Midsize Enterprise Summit Audience Survey

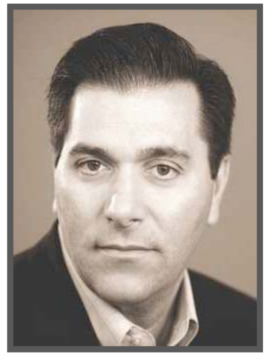
XCHANGE events

Today's Speakers

Gartner

Bob Anderson
VP and Lead Analyst for SMB
Gartner

XCHANGE events

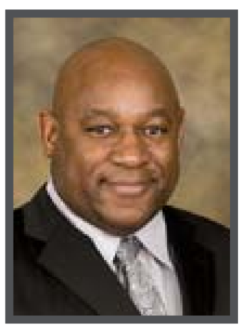


Robert DeMarzo
SVP, Strategic Content
UBM Channel

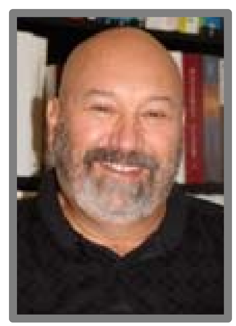
Lisa MacKenzie
SVP, Events
UBM Channel

Brad Rolfe
National Sales Director
UBM Channel

MES Advisory Board



James Fielder
VP Information Systems
Farm Credit Services of Illinois



Paul Harder
Chief Information Officer
The Arc Greater Twin Cities

Glenn Leatherwood
Manager of Internet and Portal Technologies
Valmont Industries

[redacted]

Midsize Enterprise Summits 2013

MIDSIZE ENTERPRISE SUMMIT

EAST
April 28-May 1, 2013
Sheraton Chicago Towers
Chicago, IL

WEST
September 22-25, 2013
JW Marriott Desert Ridge
Phoenix, AZ

Audience

- 220+ prequalified midmarket CIOs and Senior IT Execs
- Hosted to guarantee their time and attention

Event Highlights

- 30 minute targeted boardroom appointments
- One-on-one meetings with analysts and attendees
- Research sessions with Gartner analysts
- Midsize Enterprise Summit XCellence Awards

