



From tech debt to tech ROI:

Your 2024 guide for IT success

Executive summary

Today's economy and labor market are characterized by rapid changes alongside endless emergent opportunities. Financial uncertainty, technological acceleration, and labor and talent shortages act as the backdrop to a unique set of challenges, underscoring the need to balance cost-cutting with cutting-edge innovation.

To successfully navigate these rough waters, organizations require flexible frameworks that will enable them to bridge operational gaps, eliminate inefficiencies and redundancies, protect against cybersecurity risks, and resolve resource allocation challenges on the go.

As strategic partners and decision-makers in any organization, IT leaders must lay the foundation for sustained innovation and growth by actively positioning their operations, teams, and technology for optimal efficiency and resilience.

In this guide, we'll dive into strategies and changes IT leaders like you can implement to ensure your operations are best positioned to meet this new reality head-on.



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Introduction



Action and adaptability create opportunity.”

– Garrison Wynn

How do you prepare for the unpredictable?

In 2020, COVID-19 caught the world unaware and unprepared. As individuals and organizations scrambled to adjust to a new reality overnight, IT people bore the brunt of making that adjustment possible—setting up people for remote work on an unprecedented scale.

In 2021, businesses grappled with rising debt levels and uneven global recovery, while IT teams faced the challenges brought on by growing tech debt and shadow IT.

2022 and 2023 saw waves of tech layoffs, the emergence of generative artificial intelligence, and a growing emphasis on efficient resource utilization—all once again laid at IT’s door, alongside the predictable unpredictability of the cyber threat landscape.

What will 2024 bring for IT?

Here’s what you can expect:

Security will remain a high priority as bad players take advantage of technological developments on top of tried-and-true tricks. Whether the world will go into recession or hit the soft-landing sweet spot, budget constraints will persist. IT headcounts will continue to challenge managers, due to both financial limitations and talent shortages.

Here’s what you can count on:

AI will continue to transform our work. As Microsoft CEO Satya Nadella announced in November 2023 at Ignite:



“We’re entering this exciting new phase of AI, where we’re not just talking about it as a technology that’s new and interesting, but we’re getting into the details of producing, making, deployment, and safety. We’re at a tipping point.”

It’s up to us as leaders to strategize what role AI will play within our organizations, what will be the best opportunities to invest in, and what risks we should guard against.

Here’s what you need to prepare for:

Changes are happening faster than ever, and impacts are felt on a global scale. 2024 will bring forth both familiar and completely unknown challenges and opportunities. If there’s one thing we can confidently predict about the next 12 months, it’s that they’re going to be unpredictable.

Today’s IT teams need to be able to respond not just to planned disruptions like system upgrades, migrations, or project consolidation—but also to challenges like economic uncertainty and cybersecurity threats. Essentially, IT teams need to be able plan for uncertainty while staying both stable and flexible.

IT systems, processes, and employees therefore need to be agile and efficient enough to adapt, respond, and recover quickly and effectively while consuming less resources, and tech stacks need to be optimized accordingly.

What's on the CIO's strategic roadmap?

Technological development is only accelerating, making staying on top of cutting-edge innovation a challenge as much as it is a necessity. Companies want to prioritize these investments, but are often hesitant to “bet on the wrong horse” that will have a negative impact down the line.



In 2024, CIOs are largely looking for ROI. Gartner estimates that CIOs will continue to hesitate to invest in new initiatives, pushing some of 2023's budget into 2024 and some of next year's into 2025.

“Faced with a new wave of pragmatism, capital restrictions or margin concerns, CIOs are delaying some IT spending. Organizations are shifting the emphasis of IT projects towards cost control, efficiencies and automation, while curtailing IT initiatives that will take longer to deliver returns.”

John-David Lovelock, VP Analyst, Gartner.

So, what technological initiatives are business leaders prioritizing for 2024?

Cloud investment continues

A recent global survey by Tata Consultancy Services reveals that cloud remains a long-term investment priority for 70% of major corporations. Furthermore, among the senior executives surveyed, 59% highlighted the important role cloud plays as a catalyst for innovation for their organization's future.

According to Gartner, global spending on public cloud services is forecast to increase 20.4% in 2024, a combination of cloud vendor price increases and increased utilization. We can expect to see the cloud serve as a platform for many trends, as-a-service offerings, and innovations such as real-time cloud infrastructure, simplified cloud computing, serverless and pay-as-you-go models, edge computing, AI-as-a-service, and more.

