

# Planning Guide 2024: Technology Executives

## Reinvigorate Tech's Role In Your Company's Growth Engine

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## Summary

In an economic environment where the fundamentals dictate a healthy dose of caution, businesses must explore every opportunity to grow. Technology executives must position their teams to drive growth by continually innovating, improving experiences, and fostering competitive advantage. Strategic investments in technology capabilities will unlock new opportunities and create sustainable growth in today's dynamic environment. This planning guide will help technology executives make the right decisions to enable, create, and amplify growth in 2024 and beyond.

# Reinvigorate Tech's Role In Your Company's Growth Engine

Much like this point in time in 2023, uncertainty is the rule rather than the exception for the market. Market volatility has steadily dropped over the past year with a resilient job market and healthy consumer spending. However, there continues to be challenging signals in most markets. Policymakers are keeping inflation rates stubbornly high and credit spreads continue to inch higher, indicating the growing presence of systemic market risk and a potential tipping point for a broader economic downturn later this year. Despite this uncertainty, in [Forrester's Budget Planning Survey, 2023](#), 81% of US enterprise technology decision-makers anticipated their organizations' technology investment increasing over the next 12 months. Furthermore, 45% of technology decision-makers in data-related functions at US enterprises anticipated their organizations' budgets for AI capabilities increasing by 5% or more in the next 12 months. This provides ample opportunity for tech execs to turn these investment dollars into company growth.

## Benchmark Your Budget For Growth

Heading into 2023, the intent was to remain steadfast with technology decisions. Technology decision-makers committed their [modest budget increases](#) to strengthening alignment with the core business (see Figure 1). Heading into 2024, those commitments now form the foundation of future business growth. Half of US enterprise technology decision-makers anticipated their organizations' technology investment increasing by 5% or more over the next 12 months. Technology decision-makers are looking to [extend and expand customer boundaries](#), deliver on scope and scale, and shape new strategies to adopt emerging technology quicker. Start by focusing on what your investments can produce for the business and its customers. Budgets in 2024 will focus on three primary categories:

- **Application and software reinforce new products and services.** Data from the [Information Services Group](#) shows companies allocate 52% of their IT spend to applications. The purpose of app dev is to optimize capabilities, deliver superior products and services, and enhance the quality of touchpoints along the customer journey. According to [Forrester's 2023 data](#), 72% of US enterprise technology decision-makers anticipated their organizations' technology investment in software increasing over the next 12 months. Automate customer touchpoints that reduce human error and increase the ability to personalize experiences, shift from project to product portfolios, and focus on end-to-end visibility of the development backlog. The intent is to enhance the customer experience, foster innovation, and

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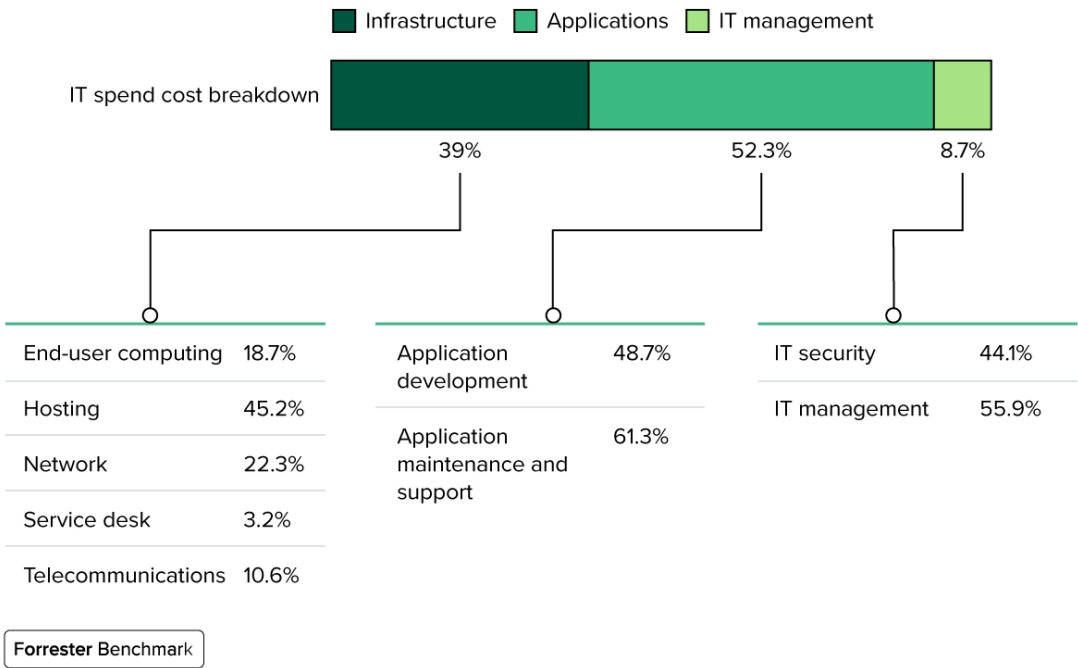
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streamline product development to provide a competitive advantage.

