

FORRESTER®

# IT Leaders Need IT Services To Achieve Business Outcomes

A Spotlight On The Value Of IT Services  
Providers' Strategic And Technical Expertise

## Executive Summary

Over the past several years, we have witnessed global changes resulting in significant shifts to the digital landscape, including the massive transition to remote/hybrid work environments, further acceleration to the cloud, and increased expectations of customers and employees. All of this has elevated the role IT plays in transforming organizations and ensuring security and business resiliency, presenting IT leaders with both opportunities and challenges. Despite their challenges, though, IT is expected to deliver transformational, innovative solutions that will propel their organizations forward.

We are now seeing IT leaders increasingly taking advantage of external IT services to meet their objectives at a faster pace. IT services providers typically have long-standing and targeted expertise, allowing IT leaders to rely on them as trusted advisors and to provide additional technical resources. This assistance may be found in different types of IT services from consulting and strategic advisory to residency, security, and managed services, helping IT leaders navigate this new landscape with confidence.

In November 2022, Dell commissioned Forrester Consulting to evaluate how organizations are currently using or planning to use IT services providers to address their needs. Forrester conducted an online survey with 515 global IT decision-makers (ITDMs), including the full spectrum of consulting, deployment, support, managed services, education, security, cloud, and asset disposition, to explore this topic. We found that organizations are prioritizing utilization of the deep expertise IT services providers bring to the table in critical areas like security/business resiliency, employee enablement, and customer experience.

## Key Findings

**Relationships with IT services providers are even more important to success.** Organizations are realizing the full value of having IT services providers as trusted advisors. As their priorities shift to cover hybrid work, digital transformation, sustainability practices, and resiliency, ITDMs are using IT services providers for strategic guidance.

**ITDMs value the deep, specialized expertise IT services providers can offer.** This is especially true for priority, emerging areas like security, cloud, and edge computing. IT leaders can leverage IT services providers' knowledge to ease the burden of complex technical work and free up employee time for more strategic projects and innovation or help them upskill their own IT staff.

**Business resiliency has been a bullet point in overall IT plans; it now leads the charge as a key priority.** IT leaders indicate that enabling security is at the top of their priorities and investments for the coming year. This is due to the increase in hybrid/remote work and a need to enable employees while retaining the safety of company data and infrastructure.

**IT services providers enable a better employee experience (EX), leading to benefits in customer experience (CX) and brand reputation.** With the increase in hybrid work, companies are focusing on hybrid work, resiliency, cloud, AI, and flexible solutions/as-a-service (aaS) models. Advancements in these areas enable employees to function at a higher level, helping them to provide a better CX.

## IT Services Providers Deliver Strategic Guidance And Technical Expertise

Looking at the current state of IT leaders and their digital transformation efforts reveals the difficulty they have building and retaining the depth and breadth of internal technical skills needed for their evolving IT environments. In response, IT leaders are increasingly turning to IT services providers to guide them in aligning their strategic direction and their IT and business objectives, and then providing the deep expertise needed to execute. In 2020, 90% of respondents indicated they were planning to either increase or maintain their investment in services; in two years, that number has jumped to over 94%.<sup>1</sup> Over the coming year, companies are focusing their investments and priorities on increasing security and business resiliency, accelerating their journey to the cloud, and optimizing their technology environments. These — often time-consuming — tasks are in line with digital transformation priorities and key drivers that organizations look for when selecting new technology/providers. In our survey, we found:

- **IT leaders are aware of the significant benefits they can reap from using the strategic guidance of IT service providers.**

IT leaders are ready to improve their strategies and, ultimately, the return on their investments in technology solutions in critical areas like security, business resiliency, and cloud deployment and implementation. As they look to reformulate their approach to planning and executing around those key priorities, they plan to lean on outside assistance from IT services providers. Seventy-one percent of respondents agree that IT services providers can assist them through IT and digital transformation challenges by advising and guiding them in decisions that are aligned with their desired business outcomes and helping them across internal silos. Additionally, 67% state new technology deployment milestones are slipping due to competing

**94%**

of respondents are planning to either increase or maintain their investment in services

**75%**

of respondents' organizations need external expertise to help achieve specific outcomes.

priorities for their internal team’s IT resources. Building relationships with IT services providers can help IT leaders improve their overall strategies. These relationships can also give organizations access to new technologies, best practices, and perspectives to help refine their plans to better cater to employees and customers and help organizations adapt to changing dynamics, all while reducing risk to their data and their business.

