



**DAYBREAK**  
NETWORKS

**2024-25**

# **Telarus Tech Trends Report**

The second annual release of exclusive findings from leading U.S. IT leaders and Telarus technology advisors to help you understand and navigate growth opportunities for your business.



## **What's Driving Today's Buying Decisions**

## Key Findings:

# What's Driving Today's Top Tech Buying Decisions?

IT leaders are looking for a diverse set of solutions to keep up with the speed of change. Over half of respondents ranked AI as a top buying driver across their organizations for 2024 and beyond, with cyber threat detection and response (**42%**), highly personalized customer experiences (**22%**), and cloud modernization (**17%**) following close behind. IT executives are feeling board pressure to balance innovation with cost management.



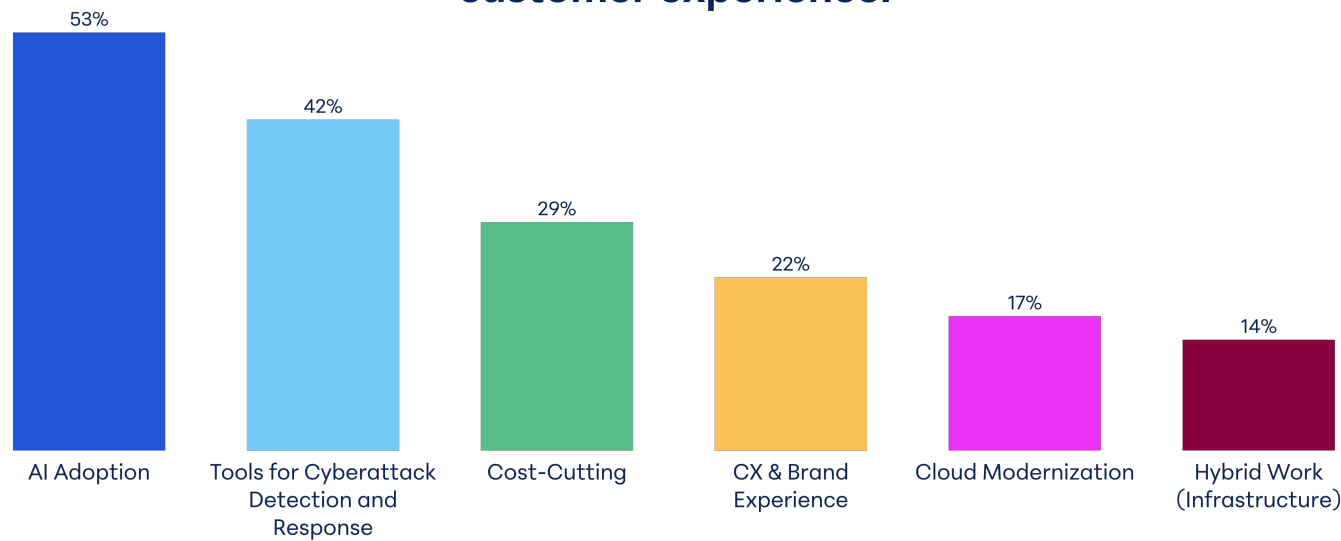
Trend #1:

# AI Adoption Is a Priority for More than Half of Decision-Makers

2024 marks a shift from AI experimentation to wider-spread delivery and execution. **53%** of respondents indicated that AI is a key driver of tech buying decisions, compared to just 13% in 2023.

IT BUYER SURVEY

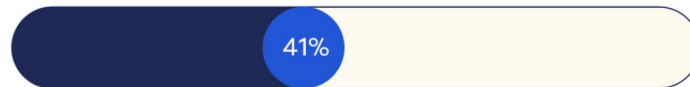
**AI and cybersecurity lead 2024-2025 IT buying decisions, followed by cost-cutting and improved customer experience.**



What are the key issues driving IT buying decisions as it pertains to technology? (Select up to 3)

## IT BUYER SURVEY

### Implementation strategies for companies already leveraging AI in some capacity



I am starting with AI implementation in a discrete area(s) of my business as a pilot effort



