STRATEGIC PRIORITIES FOR TODAY'S IT LEADERS

2020 IT OPERATIONS
SURVEY RESULTS REPORT

Kaseya®

INTRODUCTION

For over five years, Kaseya has surveyed IT professionals from small and midsize companies about their IT maturity, challenges and priorities. Since the survey has traditionally generated responses from IT professionals with a wide range of responsibilities, we decided to conduct our survey in a way that enabled us to ask questions more aligned to their knowledge and skill sets.

While some questions were directed to all respondents, IT Leaders (those who identified as IT directors or above) were asked about how they spend their IT budgets and organize their teams while while IT Practitioners — those IT managers and technicians working with technology day in and day out — were asked more tactical, technical questions.

As a result, we are publishing two reports this year—this one, which focuses on **Strategic Priorities for IT Leaders**, and a second report on **Technical Priorities for IT Practitioners**.

In addition, since the survey took place in July this year, we were able to ask a couple of questions about the impact of the COVID-19 pandemic on IT teams and their budgets. Many organizations this year had to undergo a digital transformation due to their businesses shifting to a purely digital presence or conducting business unexpectedly in ways that rely on technology. Schools all over the world switched to remote learning, medical professionals adapted by providing telehealth services, restaurants moved to strict online ordering, and employees in many organizations shifted to full-time remote work.

We're sure you'll find the data we've gathered in our report quite interesting.

Read on to learn more about the key priorities, challenges and budget allocations of your peers in small and midsize businesses (SMBs).

KEY FINDINGS

1. Security and Reducing IT Costs Remain Top Priorities for 2021

IT priorities have remained constant for our IT Leader respondents over the last several years.

- For nearly 60 percent of respondents, ''Improving security'' takes precedence over all other priorities.
- "Reducing IT costs" is the second highest priority according to 41 percent of respondents, which is a marked increase from 2019.
- "Delivering higher service levels" took the third spot with 39 percent of respondents citing it as a top priority.

2. Cybersecurity and Data Protection Tops Challenges IT Departments Face

Cybersecurity challenges are prevalent in 2020 as well.

- More than half of the IT Leader respondents (53 percent) pointed to "Cybersecurity and data protection" as the top challenge their IT department currently faces.
- IT budget constraints, which seem to be plaguing 34 percent of IT Leaders, took the second spot.
- About 28 percent of IT Leaders agreed that long-term support for remote work is another major challenge, especially as a remote work becomes the long-term norm.

3. IT Budgets to Stay Flat or Increase in 2021 for More Than Two-Thirds of Respondents

- More than a third (37 percent) of the IT Leader respondents anticipate their IT budgets will stay the same in 2021 as compared to 2020.
- However, over a third (36 percent) also said they expect their budget will increase.

This illustrates the critical importance of IT to businesses in today's economic environment.

4. Business Growth a Top Driver for Increase in IT Budgets for 2021

- Business growth is the top factor influencing the increase in IT budgets in 2021 despite the impact the COVID-19 pandemic, which has led to a challenging economic climate for many businesses.
- "Updating outdated IT infrastructure" and "Innovation and strategic initiatives" are also driving an increase in IT budgets for 2021.

5. IT Automation Tops the List of Technologies Companies Will Invest in for 2021

- IT automation is a critical need for SMBs, with the majority of the IT Leaders (about 60 percent) saying that they will invest in IT automation in 2021.
- Data science and analytics as well as AI and machine learning are the other top technologies SMBs will be investing in.

IT automation plays a huge role in the digital transformation journey of an organization, making it a strategic priority in addition to it being a technical one. For IT Leaders to implement real transformation, they will have to re-evaluate their entire workflows and processes, and then automate them for better efficiency.

Our Respondents

IT Leader respondents from the North America region make up the bulk of our respondents (about 91 percent) while about 7 percent come from Europe, Middle East and Africa (EMEA) and the remainder come from Asia Pacific (APAC).

1% APAC

91% North America

7% EMEA
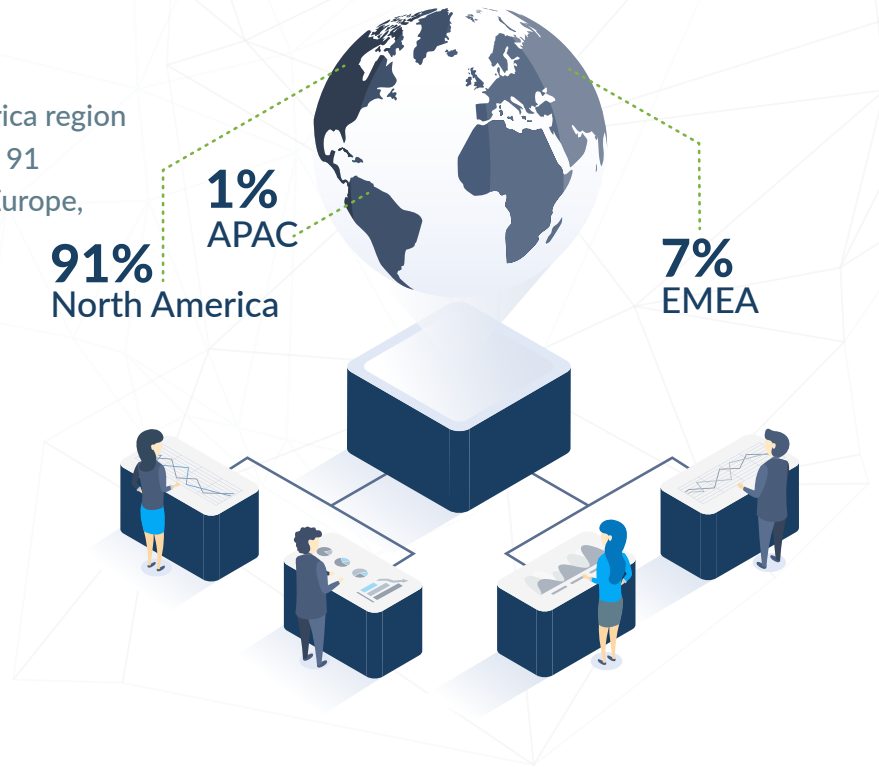
Our IT Leader respondents represent a broad range of industries; 14 percent come from financial services, 13 percent work in education, 12 percent in healthcare and 11 percent are from the technology industry.

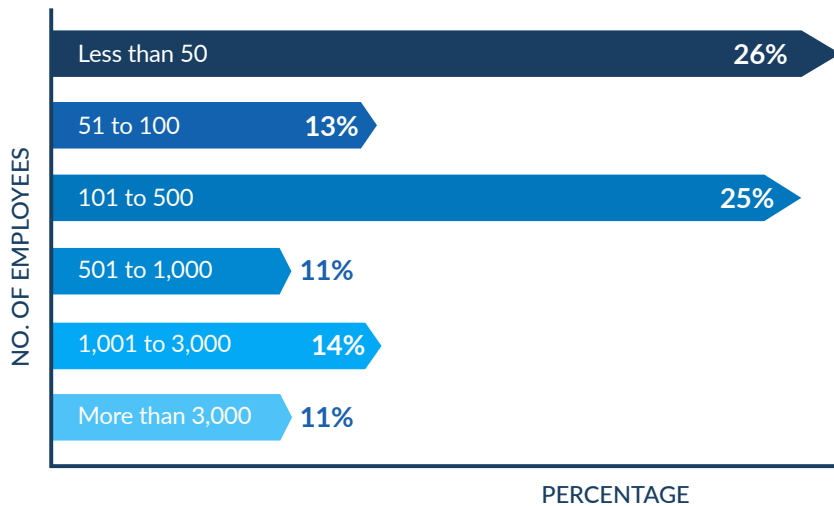|	
▶▶ Financial services	14%
▶▶ Education	13%
▶▶ Healthcare	12%
▶▶ Technology (e.g., software, hardware)	11%
▶▶ IT managed service provider	10%
▶▶ Professional services	9%
▶▶ Manufacturing	6%
▶▶ Government/public sector	4%
▶▶ Retail	4%
▶▶ Other	18%

Among the IT Leader respondents, almost half are directors of IT, about one-third are heads of technology or C-level executives, and 8 percent are vice presidents.

