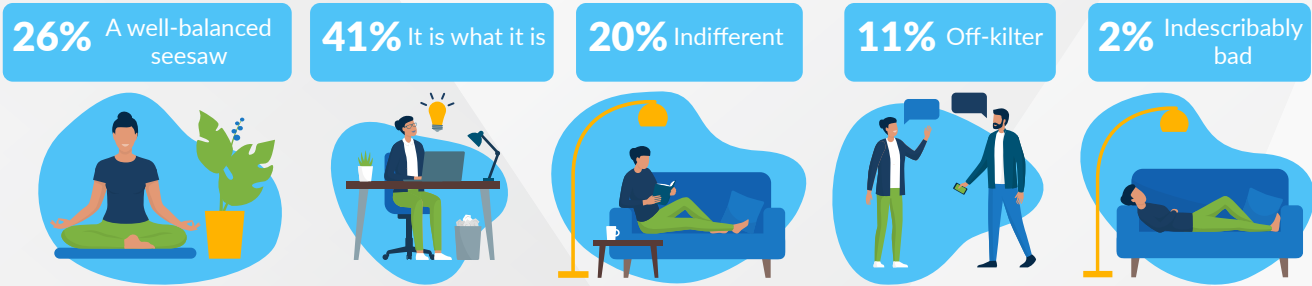
Work-life balance

The demands on IT professionals are increasing with each passing day while budgets and resources are not keeping pace. Due to the amount of work on their plate, respondents said they often have to put in extra hours every day to tick every item on their to-do lists. This contributes to acute burnout and stress. A staggering 62% of the respondents reported having to work over a holiday or weekend. Nearly half of them confessed to pulling an all-nighter while about 40% admitted to working 50+ hour weeks consecutively. Only 8% of IT professionals are able to balance work and life to achieve a 9 to 5 schedule.



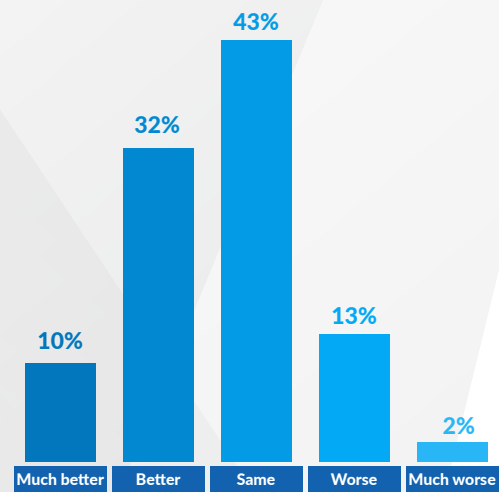
The discontent with work-life balance is front and center. In response to a question about how they feel about it, three out of four respondents expressed a lack of optimism and enthusiasm. Conversely, only 26% of respondents considered their work-life balance to be good.

Work-life balance

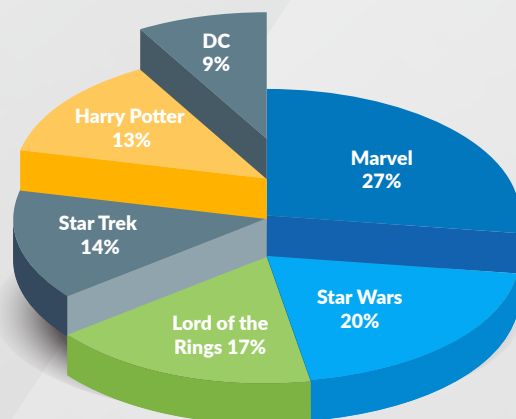


A favorable work-life environment is a testament to an efficient workplace and a positive work culture. Interestingly, all the respondents who indicated having a “9-5” or a “well-balanced” work-life also noted that it had either stayed the same or improved year over year. None of them said it had gotten worse. In contrast, a large portion of the 75% of the respondents unsatisfied with their work-life balance disclosed that their situation had worsened or stayed the same over the same period.

Change in work-life balance year over year



Favorite movie



What franchise do IT professionals look to for inspiration?

