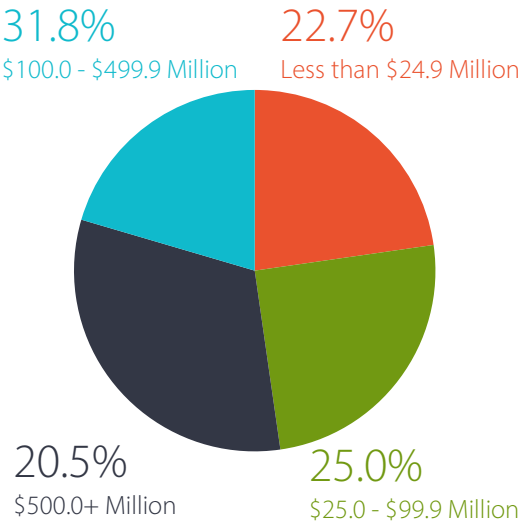


Executive Summary

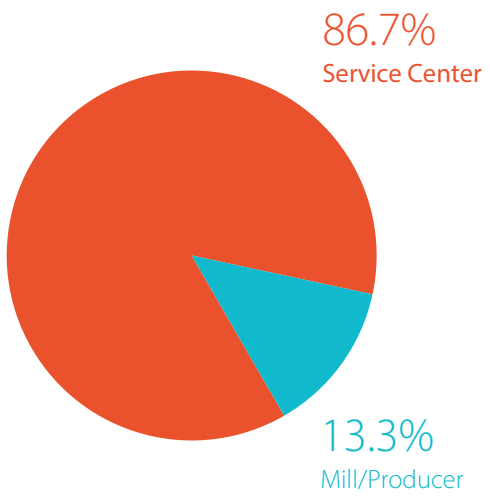
Respondent Profile

The following charts are shown to help users of the report better identify with the participating firms

