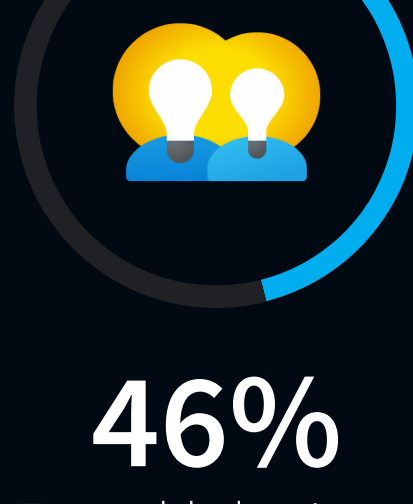


THE EVOLVING ON-PREMISES INFRASTRUCTURE

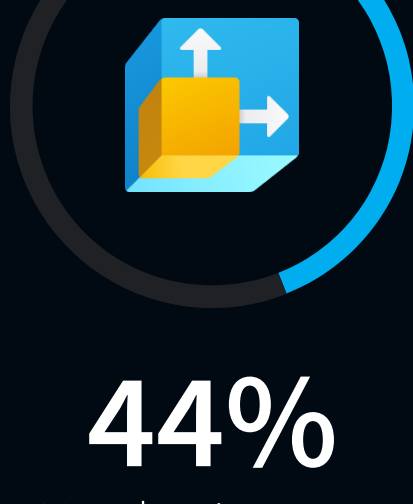
How can organizations minimize risk while modernizing IT to support compute-intensive, data-centric applications? Is long-term value more important than short-term savings when changing IT infrastructure? What costs (CapEx or OpEx) matter more to organizations? What impact does introducing a new component vendor have on project success and savings? ESG recently performed research to identify what matters to IT as on-premises infrastructures evolve.

What’s driving on-premises infrastructure change?



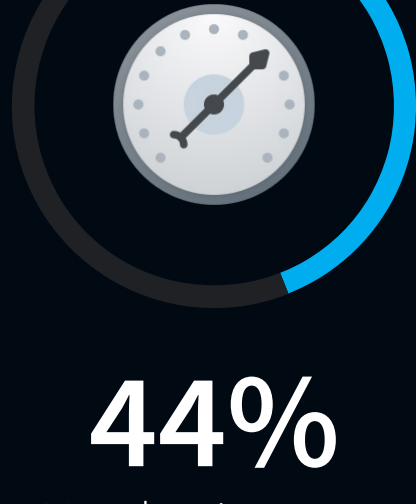
46%

To enable business continuity/remote worker productivity/experience



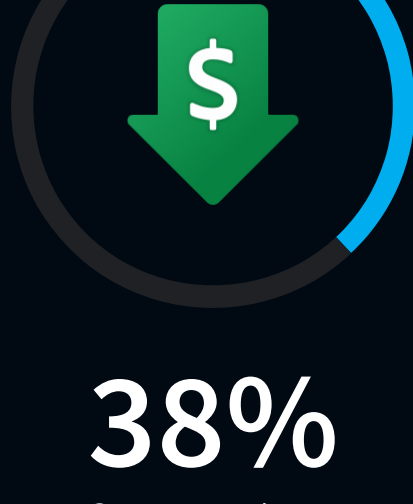
44%

Need to increase capacity/scale



44%

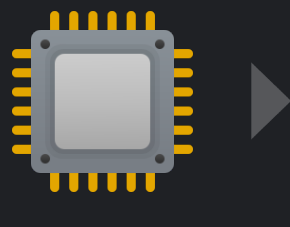
Need to improve performance



38%

Cost-savings measures

What challenges have organizations experienced when updating and/or modernizing their on-premises infrastructure?



