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# EDITORS' COMMENTS

## A Preview of the 2023 SIM IT Trends Study

Each year the Society for Information Management (SIM), a co-founder of *MIS Quarterly* (*MISQ*) and *MIS Quarterly Executive* (*MISQE*), in collaboration with a team of MIS academicians, has surveyed SIM members to identify IT issues currently of concern to CIOs. For 43 years, the SIM IT Trends Study has provided an insightful, comprehensive, and ever evolving investigation of information systems (IS) management issues, practices, and leadership. The complete report provides IS executives, as well as researchers, with trend insights and a snapshot of the state-of-the-art of IT management. This preview highlights a few interesting findings from the 2023 study; the complete report will appear in the March 2024 issue of the *MIS Quarterly Executive*.

Data was collected from April to June 2023. The research team reached out to 4,522 SIM members, of which 671 (14.8%) responded. Our 2023 sample is representative of 436 unique organizations and 251 senior IT executives in the US, stemming from more than 30 different economic sectors. Respondents' organizations ranged from start-ups to long-lived incumbents, spanning private, government, non-profit, and

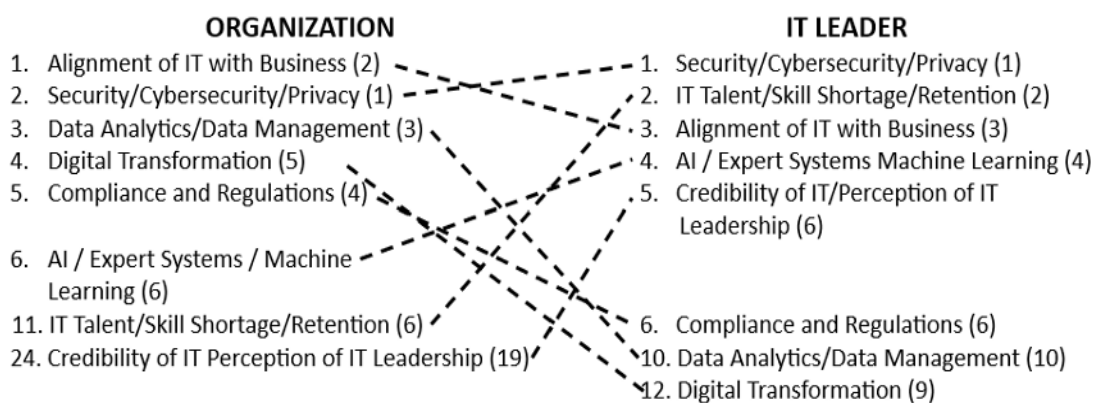
publicly traded enterprises; their reported average revenue was \$5.3 billion with a median of \$500 million.

As with past years, the SIM IT Trends Study examines and reports on the IT management issues that are considered both the most important to organizations and the most worrisome to senior IT leaders. In 2023 as issues related to supply chains began easing, organizations faced new challenges caused by inflation-driven cost increases. In addition, finding and retaining IT talent continued to be challenging. But this year, we also observed interesting shifts in the areas of IT investment and focus. Investments in AI and machine learning increased significantly, moving into the top 10 investment areas for the first time. This could be due to the emergence of generative AI and applications, such as ChatGPT, as well as increasing economic cost pressures.

### Most Important and Most Worrisome IT Management Issues

Participants were asked to choose up to five IT management issues from a list of 30 options in the category of "most important to the organization" and "most worrisome to senior

**Figure 1: Top-Five Most Important and Worrisome IT Management Issues**



Number in parentheses refer to item's ranking in the 2022 study

**Table 1: Information Technologies that Should Receive More Investment**

Information Technology	2023	2022
AI / Machine Learning / Expert Systems	1 (38.8%)	3 (22.6%)
Analytics / Business Intelligence / Data Mining	2 (35.1%)	1 (36.3%)
Security / Cybersecurity	3 (29.1%)	2 (32/3%)
Staff Development / Training / H1B	4 (20.0%)	4 (18.7%)
Disaster Recovery / Continuity Planning	5 (18.3%)	8 (15.9%)
Data Integration / Quality	6 (17.9%)	9 (15.4%)
Cloud Computing (e.g., SaaS, PaaS, IaaS, etc.)	7 (15.8%)	6 (17.4%)
Legacy Applications - Replacing / Replatforming	8 (15.6%)	10 (12.4%)
Innovation / Disruptive Technologies	9 (14.7%)	5 (17.8%)
Application Software Dev. / Maintenance	10 (14.4%)	10 (12.4%)
Application and Data Integration	10 (14.4%)	17 (11.3%)

IT leaders,” respectively.<sup>1</sup> While some issues like “Security/Cybersecurity/Privacy” and “Alignment of IT and/with the Organization” have consistently ranked high in both categories, there are discrepancies between the top concerns of IT leaders and those important to their organizations. “IT Talent / Skill Shortage / Retention,” for example, dropped off the top 10 issues list for organizations, falling from 6th to 11th position from last year, but held steady in 3rd position for IT leaders. “Digital Transformation” moved up from 5th to 4th position on the issues list for organizations, but dropped out of the top 10 for IT leaders, falling from 9th to 12th position. Figure 1 illustrates the rankings and differences in those categories.

**The Largest IT Investments of Organizations**

Senior IT leaders were also asked to select up to five areas/technologies from a list of 28 options in each of three categories: (1) their organization’s largest near-term IT investment areas; (2) areas that should get more investment, and (3) areas of greatest concern to them personally. The near-term investments in “Analytics/Business Intelligence, and related technologies (such as Data Mining, Big Data,

and Forecasting)” and “Security/Cybersecurity” continue to occupy the top two positions. “AI and Machine Learning” moved up from 15th to 8th as “Collaboration tools” elevated from 17th to 9th position. “AI and Machine Learning” also occupied top positions for areas that should get more investment and those of great concern to senior IT leaders. Table 1 shows the areas that responding senior IT leaders feel should receive more investment.

**Measuring IT Performance**

Senior IT leaders were also asked to select up to five from a list of 33 options of the most important performance measures used to evaluate their personal performance as well as that of internal IT organizations. Our study shows that the top performance measures for internal IT organizations remain somewhat consistent, with “Availability/Up Time”, “Customer/User Satisfaction,” and “Cybersecurity” remaining in the top three positions. However, and perhaps reflecting inflationary pressures, “IT Spending as a Percentage of Revenue” moved back into the top 10 (from 17th position) and “IT’s Contribution to Strategy” moved down to 12th.

A more cost-conscious tactical focus is also felt for senior IT leaders’ personal performance. Apart from “Customer Satisfaction – Internal Users” and “Value of IT to the Business” that consistently rank high, “Cost Control/Reduction

<sup>1</sup> All lists used in the study are reviewed each year by a group of CIOs from SIM. Advisory group members are selected by SIM and represent a variety of industry segments. Changes are made, based on their input, to better reflect challenges facing organizations and IT leaders.

- IT" moved up to 3rd position (from 6th) and "IT Budget Compliance" moved into 9th position.

### **All This and More in the Next Issue of MISQE**

Those are just the highlights of the 2023 SIM IT Trends Study. Do you want to know what keeps CIOs up at night, who they spend their time with, and what they spend it doing? How about issues around IT spending, workforce planning, cloud utilization, shared services, governance, and cybersecurity? If any of that is important to you, see the complete report in the March 2024 issue of the *MIS Quarterly Executive*.

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