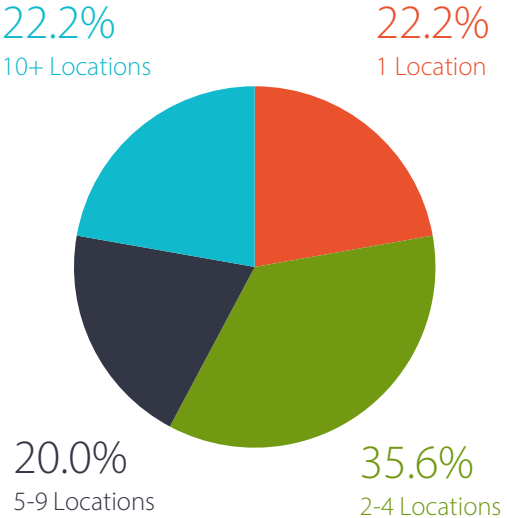
All Respondents by Company Sales



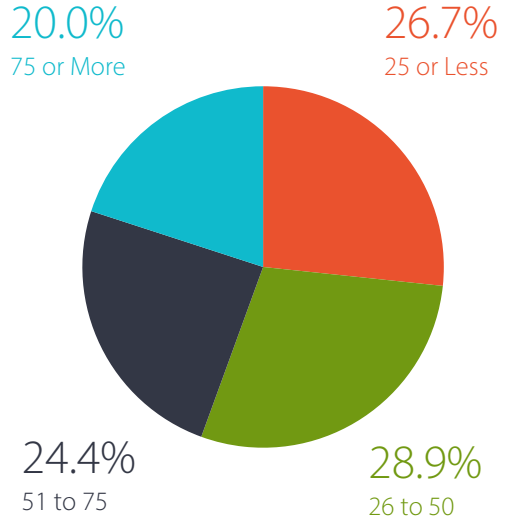
Company Type by % of Respondents



All Respondents by Number of Locations



All Respondents by # of Employees per Location

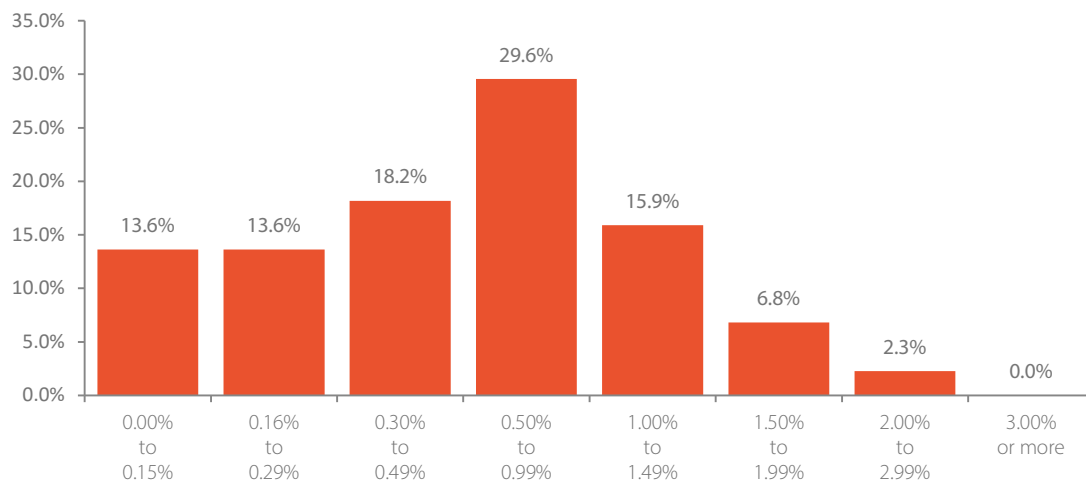


IT Spending

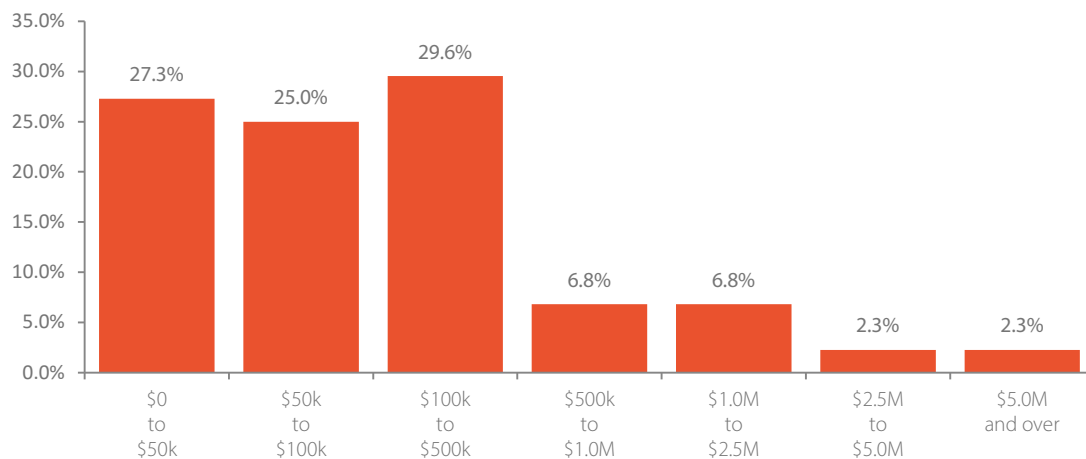
Survey respondents were asked “What percentage of your company’s total annual sales is spent on IT (hardware, software, communications, training, salaries, consultants, contractors, etc.)?” The majority of the respondents reported spending between 0.30% to 1.49% of total annual sales on IT related expenses. The Fortune 500 average is slightly over 4%. According to Gartner Research, across all industries, the typical spending

percentage falls between 3% to 5%. Although, the IT spending for most MSCI member respondents falls below this figure, it is relatively comparable with the norms for Industrial Manufacturing, Wholesalers, and Construction, Materials and Natural Resources industry sectors. These sectors typically fall in the range of 1% - 2% of total revenue dedicated to IT spending.