I have a well informed plan for how AI will be regulated & implemented in my org



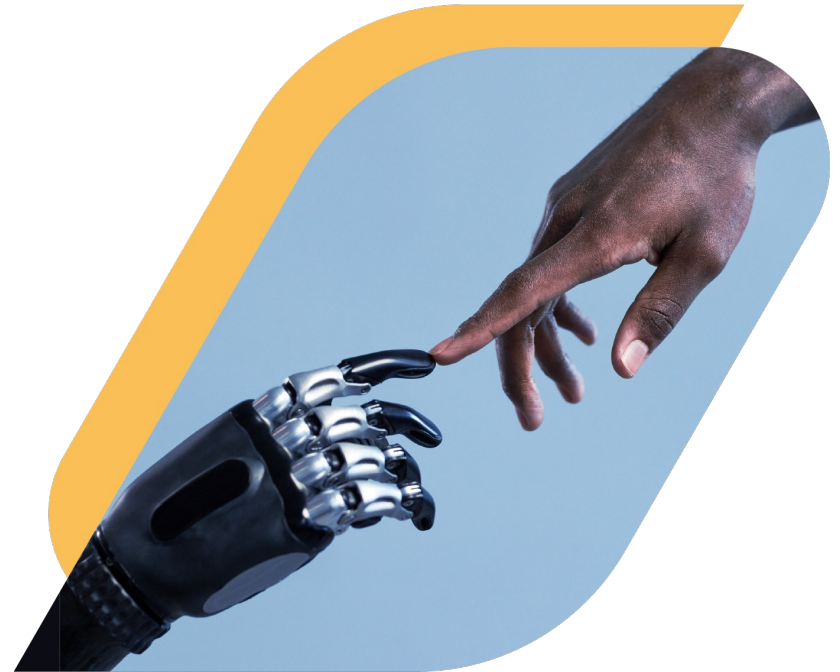
I am watching & learning and will formulate an IT plan in 2025



I am enabling testing/experimentation in other groups in my org and will address formal policy in the future



I have disallowed AI use in my organization until we have a corporate strategy and plan for managed adoption



Nearly half (**41%**) are starting AI implementation in at least one business area, up from 10% last year.

And we're just getting started. Constellation Research has seen a projected CAGR of 19.8% in global AI IT spending from \$151 billion to \$490.6 billion by 2030<sup>1</sup>

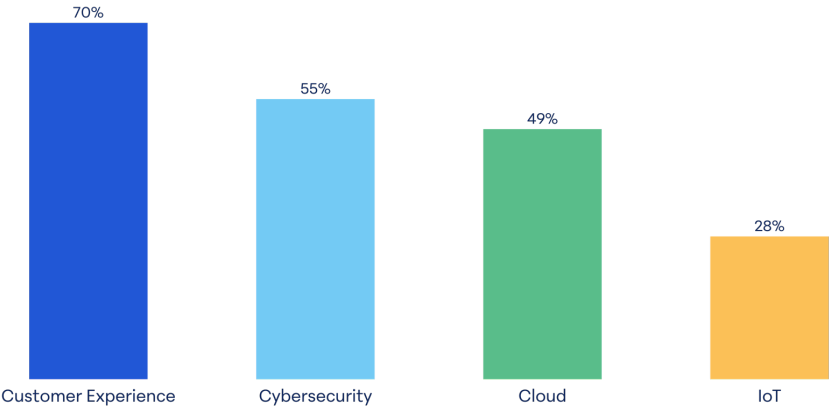
Assuming AI is currently being leveraged in some capacity in your business, what is your AI implementation strategy?

# Where Leading Companies Are Currently Leveraging AI Most

Many respondents are testing or enabling AI-powered enhancements to existing products and services as they become available, particularly in customer experience, cybersecurity, and cloud computing.

IT BUYER SURVEY

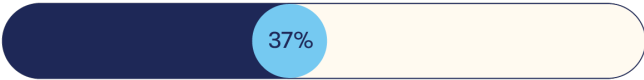
## In which areas are you leveraging AI today?



In which areas are you currently leveraging AI today? (Select all that apply)

IT BUYER SURVEY

## What AI-powered feature sets have you enabled in your existing platforms?



I am enabling these capabilities in my organization to feature sets that will drive my organization quickly



I am allowing a small group of power users to test these feature sets while we determine fit for all users



I have a team assembled to evaluate AI's impact to our business and make determinations about policy and adoption on a case-by case basis



