

TECHNOLOGY BAROMETER

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Trends stay positive – for now

Demand for mobile technologies remains strong, but cloud computing services have yet to get most IT leaders reaching for their cheque books

In this, the fifth quarterly *Computing/Cobalt* Technology Barometer, the high points are employment and salaries where improvements are expected to continue. The lows are in green IT, where enthusiasm among vendors has flattened, and the public sector where about 60 per cent of vendors and buyers see opportunity. However, of the same group some 60 per cent see threat, highlighting the uncertainty over the focus and severity of potential cuts and the consequences.

Following a bounce-back at the end of last year, there has been a levelling out in the rate of improvement in confidence. This suggests that in the face of the widely anticipated negative post-election changes to public spending and taxation, confidence may have little or no resilience.

The number of vendors expecting their spend to increase is largely unchanged while IT buyers are more optimistic, with more than 25 per cent expecting an increase in R&D budgets. This shows that vendors correctly anticipated the opening up of vendor budgets.

Expectations regarding M&A activity showed a strong recovery last quarter, with 60 per cent expecting an increase – this dropped to 37 per cent this quarter. Cobalt partner Chris Williams said: "This is not a surprise as some of the volume increase has already occurred. In addition, prices of public companies and M&A transactions have improved, so the opportunity to acquire firms at low prices is passing. I expect prices to level out and volumes to increase this summer."

In the battle for new IT spend, mobile technologies, with one exception, were rated as winners by more than 75 per cent of all *Computing* readers and vendors. Laptops were rated a clear loser, perhaps unsurprisingly as other new mobile devices take market share. However overall the sector is still experiencing considerable growth.

Cloud computing has seen a significant increase in uptake among vendors but still sees a low level of adoption among IT buyers.

"This is to be expected – vendors would be earlier adopters and unlikely to face the intensity of sensitivity to security issues that IT buyers will manage in handling customer data," Williams said.

So most trends remain positive, albeit at a slower rate of improvement, and there are some bright spots, but expect the next survey to indicate shifts, some perhaps unexpected, as the detailed policies of the new government emerge.

The barometer, produced in association with financial adviser Cobalt Corporate Finance, puts a standard set of questions to a panel of *Computing* readers and to Cobalt's IT vendor clients to compare views on key issues.

The *Computing/Cobalt* Technology Barometer – how to take part: *Computing's* reader research panel comprises more than 4,500 UK IT managers. We surveyed the panel in October 2009 and received 250 completed responses. Cobalt surveyed its separate panel of 80 board-level executives in technology vendors.

Everyone contributing to *Computing's* reader panel has an opportunity to win great prizes. If you would like to take part in future barometers and research studies, visit: www.incisiveopinion.com/it

TECHNOLOGY PLANNING RADAR

Higher scores indicate greater priority - the nearer the centre, the more likely to be used this year



In the next 12 months how do you expect investment in the following areas to change:

