# TNS Survey Finds Glimmers Of Hope In IT Spending

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A recent survey of IT decision-makers by global market information leader TNS offers IT suppliers a few rays of hope.

Although just under half of IT managers say their 2009 budgets have been cut, slightly more than a third are seeing flat budgets from 2008-09 and 16 percent are actually projecting increased spend for 2009.

As part of its ongoing technology thought leadership program, TNS surveyed 400 IT managers in the U.S. and Europe at the end of February 2009 about the impact of the economy on their budgets.

Reflecting the broad pullback in economic activity, a substantial percentage of companies in every industry report declined IT budgets.Â  As would be expected, financial services and manufacturing companies declared shrinking IT budgets. Conversely, healthcare IT spending is projected to be relatively strong with more increasing budgets than cutting.

While budgets are generally down and no technology category emerged as a winner, some categories, such as storage hardware, are less impacted by the economic situation, and will likely grow relative to other technology areas. Additionally, strategic projects designed to improve business performance remain on the table for many.

According to John Scott, VP Technology of TNS,
â€œCompanies are adjusting to the economic crisis by prioritizing projects to maximize dollar impact and stretch existing IT assets.Â  However, budget allocations are not solely focused on the short term.Â  As personnel and consulting budgets continue to shrink, the winning vendors will be those who offer solutions that are easy to implement and maintain with a compelling total cost of ownership - not necessarily the lowest initial cost.â€•

In addition to cost-cutting, companies are reallocating their spending. Infrastructure spending, particularly storage, appears to be weathering the storm better, while consulting and professional services appear to be taking a significant hit.Â  â€œThis underscores a TNS identified trend towards right sizing. It is easier and faster to reduce variable costs than expenditures to support fixed infrastructure,â€• added Scott.

Some key findings from the survey include:
- Relative to other technology areas, storage hardware spending will fare well in 2009 with 31 percent of respondents increasing their budget and over four in 10 holding their budget flat compared with 2008.
- While few are increasing expenditures on end-user or enterprise applications, about half are holding budgets firm in these areas.
43 percent have cut desktop hardware budgets, likely extending the life of existing assets.
- Cuts in consulting and professional services are broad and deep. 56 percent have cut their consulting and professional services budget. - Further, among those who have cut, 65 percent indicate the cuts are 30 percent or more with nearly a third cutting their budget by over 50 percent.
- Personnel budget cuts are a mixed message.Â  43 percent have cut their personnel budget but the size of the cuts is smaller than for products and services
- Despite the crunch, many companies are taking the long-term view in both costs and investment for business improvement.

Instead of simply cutting costs, about four in 10 are allocating budget toward significant new IT projects that will support business growth.

37 percent are more focused on total cost of ownership as a result of the economic environment compared with only 24 percent who are now more focused on initial cost.

About the survey
TNS conducted an online survey of 400 IT decision makers in North America and Europe from February 17 to March 3rd 2009 using a proprietary panel. Respondents are a mix of senior and mid-level IT managers with purchase influence authority from companies across a broad spectrum of industries and company sizes including Fortune 500 organizations (minimum 250 employees).

The study examined the impact of the economic crisis on overall IT budgets as well as budgets for specific technologies and how initial vs. total cost impacts decisions. All results are weighted to reflect the company sizes within geography.

About TNS
TNS is a global market information and insight group. Its strategic goal is to be recognized as the global leader in

delivering value-added information and insights that help its clients make more effective business decisions.Â  TNS delivers innovative thinking and excellent service across a network of 80 countries. Working in partnership with clients, TNS provides high-quality information, analysis and insight that improves understanding of consumer behavior. www.tnsglobal.com

As part of the larger organization, TNS employs more than 750 technology researchers globally and conducts more than 250,000 surveys with IT decision-makers annually in 70 countries. The TNS Technology client base includes market leaders in hardware, software and services.

The Kantar Group
The Kantar Group is one of the world's largest research, insight and consultancy networks. By uniting the diverse talents of more than 20 specialist companies â€“ including the recently-acquired TNS â€“ the group aims to become the pre-eminent provider of compelling and actionable insights for the global business community.

Its 26,500 employees work across 80 countries and across the whole spectrum of research and consultancy disciplines, enabling the group to offer clients business insights at each and every point of the consumer cycle. The groupâ€™s services are employed by over half of the Fortune Top 500 companies.Â  The Kantar Group is a wholly-owned subsidiary of WPP Group plc.
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