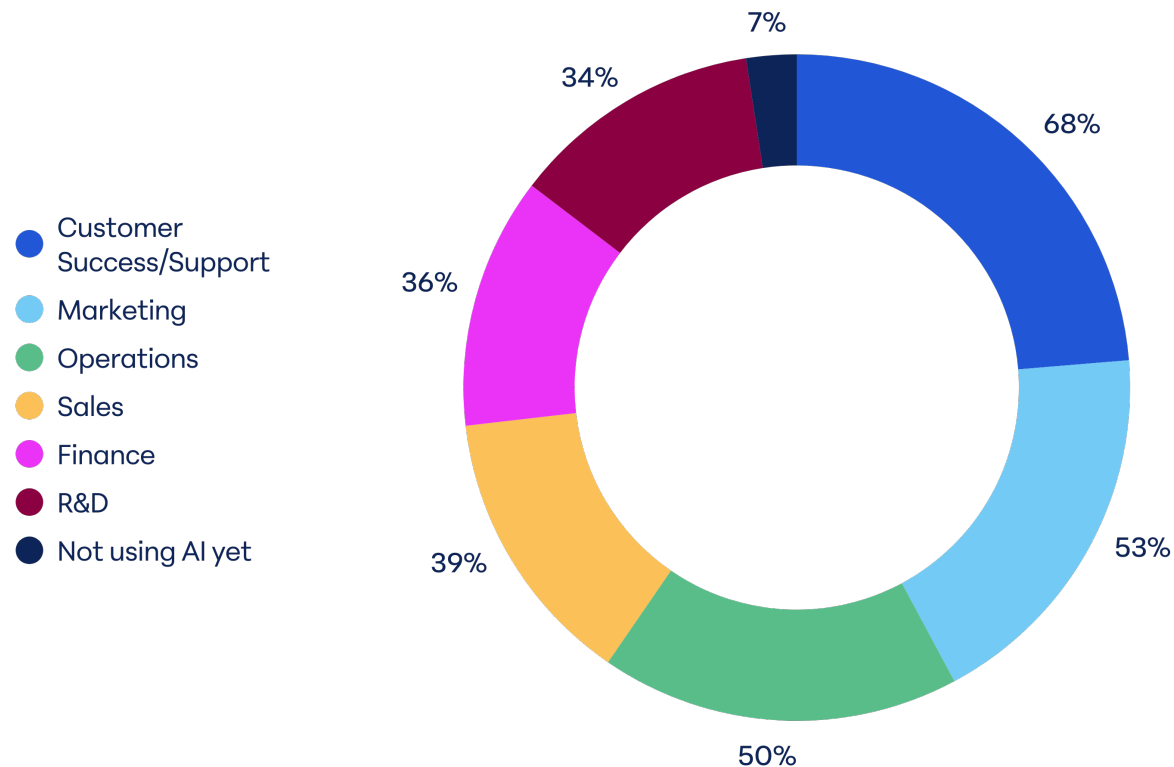
I have disallowed these feature sets for the time being

What AI-powered feature sets have you enabled in your existing platforms? (eg, Generative AI added to contact center, sales, or marketing solutions augmented work, such as automated note taking or AI advice in a UCaaS solution)

The departments that are leveraging AI the most are customer-facing and operations-focused, likely because this is where the most mature and proven AI solutions are available today.

#### IT BUYER SURVEY

### Which departments are currently leveraging AI solutions in their business functions?

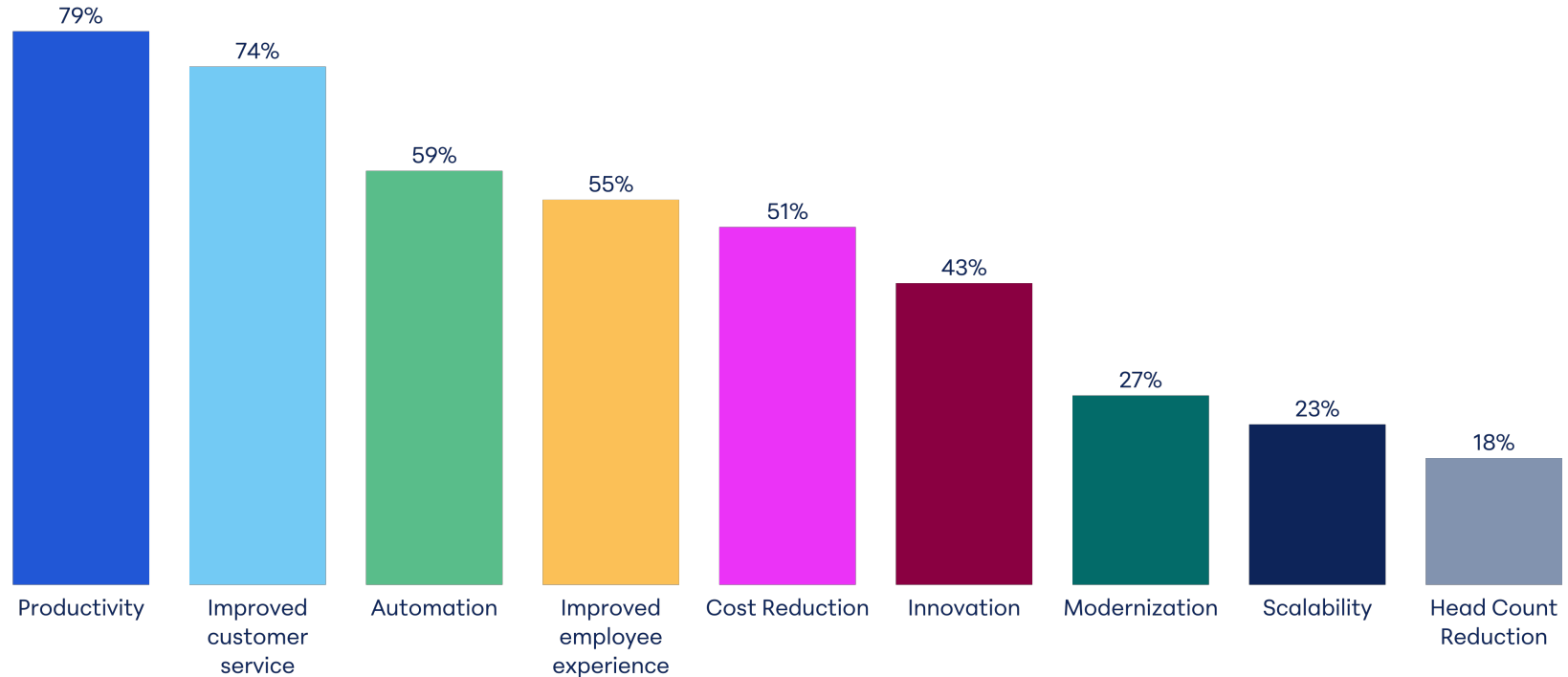


Which departments are currently leveraging AI solutions in their business functions? (Select all that apply)

IT decision makers are seeking productivity (79%) and improved customer experience (74%) most from their current AI investments.

#### IT BUYER SURVEY

### Top desired outcomes for AI adoption



If you are planning to adopt AI, what are the desired outcomes you are seeking? (Select all that apply)

Trend #2:

# Cybersecurity is a Critical Backbone

Cybersecurity ranked the #2 driver for current IT investments as cybercrime incidents continue to rise in number and severity for nearly every business. IT leaders also recognize that cyber is a good hedge to the fast-moving AI trends as they expect their data to become exposed to more vulnerabilities.

With a 72% increase in data breaches from 2021 to 2023 and US cybercrime costs projected to reach \$1.82 trillion by 2028<sup>2</sup>, cybersecurity will remain a top priority for businesses of all sizes. Notably, AI for security, more investments in data loss prevention, and a focus on cyber training and talent development are key investment areas as IT leaders brace for more advanced threats and breaches.

72%

increase in data breaches from 2021 to 2023.  
Do you have a post-breach strategy in place?

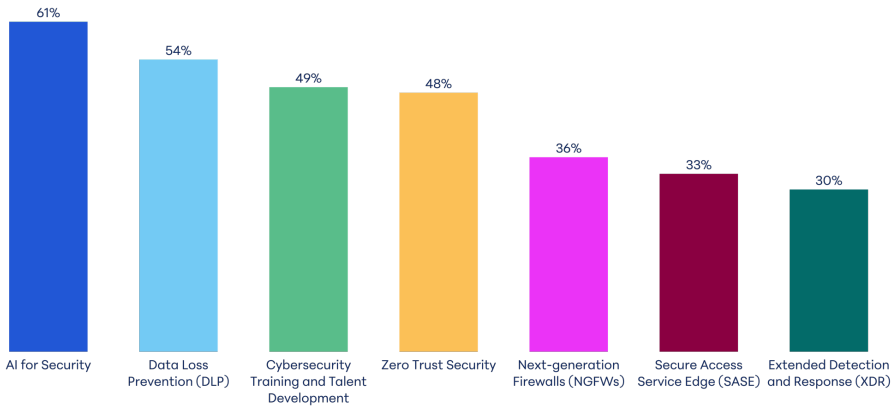


### Expert Insight

According to IBM's 2023 Cost of a Data Breach Report, the average cost of a breach is over \$4 million in lost business and fines.<sup>3</sup> Implementing robust threat detection and prevention strategies is crucial for safeguarding against common cyberattacks. However, it's equally important to acknowledge that breaches may still occur as the 'bad guys' become more sophisticated. Do you have a post-breach response strategy? Have you prioritized ongoing training for your staff to not only recognize potential threats but also effectively respond to a security breach?

