451 Research: 71% of enterprises now capturing data for IoT; security and ROI concerns remain high

Enterprises expect to increase their IoT investment 33% over next 12 months

NEW YORK – December 21, 2016 – 451 Research’s latest Voice of the Enterprise: Internet of Things (IoT) Organizational Dynamics survey of nearly 1,000 enterprise IT buyers worldwide reveals that 71% of enterprises are gathering data for IoT initiatives today. This is a three percentage point increase from the previous quarter’s Voice of the Enterprise: IoT Workloads and Key Projects survey.

Security remains a concern, with 50% of respondents citing it as the top impediment to IoT deployments. This was followed closely by 41% who cited IoT’s lack of perceived Return on Investment (ROI) and benefits.

Nonetheless, organizations are forging ahead with IoT initiatives and opening their wallets to support IoT deployments. Enterprise IT respondents with IoT initiatives underway expect their mean IoT-related spending to grow by a robust 33% over the next 12 months.

451 Research’s latest study indicates that IoT deployments and usage will be particularly strong in enterprise initiatives around data and transactional intensive workload categories, such as data analytics and security. IoT-specific projects include things like data collection and analysis of financial, healthcare or industrial functions; the uptime/reliability of mission-critical line of business servers and applications; as well as monitoring the efficiency and costs related to a specific business operation or department such as a hospital emergency room.

Furthermore, there is a distinct and significant portion of IoT transitions occurring organically as Enterprises’ IT systems, networks and infrastructures are naturally becoming IoT-enabled by intelligent sensors and predictive analytics capabilities embedded in IT equipment, such as semiconductors, motherboards, devices (e.g., cameras and HVAC systems), servers, applications, smartphones, switches and routers.

“When it comes to IoT adoption, pragmatism rules,” said Laura DiDio, Research Director at 451 Research and lead author of the study. “The survey data indicates enterprises currently use IoT for practical technology purposes that have an immediate and tangible impact on daily operational business efficiencies, economies of scale and increasing the revenue stream.”

The survey reveals that data analytics is playing an increasingly crucial role in delivering value to IoT ecosystems with 69% of respondents using data from IoT endpoints (e.g., security and compliance) to reduce risk.

Other highlights from the 451 Research Voice of the Enterprise: IoT – Organizational Dynamics survey:
• 90% of enterprises will increase IoT spending over the next 12 months and 40% of respondents will raise IoT-related investment by 25% to 50% compared to 2016.
• Enterprises are split regarding a present IoT skills shortage: 54% of respondents to this question said lack of trained IoT staff is not an issue for their organization, versus 46% who said they are having difficulty filling IoT-related positions. The latter group identified IoT security and data analytics as the areas with the greatest dearth of expertise.
• 68% of corporations currently take advantage of IoT data to optimize operations, such as performing preventative maintenance, reducing downtime in factory equipment and fleet management.
• 42% of enterprises use IoT data to develop new products or enhance existing products and services.

The *Voice of the Enterprise: IoT Organizational Dynamics* study focuses on enterprise end-user adoption and the business and technology drivers associated with IoT and related data analytics adoption and challenges. Based on research conducted in August through October 2016 with nearly 1,000 enterprise IT professionals worldwide, the quarterly study combines 451 Research’s analysis with survey responses and in-depth interviews from a panel of more than 48,000 senior IT buyers and enterprise technology executives.

*About 451 Research*

451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services and live events to more than 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group.

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