Director of IT	**47%**
Head of Technology or C-level IT Executive	**27%**
Vice President	**8%**
Other	**18%**

COMPANY SIZE AND ENDPOINTS MANAGED

The company size of the respondents varied. About 36 percent of the IT Leaders come from companies having 100 to 1,000 employees, 14 percent come from companies with 1,001 to 3,000 employees and 11 percent come from companies having more than 3,000 employees.

NO. OF EMPLOYEES

Less than 50	**26%**
51 to 100	**13%**
101 to 500	**25%**
501 to 1,000	**11%**
1,001 to 3,000	**14%**
More than 3,000	**11%**

PERCENTAGE

IT teams also vary in size in these organizations. Two-thirds of IT Leader respondents have fewer than 10 IT staff members in their organizations while only about one-fifth have between 20 and 50 IT employees. Interestingly, a significant percentage (14 percent) of IT Leader respondents have an IT staff of more than 50 people.

65% 0 - 10

10% 11 - 20

5% 21 - 30

2% 31 - 40

4% 41 - 50

14% More than 50
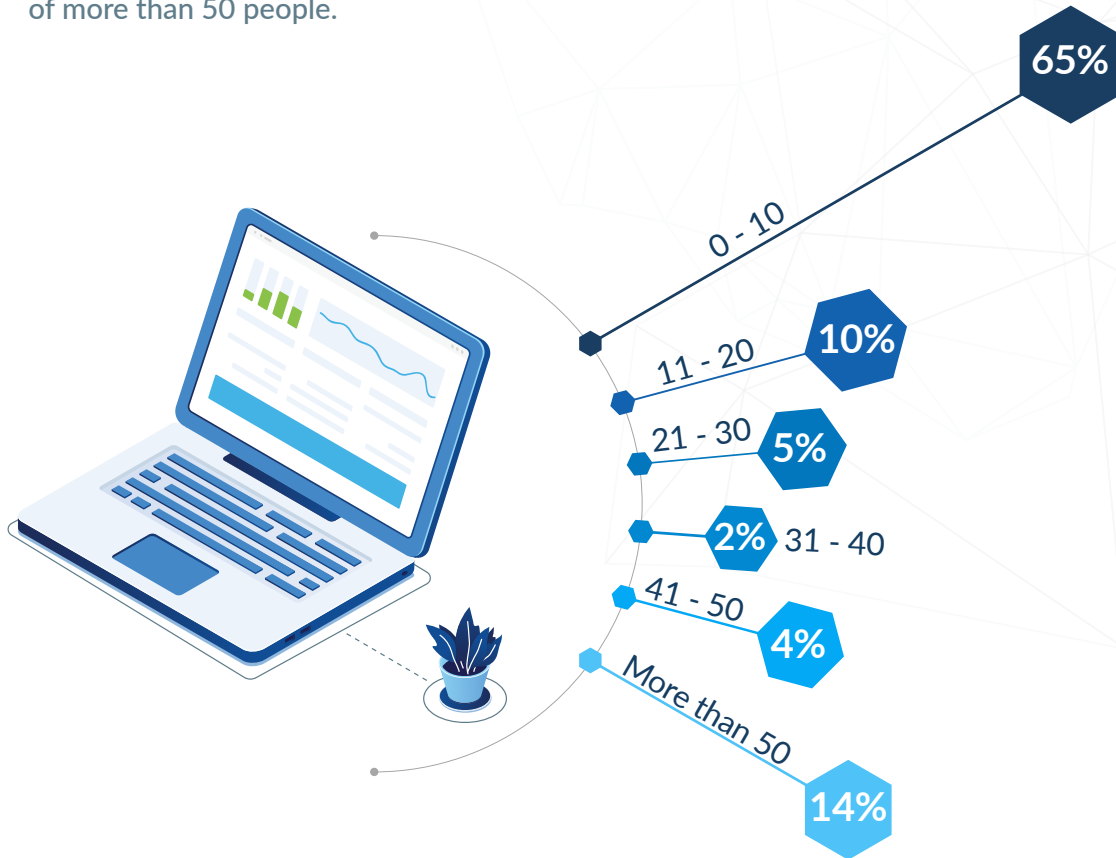
One-third of IT Leader respondents manage more than 1,000 endpoints while nearly 41 percent said their IT team manages 100 to 1,000 endpoints.

No. of endpoints managed

15%	13%	27%	14%	18%	6%	7%
Less than 50	51 to 100	101 to 500	501 to 1,000	1,001 to 3,000	3,001 to 5,000	More than 5,000

Percentage of Respondents
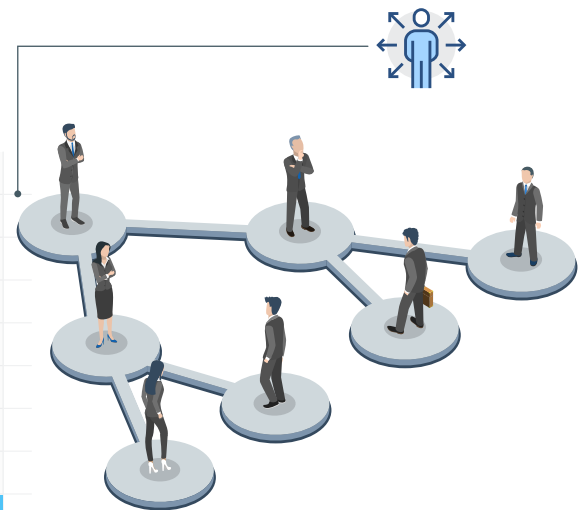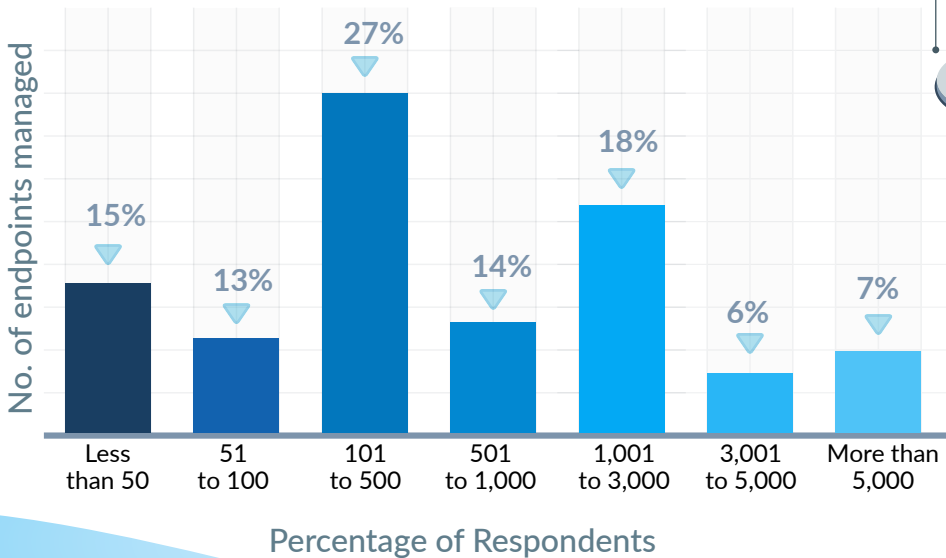
As the table below illustrates, there is a correlation between the size of the IT staff in an organization and the number of endpoints managed. Curiously enough, the segment depicting between 1,001 and 3,000 endpoints has a very broad distribution compared to the size of the IT team.

IT Operations Staff	No. of endpoints						
	Less than 50	51 to 100	101 to 500	501 to 1,000	1,001 to 3,000	3,001 to 5,000	More than 5,000
Less than 10	92%	91%	88%	66%	36%	5%	0%
11 - 20	6%	5%	3%	17%	22%	11%	4%
21 - 30	2%	2%	1%	4%	10%	21%	12%
31 - 40	0%	0%	2%	0%	3%	11%	0%
41 - 50	0%	0%	2%	11%	5%	0%	12%
More than 50	0%	2%	3%	2%	24%	53%	72%

Almost one-quarter of the organizations that manage 1,001 to 3,000 endpoints identify as being part of the education sector, 17 percent of them are in the healthcare industry and about 8 percent belong to the financial services sector.