Event Collaborator

Gartner

XCHANGE events




The SMB Market in 2013
Drivers, Trends & Predictions

Bob Anderson

Research VP, Lead Analyst

SMB Marketplace

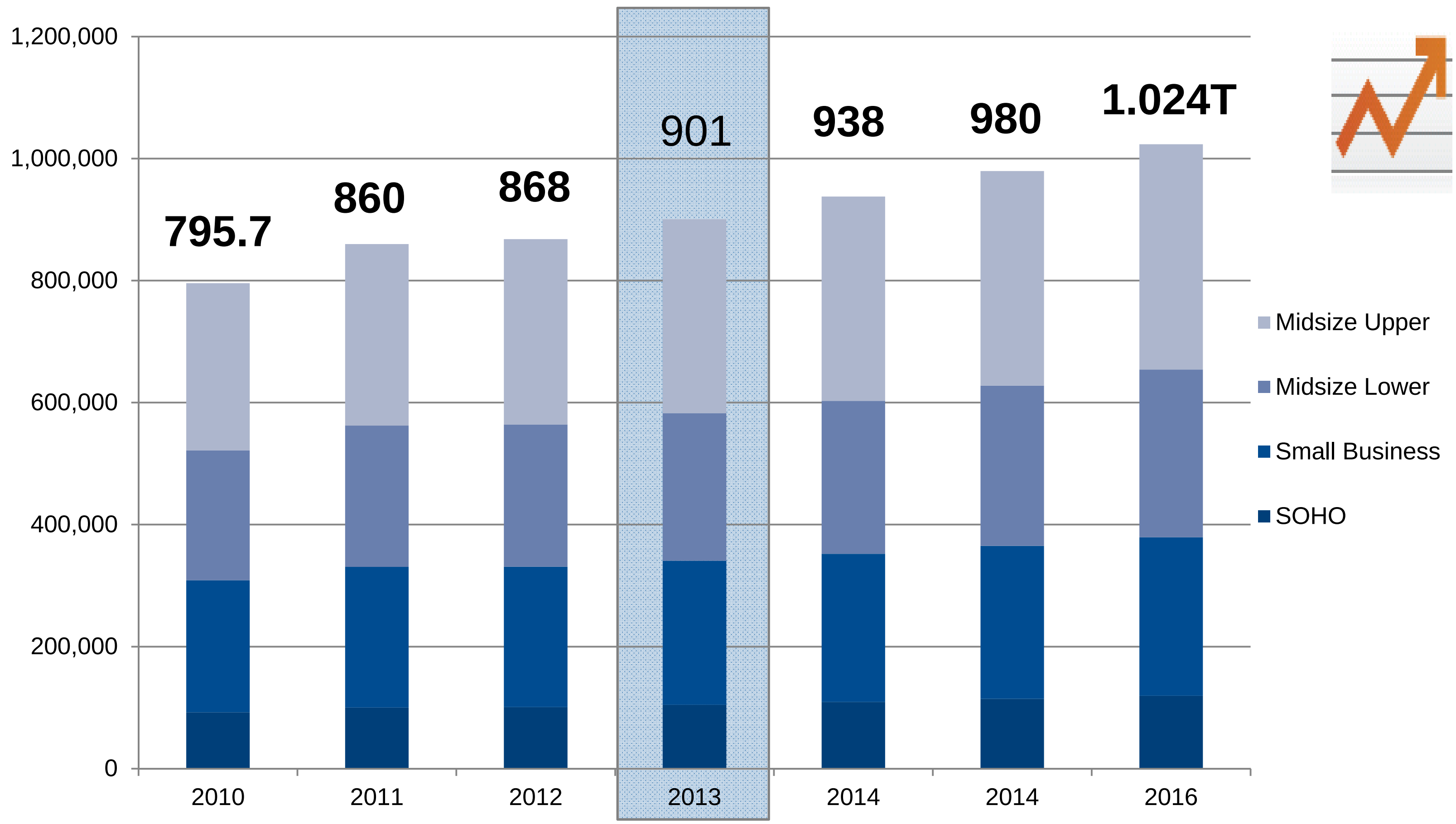
Gartner

The Worldwide SMB Opportunity is Huge

1. The SMB market represents **44%** of the total IT spend worldwide
2. SMBs will spend approximately **$920 billion** worldwide on IT in 2013
3. By 2015, the SMB market is projected to cross the **Trillion dollar** mark in IT spending
4. 6 Million SMBs in the U.S., 65-70 Million SMBs worldwide

Gartner

Nearing a 1 Trillion Dollar Market!



Gartner

10 Things SMB IT Solutions should be..

- Built from ground-up for highly resource constrained IT departments
- Affordably priced with definable long-term TCO
- Bolstered by best in class service and support
- Easy to install, configure, and manage
- Able to demonstrate fast ROI
- Complementary to and integrate with their current IT environment
- Straightforward to purchase and come with flexible deployment options
- Modular, providing entry level functionality that can scale
- Near complete, requiring little hard-core customization to achieve benefits
- Delivered by providers that are “easy to do business with”

SMB Drivers and Inhibitors in 2013

SMB Business Drivers/Priorities

Top 10 Business Priorities (CIOS)		
Category	Less then 500M$	500-1B$
Increasing enterprise growth	**1**	**1**
Attracting and retaining customers	**2**	**2**
Creating new products and services	**3**	7
Reducing enterprise costs	**4**	**3**
Managing and delivering operational results	**5**	**5**
Improving marketing and sales effectiveness	6	9
Improving efficiency	7	6
Attracting and retaining the workforce	8	-
Improving profitability	9	**4**
Improve governance, compliance risk and security	10	10
Expanding into new markets or geographies	-	8