- **Infrastructure modernization is the foundation for future growth.** On average, companies allocate 39% of their IT spend to infrastructure. The purpose of infrastructure is to optimize costs and capitalize on opportunities for business growth and expansion. Sixty-six percent of US enterprise technology decision-makers anticipated their organizations' technology investment in network infrastructure and telecommunications increasing over the next 12 months. Sixty-six percent and 60% anticipated increased organizational investment in data center infrastructure and end-user hardware infrastructure, respectively. Infrastructure investment commitments standardize and centralize core functionality and systems of record. Evaluate, rationalize, and modernize toward a common technology platform to build and deliver applications, generate seamless on-demand computing capacity, and increase support of self- and microservice delivery. The intent is to provide scalability and flexibility, enable integration and automation, and enhance customer reach.
- **Management spend provides the human resources to innovate.** Companies on average allocate 9% of their IT spend on IT management. The purpose of management is to optimize investments, unlock new opportunities, and accelerate with a highly engaged and fully supported workforce. Sixty-eight percent of US enterprise technology decision-makers anticipated their organizations' technology investment in services increasing over the next 12 months, while 53% anticipate increased organizational investment in staffing/personnel. Investments in people extend both your capabilities and competencies. Share more accountability across stakeholders, prioritize cocreation over ownership, and negotiate outcome-based terms and incentives. The intent is to accelerate capability development and configure the workforce to absorb emerging skills faster.

**Figure 1**  
Use 2022 NA Tech Spend Data To Benchmark Where You Began 2023



Base: ISG 2022 global benchmarking data respondents: 2,841 in North America  
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# Focus On The Tech That Generates Growth

A [future fit tech strategy](#) allows you to quickly reconfigure the business, bring emotion and engagement to customer experiences, and consistently deliver on brand promise and vision. According to [Forrester’s 2023](#) data, 43% of US enterprise technology decision-makers in digital or digital strategy functions said they are regularly involved with refining or rethinking their business model. To demonstrate the [business value of technology](#) in 2024, focus your investments to thread customer, employee, and partner journeys together in pursuit of growth. To do so:

- **Leverage technology to optimize the customer experience.** Technology allows businesses to understand and cater to evolving [customer](#) needs. [Fifty-one percent](#) of US enterprise technology decision-makers in digital or digital strategy functions said they are regularly involved with managing customer-facing websites or apps.

Investments must emphasize rationalizing customer relationship systems, modernizing data analytics, and personalizing marketing capabilities to deliver more targeted and customized experiences. According to [Forrester's Priorities Survey, 2023](#), 88% of global business and technology professionals from future fit enterprises expect their organization to increase investment over the next 12 months in customer management tech like ERP, call center, and CRM, compared to 62% of their traditional peers. The intent is to demonstrate exceptional customer service and generate interactions that build long-lasting relationships and grow customer loyalty.

- **Use AI to enhance employee autonomy and expand capacity.** Technology offers businesses the ability to automate processes, expand [operational capacity](#), and [improve productivity](#) — and AI is taking these opportunities further, faster. In [Forrester's Budget Planning Survey, 2023](#), 71% of US enterprise technology decision-makers anticipated their organizations' technology investment in operations increasing over the next 12 months. Investments must mature and advance software to accomplish tasks more quickly and accurately, reducing manual dependencies and increasing employee creative engagement. And according to [Forrester's 2023 data](#), 81% of global business and technology professionals from future fit organizations expect their organization to increase investment over the next 12 months in business automation and robotics, compared to 58% of their traditional peers. The intent is to leverage AI for both efficiency and effectiveness in the pursuit of delivering more value.
- **Activate partnerships to be a force multiplier.** Technology positions businesses to respond quickly to market changes, adapting strategies within and between [value networks](#). According to [Forrester's 2023 data](#), 64% of US enterprise technology decision-makers in digital or digital strategy functions said they are regularly involved in evaluating, selecting, and managing vendors. Investments must leverage the total experience of internal [communities of practice](#) and external partnerships into cocreation opportunities. According to [Forrester's Future Fit Survey, 2023](#), 78% of global business and technology decision-makers from future fit organizations strongly agree that they are preparing their internal organization to drive co-innovation with our partners, compared to 41% of those from modern organizations and 19% of those from traditional organizations. The intent is to build end-to-end [value streams](#) across networks that generate value in the market faster.

## Optimize Tech Investment By Focusing On Opportunities With Strong Business Alignment

Aligning to growth means scaling customer solutions that improve impact and move the investment direction toward revenue-generating activities. [Forrester's 2023 data](#) shows that US enterprise decision-makers with high levels of [alignment across marketing, CX, and digital report 2.4-times higher revenue growth](#) than those with no alignment. To demonstrate market impact, find where key points of differentiation *truly* need to exist along customer journeys and product and service lifecycles.

