## The State of IT Modernization

### Business Needs

- **Critical:** Businesses need to modernize IT to address business and technology needs.
- **Significant:** Modernization is driven by operational efficiency, innovation, and compliance.
- **First Priority:** Modernization is the highest priority for businesses.

### Challenges

- **41%** of organizations cited significant challenges in modernization initiatives in 2022.

### Prioritizing Innovation

- **64%** of IT leaders prioritize innovation as a top priority.
- **95%** of organizations report a significant progress in IT modernization efforts.

### Management Evolution

- **84%** of organizations report changes in management processes.

### Cloud Costs

- **84%** of companies have increased or begun increasing their use of automation to better manage risks and costs.

### Business Transformation

Businesses need to embrace innovation to drive new value, enhance client experience, and realize tangible outcomes. This requires transforming operations to deliver enhanced client experience and address complex business challenges.

### Key Statistics

- **84%** of companies are outsourcing cloud management.
- **91%** of companies have increased or begun increasing their use of automation.
- **43%** of companies are in the early stages of IT modernization.
- **35%** of companies are in the beginning stages of IT modernization.
- **44%** of companies are in the planning phase of IT modernization.
- **31%** of companies are in the design phase of IT modernization.

### Opportunity Abounds

IT leaders are in a strategic position to make impactful change and address business challenges.

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