IT Operations Staff	Organizations With 1,000 to 3,000 Endpoints									
	Education	Financial services	Healthcare	IT managed service provider	Retail	Technology (e.g., software, hardware)	Manufacturing	Government/ Public Sector 1	Professional Services	Other (please specify)
Less than 10	14%	5%	5%	5%	2%	3%	0%	0%	0%	2%
11 - 20	5%	0%	5%	3%	2%	0%	7%	0%	0%	0%
21 - 30	2%	0%	2%	0%	2%	2%	0%	0%	0%	3%
31 - 40	0%	2%	0%	0%	0%	0%	0%	0%	0%	2%
41 - 50	0%	2%	0%	2%	0%	0%	0%	2%	0%	0%
More than 50	5%	0%	5%	5%	2%	0%	0%	2%	3%	2%
Total	25%	8%	17%	15%	7%	5%	7%	4%	3%	9%

IT RESOURCES ALLOCATION

Most IT Leader respondents have allocated less than 10 percent of resources to various areas of IT. However, the results indicate a certain section of respondents allocating more resources to IT security and IT support.

Nearly half of IT Leader respondents have allocated 11 percent to 30 percent of resources to IT support and help desk while one-quarter have allocated another 11 percent to 30 percent to IT security.

Percentage of team resources allocated	Backup & disaster recovery	Business application management	Cloud infrastructure management	Data center operations	IT security
Less than 10%	90%	60%	80%	86%	73%
11% - 20%	7%	22%	12%	10%	19%
21% - 30%	2%	10%	4%	3%	7%
31% - 40%	0%	3%	1%	0%	0%
41% - 50%	0%	2%	1%	0%	1%
More than 50%	0%	3%	1%	0%	0%

Nearly half of IT Leader respondents have allocated

11%

to >> **30**%

of resources to **IT support** and **help desk** while one-quarter have allocated another

11%

to >> **30**%

to IT security.

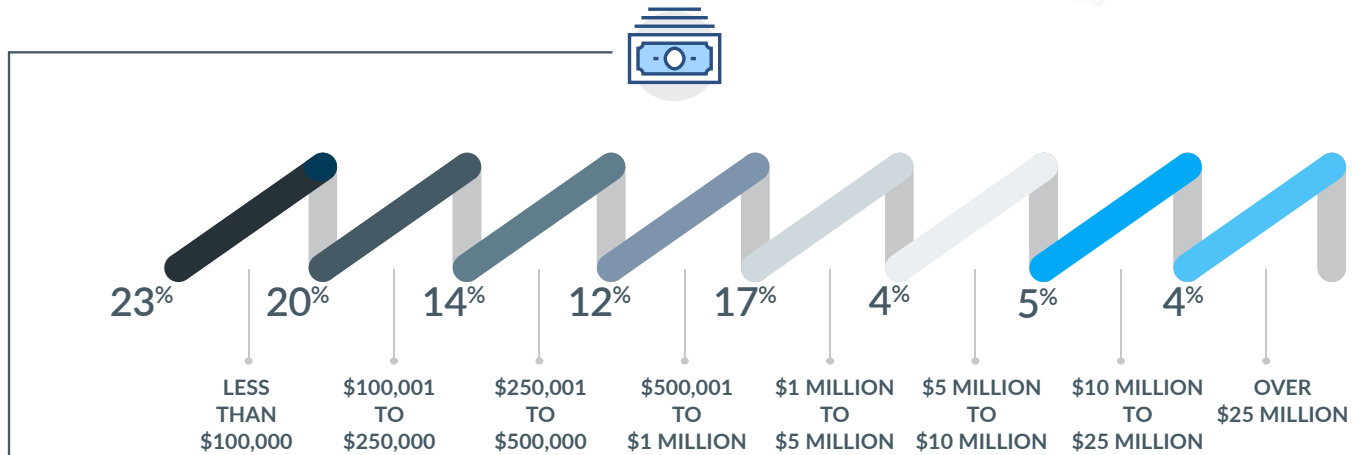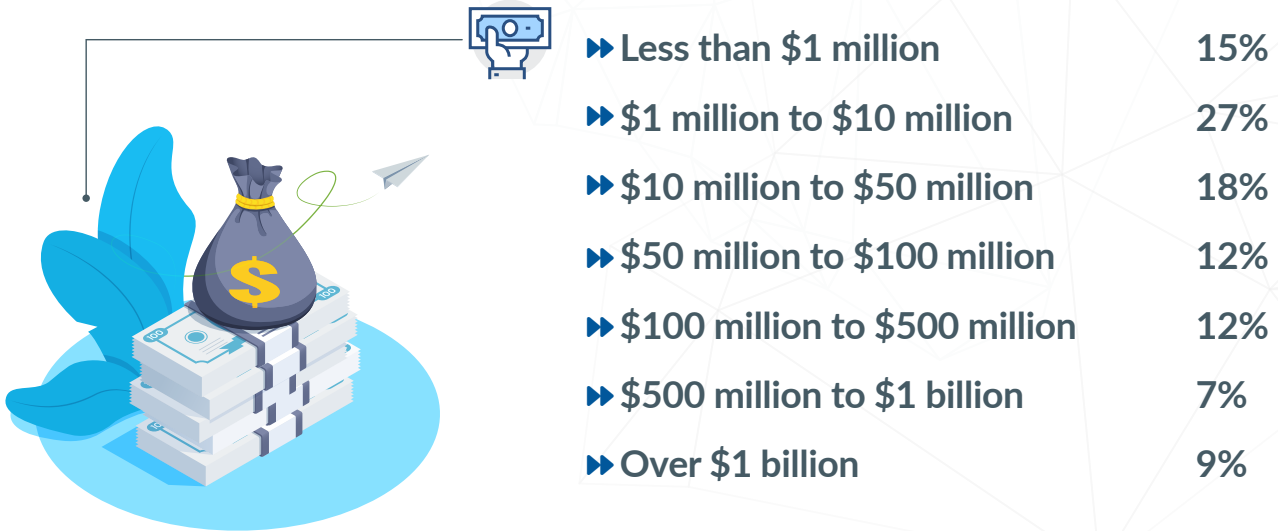| Percentage of team resources allocated	IT support/ help desk	Network management	Productivity and collaboration tools (e.g., Office 365 or G Suite)	Server management (including software deployment and patching)	Desktop management (including software deployment and patching)
Less than 10%	42%	84%	78%	84%	81%
11% - 20%	28%	12%	15%	13%	14%
21% - 30%	16%	4%	4%	2%	2%
31% - 40%	9%	0%	1%	0%	0%
41% - 50%	3%	0%	1%	1%	1%
More than 50%	2%	0%	1%	0%	0%

SUPPORT TICKETS GENERATED

The average number of support tickets generated per end user, per month is four or fewer for nearly half of the IT Leader respondents. One-quarter of IT Leader respondents said that their company sees between five and 10 tickets generated per user, per month.


▶▶ 0 to 4	48%
▶▶ 5 to 7	19%
▶▶ 8 to 10	7%
▶▶ Over 10	11%
▶▶ I don't know	14%

COMPANY REVENUE AND BUDGETS

About 27 percent of the IT Leader respondents see annual company revenue that ranges from $1 million to $10 million. Here is a breakdown of company revenue for IT Leader respondents.

