

Gartner: "Limited" Increase in Enterprise Software Spend

Written by Marco Attard
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Gartner reports WW 2012 enterprise software spending will total \$120.4 billion-- a 4.5% Y-o-Y increase with "only limited signs of improvement in the near term."



"The full impact of economic uncertainty on enterprise software markets may not be readily assessable until end H1 2012," Gartner continues.

The analyst says 2012 software spending will focus on industry-specific applications, upgrades to mission-critical software, integration and securing of established systems and infrastructure, and the replacement (or extension) of existing applications with SaaS deployments, as well as new solutions.

Enterprise Resource Planning (ERP) is the largest enterprise application market, with global 2012 revenues to reach \$24.9bn. Office suites follow at \$16.5bn, together with Business Intelligence and CRM (over \$13bn).

Gartner predicts businesses will continue shifting spending from capital expenditure to operating expenditure-- benefiting alternative software acquisition models such as SaaS, IT asset management and virtualisation. A growing number of organisation also demands as-a-service software functionality (IaaS, PaaS, SaaS) via cloud-based services.

Global SaaS and cloud-based service spending is set to rise-- reaching a forecast of 16% of total 2016 enterprise application spending, up from 11% in 2010.

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"After more than a decade of SaaS and cloud service use, adoption continues to grow and evolve within the enterprise application markets. This is occurring as tighter capital budgets demand leaner alternatives, popularity and familiarity with the model increase, and interest in SaaS and cloud computing grows," the analyst concludes.

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