

# Gartner Says Worldwide Enterprise IT Spending to Reach \$2.5 Trillion in 2011

Analysts Discuss Key Issues Facing the IT Industry during Gartner Symposium/ITxpo 2010, October 17-21, in Orlando

STAMFORD, Conn., October 18, 2010 —

Worldwide enterprise IT spending is forecast to reach \$2.5 trillion in 2011, a 3.1 percent increase from 2010 spending of \$2.4 trillion, according to Gartner, Inc. 2010 enterprise IT spending is on track to total \$2.4 trillion, a 2.4 percent increase from 2009. Over the next five years, enterprise IT spending will represent a period of timid and at times lackluster growth with spending totaling \$2.8 trillion in 2014.

Peter Sondergaard, senior vice president at Gartner and global head of Research, provided the latest outlook for the IT industry today to an audience of more than 7,000 IT leaders at Gartner Symposium/ITxpo, which is taking place here through October 21.

“Several key vertical industries, such as manufacturing and financial services will not see IT budgets recover to pre-2008 levels before 2012 or 2013,” Mr. Sondergaard said. “Emerging economies continue to be the locomotive of enterprise IT spending, substantially outpacing developed economies.”

Gartner Symposium/ITxpo is celebrating its 20th anniversary, and Mr. Sondergaard looked at how during that time IT has transformed business, launched new industries, and helped drive the global economy.

“The transformation in IT spending will accelerate individual corporate change,” Mr. Sondergaard said. “We are on a one way trip towards the IT driven intelligence society – driven by the consumer – where growing access to this growing universe of data gives us the opportunity to not only make better decisions, but to make smarter decisions.”

Improvements in IT access and skills can, directly or indirectly, contribute to individual welfare, increase national productivity and output and improve productivity. A broad range of socio-economic benefits are also apparent, including better educational performance and other developmental goals.

“At the heart of the change, the next 20 years will be intelligence drawn from information,” Mr. Sondergaard said. “Information will be the ‘oil of the 21st century’. It will be the resource running our economy in ways not possible in the past.”

*Four broad trends will support change in IT, and in the economy, the next 10 years.*

1. Cloud
2. Business impact of social computing
3. Context Aware Computing
4. Pattern Based Strategy

**Cloud computing** is a style of computing where scalable and elastic IT-related capabilities are provided “as a service” to external customers using Internet technologies. It constitutes the basis of a discontinuity that amounts to a new opportunity to shape the relationship between those who use IT services and those who sell them.

“Cloud computing will transform the IT industry as it will alter the financial model upon which investors look at technology providers, and it will change vertical industries, making the impact of the Internet on the music industry look like a minor bleep.

The second major trend is the **business impact of social computing**. Not simply more platforms such as Facebook or Twitter, the real impact will come as the underlying ethos, culture and attitudes which shape social computing and have driven growth to date, pervade the enterprise and blur the boundaries between personal and professional activities.

“The rigid business processes which dominate enterprise organizational architectures today are well suited for routine, predictable business activities. But they are poorly suited to support people who’s jobs require discovery, interpretation, negotiation and complex decision-making,” Mr. Sondergaard said. “Social computing, not Facebook, or Twitter, or LinkedIn, but the technologies and principals behind them will be implemented across and between all organizations, it will unleash yet to be realized productivity growth, it will contribute to economic growth.”

The third major trend impacting IT leaders is **Context Aware Computing**. The proliferation and availability of wireless technologies – coupled with an explosion of super intelligent devices – notebooks, tablets and smartphones -- in the hands of consumers– linked to cost effective compute and communication capabilities in all physical products – has created a new Internet fabric.

“This enables the creation of software and services that will blend data, text, graphics, audio and video with context such location, language, desires, feelings. Services not imagined today will use people’s location – whether physical or virtual - as the foundation and then use data that determine your patterns of behavior, your desires,” Mr. Sondergaard said. “Context Aware Computing while linear in its impact on IT will have profound impact on organizations, on the way we do business.”

The last trend is **Pattern-Based Strategy**. A Pattern-Based Strategy provides a framework to proactively seek patterns from traditional and non-traditional sources, model their impact, and adapt according to the needs of the pattern.

This builds on pattern-based technologies such as social network analysis, context aware technologies and predictive analytic tools. It will allow IT leaders to seek-out patterns amidst the burgeoning information sources and model future possibilities.

“The combination of these four trends creates an unimaginable force impacting not just IT and the IT industry, but the capability of business and government,” Mr. Sondergaard said. “Each of these four trends is about driving IT business value. Whether IT acts now or not, the combination of these trends will drive dramatic change in your enterprises’ business model and strategy.”

A portion of Mr. Sondergaard's keynote address is available on the Gartner YouTube channel at <http://www.youtube.com/watch?v=8hcv1X8Pd0s&feature=youtu.be>.

A video reply of Mr. Sondergaard’s entire keynote will be available via the Gartner Symposium/ITxpo Webinar Series. The webinar series will provide full video replays of the Gartner Symposium/ITxpo keynotes, as well as selected Gartner analyst presentation. More information is available at <http://mediazone.brighttalk.com/event/Gartner/27d8d40b22-4312-intro>.

#### About Gartner Symposium/ITxpo

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More exclusive content, expanding multi-media coverage, including Twitter feeds and comments from the Gartner Blog Network will be available at Gartner’s SymLive site at <http://gartner.com/symlive>.

Upcoming dates and locations for Gartner Symposium/ITxpo include:

October 25-27, Tokyo, Japan: [www.gartner.com/jp/symposium](http://www.gartner.com/jp/symposium)

November 8-11, Cannes, France: [www.gartner.com/eu/symposium](http://www.gartner.com/eu/symposium)

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