▶▶ Less than $1 million	15%
▶▶ $1 million to $10 million	27%
▶▶ $10 million to $50 million	18%
▶▶ $50 million to $100 million	12%
▶▶ $100 million to $500 million	12%
▶▶ $500 million to $1 billion	7%
▶▶ Over $1 billion	9%

23%	20%	14%	12%	17%	4%	5%	4%
LESS THAN $100,000	$100,001 TO $250,000	$250,001 TO $500,000	$500,001 TO $1 MILLION	$1 MILLION TO $5 MILLION	$5 MILLION TO $10 MILLION	$10 MILLION TO $25 MILLION	OVER $25 MILLION

More than one-quarter (26 percent) of IT teams spend between $250,000 and $1 million on IT. Nearly 17 percent spend between $1 million and $5 million while 13 percent spend more than $5 million on IT. Historically, businesses spend between 2 percent and 5 percent of revenue on IT.[1]
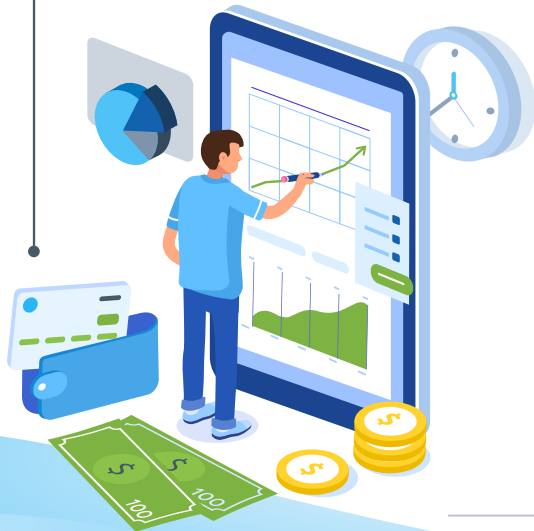
DECISION MAKERS IN THE COMPANY

Generally, buying decisions in organizations involve more than one person. IT departments are no exception to this, particularly when large purchases are in play.

When it comes to IT purchases, nearly three-quarters of IT Leader respondents said two or three people are involved in purchase decisions for expenditures over $20,000. Larger organizations, of course, typically involve more people in the buying process.

1	2	3	4	5	More than 5
9%	32%	37%	9%	8%	6%
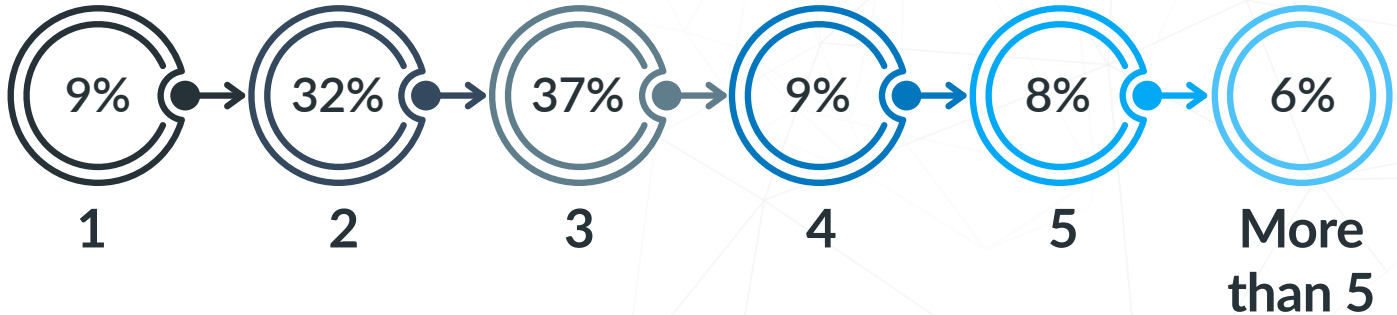
PRIMARY FINANCIAL DECISION MAKER FOR IT PURCHASES

Among IT Leader respondents, the buck for IT financial decision-making responsibilities stops largely with C–level executives.

▶▶ C-level	47%
▶▶ VP-level	22%
▶▶ Director-level	29%
▶▶ Manager-level	2%

C-level executives do not operate in a vacuum though. When asked about the roles involved in IT purchasing, the director of IT also has a hand in making IT purchasing decisions for more than two-thirds of IT Leader respondents.

▶▶ **C-level Executives**	**70%**
▶▶ **Vice President of IT**	**33%**
▶▶ **Director of IT**	**68%**
▶▶ **IT Manager/Supervisor**	**21%**
▶▶ **System Administrator or IT technician**	**17%**
▶▶ **Other**	**5%**

TOP IT LEADER PRIORITIES FOR 2021

As businesses acclimate and adapt to the impact of the COVID-19 pandemic, IT priorities remain consistent between 2019 and 2020 for IT Leader respondents. IT Leaders continue to prioritize cybersecurity for their organizations. One factor that contributed to prioritizing cybersecurity in 2020 is the rise in remote employees because of the pandemic.

Reducing IT costs takes second position among top priorities, with many IT Leaders facing the prospect of flat or reduced budgets and increased demand for IT services. Delivering higher service levels follows close behind in third position.

Chart

	2020	2019
IMPROVING IT SECURITY OVERALL	58%	57%
REDUCING IT COSTS	41%	35%
DELIVERING HIGHER SERVICE LEVELS/IT SERVICE AVAILABILITY	39%	24%

Legend:
— 2020
— 2019

2020

▶▶ Improving IT security overall	58%
▶▶ Reducing IT costs	41%
▶▶ Delivering higher service levels/IT service availability	39%
▶▶ Supporting your company's business innovation initiatives	36%
▶▶ Increasing IT productivity through automation	34%
▶▶ Cloud migration (e.g., IaaS, PaaS, or SaaS)	32%
▶▶ Compliance reporting	18%
▶▶ Implementing big data or data science and analytics	17%
▶▶ Supporting mobile devices and BYOD	16%
▶▶ Reducing unplanned downtime and disruptions	13%
▶▶ Improving help desk KPIs (such as MTTR, first contact resolution and ticket volume)	13%
▶▶ Outsourcing some core IT functions	6%
▶▶ Other	6%

CHALLENGES IT LEADERS CURRENTLY FACE

Managing IT departments has never been more challenging since the onslaught of the COVID-19 pandemic. Over the past few months, IT Leaders all over the world have been putting out proverbial IT fires, managing sudden shifts to a remote workforce, implementing digital transformations overnight and making sure their businesses are able to adjust to the new economic environment.

The switch to remote work brought with it increased cybersecurity risk due to employees working on less secure home networks. The complexities that come with patching software on remote, off-network computers introduced additional challenges for some organizations. When queried about the top three challenges their IT departments are currently facing, more than half of the IT Leader respondents cited "Cybersecurity and data protection" as their top challenge.

About one-third of respondents are concerned about having inadequate IT budgets or resources to meet demands while 28 percent are apprehensive about supporting a remote workforce long term. The concern with inadequate IT budgets and resources is consistent with the IT cost reduction priority and again indicates that IT teams are facing increased demand for services.

53% CYBERSECURITY AND DATA PROTECTION	34% NOT ENOUGH IT BUDGET OR RESOURCES TO MEET DEMANDS	28% SUPPORTING A REMOTE WORKFORCE LONG TERM

2020

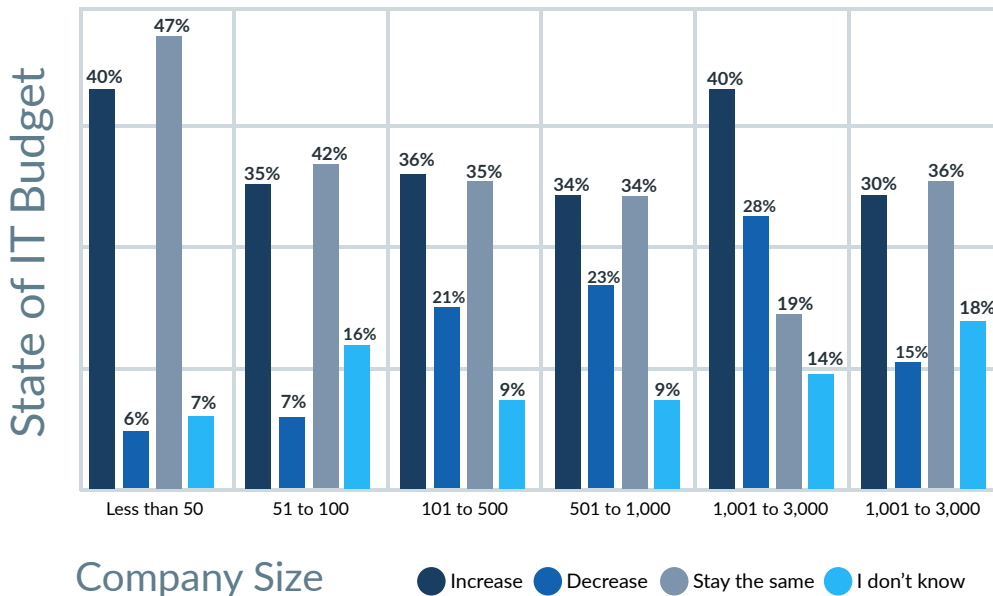|	
▶▶ Cybersecurity and data protection	53%
▶▶ Not enough IT budget or resources to meet demands	34%
▶▶ Supporting a remote workforce long term	28%
▶▶ Managing cloud resources and costs	21%
▶▶ Process and documentation planning and improvement	21%
▶▶ Capacity and speed of network infrastructure	21%
▶▶ Meeting compliance requirements	20%
▶▶ Legacy systems hampering growth and innovation	20%
▶▶ Growing employee base to support	16%
▶▶ Increasing storage demands	14%
▶▶ Downtime and service outages	14%
▶▶ Inability to support strategic business initiatives	13%
▶▶ Changing backup and disaster recovery requirements	11%
▶▶ New technician onboarding and ramp up	8%
▶▶ Other	5%

IT BUDGETING IN 2021

In May 2020, industry research firm Gartner predicted that worldwide IT spending would fall by 8 percent for the year compared to the 1 percent rise it calculated for 2019.[2] However, our survey results indicate most IT Leader respondents expect their IT budgets to either stay flat or increase in 2021.

