

2022 IT Buyer Sentiment Survey: A GCC Countries Executive Summary

December 2021



Introduction

During times of disruption, companies within the Gulf Cooperation Council (GCC) Countries that innovate and proactively invest in their own future can emerge stronger on the other side. How are CTOs and CIOs leading the charge to meet their 2022 objectives in a business landscape that included a global pandemic and economic and political uncertainty?

What is the role — and priority — of technology in combating disruption for organisations within GCC countries? What are IT leaders' feelings towards digital transformation and the cloud? What are their top IT initiatives for 2022?

CENSUSWIDE SURVEYED

505 CIO's and CTO's (aged 18+) in:

Saudi Arabia	150
Kuwait	100
the United Arab Emirates	102
Qatar	50
Bahrain	50
Oman	53

QUOTA: 50 CTO's and 50 CIO's in each of "Telecoms", "Financial Services", "Oil and Gas", "Retail" or "Manufacturing"] between 18.10.21 - 03.11.21. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles.

In this report sponsored by Rimini Street, Censuswide reveals results of its GCC-region IT buyer sentiment survey covering industries including Telecoms, Financial Services, Oil and Gas, Retail and Manufacturing. They provide insights on those questions and more, including:

- What types of initiatives would IT leaders like to see more of in 2022?
- What initiatives would IT leaders like to cancel in 2022?
- What are the biggest challenges when trying to meet digital transformation objectives?
- What are IT leaders' plans, if any, for cloud migration?
- What % feel positively about their enterprise application vendor's cloud offering?
- What % are looking to move to opensource database?
- What % are dissatisfied with their enterprise application vendor support and why?

Almost **three quarters of CIOs and CTOs surveyed** say their relationship with their company's CFO has strengthened¹ compared to two years ago

Looking at the current state of play, almost three quarters (**74%**) of CIOs and CTOs surveyed say their relationship with their company's CFO has strengthened¹ compared to two years ago, with just more than a fifth (**22%**) saying it's significantly strengthened. Across the countries, respondents in the UAE are the most likely to say their relationship with their company's CFO has strengthened¹ compared to two years ago (**90%**), compared to respondents in Kuwait who are the least likely (**57%**).

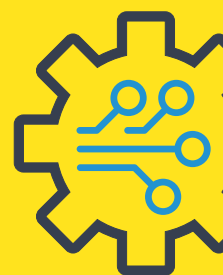
The strengthening of these relationships among members of the C-suite could, in part, be a reason for the fact that more than three in five (**61%**) CIOs and CTOs surveyed expect their technology spend will increase² in 2022, compared to just **4%** who expect it to decrease³. Further evidence for this correlation between a strengthened relationship and increased spend is demonstrated in that respondents in the UAE are again the most likely to expect their technology spend to increase² in 2022 (**83%**). With that said, respondents in Bahrain are the least likely to expect their technology spend to increase² in 2022 (**48%**), compared to respondents in Kuwait (**52%**).

It seems that most respondents expect to see results from this increase by 2024. Indeed, the majority (**52%**) of CIOs and CTOs surveyed said when evaluating technology investments, their expected ROI timeline is one to two years. This was true for all countries with the exception of Kuwait, where most (**62%**) respondents there put their expected ROI timeline at three to five years.



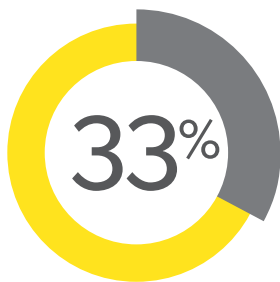
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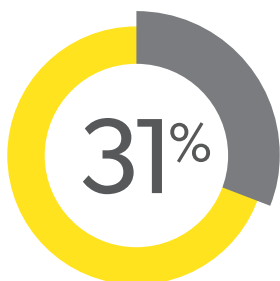
Security and privacy protections



Next-generation disruptive technology initiatives



Risk management and compliance



Revenue-generating technology initiatives

IT INITIATIVES

Exploring IT initiatives in more detail, the top five types that respondents would most like to see more of in 2022 because they personally see clear business value and strong ROI are:

1. Security and privacy protections (40%)
2. Next-generation disruptive technology initiatives (33%)
3. Risk management and compliance (32%)
4. Revenue-generating technology initiatives (31%)
5. Customer success and engagement (31%)

On the contrary, the top five types of IT initiatives CIOs and CTOs surveyed would prefer to cancel, because they don't or no longer see clear business value or strong ROI, are:

1. Revenue-generating technology initiatives (30%)
2. Cost cutting operational projects (30%)
3. Risk management and compliance (28%)
4. Security and privacy protections (28%)
5. Customer success and engagement (27%)

It seems then, that security and privacy are strong investment areas; however, initiatives focused on generating revenue or cutting costs are becoming less of a priority.



A striking **96% of CIOs and CTOs surveyed say accessing the right talent to keep up with the demand for digital transformation is a challenge⁴** in their organisation



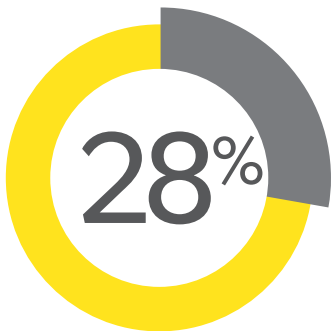
More than seven in 10 (**72%**) CIOs and CTOs surveyed have positive personal feelings towards digital transformation and believe digital transformation investments are key to their success. However, a notable **44%** say their personal feelings towards digital transformation are that of concern, and digital transformation projects are risky. Respondents in Oman are the most likely to have positive personal feelings towards digital transformation (**87%**), while respondents in Kuwait are the most likely to have personal feelings of concern in regard to digital transformation (**63%**).

Regardless of personal feelings, less than **1%** of respondents say that digital transformation is not a priority for them, compared to other corporate

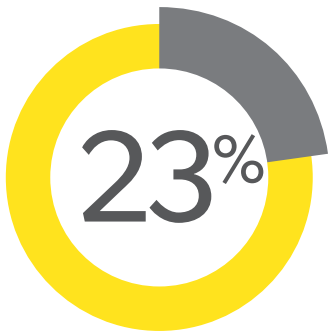
priorities. Just more than one in seven (**15%**) say it's the number one priority compared to other corporate priorities; just over a quarter (**26%**) place it in their top three; almost three in 10 (**29%**) place it in their top five; and a fifth (**20%**) place it in their top ten. There are striking differences across the countries. For example, while around a fifth of CIOs and CTOs surveyed in Oman (**23%**), KSA (**22%**) and Bahrain (**18%**) say digital transformation is the number one priority for them compared to other corporate priorities, fewer than one in seven (**13%**) respondents in the UAE say the same. Even fewer respondents in Qatar (**8%**) and Kuwait (**4%**) say digital transformation is the number one priority for them, compared to other corporate priorities.



Are concerned their existing application customisations will become lost



Feel their IT infrastructure is too customised to allow for flexibility



Don't want to be locked in by their vendor to an existing enterprise software contract

DIGITAL TRANSFORMATION CHALLENGES

The five biggest challenges CIOs and CTOs (who have a digital transformation initiative) face in meeting their digital transformation goals are:

1. Existing application customisations becoming lost during the transformation (29%)
2. Their IT infrastructure is too customised to allow for flexibility (28%)
3. Ensuring robust security and compliance (25%)
4. A lack of resources to complete transformation (25%)
5. Understanding security challenges and risk involved (24%)

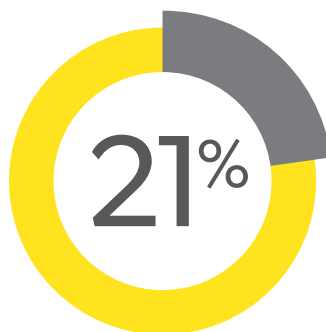
These are followed by challenges such as hidden costs and complexity moving to the cloud (23%), being locked in by their vendor to an existing enterprise software contract (23%), demonstrating ROI that meets the needs of the business (23%), identifying an IT roadmap flexible enough for the business (22%) and finding the funds (21%). Less common challenges are lack of senior level buy-in (16%) and poor vendor support (13%).