IT professionals are true heroes, but where do they turn to for inspiration? According to the survey, Marvel and Star Wars are top of the charts. When faced with a crisis, IT professionals have proven to be as reliable as Captain America. Star Wars came in second place, showing that even in the face of insurmountable challenges, they can keep their cool and work the Force like a Jedi, restoring order to chaos.

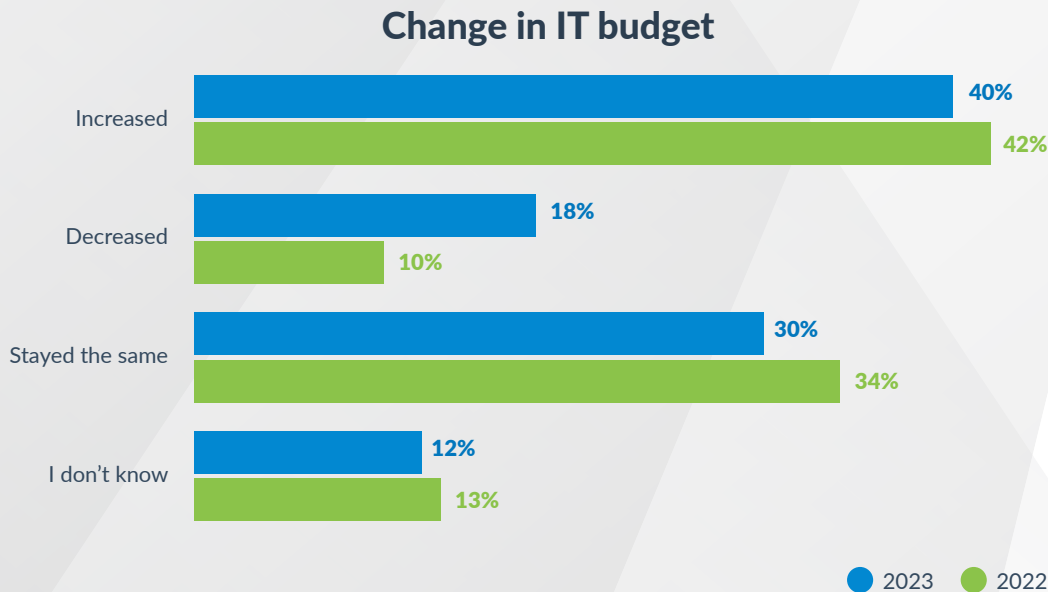
Economic concerns

News about economic uncertainty is in the headlines every day. With topics ranging from rising interest rates to inflation to mass layoffs in tech, the lackluster macroeconomic forecast is forcing companies to tighten their purse strings and look for ways to make their business operations more efficient. Mounting concern over a potential economic downturn is evident, given the percentage of respondents citing an inability to support strategic business initiatives as a concern doubled to 16% in 2023.

Impact on IT budgets

When times are tough, budgets take a beating. Reflecting the concerns surrounding IT budgets, 18% of respondents stated that their 2023 IT budgets had decreased. This is an 8% increase in respondents selecting this option compared to 2022. IT spending on software, hardware and hiring is likely to bear the impact of cost-cutting measures since companies are implementing new policies better aligned to evolving economic and technological changes.

About 40% of respondents, roughly the same as last year, said IT budgets increased. Many companies are planning strategic investments, such as in automation, cybersecurity and integration, that hold the potential to drive down costs and enhance overall efficiency in the long run.



The following findings illustrate areas likely to experience the brunt of budget cuts. 40% of respondents anticipate software spending will suffer the greatest impact of cost cuts. Respondents also expect hardware spending to decline significantly, with 35% highlighting this area as a likely target for cost-saving measures. Nearly one-quarter of respondents also anticipate reduced budgets to result in job cuts.