11% — I DON'T KNOW

36% — INCREASE

16% — DECREASE

37% — STAY THE SAME
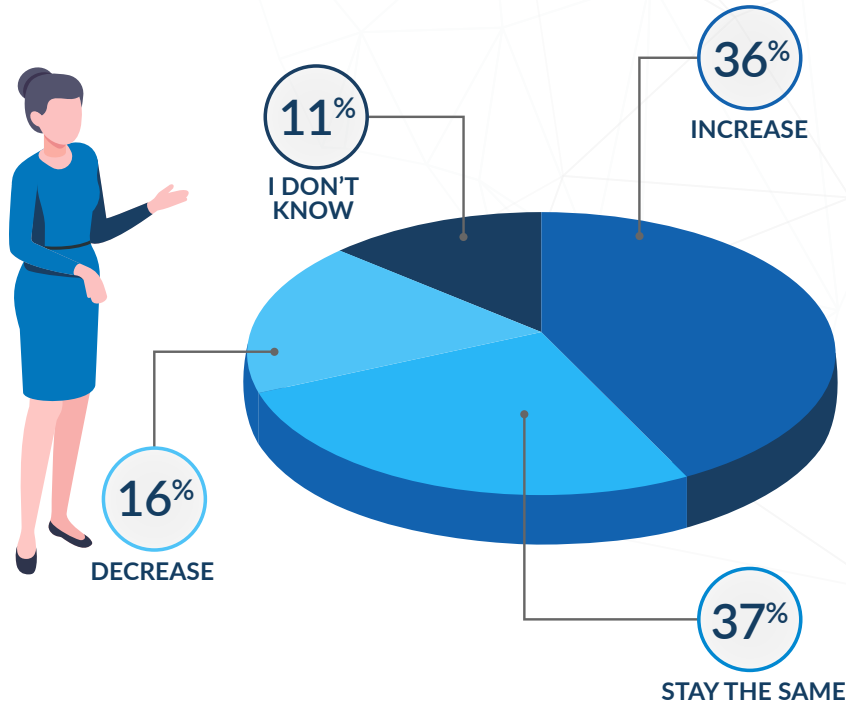
Interestingly, IT Leader respondents from smaller companies (less than 50 employees), are the least likely to see a budget decrease in 2021. Only about 6 percent of the respondents in the sub-50 size range anticipate a budget decrease in 2021; 40 percent expect to see an increase.

State of IT Budget

Company Size	Increase	Decrease	Stay the same	I don't know
Less than 50	40%	6%	47%	7%
51 to 100	35%	7%	42%	16%
101 to 500	36%	21%	35%	9%
501 to 1,000	34%	23%	34%	9%
1,001 to 3,000	40%	28%	19%	14%
1,001 to 3,000	30%	15%	36%	18%

Company Size

● Increase ● Decrease ● Stay the same ● I don't know

FACTORS DRIVING INCREASE IN IT BUDGET IN 2021

The COVID-19 pandemic has not only affected the global economy but also day-to-day business cash flows. Many businesses were forced to shut down and jobs were lost in numerous verticals. However, quite a few businesses in the survey have not only stayed afloat, but, as we noted previously, are also anticipating an increase in their IT budgets in 2021 despite the economic impact of the pandemic.

When asked about the factors that may contribute to the increase in their 2021 IT budget, about one-third of the IT Leader respondents cited "Business growth" as a top factor.

"Updating outdated IT infrastructure" is also driving budget increases in 2021, with "Innovation and strategic initiatives" coming in third place.
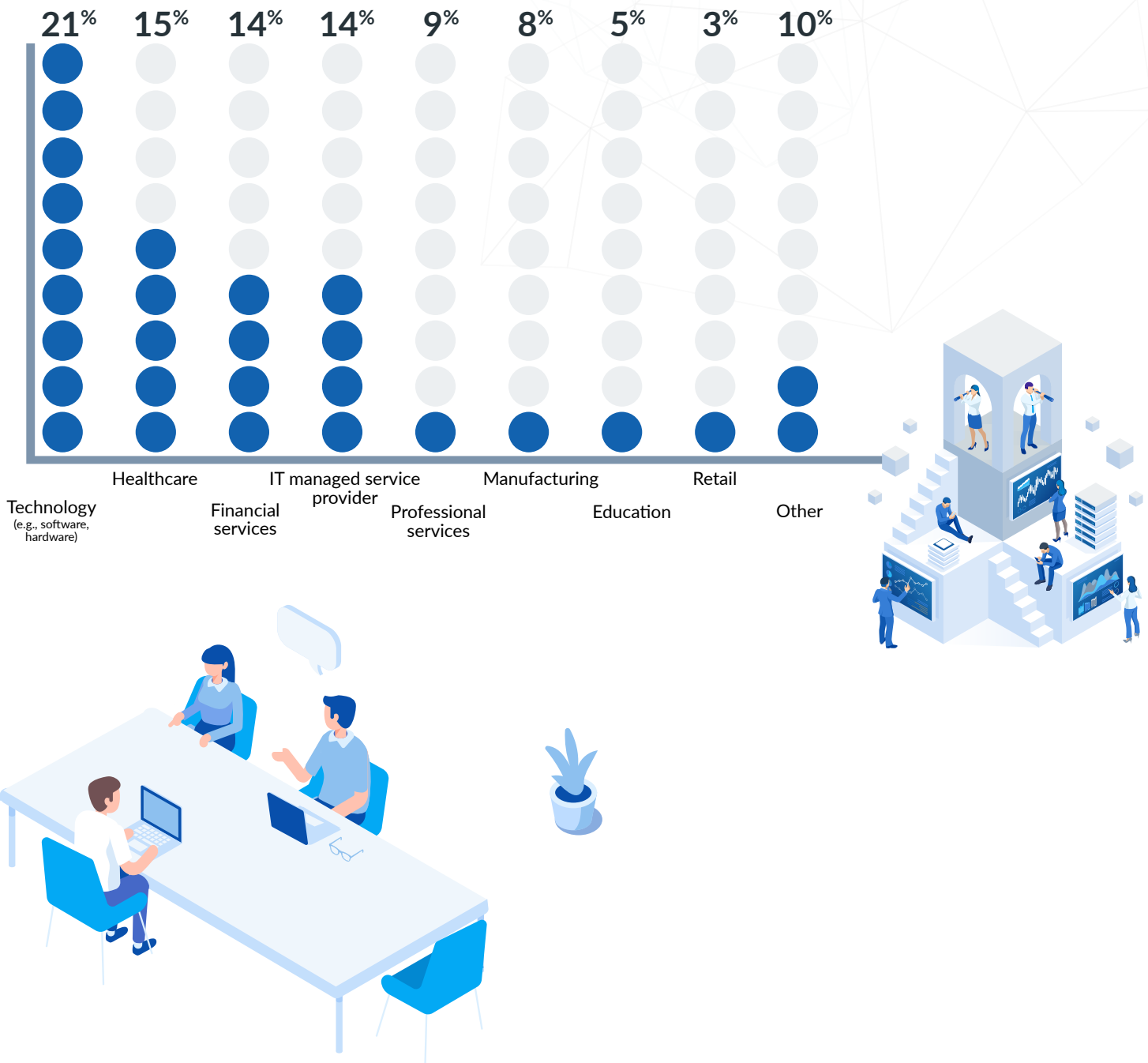
Surprisingly, "Digital transformation" and "Remote workforce transition" take the fourth and fifth spots among the various drivers.