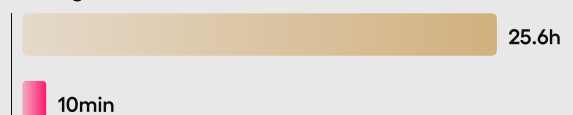
Artificial intelligence adoption for IT is slow but rising

2023 is ending, and AI's explosive potential cannot be denied. It's no longer limited to multi-billion-dollar corporations or small groups of specialists but is instead widely available through multiple tools at different levels of sophistication and expertise.

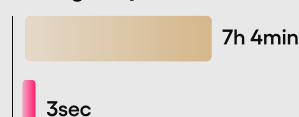
In Gartner's IT Symposium/Xpo held early November 2023, Gartner's Distinguished VP Analyst Mary Mesaglio defined the pivotal shift AI is causing as having two 'flavors': everyday AI, which focuses on productivity, and game-changing AI, which focuses on creativity. Everyday AI has already begun transforming the efficiency and productivity of organizations, and it will only get more impactful.

IT Industry performance

Average resolution time



Average response time



■ Industry benchmark
■ Atera's AI-powered IT

46%

of new code is written
by AI

55%

faster overall developer
productivity

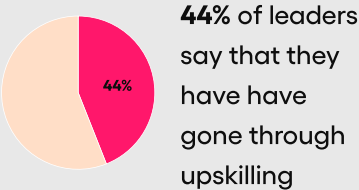
75%

of developers feel more
focused on satisfying
work

But many companies are still in the catch-up phase. Gartner forecasts that while AI will not be high on the list for IT teams in 2024 in spending terms, “CIOs recognize that today’s AI projects will be instrumental in developing an AI strategy and story before GenAI becomes part of their IT budgets starting in 2025.” Overall, Gartner reports, “organizations are continuing to invest in AI and automation to increase operational efficiency and bridge IT talent gaps.”

On potential roadblock that leaders will need to consider when building their AI strategy is employee mindset, education, and training. Boston Consulting Group’s *AI at Work* survey found that leaders and managers tend to be much more hyped on AI than frontline employees, and also tend to receive more education and training.

The sentiments of
leaders and frontline
employees differ sharply



Balancing cost-cutting and new initiatives

If you're also struggling with fitting all your must-haves within your current limitations, here are some fund re-allocations that can make room for innovative initiatives without overtaxing your budget.



Evaluate your IT infrastructure

Maintaining legacy systems takes, on average, 60%-80% of a department's IT budget—a double penalty for higher maintenance costs and lower efficiency. Assess existing systems to identify legacy technologies that can be modernized or phased out. Consolidate and automate where possible. Consider which new technologies, tools, or features can be introduced to best promote business goals.

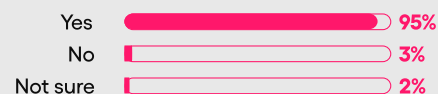
Rightsize your cloud & optimize your software licensing

In surveys, organizations estimate that over 30% of their cloud spend is wasted or inefficient. Analyzing your resource utilization to adjust for workload can help you understand your needs better, improve performance, enhance scalability, and also help you save money. Metrics to analyze and benchmark against normal behavior include memory, disk, and CPU utilization, and network throughput. 53% of SaaS licenses go unused. Track your team's usage and eliminate unused or underutilized licenses. Open source and cloud subscriptions are often more cost-effective in the long term, while also offering better flexibility for need-based use.

Negotiate with vendors

What we've been hearing from a lot of our customers throughout 2023 is that they're looking to consolidate, from both a software perspective and a financial perspective. And surveys of senior IT executives indicate that this sentiment is felt across the industry:

Is your organization planning to consolidate vendors over the next 12 months?



End-of-quarter or end-of-year are good times to consolidate. Review existing vendor contracts and negotiate for better terms, and check if you can have several products bundled together for a discount.

Adopt a flexible budgeting approach

One of Gartner's main takeaways from two years of pandemic and the uncertainty it created was the need for more flexible budgets.

“Disruption inevitably forces deviation from the plan, and finance leaders typically look for quick wins: cutting selling, general and administrative expenses (SG&A), and/or moving resources around within a business unit to avoid more difficult trade-offs between business units.”

Faith Vakil, director, research in the Gartner Finance practice

The problem with that, of course, is that quick wins can only last for so long, before leaders are forced to make much harsher decisions—often at just the most challenging times for their business.