Top Barriers/Inhibitors to IT Success

Top Barriers to IT Success Supporting the Business		
Category	Less then 500M$	500-1B$
IT budget and resource levels	**1**	**2**
IT skills and capabilities	**2**	**3**
Organizational structure and culture	**3**	**1**
Governance, compliance, regulatory and security	**4**	8
Business and IT alignment	**5**	**4**
Business strategy	6	9
Change management capacity	7	7
Business ability to use technology	8	**5**
Legacy technology	9	10
Benefits realization and the value of IT	10	6

2013 Top 10 Technology Challenges

Most Critical CIO Challenges For Providers To Target – 2013
Lack staff and skills
Reducing and containing IT costs
Securing the IT environment
IT budget constraints
Justifying the value of IT
Affordable solutions
Backup/Restore capabilities
Rapid storage growth
Network bandwidth capacity
User device management

Predominate SMB Trends in 2013

2013-15 Top 10 CIO Technology Trends

Top 10 CIO Technology Priorities (2012-15)		
Category	Less then 500M$	500-1B$
Mobile technologies	1	2
Analytics and business intelligence	2	1
Cloud computing (SaaS, IaaS, PaaS)	3	3
Desktop, server and storage virtualization	4	7
Collaboration technologies	5	5
IT Management technologies (IT governance, etc.)	6	8
Legacy application modernization	7	4
Customer Relationship Management	8	6
Security technology	9	-
Social media and computing	10	-
ERP		9
Service Oriented Architecture		10

Target Opportunities in 2013

10 Largest SMB Tech Opportunities in 2013

Based on triangulation of Gartner SMB surveys and inquiry
Cloud Services driven by both vendors and MSPs (security, backup/restore, storage, virtualization, etc.)
Cloud-based BI and Analytics
Mobile Enablement & Applications: BYOD, MDM, Mobile Commerce, Richer BizApps
Desktop Virtualization
Unified Communications and Collaboration
Cloud-based CRM, particularly marketing automation with integration of social
Vertical-specific cloud applications
ERP
Cloud E-mail
Social Media offering measurable ROI

***Surveys include: 2012 EXP CIO Survey, 2012 Midsize Enterprise IT Spending Survey, and Spring and Fall 2012 Midsize Enterprise Summit Surveys**

Gartner

2013 SMB Tech Adoption Plans

	Lower-Midmarket	Upper-Midmarket	Midsize Enterprise Summit
Network/ Comms	1.Wireless routers/WLAN 2.Video Conferencing 3.Web Conferencing 4. Stand-alone IP Sec VPN / SSL VPN 5. IP Telephony/Voice over IP (VoIP)	1.Wireless routers/WLAN 2.Web conferencing 3. Stand-alone IP Sec VPN / SSL VPN 4. Video conferencing 5. Unified communications	1. Wireless 2. Security 3. VoIP 4. Switch Upgrades 5. Bandwidth Upgrades
Hardware	1.Laptops and notebook PCs 2.Desktop PCs 3. Laser printer and/or laser multifunction printer (45% vs. 35%) – LMM higher preponderance for printer investments 4.Tablets 5. Security hardware	1.Laptops and notebook PCs 2.Desktop PCs 3.Server virtualization 4.Security hardware 5.Smartphones Also UMM higher preponderance for investments in servers	1. Virtualization 2. PC Upgrades 3. Server Upgrades 4. Storage (SAN/NAS) 5. Mobility
Software	1. Security software 2. Backup and recovery 3. Storage management 4. Windows 7 desktop O/S 5. Office suites	1. Security software 2. DBMS 3. Storage management 4. Backup and recovery 5. Windows 7 desktop O/S	1. Business Intelligence 2. CRM 3. SharePoint 4. ERP 5. Mobile Applications