IT BUYER SURVEY

### Priorities in modern cybersecurity



Priorities for me in Modern cybersecurity include: (Select all that apply)



### Trend #3:

## Economic Uncertainty Brings Cost-Cutting Back to the Forefront, But Not at the Expense of Transformational Projects

Cost management was the third most selected response for top IT buying drivers: **29%** cited it as a key challenge compared to only 6% last year. Constellation Research CEO R “Ray” Wang attributes this trend to the idea that in today’s unstable economic environment, companies are pausing large investments in general-purpose infrastructure and hardware costs so they can afford to pay for future AI infrastructure to realize its potential cost- savings. “The improved efficiencies that come from adding AI functions to applications – like labor cost-savings and increased productivity – will eventually allow for IT budgets to grow more, so it’s no surprise that we’re seeing organizations of all sizes factoring AI into their cost management strategies,” said Wang.

According to Wang, cost-cutting will remain a major factor in IT buying decisions until US interest rates come down significantly. “So what you’re seeing is cost-savings in one area to fund innovation in another.



**1 in 3 IT buyers ranked cost-cutting as a top consideration for new technology investments**

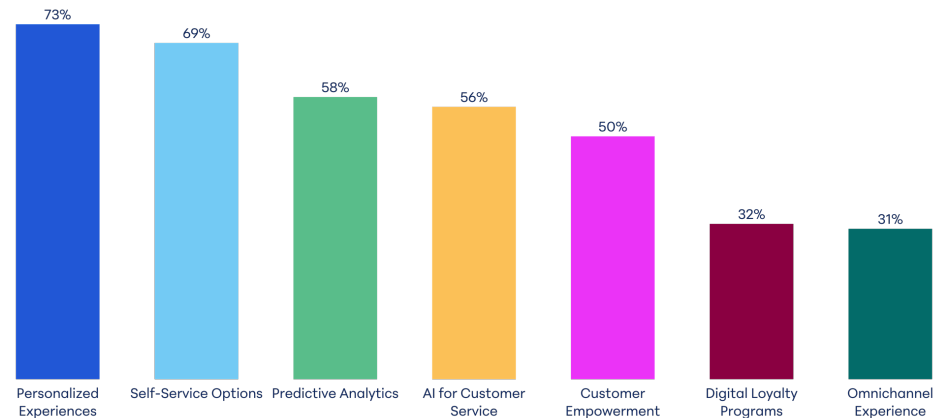
## Trend #4:

# CX Takes Flight Across the Entire Customer Journey

Leveraging modern CX solutions to attract and keep customers continues to be a high investment area for buyers. As consumer expectations for highly personalized and seamless experiences grow in scope and number, it's no surprise that survey respondents are enabling solutions that enhance the entire customer journey, including productized AI-powered customer service tools and self-service features.

Behind the scenes, companies are prioritizing the data collected at each touchpoint to optimize predictive analytics to improve experience and ensure employees have a customer's "full story" for a better experience.

IT BUYER SURVEY  
Priorities in improved customer experience



Priorities for me in Improved customer experience include: (Select all that apply)

### Expert Insight

Generative AI-powered solutions and advanced analytics tools for CX aren't just hype anymore—they are fundamental for success. Businesses that haven't invested in AI will inevitably fall behind on productivity and customer satisfaction. Generative AI capabilities with unified communications and omnichannel contact centers are helping CX workers get more done, while deeper analytics on customer sentiment and engagement are enabling CX workers to strengthen customer relationships and offer more personalized experiences. If you haven't started exploring AI for CX yet, consider the following: What are your primary goals for improving customer experience over the next year? How do you envision AI helping you achieve these goals? What are your competitors doing with AI in CX?



# What's Next: Top Emerging Tech Trends

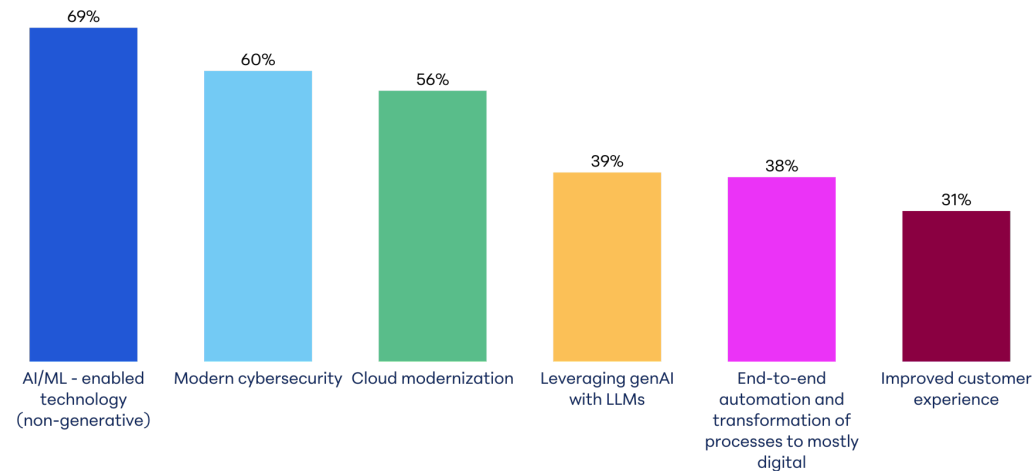


Top Emerging Tech Trends:

# IT Leaders Are Focused On Scaling AI and Securing Their Business for Growth Ahead

While many generative AI implementations like ChatGPT, Jasper, and Copilot are already gaining traction, the focus on non-gen AI like predictive analytics and business forecasting is set to further enhance efficiency and performance. As AI investments grow, leaders recognize the importance of advanced cybersecurity to protect sensitive data across diverse environments. Hybrid cloud strategies complement these efforts by providing a secure, scalable infrastructure that balances innovation with robust security.

IT BUYER SURVEY  
Where IT leaders are seeing the most new/emerging technologies in their organization

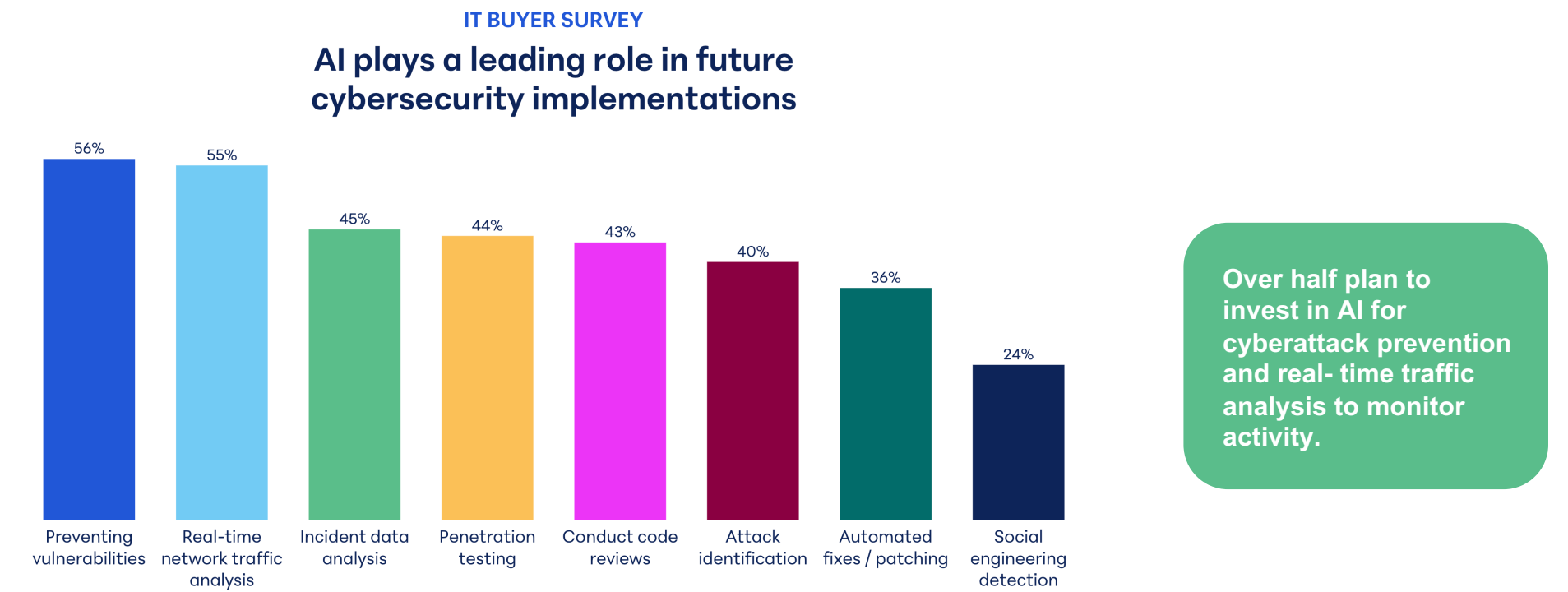


In which categories are you seeing the most new/emerging technologies for your organizations? (Select all that apply)

# Modern Cybersecurity

To combat the growing sophistication of cybercrime, **60%** of IT leaders are looking toward AI-enabled cybersecurity technologies that can enhance efficiencies and reduce staff burden for critical tasks such as real-time data loss prevention and network traffic analysis.

Over half (**56%**) plan to invest in AI for cyberattack prevention and real-time traffic analysis to monitor activity. While implementing technologies to minimize common cyber threats is a must, unfortunately, no one is immune from every breach. Companies of all sizes should consider creating a post- breach response plan.