“The key change in mindset that finance leaders must adopt is to make tradeoffs between business units early and often rather than trying to stick to an annual plan until the last minute. This approach encourages collaboration between business units, it embraces innovation as necessary and normal, and improves funding alignment to changing priorities.”

Perform a cost-benefit/ROI analysis

“In my position, I come across software and SaaS solutions that are typically not in the budget, but we build a business case on that. How can it solve it? What can it do? And we align ourselves with vendors that allow us to do either a proof of concept or a trial, so that we can really test and figure out if this solution fits our needs before putting a lot of money into it.”

Atera customer Carlos Hernandez, Vice President of IT at Atlantic Coast Automotive

A thorough cost-benefit analysis for proposed IT projects, potential new software and hardware, etc. can help prioritize initiatives that offer quick returns on investment and align with the organization's overall strategic goals. If you're unsure how to go about it, we propose a table like the one below, created based on the common criteria brought up by prospects during discovery calls:

Item	Description	Domain	OS	Project	Expected cost	Expected recurring cost	Shelf life	Priority (1-3)

Find a full printable worksheet at the end of this ebook

Prepare multi-level disaster scenarios

While not strictly a cost-cutting measure, preparing ahead for different disaster scenarios will help you avoid slashing indiscriminately if the time comes. What is your business most vulnerable to, an economic downturn or a supply chain disruption? Would rising inflation and unemployment affect only part of your business, or your business as a whole?

Prepare a plan for:

- 1) a mild impact on your business
- 2) a significant impact
- 3) a catastrophe, and what pre-determined indicators would trigger each of them

Pre-define the “lever” to pull for each situation. Perhaps a ban on travel is one such action for a mild impact, but a hiring freeze is for a significant impact, while layoffs are a response to a crisis.

Bridging tech debt and tech innovation

From the conversations we've been having with our user community, many organizations are still playing catch-up from 2021-2022, when digital acceleration was necessary for business survival—and where tech debt was almost a guaranteed result.



Now, they're finding that debt and the complexity it has added to be a liability that's hampering their ability to be agile and move fast.

How do tech executives feel about tech debt and innovation in 2023?

70% of execs surveyed say tech debt is a leading blocker of innovation

31% of IT budget consumed by tech debt management, on average

21% of IT human resources consumed by tech debt management, on average

Source: [Protoviti Global Business Consulting](#)

What differentiates companies who manage technical debt well from those who don't?

Companies in the top 80th percentile of TDS:

20% Higher revenue growth than the bottom 20th percentile

10% higher than the average

- Perhaps due to proactive debt payment.

Companies in the bottom 20th percentile of TDS:

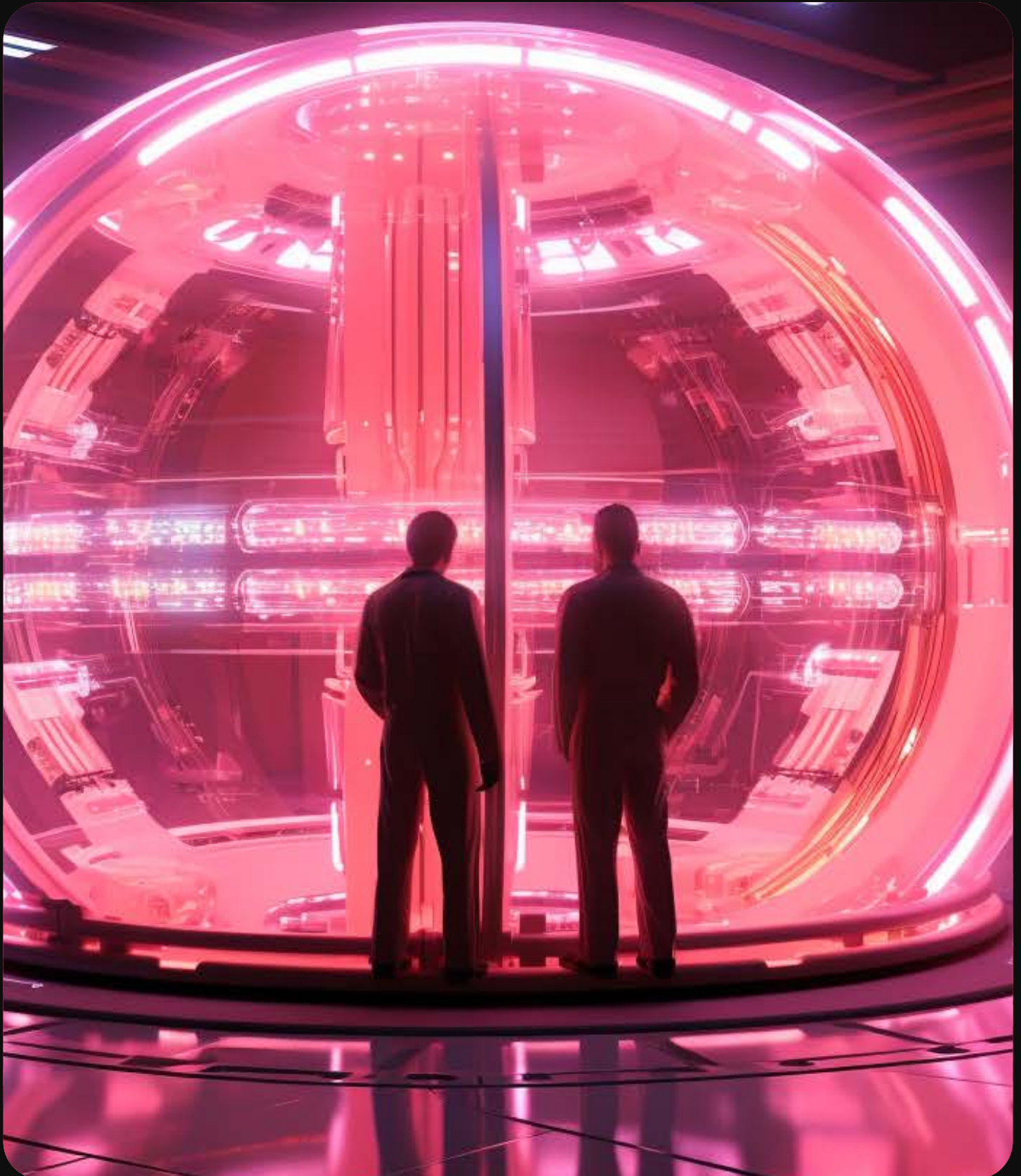
40% more likely to have incomplete or canceled IT modernization initiatives

- Uncertainty about prioritization
- Updating systems that aren't the main culprit
- Modernizing instead of replacing

*TDS - technical debt score *Source - a McKinsey analysis of 220 companies

Any innovation roadmap or new technology onboarded therefore needs to consider debt reduction as part of the process rather than consider it a separate goal, or it will just continue to accumulate in the backlog.

To see how your organization's tech debt stacks up against your industry peers, check out McKinsey's [Tech Debt Score Metric](#).



Cyber resilience in the era of vulnerabilities

The 2023 World Economic Forum's (WEF) Global Risks [Report](#) listed cybersecurity among the top 10 global risks, currently and going forward. Gartner has [predicted](#) that by 2025, 45% of global organizations will have experienced an attack on their digital supply chains; Cybersecurity Ventures is [forecasting](#) the cost of cybercrime will reach an annual \$10.5 trillion the same year.



Digital transformation is now tied into daily life on the individual, local, and global level—as such, all levels of our life and work are constantly besieged by cyber threats, making our ability to prevent, protect against, and recover from cyber threats more and more instrumental.

The US National Institute of Standards and Technology (NIST) suggests the following framework to ensure cyber resilience: Anticipate, withstand, recover from, adapt.

Anticipate

- **Back up your data** - If you'd asked a group of sysadmins how they prepare for security incidents, most would probably say “backups, backups, and more backups.” Regular automated backups are not enough: store backups offsite or in the cloud, include versioning to allow retrieval of multiple historical versions of data, and regularly test your backup and restore procedures. Use a reliable backup solution that enables a full backup to all data repositories (databases, files, virtualization, etc.).
- **Employee training and awareness**—Almost 90% of data breaches are a result of human error, and 1 in 4 employees say they clicked on a phishing email from their work devices. Furthermore, according to [Gartner](#), 75% of employees will acquire, modify, or create technology in a way that will be invisible to IT teams by 2027—up from 41% in 2022. This requires a change in approach, one that will center much of cyber threat prevention around employee training.

Withstand

- **Security measures**—Protect against security threats by implementing diverse security measures such as intrusion prevention systems and anti-malware software, encryption, and multi-factor authentication (MFA). Regularly monitor and analyze network traffic for signs of suspicious activity.
Apply security patches within 30 days of release, including Operating System and third-party software. Validate that all endpoints, Operating Systems, and third-party software are up to date and implement endpoint and detection response tools.
Have a process to retire and decommission unused systems for both hardware and software at least once per year.