- IT leaders are looking to IT services providers to provide guidance as they level up their strategies in key technical digital transformation areas.** IT leaders are also searching for outside assistance in complex technical areas where they either struggle to retain talent or don’t possess the expertise. Trusted and reliable services providers fill in expertise gaps, bring in partnerships with other industry leaders, and help create holistic strategies to protect and optimize their operations. Our survey found that 66% of IT leaders engage IT service providers to guide them in adopting a multicloud operating model (see Figure 1).

**Figure 1**

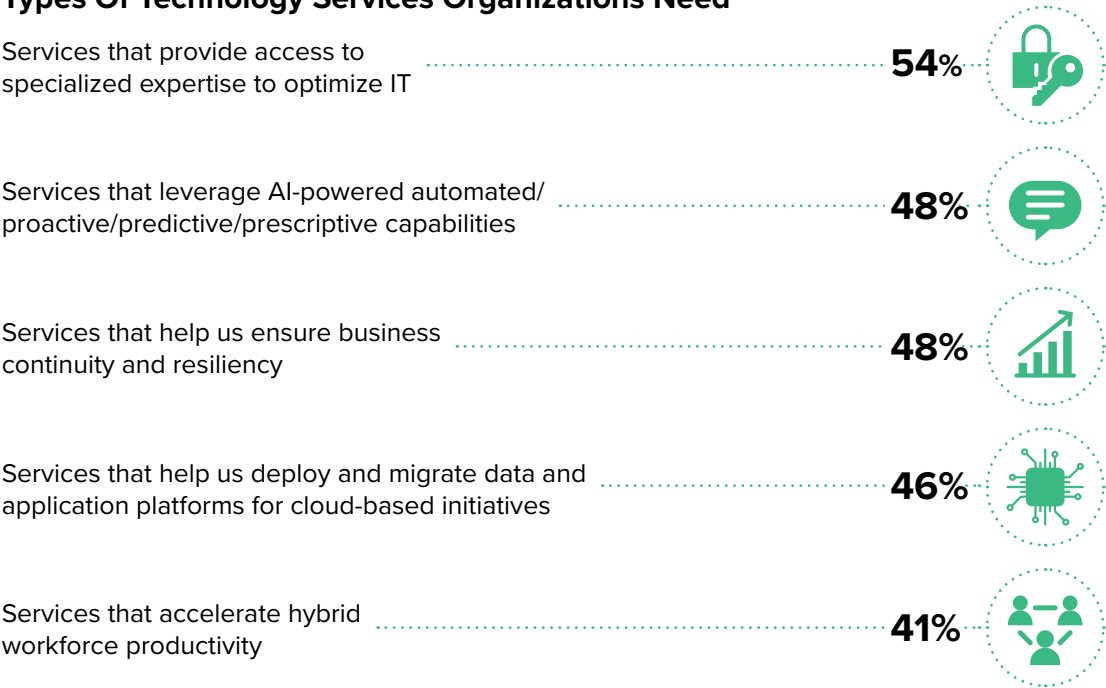
**Reasons Why Organizations Engage IT Services Providers**



Base: 515 global decision-makers and influencers in IT services, managed services, and IT consulting  
 Note: Showing seven responses; total percentages may not equal separate values due to rounding.  
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, November 2022