▶▶ Business growth	27%
▶▶ Updating outdated IT infrastructure	18%
▶▶ Innovation and strategic Initiative(s)	16%
▶▶ Digital transformation	13%
▶▶ Remote workforce transition	13%
▶▶ Regulatory compliance	12%
▶▶ Security incidents or concerns	10%
▶▶ Competitive pressure	5%
▶▶ Other	2%

Among the IT Leader respondents that cited business growth as the top factor contributing to the increase in IT budgets, more than one-fifth belong to the technology sector, a healthy 15 percent belong to the healthcare sector and 14 percent identified as being part of the financial services sector. Here again we see that the technology sector is thriving in the current economic environment.

Now more than ever, businesses are dependent on technology and the IT teams that support them, to survive and to thrive.

21%	15%	14%	14%	9%	8%	5%	3%	10%

Technology (e.g., software, hardware)   Healthcare   Financial services   IT managed service provider   Professional services   Manufacturing   Education   Retail   Other
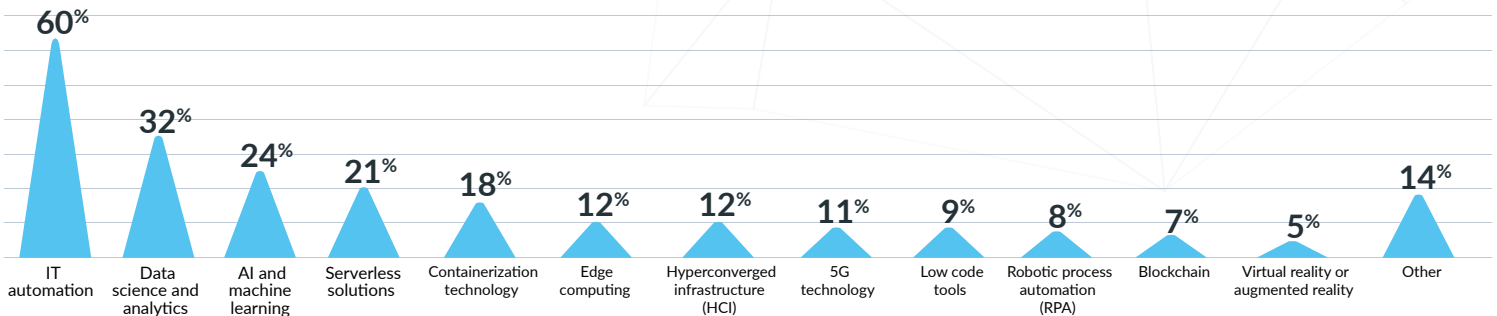
TECHNOLOGIES IT LEADERS WILL INVEST IN IN 2021

Information technology has transformed the way companies carry out their business operations. Investing in technology has assumed critical importance, as evidenced throughout 2020 with businesses shifting to remote and hybrid operations. At the same time, many companies are looking for ways to do more with less.

When asked about the technologies IT Leaders are planning to invest in for 2021, the majority of respondents (60 percent) stated that they expect to invest in "IT automation." IT automation is a primary strategy for doing more with less. As previously noted in the IT priorities section, about one-third of IT Leader respondents are looking to increase their IT productivity through IT automation.

IT Leaders are also planning to invest in "Data science and analytics" and "AI and machine learning," with 32 percent and 24 percent of respondents respectively looking to these technologies for 2021.

Technology	Percentage
IT automation	60%
Data science and analytics	32%
AI and machine learning	24%
Serverless solutions	21%
Containerization technology	18%
Edge computing	12%
Hyperconverged infrastructure (HCI)	12%
5G technology	11%
Low code tools	9%
Robotic process automation (RPA)	8%
Blockchain	7%
Virtual reality or augmented reality	5%
Other	14%

2021 IT Priorities

Priority	Percentage
▸▸ Improving IT security overall	58%
▸▸ Reducing IT costs	41%
▸▸ Delivering higher service levels/IT service availability	39%
▸▸ Supporting your company's business innovation initiatives	36%
▸▸ Increasing IT productivity through automation	34%
▸▸ Cloud migration (e.g., IaaS, PaaS, or SaaS)	32%
▸▸ Compliance reporting	18%
▸▸ Implementing big data or data science and analytics	17%
▸▸ Supporting mobile devices and BYOD	16%
▸▸ Reducing unplanned downtime and disruptions	13%
▸▸ Improving help desk KPIs (such as MTTR, first contact resolution and ticket volume)	13%
▸▸ Outsourcing some core IT functions	6%
▸▸ Other	6%

CLOUD SPENDING IN 2021

Cloud migration for software-as-a-service (SaaS), infrastructure-as-a-service (IaaS) or platform-as-a-service (PaaS) is a top priority for about one-third of our IT Leader respondents this year.

Furthermore, more than one-third of IT Leader respondents are looking to increase spending on SaaS applications in 2021 while more than one-quarter say they will increase spending on IaaS.
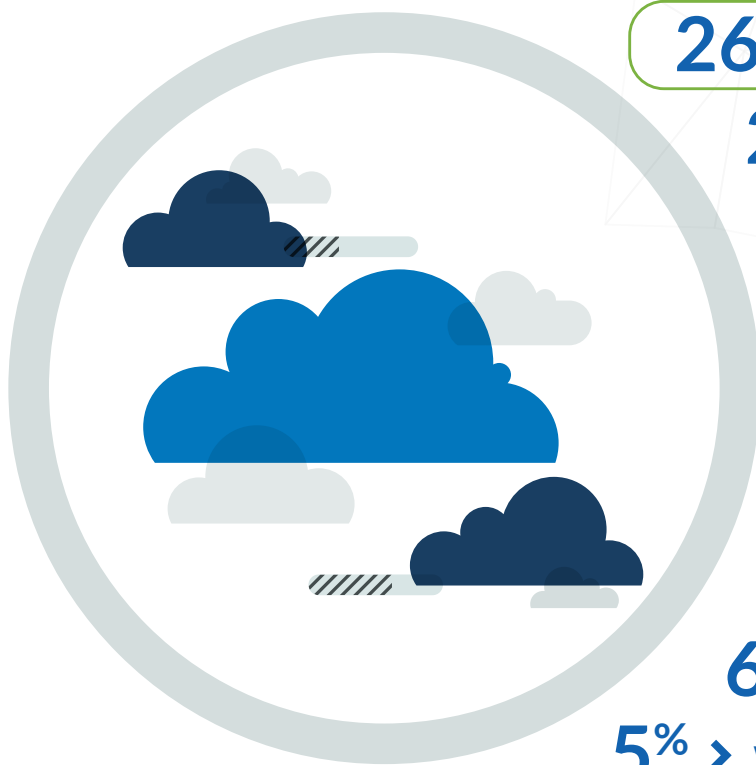
26% ❯ Our spend on IaaS will increase