Furthermore, it seems another great challenge is finding the right employees. Indeed, a striking 96% of CIOs and CTOs surveyed say accessing the right talents to keep up with the demand for digital transformation is a challenge⁴ in their organisation, with almost two in five (39%) going as far to say this is very challenging. It seems this challenge resonates most with CIOs and CTOs surveyed in Oman (47%), Bahrain (46%) and Kuwait (45%) with well over two in five stating that accessing the right talents to keep up with the demand for digital transformation is very challenging. Comparatively, fewer than two in five respondents in KSA (36%), the UAE (32%) and Qatar (32%) find this very challenging. Overall however, acquiring the right talent is universally challenging in these geographies.

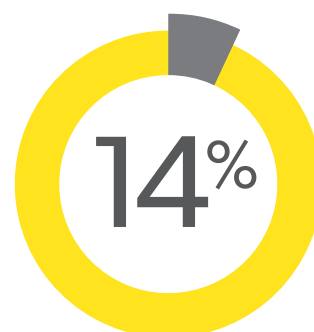
ROADMAPS

54%

say they intend to move their internally-run enterprise applications to a hosted cloud environment and are moving away from their vendor



say they are planning to move to a hosted cloud environment and stay with their current vendor



are planning to move but will switch to an Infrastructure-as-a-Service (IaaS) provider

A majority of CIOs and CTOs surveyed feel positively about their currently application vendor's cloud offering:

- **85% feel positively⁵** about the infrastructure
- **78% feel positively⁵** about the solution maturity
- **72% feel positively⁵** about the ROI business case

With that said, more than half (**54%**) say they intend to move their internally-run enterprise applications to a hosted cloud environment and are moving away from their vendor, compared to just more than a fifth (**21%**) who say they are planning to move to a hosted cloud environment and stay with their current vendor. One in 14 (**7%**) are planning to move but switch to an Infrastructure-as-a-Service (IaaS) provider like Microsoft Azure, Google Cloud or AWS,

and almost a fifth (**18%**) are not planning to move.

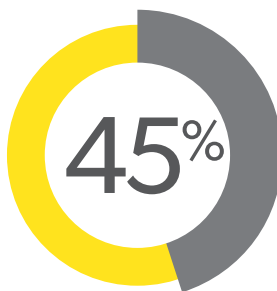
For those who are planning to move to a hosted cloud environment, three in 10 (**30%**) plan to migrate to the cloud with a hybrid cloud model, keeping some applications in-house and selectively switching to SaaS equivalents of other applications over time. A similar percentage (**28%**) plan to 'lift and shift' to a public cloud infrastructure-as-a-service such as Microsoft Azure, Google Cloud or AWS, and just over a quarter (**26%**) plan to migrate to a private cloud, keeping their existing application environment. Finally, one in six (**16%**) plan to migrate to the cloud with a 'rip and replace' approach – switching from existing in-house applications to the SaaS equivalent of their current applications.



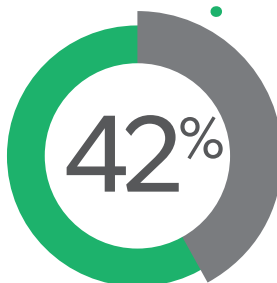
are considering using internal resources as their strategic cloud partner



are planning to use their software vendor



would consider software licensing consultants



would consider a third-party support services provider



STRATEGIC PARTNERS

A large donut chart with a green segment representing 42% of the total. The number '42%' is displayed in the center of the chart.

Partner Type	Percentage
Third-party support services provider	42%

of CIOs and CTOs would consider a third-party support services provider as their strategic cloud partner

In terms of a partner, almost three in five (**58%**) of those who are planning to move to a hosted cloud environment say their software vendor is someone they'd consider as their strategic cloud partner for the future. Meanwhile, more than two in five say they would consider software licensing consultants as their strategic cloud partner for the future (**45%**) or a third-party support services provider (**42%**). Finally, almost three in five (**58%**) are considering internal resources.