IT services providers can provide the necessary flexibility, agility, and resources organizations need to optimize their overall IT environment while future-proofing their strategies around technical initiatives like improving hybrid work, migrating to multicloud operating model, or pivoting to take advantage of more flexible engagement and purchasing models. For example, 79% prefer to fully outsource or work with an IT services provider when it comes to implementing security, cloud, and edge solutions; 67% of respondents need external expertise to help with establishing a multicloud operating model; and 66% say they will engage with an IT services provider to help guide them through these complex activities. Given the changes of the last three years, the top five services IT leaders hope to utilize from services providers are led by those that provide access to specialized expertise and capabilities that empower a burgeoning hybrid work force (see Figure 2). By tapping into proactive and predictive service capabilities available through their IT services providers connectivity technology, their interactions can go beyond one-to-one support with 63% of respondents expecting to benefit from historical trends and analytics available via AI and self-service portals.

**Figure 2**  
**Types Of Technology Services Organizations Need**



Base: 515 global decision-makers and influencers in IT services, managed services, and IT consulting  
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, November 2022

## IT Leaders Must Be Intentional About Redirecting Spend Toward Security And Resiliency

Many IT leaders are worried they have been running in place when it comes to business resiliency, leading them to prioritize it in the coming year. This is due, in large part, to rising concerns around the security of their hybrid workforces and ensuring employee productivity is not hindered. They also need to address the associated lack of expertise in their existing IT staff. Fortunately, seeking help from IT service providers that can step in and become trusted advisors when it comes to keeping the organization's data and infrastructure safe can help organizations meet the widening skills gap. Sixty percent of respondents said they need strategic guidance to implement a more holistic cybersecurity plan to ensure success for internal staff while managing budget concerns. To reach a better state while dealing with increasing volatility, organizations will have to act and organize differently while leaning on modern platforms, practices, and partners.<sup>2</sup> We found that:

- **IT leaders prioritize security and business resiliency services as key criteria when selecting vendors.** The ability to secure company data is not something that companies feel they can leave only to address with internal expertise. Eighty-three percent of respondents agree that external services are needed to enhance their security initiatives and increase business resiliency, which was an 11% increase from last year.<sup>3</sup> The gravity of the requirements surrounding security and resiliency will inform their selection of vendors/OEMs with 85% of respondents reporting that security/cybersecurity services are important during vendor selection. Eighty-six percent agree that they would use IT services providers to ensure they are addressing cybersecurity and business resiliency needs (the number one reason).

**83%**

of respondents agree that external services are needed to enhance their security initiatives and increase business resiliency.

