

In-Stat T.A.P Survey Executive Summary: IT Budget Categorizations

In-Stat's Technology Adoption Panel (TAP) is an online panel of more than 15,000 US-based technology users and decision makers interested in contributing their opinions and insights about technology usage and technology issues in the workplace. The panel is comprised of a diverse group of people who represent a wide range of company sizes, industries, and areas of expertise. The diversity of the panel also allows us to gather information on a variety of topics from many different perspectives. However, the reader should note that the TAP is comprised of mainly business users that represent the earlier adopters. In other words, the majority of panelists is male, and tends to be more highly educated, have higher household incomes and be more 'tech-savvy' than the general consumer population.

Key Findings of the Survey

In-Stat wanted to gauge the ability of budgeting decision-makers to accurately itemize their budget categories. For a number of different telecom categories, we asked respondents if they delineated them as separate line items or categories in their budgets.

Data indicates that, aside from traditional "bundle" components like local/long-distance, internet, and wireless/cell phone service, survey respondents often do not have separate line items in their budgets for "recent" offerings such as network security, storage, and IP/VPNs. Budget managers from firms with under 100 employees have a lower probability to separate their network products and services into line items or categories. This is partially because, generally, the smaller the firm, the more likely it is that they do not even employ services such as WiFi, IP/VPNs, video, etc and hence the lower response rates that are reflected in the table below.

Table 1 shows a complete list of surveyed products and services broken down by size of business. Percentages in bold show statistically significant differences between 100+-employee firms and firms with less than 100 employees at the 95% confidence level.

Table 1. Percentage of Respondents who Separate Listed Items in Budgets—US Business, 2/07

	Total US Mkt (n=242)	SOHO Business (n=42)	Small Business (n=95)	Mid-Sized Business (n=52)	Enterprise (n=53)
Local/LD Telephone Service	67%	55%	71%	69%	66%
Internet access services	62%	50%	66%	77%	51%
Wireless/cellular phone service charges	62%	57%	63%	60%	68%
Telephones/PBXs	52%	29%	54%	67%	55%
Web Hosting	43%	48%	44%	46%	34%
WAN/Data Services	40%	7%	28%	67%	60%
Network Consulting	37%	10%	31%	52%	57%
Routers & Switches	36%	19%	28%	50%	47%
Wireless devices	34%	17%	27%	50%	45%
Network Security	31%	14%	21%	50%	42%
Off site Storage Services	29%	7%	19%	48%	45%
Email Antivirus/AntiSpam Services	29%	26%	20%	46%	30%
Wiring	27%	17%	16%	50%	34%
Disaster Recovery Services	27%	12%	15%	46%	43%
Conference Calling Services	26%	12%	22%	31%	40%
Remote/WiFi access charges	24%	5%	16%	40%	38%
IP VPN service charges	24%	10%	15%	37%	40%
Wireless data BlackBerry service charges	23%	2%	14%	40%	40%
Video Communications	22%	10%	12%	46%	28%

Source: In-Stat, 12/06

Despite the complexity and the rate of change business is undergoing in all aspects, budget managers have yet to make wholesale corresponding changes to the ways in which they budget for and categorize network products and services. This absence of *budgeting precision* creates a challenge for vendors and service providers selling into a company that coordinates through a budgeting decision-maker