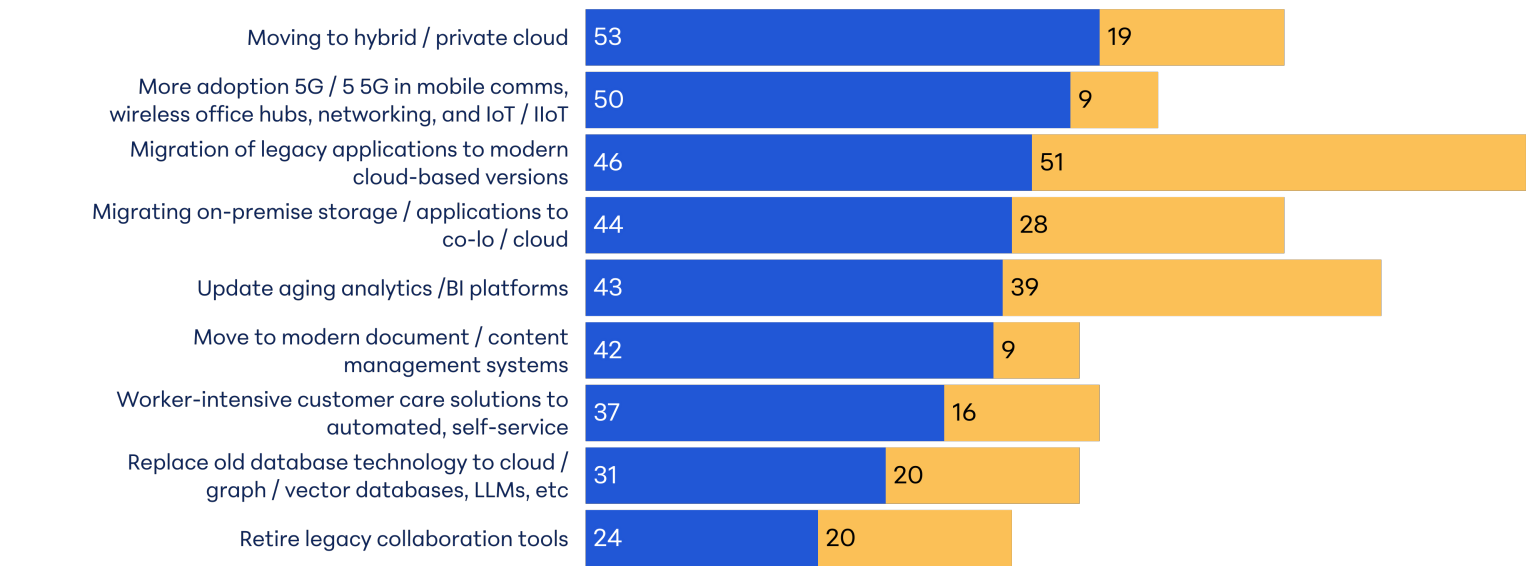
Priorities for me in AI in Cybersecurity include (Select all that apply)...

# Cloud Modernization

Nearly half (45%) of IT buyers indicated cloud modernization as a priority for addressing future scalability, security, and cost management goals. However, some differences in mid-market versus large enterprise cloud strategies are worth noting. Over the next 2 years, mid-market organizations are placing a higher priority on shifting their legacy tech stacks to the cloud for cost-efficiency and productivity gains, despite data exposure risks with new AI implementations.

## TECH ADVISOR SURVEY

**Mid-market enterprises prioritize moving legacy back-office solutions to the cloud over next 2 years; large enterprises are further along in their cloud modernization journey**



Which legacy on-prem back-office (internal facing) solutions are prioritized for movement to the cloud in the next 18-24 months? (Select all that apply)

● Mid Market ● Enterprise

# Cloud Modernization

Large enterprises, who have matured faster in the cloud, have more resources and skill sets to continue to modernize and optimize based on specific needs, including shifting workloads to various on prem and multi-cloud infrastructures. Most will prioritize improving their legacy network and cloud connections, driving more edge computing-based architecture with these infrastructures.



## Expert Insight

There is no one-size-fits-all approach for cloud modernization strategies, especially when it comes to mid-market versus large enterprise needs. The key is to evaluate your current tech stack and workload needs, and where you want to go next. How do your cloud projects relate to other IT initiatives and what is the desired overall impact on your organization?





# Conclusion

The 2024-25 Telarus Tech Trends Report emphasizes that businesses are at a pivotal moment in leveraging technology to stay competitive. As AI adoption accelerates, with over half of organizations prioritizing AI-driven solutions, businesses are looking to boost productivity, enhance customer experiences, and automate processes. Whether through AI-powered customer service tools or smarter cloud modernization, the focus on AI highlights its growing role in day-to-day operations. However, with this adoption come challenges, such as concerns around data security, compliance, and talent shortages, which are critical considerations for any organization embarking on AI projects.

Cybersecurity also remains a top priority for businesses, with rising threats pushing organizations to invest in AI-driven security solutions that can safeguard their operations. Economic pressures are leading companies to seek cost-saving measures, but without compromising their focus on innovation. To navigate these complexities, businesses should consider working closely with technology advisors who can provide expert guidance on selecting the right technologies and ensuring a clear return on investment. By making informed, strategic decisions, businesses can not only meet today's challenges but also position themselves for long-term success in an evolving digital landscape.

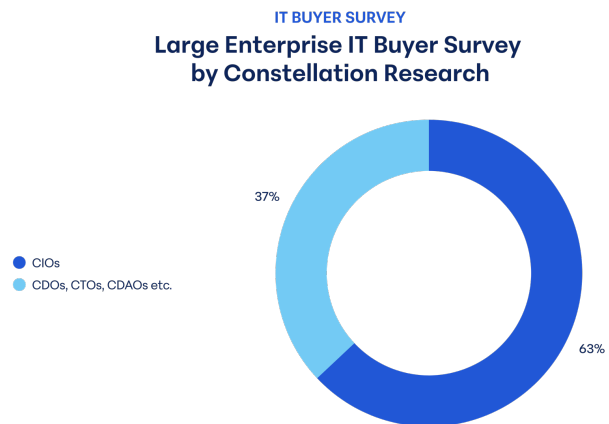




# Survey Methodology & Demographics

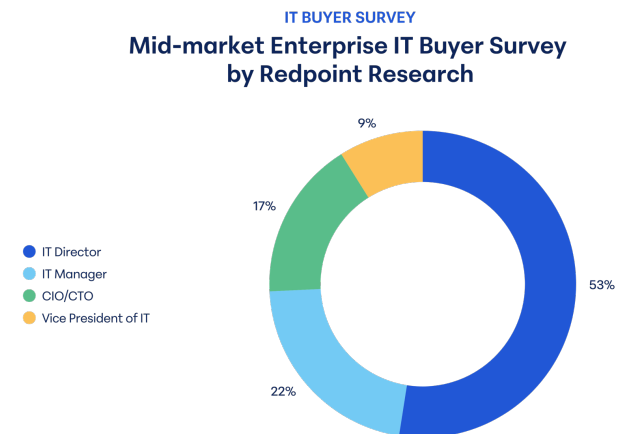
This report was commissioned by Telarus and conducted by two independent research firms. Constellation Research's large enterprise survey consisted of their elite Business Transformation 150 annual inductees of top global digital IT executives (CXOs).

Redpoint Research surveyed a panel of mid-market enterprise IT decision-makers, as well as technology advisors from Telarus' database of multi industry partners serving US-based SMB, mid-market, and enterprise companies. All three studies were administered in May 2024.



## Large Enterprise IT Buyer Survey by Constellation Research

- 152 respondents: Constellation BT150 panel of Fortune 500 and Global 2000 CXOs. 63% were CIOs, the remainder an equal mix of CDOs, CTOs, CDAOs, etc.
- Company size: 1000+ employees
- Majority US-based
- Survey conducted at 92% confidence, +/- 4% margin of error



## Mid-market Enterprise IT Buyer Survey by Redpoint Research

- 268 respondents: 53% IT Director, 22% IT Manager, 17% CIO
- CTO, 9% Vice President of IT
- Company size: 250-1000 employees
- US-based
- Survey conducted at 95% confidence, +/- 5% margin of error



## About Telarus

Telarus, a premier global technology services distributor, has devoted over two decades to driving technology advisor impact and growth through deep market insights and experience, a partnership focus, and a comprehensive set of services, solutions, and tools. With a focus on collaboration with advisors and suppliers, Telarus enables technology advisors to source, purchase, and implement the right technology for the greatest impact.

**[www.telarus.com](http://www.telarus.com)**

### Sources:

1. Constellation Research 2024 data
2. Statista. *Statista: Estimated annual cost of cybercrime in the United States from 2017 to 2028*. 17 July 2023. <<https://www.statista.com/forecasts/1399040/us-cybercrime-cost-annual>>
3. Hill, Emily. *Gartner's 2024 IT Forecast: The GenAI Revolution Sparks Spending Surge*. <<https://nationalcioreview.com/articles-insights/business/gartners-2024-it-forecast-the-genai-revolution-sparks-spending-surge/>>