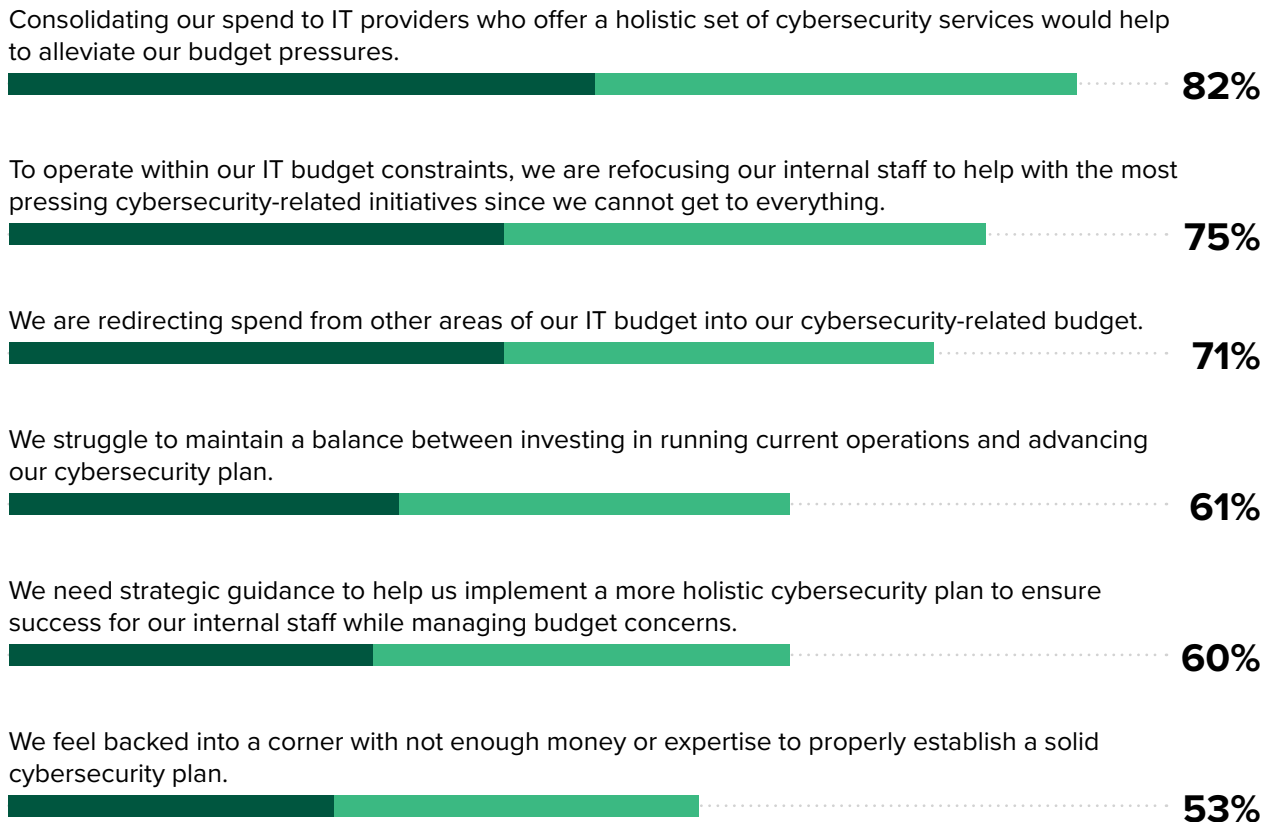


- IT services providers help companies achieve their security and business resiliency goals.** The benefit of securing a relationship with an IT services provider who has strong security and resiliency capabilities and expertise is clear; 67% of respondents say they would rely on IT services providers to reduce security risks and increase their business resiliency as a means of achieving business goals and outcomes. This is especially true for managed services providers (59%). IT leaders are also feeling the strain of cybersecurity spend increases; 71% are redirecting spend from other areas, while 53% feel backed into a corner with not enough money or expertise (see Figure 3). One way to redirect these costs and gain that specialized expertise would be to consolidate spend with fewer IT services vendors.

**Figure 3**

**How Organizations Balance Cybersecurity Requirements And IT Budgets**

● Strongly agree      ● Agree



Base: 515 global decision-makers and influencers in IT services, managed services, and IT consulting

Note: Total percentages may not equal separate values due to rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, November 2022



## IT Services Providers Improve EX And Power Great CX

Aside from securing their business and internal infrastructure, IT leaders must also consider how the employee experience is affected — or enabled — by the adoption of new processes and technology. ITDMs can rely on IT services providers to be valuable resources of industry knowledge to either fill in skills gaps within their organization to ease the burden on IT staff or upskill their existing team members. Sixty-four percent state that they need external technology-specific expertise to help their internal IT team be successful, and over half (58%) of respondents say leveraging education services to train their IT staff accelerates their adoption of new and emerging technologies. This may improve not only the employee experience, but also the customer experience. Employees that are more satisfied and empowered within their role can provide the best possible experience for customers in the long run. If employees are mired down in clunky processes and technical inefficiencies, it follows that innovation and the customer experience are the next in line to suffer. We found that:

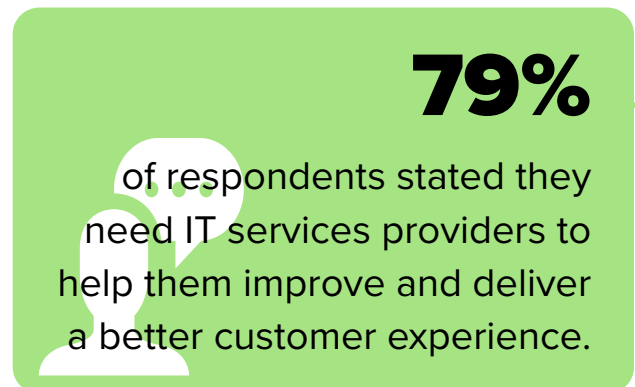
- **Companies are focusing on enabling employees to thrive regardless of their work location.** After the events of recent years — especially the initial dash to remote work at the beginning of the COVID-19 pandemic — companies are now trying to optimize the infrastructure and processes they adopted. However, they cannot do it alone; 64% confirm they need IT services providers to help them provide a better experience for their hybrid/remote workforce. This will result in increased productivity; 41% of respondents said they need services that accelerate hybrid workforce productivity. One way these companies are using IT services is through automated support tools and technologies provided by their IT services providers (e.g., proactive monitoring, predictive analytics, dashboards, self-service portals), which would allow their internal IT staff to spend more time on innovation and strategic initiatives. This sentiment has

**64%**

of respondents say they need IT services providers to help them provide a better experience for their hybrid/remote workforce.

increased over the last year from 62% to 76%. Throughout their journey, organizations must also address mid-tier challenges like data integration, content delivery networking, and business process outsourcing; there are many capabilities that can remedy these challenges when available as a service. It is critical for companies to offload this contextual work from their core teams so they can focus on customers' needs and experiences.<sup>4</sup>

- **IT services providers are helping to create a better employee experience, and empowered, satisfied employees provide the best possible customer experience.** One area of services employees and organizations alike can benefit from is education/training (62%), which — when utilized — respondents expect to increase IT staff talent retention/job satisfaction and increase uptime/availability (56%). IT leaders also expect big returns from using IT services to support their internal IT workforce; 75% prefer to either fully outsource or work with/get help from an IT services provider (vs. doing it themselves) when it comes to supporting their end users/employees. The use of IT services providers has also emerged as an important way to equip employees to excel in fulfilling their day-to-day responsibilities, with 62% expecting to maximize workload availability, 58% expecting to increase IT staff productivity, and 54% expecting to increase employee/end-user satisfaction with IT and support. More often than not, with that rise in employee satisfaction comes a rise in customer satisfaction as 79% of respondents stated they need IT services providers to help them improve and deliver a better customer experience.



- **IT services can have positive impacts on both customer experience and brand reputation.** IT leaders are not only enjoying the CX-related benefits of enabling their employees but are also using IT service providers' expertise to better their customer experience directly. Fifty-six percent of respondents attributed improved CX to consulting and advisory services. IT services providers' ability to help improve customer success and metrics is one of the top four ways these service providers helped companies achieve their business goals and outcomes — but it's not only about measurement of direct outcomes. Nearly 40% of respondents expect IT asset disposition and sustainability services to increase customer satisfaction via their commitment to implementing more environmentally responsible business practices. This type of improved brand reputation has become increasingly important not only to customers, but also to the internal talent companies hope to retain as they continue to future-proof their organizations.

## Key Recommendations

Forrester's in-depth survey of 515 global decision-makers and influencers in IT services yielded several important recommendations:

### **Focus on value when updating your vendor management and procurement capabilities.**

IT services provider engagements are evolving towards a more trust-based model — one that focuses on co-creation. Creating the conditions for such win-win relationships will require a new approach by vendor management and procurement professionals and will rely on value orchestration and economic alignment. However, the potential payoff in successful services relationships is worth the investment in time. IT leaders must identify where they stand to benefit — from the expertise of trusted advisors to the benefits of automation and tactical capabilities. It's about ensuring a seamless, end-to-end vision and a clear path to get there.