SMB Market Predictions for 2013

2013 Predictions

Cloud Computing
By 2015 55% of WW SaaS revenue will come from SMBs (<1000K employees)
By 2016, those players who become Cloud Service Brokerages will rival other traditional channels of distribution to SMBs for cloud services
Nearly 40 percent of SMBs will spend more than one-third of their IT budgets on cloud and managed infrastructure services in 2013
In 2013, broader choices and providers will spur SMB BI/Analytics cloud adoption to grow 20% over 2012
2013 will mark the beginning of a cloud storage revolution among SMBs. By 2015, Cloud recovery will begin to overtake cloud storage.
By 2015, 70% of midmarket businesses with 100-999 employees and 40% of small businesses with 20-99 employees will acquire paid *public* cloud services.
By 2015 the “App Store” provisioning model will be offered by 60% of Cloud Service Providers
In 2013, the percentage of SMBs moving their security into the cloud will jump by 20% over 2012

2013 Predictions

Mobility
In 2013 mobile connectivity to enterprise business applications will grow 25% among SMBs.
By 2015 the growth of tablet computing in SMBs will outpace that of larger enterprises
SMBs' appetite for Managed Services will grow in 2013 15% more than 2012, particularly with respect to mobility.
In 2013, SMB mobile commerce will take off outpacing traditional commerce solutions by 20%.
Virtualization
2013 will be the year Desktop Virtualization takes off among SMBs, growing 25% more than 2012.
Social Media
In 2013, SMB vendors will begin making big bets on Social Media Analysis where they have been skeptical in the past.

Gartner

2013 Predictions

IT Services

In 2013, worldwide SMB spending on IT services will reach $232 billion representing 6% growth YOY, a figure we expect to grow to almost $280 billion by 2016

Verticals

In 2013 we predict the Top 5 SMB Vertical’s embracing cloud will be insurance, services, banking & securities, healthcare and communications

Small Business

Though 2015, micro-businesses growth will outpace other SMB segments causing many SMB providers to move down market to target SOHOs, just above consumer space.

In 2013, the number of Women Business Enterprises (WBE) will grow nearly twice as fast as those owned by men.

Gartner

Questions for the Advisory Board

IT Executive Q & A

James Fielder
VP Information Systems
Farm Credit Services of Illinois

Glenn Leatherwood
Manager of Internet and Portal Technologies
Valmont Industries

Michael Skaff
Chief Information Officer
LesConcierges

XCHANGE events

Have Questions?

If you have any questions or would like to dive deeper into the data, please email:

xchange@ubm.com

We would be happy to set up a call with: Gartner®

XCHANGE events

Midsize Enterprise Summits 2013

MIDSIZE ENTERPRISE SUMMIT

EAST
April 28-May 1, 2013
Sheraton Chicago Towers
Chicago, IL

WEST
September 22-25, 2013
JW Marriott Desert Ridge
Phoenix, AZ

Audience

- 220+ prequalified midmarket CIOs and Senior IT Execs
- Hosted to guarantee their time and attention

Event Highlights

- 30 minute targeted boardroom appointments
- One-on-one meetings with analysts and attendees
- Research sessions with Gartner analysts
- Midsize Enterprise Summit XCellence Awards

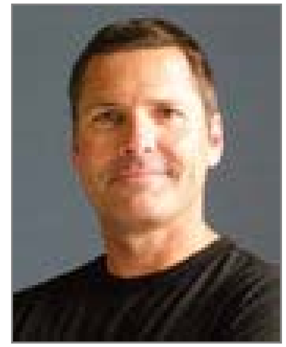
Event Collaborator

Gartner®

XCHANGE events




Contact Your Representative for more information on sponsorships…



Lisa MacKenzie
SVP, Events
949.223.3627
Lisa.MacKenzie@ubm.com

Brad Rolfe
National Sales Director
415.238.8142
Brad.Rolfe@ubm.com

Local Representatives:

- **Northeast** – Annie.McKnight@ubm.com
- **Southeast** – Jennifer.Ogle@ubm.com
- **Tri-State** – Kelly.Lacey@ubm.com
- **Central West** – Ally.Doyle@ubm.com
- **Northwest** – Doris.Branscombe@ubm.com
- **Southwest** – Lauren.Rosas@ubm.com
- **New to XChange** – Elizabeth.Donovan@ubm.com or Darr.Jenkins@ubm.com

[redacted]