IT Spending as a Percentage of Total Sales



IT Capital Investment for Most Recently Completed Fiscal Year



So, how much IT spending is sufficient or suggested? The answer to this question can vary greatly depending on the industry, the company, the competitive landscape, your IT strategy and how it fits within your overall company strategic plan. Additionally, CIOs and others responsible for IT spending budgets must balance where they are in their IT lifecycle when answering this question. At times, your IT spending is in a maintenance mode to ensure that spending is at a minimum maintaining the required levels to ensure no business interruption. At other times, your firm may be in a stage where spending will be much higher with a goal of achieving long-term efficiencies. While overall IT spending as a percentage of revenue is a good top level figure to measure overall IT spending, it should be used as a "guideline" rather than an absolute standard to

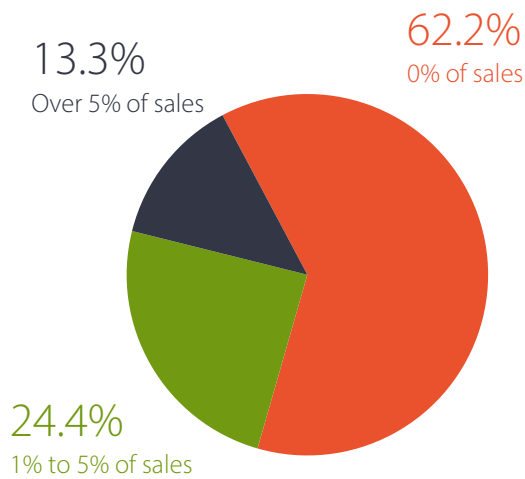
manage against. If your percentage is below the norm, it is best to understand why before making any changes to your IT spending.

Ultimately, a good guideline to follow when reviewing IT spending is to assess the spending decision as it relates to your overall goals within each of the following categories:

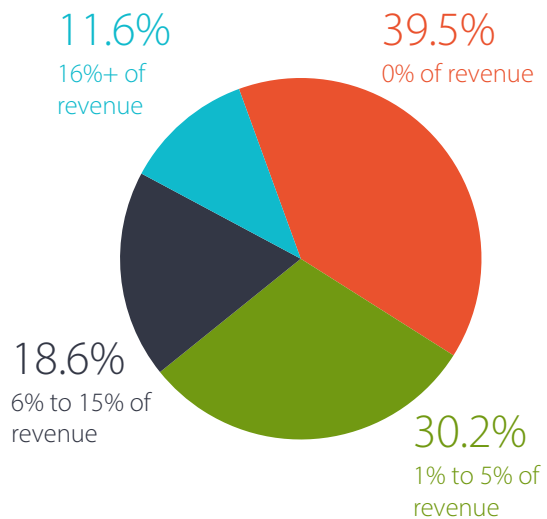
1. strategic (future business critical)
2. tactical (efficiency and effectiveness improvement), and
3. operational (work and service capacity investments and expenditures).¹

E Business

Percentage of your company's sales through its own website



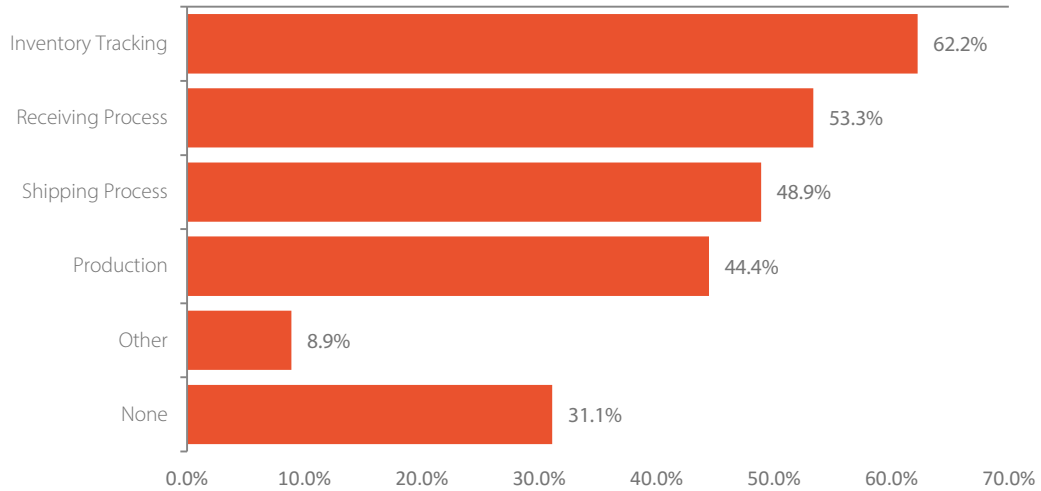
Percentage of your firm's revenue generated from electronic sources like websites, portals and online catalogs