Forecasted budget cuts	2023
Software spend	40%
Hardware spend	35%
Training and certifications	29%
Headcount	24%
Insurance	16%
We do not anticipate it will have an impact	22%



2023 budget drivers

In an environment characterized by limited visibility into the future, achieving business growth has taken center stage. It's the top 2023 budget driver for 32% of respondents. Achieving growth requires making strategic changes. Replacing outdated IT infrastructure, as identified by 29% of respondents, with solutions that are faster and capable of responding to evolving needs can help businesses stay competitive, tap into new markets and reduce operational costs.

Security remains a high priority despite, or perhaps driven by, economic worries. With 28% of respondents selecting security incidents or concerns as their 2023 budget driver, it's evident that businesses understand the criticality of safeguarding their systems and data. Furthermore, economic concerns are a significant factor, with approximately 25% of respondents identifying them as one of the drivers for budget considerations in 2023.

2023 budget drivers	2023
Business growth	32%
Updating outdated IT infrastructure	29%
Security incidents or concerns	28%
Innovation and strategic initiative(s)	28%
Digital transformation	27%
Regulatory compliance	27%
Economic concerns	25%
Remote workforce management	22%
Competitive pressure	11%
Other	2%



Thus far, the budgets have remained relatively stable, which can also be attributed to the larger average company size in 2023. With more resources at their disposal, larger companies can withstand adverse situations and weather them for more extended periods than their smaller peers. In spite of the steady budgets, IT professionals anticipate cuts in this area, reflecting an air of uncertainty and caution. It's not all roses since the percentage of respondents who selected a budget of less than \$100,000 almost halved and those with over \$10 million slipped from 9% to 7% year over year.

IT budget range (not including headcount)	2023	2022
Less than \$100,000	9%	15%
\$100,001 to \$250,000	14%	14%
\$250,001 to \$500,000	14%	11%
\$500,001 to \$1 million	13%	11%
\$1 million to \$5 million	15%	14%
\$5 million to \$10 million	7%	6%
Over \$10 million	7%	9%
I don't know/prefer not to answer	21%	20%



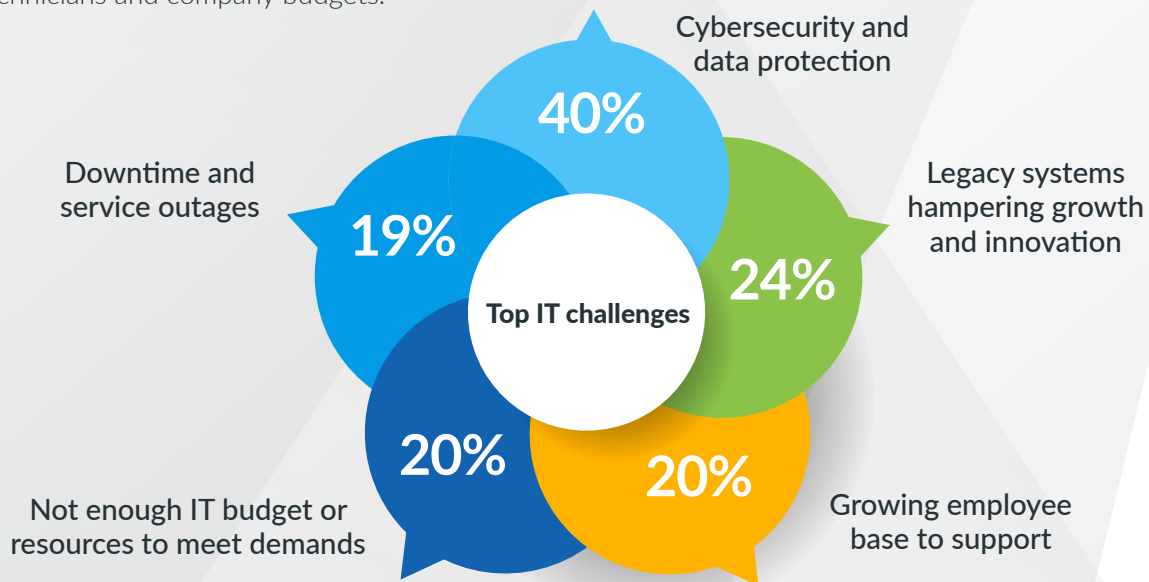
IT challenges and priorities

The pandemic served as a catalyst for businesses to implement critical changes to their IT infrastructures and invest in innovative tools to remain competitive. This paved the way for top IT challenges and priorities today. In this section, we will cover what they are.