Recover

- **Contingency and disaster recovery plans**—Conduct Business Impact Analysis (BIA) to identify critical processes and systems to prioritize. Create an emergency response plan, outlining immediate, coordinated actions to be taken during a crisis to reduce impact, and test it annually. Establish an incident response team with defined roles and responsibilities. Have an annual cyber exercise simulation with at least one senior management and/or Board of Directors member.

Adapt

- **Post-incident review**—Conduct a post-incident review to learn from security incidents and improve response procedures. Carry out forensic analysis to understand the root cause, assess the impact, and implement cybersecurity measures to prevent future occurrences.
- **Stay informed**—Regularly review and update your security policies and procedures to align with industry standards and regulatory requirements.

Best-in-class cybersecurity with Atera

A top IT management solution will make maintaining cybersecurity hygiene and best practices a breeze, enabling you to achieve complete control over your environment while saving hundreds of hours a month. Atera enables IT professionals to:

- Elevate your security with comprehensive patch management. Keep your maintenance on a schedule, create separate profiles per device type or OS, establish a system preparation policy, and more.
- Leverage automation for every aspect of your work. Automate tasks such as disk defrag, scheduled reset, and cleanups, ensure critical third-party applications are up-to-date, and onboard new devices with one click.
- Tap into cutting-edge AI. Use AI to create scripts, automate tasks, auto-heal, and add new layers of functionality to your work. Atera ensures data privacy and security through proprietary models and a deep integration with Microsoft Azure.
- Stay two steps ahead with advanced reporting. Track completed tasks and executed scripts, get a single-pane view of your patching status and vulnerabilities, and instantly install missing or pending patches.
- Enjoy a curated marketplace. Choose the integrations and add-ons that work best for you for security, backup and recovery, and network monitoring.



The bottom line

Compared to even a decade ago, we live in a world of almost endless possibilities and opportunities. It's also a world that is transforming at an ever-increasing pace; and in a reality where change is perhaps the only certainty, failure to identify and bridge operational gaps can lead to inefficiencies, increased cybersecurity risks, problematic resource allocation, and missed windows for innovation and growth. To ensure that they can continue to support their organizations not just on a break/fix basis but as crucial partners towards long-term success, IT leaders need to ensure their operations, teams, and tech are as optimized and resilient as possible.

Key takeaways:

- **A balancing act between frugality and investment:** Successful IT leadership requires a nuanced approach to balancing cost-cutting measures with initiatives that foster ROI-first innovation. Evaluating and modernizing IT infrastructure, optimizing cloud usage, and integrating AI where it will make the most impact are pivotal strategies.
- **Tech debt as an innovation enabler:** Viewing tech debt as an integral part of the innovation process is crucial. Proactive measures to reduce tech debt are imperative for ensuring organizational agility and efficiency.
- **Proactive cyber resilience:** A proactive cyber resilience framework, grounded in anticipating, withstanding, recovering from, and adapting to cyber threats is more suited to today's reality. Decision-makers must stay informed, prioritize employee training, and implement diverse security measures to fortify organizational defenses.



About Atera

Atera enables enterprise IT teams and Managed Service Providers (MSPs) to reach 10X efficiency when solving IT issues at scale. With the first and only AI-powered IT management platform, IT pros can automate their workflows, streamline their operations, and provide proactive IT support to clients and employees, for the benefit of the entire business.



Gain full control over your IT through an all-in-one platform

Remote Monitoring and Management

Handle unlimited devices at a fixed cost, anytime, anywhere.

Remote Access

Start sessions instantly with AnyDesk, Splashtop, TeamViewer, or ScreenConnect.

Helpdesk and Ticketing

Respond to and resolve any issue with speed and efficiency using the power of AI.

Network Discovery

Provides complete security scans of your network in real time.

Patch Management

Automate Windows, Mac, and Linux software patches on your end-user devices.

Advanced Analytics

A 360-degree view of system health, hardware inventory, ticketing, and performance for unparalleled insight.

Network Monitoring

Gain real-time visibility and control over your networks with customized alerts.

IT automations

Manage tasks by assigning automation profiles to different devices and end-users.

IT Asset Management

Track, monitor, and scan assets across their entire life cycle.

Want to see Atera in action?

[Sign up for a free 30-day trial](#)

Cost-benefit printable worksheet

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