86%

of organizations experience challenges managing heterogenous processor environments



64%

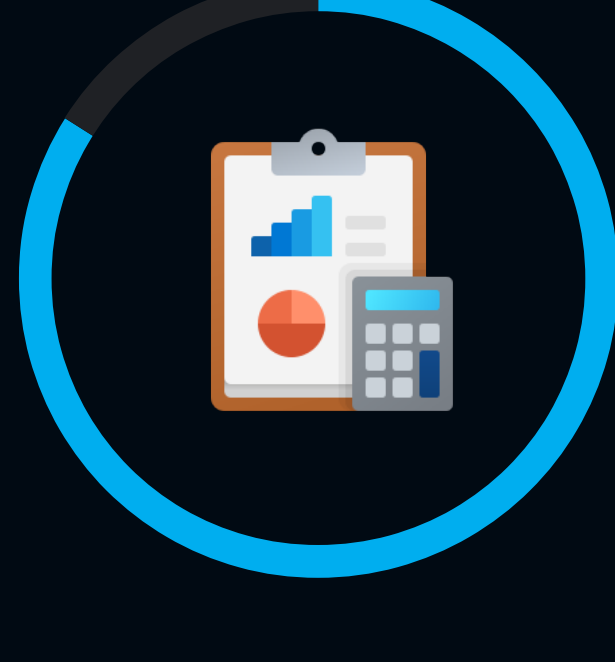
of organizations discovered applications needed to be changed/rearchitected because of a change to the underlying infrastructure



49%

of organizations have grappled with hardware incompatibilities after changing the application infrastructure.

Redefining Cost Savings



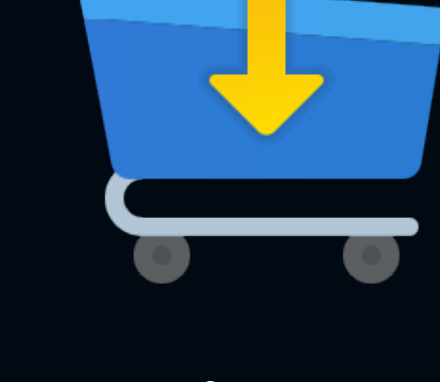
84%

say purchasing decisions based on lower CapEx have led directly to higher OpEx



2.6x

Respondents were 2.6x more likely to say OpEx is their number one IT priority (versus those that said that CapEx was their top priority)



50%

50% of organizations have never made a major infrastructure purchase based predominantly on price.

Compute Vendor Consistency Matters

ESG research discovered that sticking with an existing compute vendor leads to:



38%

increase in likelihood of completing compute deployments ahead of schedule



83%

increase in likelihood of rating the ROI of an infrastructure investment as “excellent”

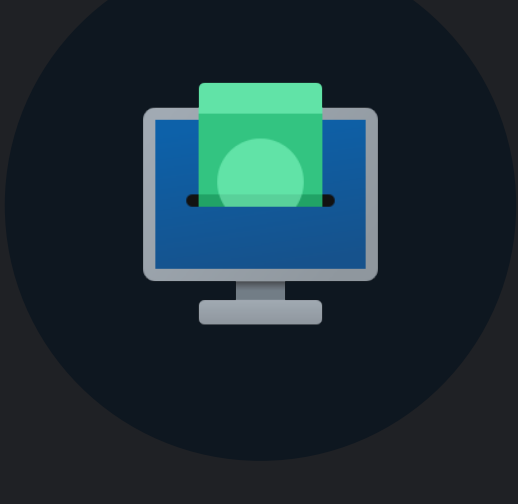
Switching compute vendors impacts cost, assuming:



Average revenue size of those surveyed:

\$3.7B

+



IT budget as a percentage of revenue:

5%

+



OpEx/CapEx IT budget split of:

65%/35%



Those who switched their compute/component vendor see operational costs of an estimated **\$6.3 million more** (versus those relying on in-place vendors).

“WHAT MATTERS MORE THAN COST WHEN IT COMES TO MEASURING SUCCESS? **EVERYTHING.**”

Measuring Success of an Infrastructure Change

TOP THREE RESPONSES



Higher levels of performance

57%



Better reliability

57%



Improved scalability

51%



ESG research shows CapEx and OpEx coming in last.

Higher employee productivity

47%

Higher levels of agility

44%

More robust/comprehensive security

29%

Saved money from a CapEx standpoint

26%

Saved money from an OpEx standpoint

25%

The Bigger Truth

ESG research found that consistency and higher levels of operational efficiency matter the most when measuring the success of an evolving on-premises infrastructure. Being able to adapt quickly and optimize workloads based on the needs of the business is paramount. When cost is a consideration, OpEx matters more than CapEx. And vendor consistency improves the likelihood of success when modernizing your infrastructure.

LEARN MORE

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