Top IT challenges: Strengthening cybersecurity and upgrading legacy systems

Cybersecurity has evolved over the past few years from an optional IT service to a must-have. On the one hand, businesses invest in enhancing their cybersecurity infrastructure; on the other hand, cybercriminals adapt and evolve their tactics, necessitating ongoing vigilance. Acknowledging that cybercriminals pose a continuous threat, 40% of the respondents recognized cybersecurity and data protection as the foremost IT challenge in 2023.

Simultaneously, supporting a growing employee base and effectively managing downtime and service outages becomes increasingly challenging with an outdated technology stack. Therefore, legacy systems hampering growth and innovation are cited as the second biggest challenge by 24% of respondents. Compared to modern IT tools, legacy tools provide poor integration and almost no automation capabilities, becoming a drag on technicians and company budgets.

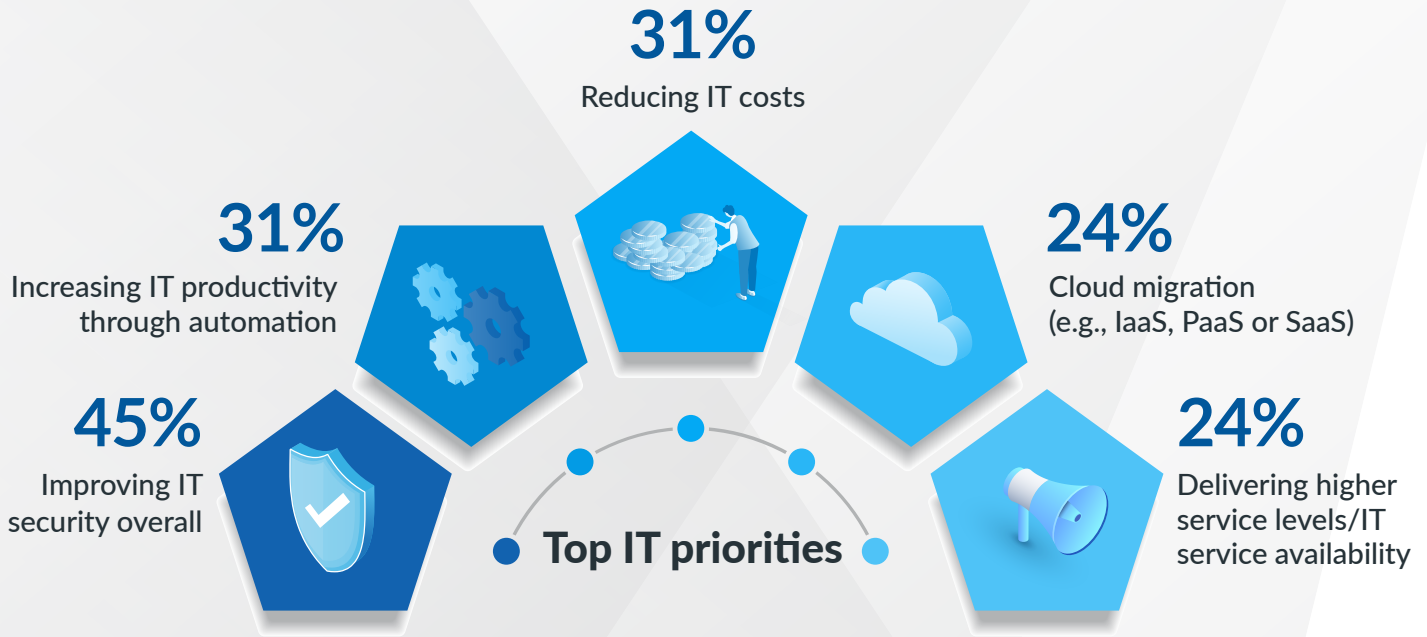


IT priorities aligned to overcome challenges

The top IT priorities correspond to the top IT challenges. Organizations that can effectively manage their IT infrastructure and security will have a competitive edge. They will innovate faster, reduce costs and gain a better understanding of their customers.

Improving cybersecurity is the primary focus area with businesses recognizing the importance of having a strong defense against devastating cyberthreats. Organizations are also keen on adopting automation since it's the fuel that boosts productivity and can alleviate IT technicians' increasing workload.

Automation is a boon for cybersecurity, too. IT teams can address only so many security issues manually. Using an advanced endpoint management tool, technicians can monitor, detect and automatically resolve common security issues. With more time on their hands, technicians can turn their efforts toward improving serviceability and helping drive profitability. Modern IT tools also provide a better endpoint-to-technician ratio, thus translating to cost savings.



Technology investment plan: automation and cybersecurity

Technology investment plans provide valuable insights into IT trends and highlight areas businesses want to strengthen. According to the survey findings, automation and security products are the most popular cutting-edge technologies respondents plan to invest in by 2024. By automating common IT tasks, organizations can eliminate manual errors and provide consistent service.

Cybersecurity is of such paramount importance that five of the top 10 technologies respondents intend to invest in are cybersecurity related. Email security has become a major concern for organizations since the easy availability of AI tools has made crafting compelling phishing emails even easier. Alongside phishing emails, organizations also face the risk of business-breaking ransomware threats. Businesses are eagerly investing in advanced security tools like endpoint detection and response (EDR) and ransomware protection solutions to prevent any of these threats from compromising company data and networks.



Technologies in focus for investments in 2024	All respondents
IT automation	39%
Email security (including phishing prevention)	30%
Endpoint detection and response (EDR)	27%
Ransomware protection	24%
Data science and analytics	21%
AI and machine learning	20%
Dark web monitoring	19%
Customer experience technologies, including chatbots and mobile apps	19%
ChatGPT	18%
Insider threat detection	14%

The most anticipated cybersecurity investments

Even the best defenses in the world will fail to protect a company from a cyberattack if employees fail to recognize signs of a breach. Nearly half of the respondents (48%) said they want to invest in security awareness training to empower their employees to become the strongest link in their cybersecurity strategy.



To combat the threat of phishing emails, 46% of the respondents expressed their intention to invest in email security measures. Additionally, the survey revealed that 36% of respondents were interested in vulnerability scanning tools that play a critical role in detecting and addressing weaknesses in the IT infrastructure before attackers can exploit them.

Advanced security solutions like EDR are also garnering interest. EDR has become a necessity for security teams with the increase in advanced persistent threats (APTs) and other sophisticated cyberattacks. The role of an EDR solution is to proactively monitor, detect, and remediate or isolate threats on endpoint devices as they happen.

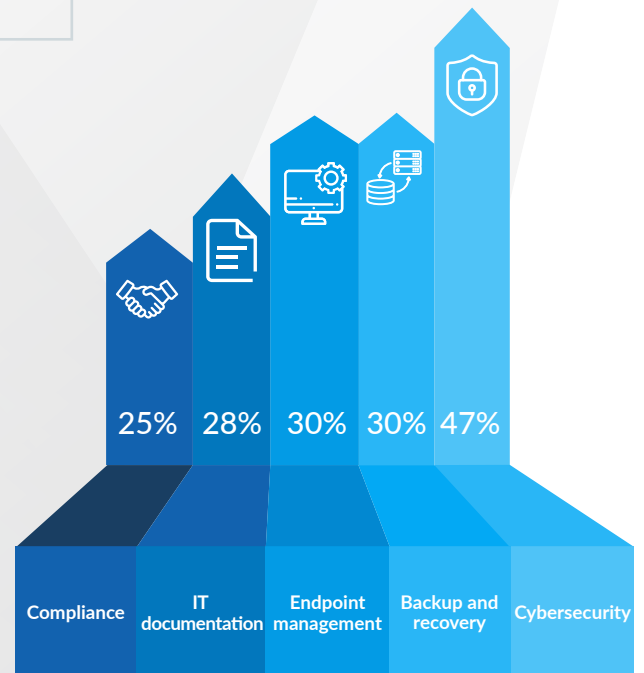
For SMBs, building an in-house security team can be expensive and time-consuming, distracting them from their core business. Managed detection and response (MDR) service providers or Managed SOC give security- and cost-conscious SMBs top-notch threat detection and remediation service that is nearly impossible to build internally.