- **Set a one-to-many AI investment instead of a many-to-many strategy.** AI is *the* story in tech now. But don't let the hype divert your focus on both developing a [versatile](#) AI approach that can simultaneously address multiple needs and establishing the necessary guardrails so your investments yield positive returns responsibly. According to [Forrester's 2023 data](#), 87% of US enterprise technology decision-makers in data-related functions anticipate their organizations' investment in AI capabilities increasing over the next 12 months. Additionally, [51%](#) of global business and technology professionals at future fit organizations say their organizations have implemented and are currently expanding their investment in AI infrastructure, compared to 16% of traditional organizations. "One-to-many" will enable you to deliver a broad range of solutions across operations and provide sustainable momentum as your company's AI experience matures. This momentum will be the result of greater company productivity, clearer knowledge sharing and transfer, and faster deployment and adoption over time.
- **Increase cloud interoperability instead of adding additional cloud environments.** Cloud sprawl is real. Focus on connecting existing environments to generate greater operational [portability](#) in the cloud. According to [Forrester's 2023 data](#), 78% of US enterprise technology decision-makers anticipate their organizations' investment in cloud infrastructure and development services increasing over the next 12 months. Ensure cloud investments expand capacity, shift workloads seamlessly, and remove barriers to scale delivery across environments. Additionally, [58%](#) of global business and technology decision-makers from future fit organizations said that pursuing a hybrid, multicloud strategy is a critical priority, compared to 21% of those at traditional organizations and 35% of those at modern organizations. When adding a new environment, such as a new SaaS vendor, consider whether it is complementary to your broader IT design — such as how Workday has an option for running on AWS purchased out of the AWS Marketplace, producing better interoperability and cost savings for AWS

customers.

- **Draw down technical debt so you can reinvest in the future.** Focus on a systematic and prioritized [approach](#) like [Nationwide did](#) — leading to more maintainable, scalable, and productive systems. According to [Forrester's 2023](#) data, 36% of US technology decision-makers in digital or digital strategy functions said they are regularly involved with mapping traditional to digital efforts/processes. Ensure investments keep capabilities commensurate with future delivery expectations, minimizing unyielding long-term cost structures and complexities associated with maintaining an evolving [tech stack](#). Additionally, [88%](#) of global business and technology professionals from future fit organizations expect their organization to significantly increase investment over the next 12 months in technology infrastructure and operations, compared to 63% of their traditional peers.

## Experiment To Accelerate How You Enable, Create, And Amplify Growth

The fastest-growing companies are innovation leaders. Our research reveals that future fit leaders, who prioritize innovation, report [1.6-times](#) faster average annual revenue growth than those who are not future fit. Rising customer demands and the fast-changing technology landscape have positioned tech leaders with a unique opportunity to lead their firms' innovation efforts by evaluating emerging tech as a core discipline, refreshing customer experiences, and focusing on the value of the whole tech portfolio rather than the [business case](#) of each technology independent of the others.

- **Enable growth by expanding and extending market frontiers.** Technology facilitates [connectivity](#) and access to new and larger markets. Broader market access reduces dependence on a single market and diversifies the customer base, making the business more resilient to fluctuations in specific regions and expanding opportunity boundaries. According to [Forrester's 2023](#) data, 36% of US enterprise technology decision-makers in digital-related functions said they are regularly involved in building, managing, and growing a digital ecosystem of external partners. Invest in multichannel platforms, personalized digital experiences, digital marketing, and digital payment systems with the intent to extend reach beyond current boundaries.
- **Create products and services that differentiate customer experience.** Technology fuels innovation, providing tools for research and development, prototyping, and testing. By [creatively](#) staying at the forefront of innovation, businesses can differentiate themselves from competitors and sustain their

position in the market. According to [Forrester's 2023](#) data, 51% of US enterprise technology decision-makers in digital or digital strategy functions said they are regularly involved in measuring impact of digital initiatives, products, services, or projects; 43% said they are regularly involved in designing and developing digital products or services; 38% said they are regularly involved in creating measurement frameworks for digital initiatives, products, and services; and 32% said they are regularly involved in managing, delivering, or selling products or services. Invest in emerging technologies like AI, machine learning, and data analytics with the intent to further insights, identify market trends, and develop new products or services.

- **Emphasize AI to deliver long-term growth.** AI energizes every facet of the business by influencing the operating model end-to-end and reducing the long-run cost structure of the core business. According to Forrester's [Global AI Software Forecast, 2022](#), AI software will grow 50% faster than the overall software market by the end of 2024. Invest in integration by building APIs, developing routine models, and leveraging platforms and tools to scale and expand AI's influence across [value streams](#). Forrester also forecasts that 59% of AI software spend will be generative by 2030. The intent is to integrate AI into existing systems and workflows seamlessly without disrupting existing operations. Under a one-to-many AI investment strategy, leverage the knowledge and experience embedded within value networks to evaluate where AI can elaborate growth.

## Supplemental Material

### Survey Methodology

The ISG data used in this report was collected in 2022 from a selection of benchmarking, strategy/operating model, and outsourcing advisory projects fielded by the proprietor. The data from ISG's Inform database is an aggregate of 6,000+ projects across Asia Pacific, EMEA, Latin America, and North America with top-line benchmarks representing around 4,000 company data points and drill-down benchmarks representing around 200 to 700 company data points. Learn more about ISG Inform™ here: [Information Services Group](#).





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