¹Zhu, P. (2012, December). IT Spending Benchmark Debate: Ideally what should be percentage of IT spent of an organization relative to its revenue? Retrieved April 1, 2016, from <http://futureofcio.blogspot.com/2012/12/it-spending-benchmark-debate-ideally.html>

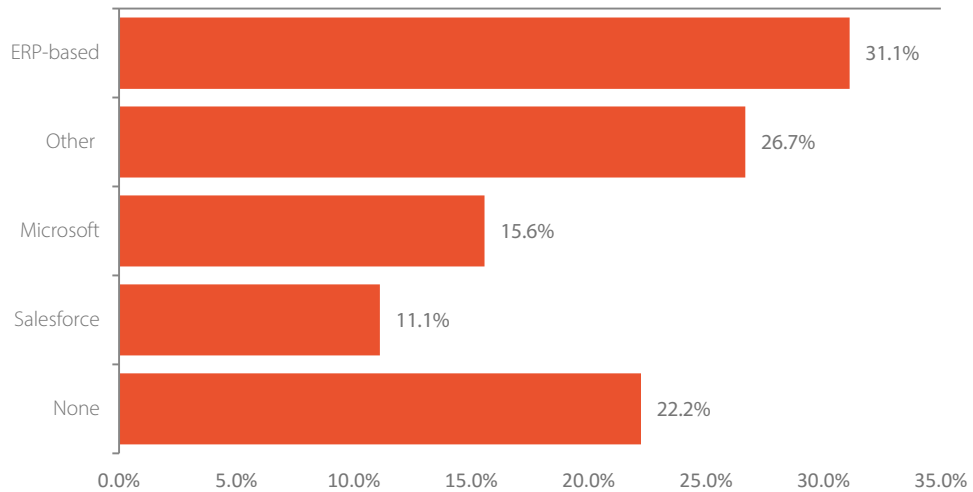
Shop floor and shipping IT

What types of scanning does your firm do on the shop floor?