Cybersecurity investments	2023
Security awareness training	48%
Email security	46%
Vulnerability scanning	36%
Cyber insurance	31%
EDR	27%
Managed SOC (MDR)	25%
Dark web monitoring	17%
We do not anticipate investing in cybersecurity	5%
Other	3%



Tools businesses are considering adding or changing in 2023

With the growing importance of safeguarding sensitive data, businesses are recognizing the need for robust cybersecurity measures to stay ahead of the game. It's no wonder 47% of the respondents said they will likely add or change cybersecurity solutions in 2023. However, they're not stopping there. Backup and recovery solutions are also on their radar, knowing that a comprehensive data protection plan is the way forward. Moreover, amid stricter cybersecurity regulations, compliance cannot be taken lightly, and businesses want the right tools in their arsenal to tackle it head-on.



Endpoint management and IT documentation are the heart of any IT setup, and companies want to use only the best solutions that integrate easily, are feature rich and easy on the pocket.



IT staffing growth

Amid a challenging economic landscape marked by budget cuts and hiring freezes, many businesses are not anticipating IT staffing growth. However, despite this discouraging outlook, cybersecurity emerges as a notable exception, with about a quarter (22%) of the respondents anticipating adding headcount in this area.

Areas of IT staffing growth	2023
IT security	22%
General IT technical staff	11%
IT service delivery	9%
DevOps	8%
Network engineering or network management	8%
Help desk	7%
System administration	6%
Application development	4%
Administrative	2%
Team management	3%
We do not anticipate IT staffing growth	20%



IT professionals equipped with cybersecurity skills possess a competitive advantage over their counterparts. Listed below are certifications that respondents indicated interest in pursuing in the next 12 months.

Cybersecurity certifications	2023
Certified Information Systems Security Professional (CISSP)	35%
Microsoft Certified: Security, Compliance and Identity Fundamentals	28%
ComTIA Security+	26%
Certified Information Security Manager (CISM)	26%
GIAC Information Security Fundamentals (GISF)	15%
Certified Information Systems Auditor (CISA)	14%
GIAC Security Essentials Certification (GSEC)	14%
Other security certifications	12%



Improved integration is essential

Up until recently, each time a business needed to address an IT challenge, such as patching, endpoint management or service ticket remediation, it needed to bring home a new tool. This scenario has led to solution sprawl – a jumble of point solutions that do not integrate well. Technicians also ended up spending more time managing multiple tools, vendor contracts and billing than focusing on their jobs.

We asked respondents if their solutions would benefit from better integration, and a staggering 86% of them agreed. Integration between core tools is necessary to streamline processes and create workflows that enable teams to work faster and more efficiently. Busy IT professionals – about 39% of respondents indicated they oversee all IT operations – can leverage integration to maximize productivity, keep different teams on the same page and do more with less effort.

Importance of integration



Businesses evaluate integration capabilities when changing a core tool

Replacing core business tools is a big decision that impacts productivity, profitability and how easily technicians meet service level agreements (SLAs). Undoubtedly, all businesses would like to use solutions that perform better, have more functions and are highly cost-effective. However, one key factor that heavily influences the decision-making process after functionality is the integration capability of the new tool. Integrated systems require less manual effort, can scale based on changing business needs and allow for deeper analysis, which helps with better and faster decision-making. Integration also helps remove the need for overlapping functionalities in separate systems, thus reducing investment in multiple licenses.

Considerations when replacing a core tool	2023
Functionality	42%
Integration with other tools	41%
Ease of migration	26%
Price	25%
Onboarding and training	16%
Online forums and reviews	11%
Peer recommendations	7%
Contract length	7%
Post-onboarding support	6%
Other	1%



Most beneficial integrations

About a quarter (23%) of respondents highlighted the integration of IT documentation within the endpoint management tool as most beneficial. With easy access to comprehensive documentation, IT personnel can learn from past incidents and quickly solve recurring problems.