28% ❯ Our spend on IaaS will stay the same

7% ❯ Our spend on IaaS will decrease

13% ❯ We don't spend any money on IaaS

35% ❯ Our spend on SaaS will increase
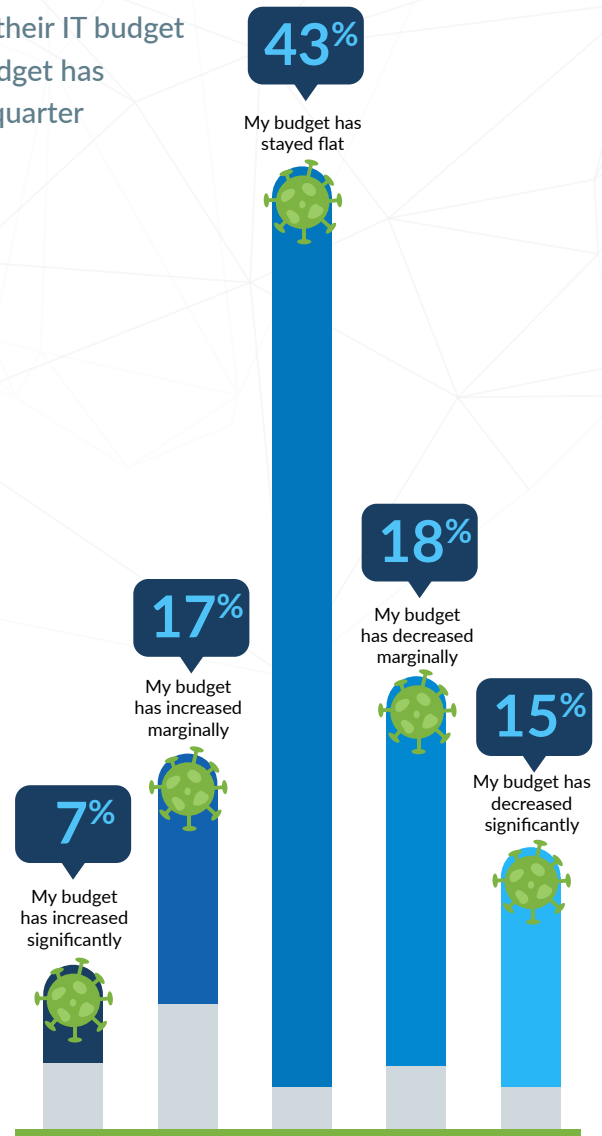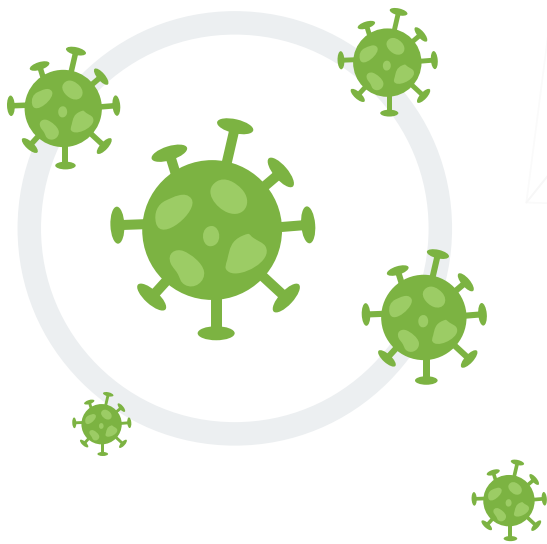
22% ❯ Our spend on SaaS will stay the same

6% ❯ Our spend on SaaS will decrease
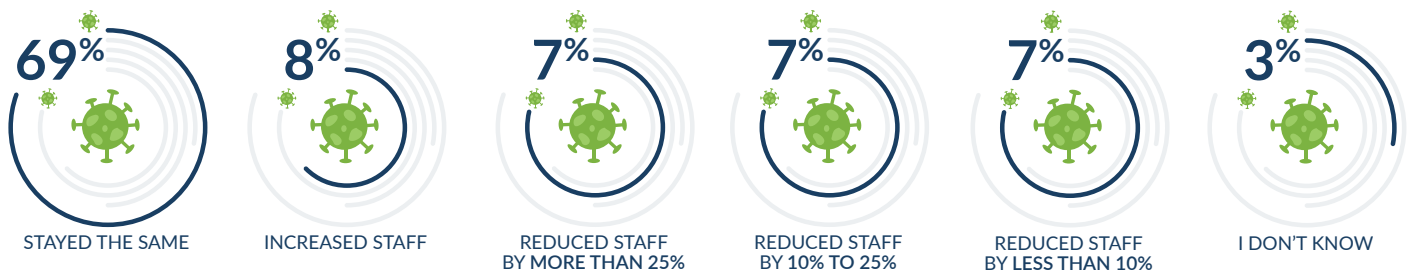
5% ❯ We don't spend any money on SaaS

10% ❯ I don't know

IMPACT OF COVID-19 ON IT BUDGET AND STAFFING

When asked about how the COVID-19 pandemic has affected their IT budget in 2020, 43 percent of IT Leader respondents said that their budget has stayed the same, one-third said that it has decreased and one-quarter said that it has increased.

43% My budget has stayed flat

17% My budget has increased marginally

18% My budget has decreased marginally

15% My budget has decreased significantly

7% My budget has increased significantly

Resources and staffing do not seem to have taken a significant hit despite the pandemic, with nearly 70 percent of the IT Leaders stating that IT staffing in their companies has remained the same. This again illustrates the critical importance of IT to businesses today.

69% STAYED THE SAME

8% INCREASED STAFF

7% REDUCED STAFF BY MORE THAN 25%

7% REDUCED STAFF BY 10% TO 25%

7% REDUCED STAFF BY LESS THAN 10%

3% I DON'T KNOW

IT BUDGET ALLOCATION IN 2020

IT priorities boil down to where budgets ultimately flow, and among IT Leader respondents, budgets are distributed among various areas of IT fairly evenly. Around half of the IT Leader respondents allocate less than 10 percent of their IT budget to cloud, installed software, end-user hardware, managed service provider (MSP) services, SaaS applications and server technology.

IT staffing gets the highest budget allocation, with nearly half of the IT Leader respondents saying they allocate 11 percent to 30 percent of their budget to staffing.

Percentage of IT budget allocated	Cloud – IaaS (public, private, hybrid)	End-user hardware (e.g., desktops, laptops, tablets, or mobile devices)	Installed software	IT staff	Managed service provider services	SaaS applications	Server technology (e.g., servers, storage, server backup, UPS, or hyper-converged infrastructure)
Less than 10%	53%	45%	57%	13%	62%	55%	54%
11% - 20%	23%	29%	30%	27%	24%	32%	26%
21% - 30%	11%	15%	10%	21%	8%	5%	13%
31% - 40%	4%	5%	1%	18%	3%	3%	3%
41% - 50%	5%	3%	2%	13%	3%	2%	2%
More than 50%	4%	3%	0%	8%	1%	2%	1%

IT SECURITY SPENDING

IT security is the top priority and challenge for most organizations worldwide. Consequently, it is unsurprising that more than one-third of IT Leader respondents (34%) say they spend a significant 11 percent to 30 percent of their IT budget on security alone.

▶▶ Less than 10%	58%
▶▶ 11% - 20%	24%
▶▶ 21% - 30%	10%
▶▶ 31% - 40%	2%
▶▶ 41% - 50%	3%
▶▶ More than 50%	3%
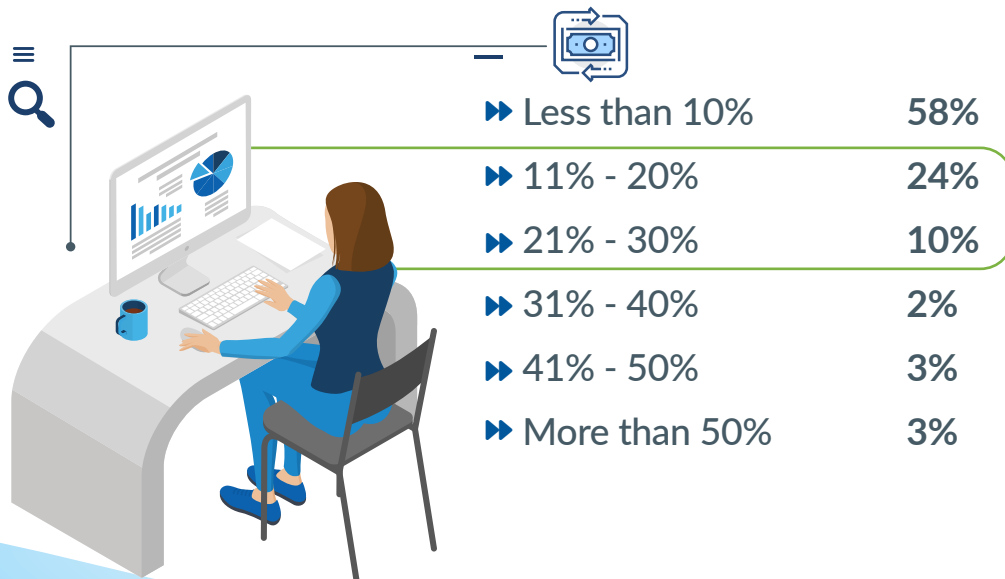
Among the IT Leaders that spend 11 to 30 percent of their IT budget on security, the majority operate in the financial services sector (18 percent) or professional services sector (14 percent). Education (10 percent) and healthcare (10 percent) are also popular industries.