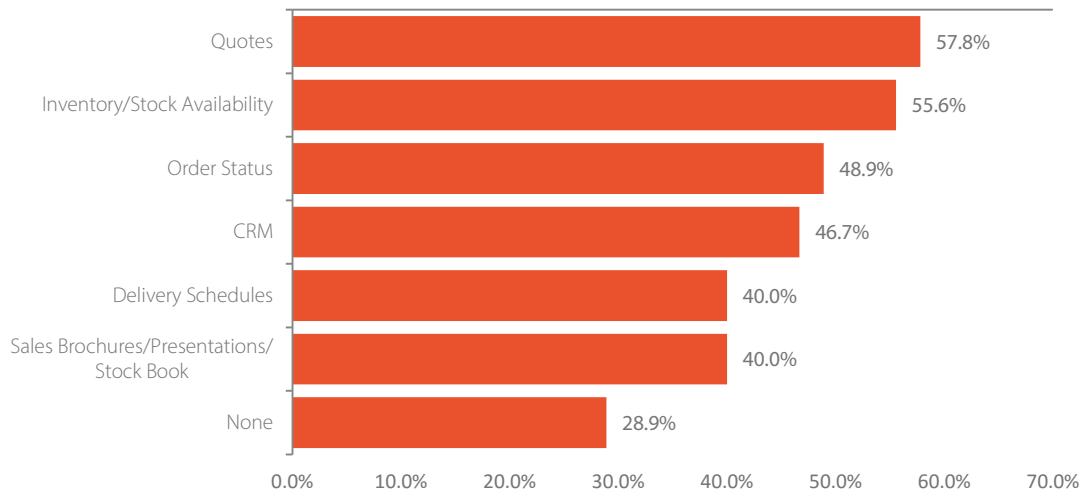


Sales and General Administrative IT

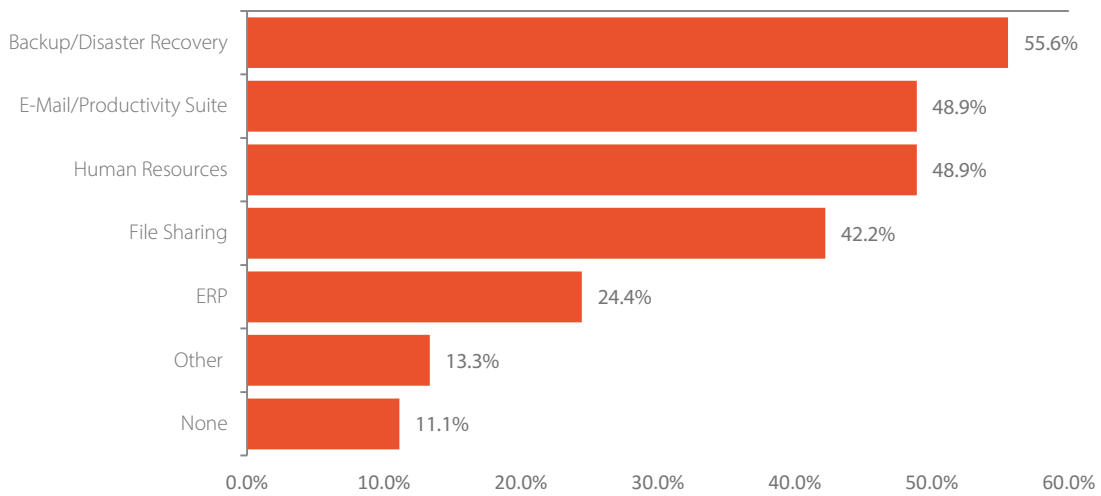
What type of CRM solution(s) does your firm use?



What capabilities does your sales force have in regard to real time mobile access?

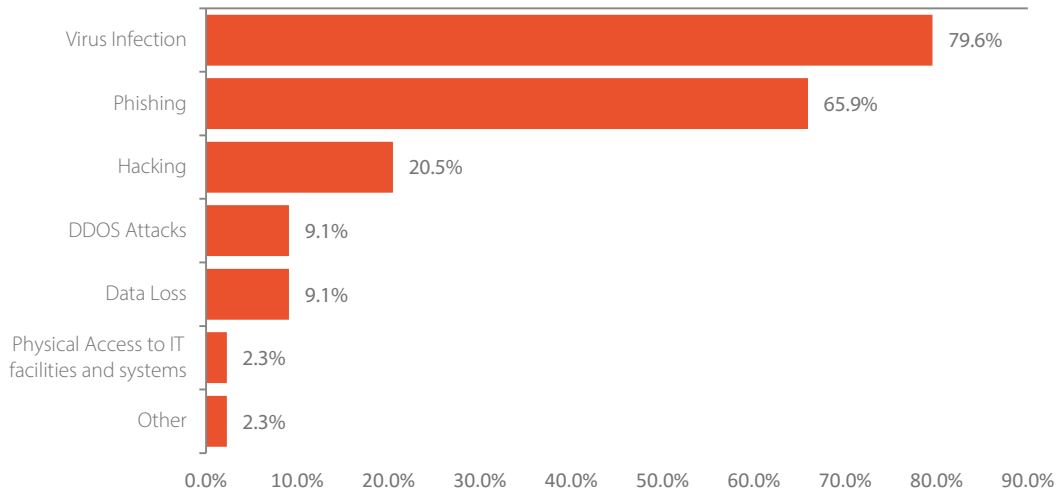


What kinds of *cloud based* solutions does your firm employ?