In a nutshell, respondents want seamless integration between their endpoint management, IT documentation and service desk tools. This three-way integration results in quick diagnoses and remediation of issues, resulting in improved efficiency. Helped by integration, IT teams can promptly provide support for IT tickets and minimize any disruption to the end-user experience.

Most beneficial integration	2023
Access to IT documentation, such as IT asset and organizational information, IT procedures and passwords, in the endpoint management tool	23%
The ability to set up workflows in the service desk to auto-remediate IT incidents by running scripts (agent procedures)	21%
One-click access to remote endpoint management, from service tickets to troubleshooting issues	20%
The ability of the endpoint management solution to automatically create service tickets based on monitored events/states	18%
Access to IT documentation, such as IT asset and organizational information, IT procedures and passwords, in the service desk	10%
The ability to run automation scripts (agent procedures) in the IT documentation tool to resolve IT incidents	8%

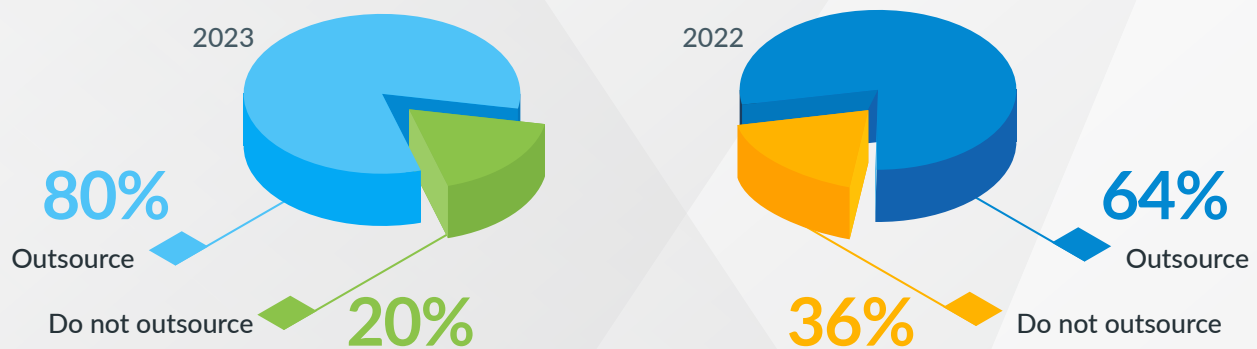


Businesses outsourcing more services to MSPs

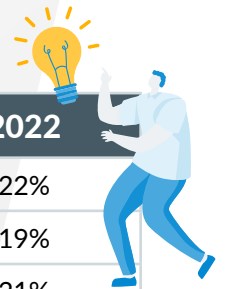
In recent years, SMBs have been outsourcing more and more IT services to MSPs. This strategic move allows businesses to avoid the hefty upfront investment required to establish and maintain a large internal IT team. This is also a cost-effective solution, especially when budget cuts are in store.

Almost 80% of the respondents said they outsource one or more IT services to an MSP, up from 64% in 2022.

Outsourcing to an MSP



Not only are more respondents outsourcing IT services, but they are also outsourcing a greater number of IT services. Partnering with an MSP has proven invaluable, especially for cybersecurity services, which require skilled professionals. Over a quarter (27%) of the respondents said they outsource IT security, up from 22% in 2022. Other services that are increasingly being outsourced are endpoint management (18%), compliance reporting (16%), and onboarding or offboarding of users and devices (12%).