### **Embrace new operational philosophies to enhance resiliency.**

The cloud is accelerating the shift to a new type of operations known by various names, including modern IT operations or cloud operating model. In this new model, organizations are being intentional about their holistic strategy for their cloud operations; this means aligning their use of data, processes, and strategy to drive value for the business as they increase resiliency and their adoption of cloud in tandem. As companies adopt solutions or processes like these that are new to them, they can rely on the expertise of external IT services providers to help them take a step back and create a holistic, secure plan, navigating the change with them. By utilizing cybersecurity and strategy/consulting services, companies can future-proof their businesses with a long-term plan in mind, rather than moving forward with several endpoint solutions duct taped together.

**Avoid knee-jerk responses to economic uncertainty.**

The prospect of economic uncertainty can lead customers to implement relief measures, such as identifying new opportunities for outsourcing to work through IT talent and resource constraints. While talent shortages may ease in 2023, enterprises of all sizes are likely to remain dependent on IT services providers for key skill requirements. These skill requirements can come in the form of day-to-day maintenance, the critical tasks related to cloud migration or data management, or even learning to utilize predictive AI capabilities. IT services providers can help upskill practitioners so they can manage capabilities not previously in their purview. Upskilling talent via education services, knowledge sharing as part of relationships, or filling in talent gaps can also be a valuable boon in a difficult time.

**Hybrid work experiences will keep evolving in 2023, necessitating fresh thinking.**

Superior employee experience ultimately begets better customer experience, so investing in improving digital experience for employees can yield substantial business benefits. The rapid transition to enabling work-from-home scenarios and then preparing for hybrid work scenarios has given enterprise customers of various sizes whiplash. The focus going forward will be on enabling and improving hybrid work strategies, which will put additional pressure on maturing business resiliency and security protection. Be ready to explore appropriate solutions with your IT services partners to proactively plan and manage potential risks.



## Appendix A: Methodology

In this study, Forrester conducted an online survey of 515 global decision-makers and influencers in IT services, managed services, and IT consulting to evaluate the challenges and benefits to IT leaders partnering with IT services providers. Survey participants included decision-makers in IT, HR/training, the cloud, and infrastructure and operations. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began in October 2022 and was completed in November 2022.

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Forrester's Infrastructure and  
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## Appendix B: Demographics

### TOP 5 COUNTRIES

United States	21%
Brazil	11%
Canada	10%
Germany	8%
India	7%

### TOP 5 INDUSTRIES

Retail	11%
Healthcare	10%
Manufacturing and materials	9%
Financial services and/or insurance	8%
Government	6%

### NUMBER OF EMPLOYEES

250 to 499 employees	10%
500 to 999 employees	13%
1,000 to 4,999 employees	51%
5,000 to 19,999	17%
20,000 or more employees	10%

### DEPARTMENT

IT	44%
Cloud	30%
Infrastructure and operations	22%
Human resources/training	5%

Note: Percentages may not total 100 because of rounding.

## Appendix D: Endnotes

<sup>1</sup> Source: “IT Leaders Leverage Outside Expertise To Achieve Business Outcomes: A Spotlight On IT Services Providers,” a commissioned study conducted by Forrester Consulting on behalf of Dell, May 2021.

<sup>2</sup> Source: “Deliver Modern, Resilient Operations,” Forrester Research, Inc., August 2, 2021.

<sup>3</sup> Source: “IT Leaders Leverage Outside Expertise To Achieve Business Outcomes: A Spotlight On IT Services Providers,” a commissioned study conducted by Forrester Consulting on behalf of Dell, May 2021.

<sup>4</sup> Source: “Deliver Modern, Resilient Operations,” Forrester Research, Inc., August 2, 2021.

### ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester’s seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit [forrester.com/consulting](https://forrester.com/consulting).

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