LICENSING

76%

A staggering 76% of CIOs and CTOs surveyed say up to 50% of their enterprise application software goes **unused**

More generally, just more than three quarters (**76%**) of CIOs and CTOs surveyed say up to **50%** of their licenced enterprise application software goes unused, while a fifth (**20%**) say **51%** or more goes unused. Just **4%** say none of their company's licence software goes unused, suggesting there is a vast amount of room for optimisation.

76%

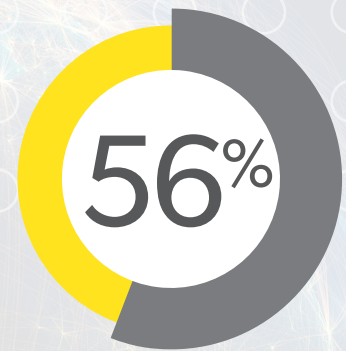
of CIOs and CTOs surveyed say up to 50% of their licensed enterprise application software goes unused

20%

say more than 51% of their company's licenced enterprise application software goes unused

4%

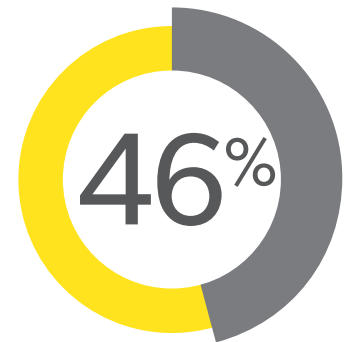
4% say none of their company's licenced enterprise application software goes unused



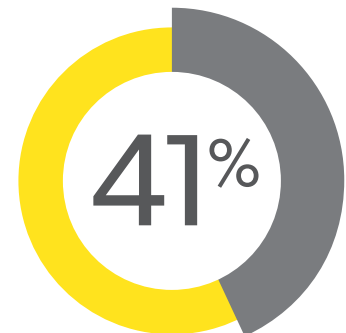
of respondents have upgraded or plan to upgrade due to security reasons

UPGRADING OPTIMISATION

Given this apparent need for optimisation, it's perhaps no surprise that around two in five (**41%**) CIOs and CTOs surveyed are planning to complete upgrades for their enterprise applications. Just one in 12 (**8%**) say they have and are not planning to do upgrades for their enterprise applications. Despite just more than half (**51%**) of respondents saying they have already completed upgrades, still no (**0%**) respondents say this was in the last six months. In fact, the majority (**53%**) of CIOs and CTOs say the last time they upgraded their enterprise application was one to two years ago.



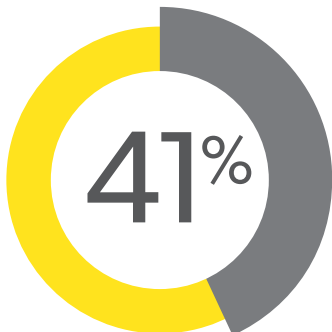
because their vendor advised them to upgrade



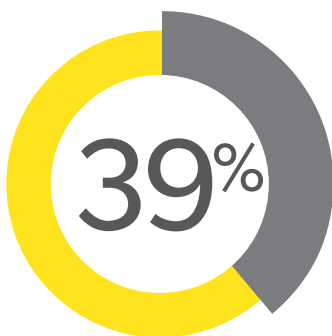
were forced to upgrade due to support ending with the existing application

The top reason for the survey respondent's last or upcoming upgrade is due to security reasons (56%). This reason comes over being advised by their vendor (46%), providing their organisation with innovative processes (43%) and being forced to upgrade due to support ending with their existing application (41%).