▶▶ **Financial services**	**18%**
▶▶ **Professional services**	**14%**
▶▶ **IT managed service provider**	**13%**
▶▶ **Education**	**10%**
▶▶ **Healthcare**	**10%**
▶▶ **Technology (e.g., software, hardware)**	**7%**
▶▶ **Government/public sector**	**6%**
▶▶ **Manufacturing**	**3%**
▶▶ **Retail**	**2%**
▶▶ **Other**	**18%**

CLOUD BUDGET ALLOCATION

One-quarter of IT Leader respondents allocate more than 40 percent of their cloud budget to business applications while another quarter allocate about 11 percent to 30 percent of their cloud budget to security solutions. Otherwise, cloud budget is fairly evenly distributed across different cloud services, with the majority of respondents spending less than 10 percent in any one area.

Shown below is the cloud budget breakdown for all the respondents.

Cloud budget allocation on a percentage basis	Business applications	Cloud storage	Developer tools	Email hosting	IaaS
Less than 10%	38%	59%	88%	60%	74%
11% - 20%	19%	25%	6%	18%	12%
21% - 30%	13%	9%	3%	11%	7%
31% - 40%	3%	2%	1%	3%	4%
41% - 50%	13%	5%	1%	4%	2%
More than 50%	15%	1%	1%	3%	2%

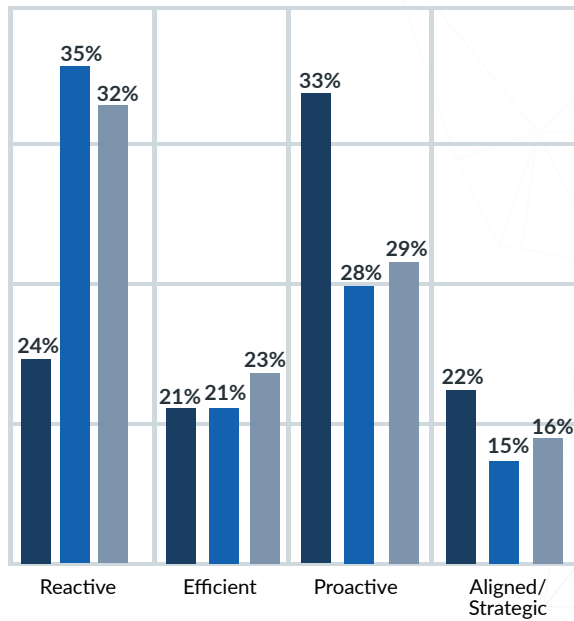| Cloud budget allocation on a percentage basis	IT management	Online backup and recovery	Productivity and collaboration tools	Security solutions	Web hosting	Other	I don't know
Less than 10%	68%	75%	74%	72%	83%	72%	46%
11% - 20%	20%	13%	15%	21%	8%	9%	2%
21% - 30%	5%	9%	8%	4%	5%	9%	0%
31% - 40%	1%	1%	1%	1%	2%	0%	0%
41% - 50%	4%	3%	0%	1%	0%	0%	0%
More than 50%	1%	1%	2%	2%	3%		51%

IT MANAGEMENT CAPABILITIES

In the current economic environment, IT operational maturity is even more critical to the success of the business.

In years past, small and midsize respondents did not report high levels of IT operational maturity, with most taking a largely reactive approach to IT management.

In 2020, however, we see a significant percentage of IT Leader respondents stating that their organizations have a a strategic or aligned (to their goals) approach to IT management.

▶▶ Responsive to individual challenges and requests (Reactive)   **24%**

▶▶ Systematic in our approach to solving known issues and dealing with daily tasks (Efficient)   **21%**

▶▶ Proactive in our approach to IT management, automating repetitive tasks and many remedial actions (Proactive)   **33%**

▶▶ Tracking and managing against service-level agreements (SLAs) or availability/performance expectations (Aligned)   **4%**

▶▶ Achieving IT operational excellence and taking a strategic role in driving business innovation (Strategic)   **18%**

Shown below is a year-on-year comparison of IT operational maturity.

Chart data:

Category	2020	2019	2018
Reactive	24%	35%	32%
Efficient	21%	21%	23%
Proactive	33%	28%	29%
Aligned/Strategic	22%	15%	16%

● 2020   ● 2019   ● 2018

FUNCTIONS OUTSOURCED TO MSPs

Outsourcing certain IT functions to a competent managed service provider (MSP) is often advantageous to budget- and skillset-constrained IT teams. More than half of our IT Leader respondents outsource at least some of their IT needs to an MSP. Almost one-quarter of respondents outsource backup management or network monitoring to MSPs.

Function	%
Backup management	23%
Network monitoring	22%
Cloud infrastructure management	19%
IT security	19%
Patching and software management	13%
Help desk	12%
Endpoint management (e.g., desktops, laptops, and servers)	11%
Compliance reporting	8%
Onboarding or offboarding of users and devices	5%
We do not outsource to an MSP	47%
Other	6%

CONCLUSION

Overall, SMBs seem to be holding their own in managing their businesses through the impact of the COVID-19 pandemic. The pandemic has had minimal impact on the top IT priorities and challenges of IT Leader respondents' companies. As in previous years, IT security remains a top priority and challenge.

While most companies are expecting their IT budgets to grow or remain the same in 2021, they are also looking for ways to reduce costs. A common theme throughout the survey responses is that IT Leaders are embracing IT automation to meet the dual challenges of increased demand for IT services and cost cutting. An endpoint management solution with advanced IT automation capabilities is critical to achieving these goals.

Another top priority is improving IT service levels and service availability. Here, again, having the right IT management tools for remote monitoring and management of endpoints and troubleshooting of IT incidents is a key requirement.

Efficient IT operations are possible only when you have the best people, processes and IT management solutions in place to meet all your IT needs.

Kaseya's comprehensive suite of solutions — IT Complete, enables small and midsize businesses to operate at peak efficiency, with lower IT operating costs, while delivering higher quality IT services.

VISIT THE WEBSITE TO LEARN MORE.

OR REQUEST A FREE DEMO OF KASEYA VSA.

Sources

1. Technology budgets: From value preservation to value creation, Deloitte Insights
2. Gartner Says Global IT Spending to Decline 8% in 2020 Due to Impact of COVID-19, Gartner Newsroom
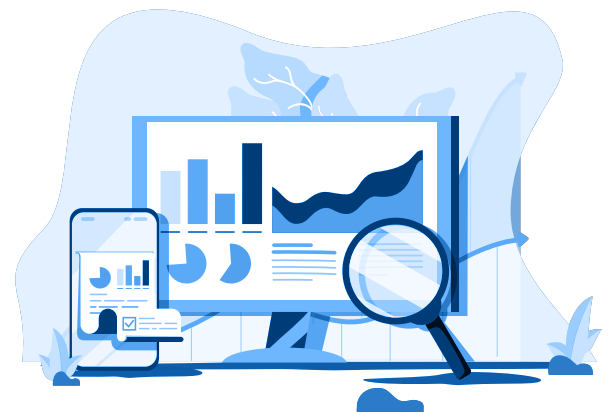
METHODOLOGY

Kaseya conducted its 2020 IT Operations Benchmark Survey using a structured questionnaire in July 2020. All participants were asked if they were primarily employed in an IT operational role with some responsibility for IT infrastructure or IT services deployment, operation, management, or support. Only responses from those who answered in the affirmative were included in the survey results.

The survey had a total of 878 valid participants, with 335 of these having titles "Director of IT," "Vice President" and "Head of Technology or C-level IT Executive." The responses of only these 335 participants have been included in the report. The focus of the survey was IT operations (individuals and groups) at small and midsize businesses, which Kaseya defines as organizations with up to 5,000 employees.

09302020