Functions outsourced	2023	2022
IT security	27%	22%
Network monitoring	23%	19%
Cloud infrastructure management	22%	21%
Help desk	20%	17%
Endpoint management (e.g., desktops, laptops and servers)	18%	14%
Backup management	16%	19%
Compliance reporting	16%	11%
Patching and software management	14%	13%
Security operations center	12%	12%
Onboarding or offboarding of users and devices	12%	6%
Other	3%	5%

A complete IT platform designed to meet your needs

As IT management becomes more intricate and demanding, managing infrastructure as a cohesive unit becomes essential. Searching for separate tools to address specific issues is no longer optimal. Businesses need a comprehensive platform that can be customized to their requirements, scale with their needs and simplify IT operations, making all processes transparent and effortless.

Enter the Kaseya IT Complete platform – the ultimate solution for today’s complex IT challenges. It’s a one-stop destination for versatile IT professionals to get all the tools they need in one place. Each application under the IT Complete platform is tailored to the needs of multitasking technicians. The interfaces are designed to mirror one another, saving valuable time, and each application is automated and streamlined to meet the demands of busy IT professionals.

It’s the only platform of its kind in the world that is revolutionizing how tools are purchased and used. Embark on a transformative journey with this platform and experience its power for yourself

**GET IN TOUCH WITH OUR
IT EXPERTS TODAY**



APPENDIX



This section provides additional data and information about our respondents.

IT budget

More than half of the respondents (52%) said that IT security budgets are expected to increase in 2023. About half (48%) also said budgets will increase for cloud investments.

Business vertical	Increase	Decrease	Stay the same	I don't know
IT security	52%	9%	33%	6%
Cloud – IaaS (public, private, hybrid)	48%	8%	35%	9%
End-user hardware (e.g., desktops, laptops, tablets or mobile devices)	38%	16%	40%	6%
IT management tools	38%	11%	45%	6%
Virtualization technologies	37%	11%	41%	11%
Installed software	34%	14%	46%	6%
Server technology (e.g., servers, storage, server backup, UPS or hyper-converged infrastructure)	32%	15%	44%	9%
IT staff	32%	14%	46%	8%
Managed service provider services	26%	14%	49%	12%
On-prem server technology SaaS applications	23%	18%	46%	13%
On-prem backup	22%	21%	48%	9%

IT purchasing decision-makers

Executive teams play an active role in IT purchasing decisions for our respondents. More than half (52%) of the respondents said IT directors and about one-third (33%) said C-level executives are involved in major IT purchasing decisions.



Roles involved in IT purchasing decisions	2023
IT director	52%
C-level exec	33%
IT manager or supervisor	39%
Finance vice president or director	32%
IT vice president	30%
System administrator or IT technician	21%
Procurement manager	22%
CISO (or other security executives)	23%

Primary areas of responsibility

About 39% of the respondents said they oversee all IT operations. Security, cloud computing, and IT support or help desk management are the top jobs.



Work responsibilities	2023
All IT operations	39%
IT security	37%
Cloud infrastructure	28%
IT support or help desk	26%
Desktop management	25%
Server management	23%
Software deployment and patch management	23%
Data center operations	23%
Network management	22%
Identity and access management	22%
Backup and disaster recovery	22%
Business application management	20%
Third-party service management	13%
Other	3%

IT management tools in use

IT operations are the backbone of any organization, and it's important to have the right solutions and processes in place. Help desk, endpoint management and IT documentation are IT essentials without which the organization would not be able to function properly.

IT management tools deployed	2023
Help desk / ticketing	55%
Endpoint management	53%
IT documentation / knowledge management	52%
Network management / network performance monitoring	46%
Endpoint detection and response (EDR)	44%
IT service management (beyond a help desk tool)	35%
Identity and access management (IAM)	35%
Mobile device management (MDM)	35%
Security information event management (SIEM)	31%
Configuration management database (CMDB)	22%
Cloud cost management	20%
Other	1%



METHODOLOGY

Kaseya conducted its 2023 IT Operations Survey using a structured questionnaire in March 2022. All participants were asked if they were primarily employed in an IT operational role with some responsibility for IT infrastructure or IT services deployment, operational, management or support. Only responses from the 1,318 respondents who answered in the affirmative and completed the survey are included in the survey results. The focus of the survey was IT operations (individual and groups) at midsize organizations, which we define as organizations with up to 3,000 employees. Only companies in this range are included in the survey results.