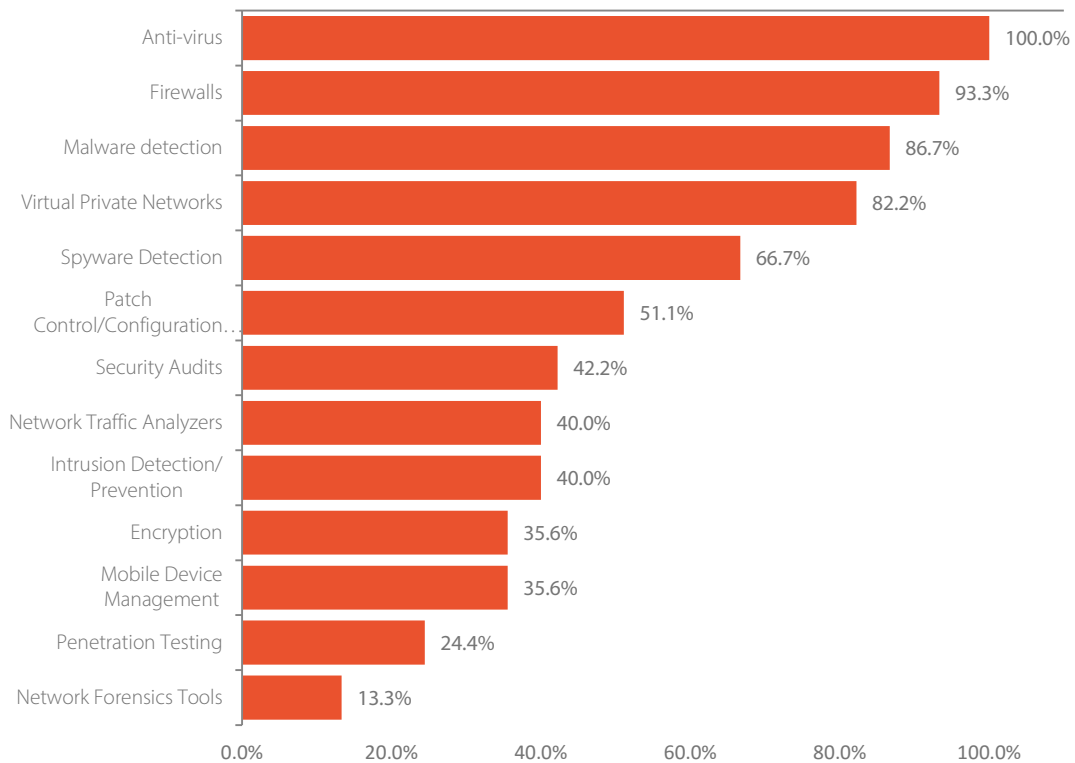


Cybersecurity

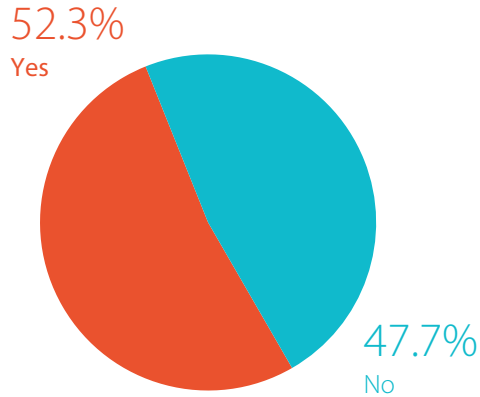
What are the most common cybersecurity problems your company faces on a daily basis?



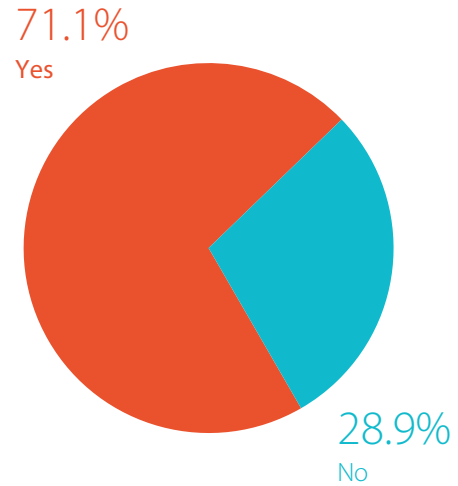
What cybersecurity tools does your company employ?



Does your company carry insurance to cover cybersecurity losses and data breaches?



Do you train your employees to avoid cybersecurity exposure?



If you train your employees to avoid cybersecurity exposure, what is the format of the employee training you provide?