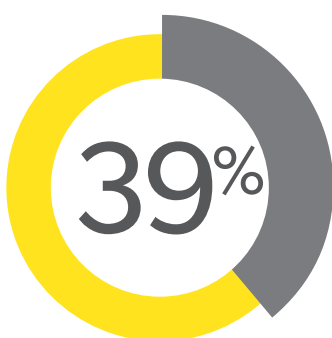
The challenges faced when it comes to enterprise application vendor support:



Explaining the same issues multiple times



High costs



Lack of responsiveness and ownership

44% of CTOs and CIOs haven't heard of third-party support services.

The top challenges faced when dealing with enterprise application vendor support are:

- Explaining the same issues multiple times (41%)
- High costs (39%)
- Lack of responsiveness and ownership (39%)
- Having to reproduce the issue to prove the root cause (39%)
- Need to upgrade to resolve issues (36%)

In addition, more than a quarter (27%) say one of their top challenges with their enterprise application vendor is no support for customisations and the same percentage (26%) say there is no access to an experienced engineer. Notably, just 6% say they are not experiencing any challenges.





Almost half of CIOs and CTOs surveyed have upcoming plans to use or migrate to open source databases

Almost half (**48%**) of CIOs and CTOs surveyed have upcoming plans to use or migrate to open source databases. Differences across the geographies are notable. While around two thirds of respondents in Kuwait (**66%**) and UAE (**65%**) have upcoming plans to use or migrate to open source databases, less than half of respondents in Qatar (**44%**) and Bahrain (**46%**) say the same. Further, even fewer respondents in KSA (**34%**) and Oman (**28%**) have upcoming plans to use or migrate to open source databases.

For those planning to migrate to open source databases, the top reasons are:

- Security, risk management and compliance (**41%**)
- Next-generation disruptive technology initiatives (**37%**)
- Revenue-generating technology initiatives (**35%**)
- The existing vendor's licencing is too expensive (**33%**)
- Cost cutting operational projects (**29%**)

In addition, almost three in 10 (**28%**) say they are planning to migrate to open source databases for process improvements and employee efficiency, while the same percentage (**28%**) say they were advised to by their vendor. More than a quarter say the reason is due to a lack of innovation in their existing vendor's enhancement packs (**27%**) or due to end-vendor support for existing databases (**26%**). Finally, just more than a fifth (**22%**) say COVID-19 prompted them to migrate to open source databases.

Notes

1 Combines 'significantly strengthened' and 'slightly strengthened'

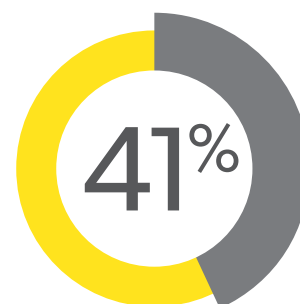
2 Combines 'More than 10% increase, please specify', '5% - 10% increase' and 'Less than 5% increase, please specify'

3 Combines 'Less than 5% decrease, please specify', 'Decrease by 5% - 10%' and 'Decrease by more than 10%, please specify'

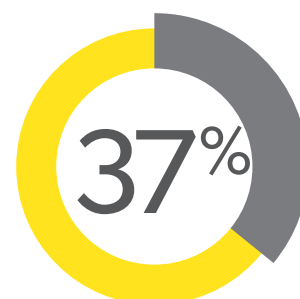
4 Combines 'Very challenging' and 'somewhat challenging'

5 Combines 'Very positive' and 'somewhat positive'

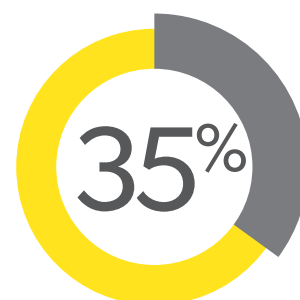
Top reasons for migrating to open source database:



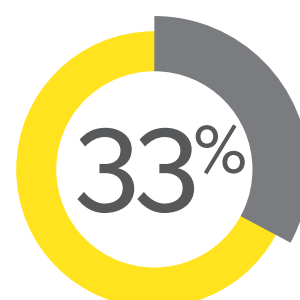
Security, risk management and compliance



Next-generation disruptive technology initiatives



Revenue-generating technology initiatives



The existing vendor's licencing is too expensive



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