



TBR Webinar Series

How AI Is Shaping IT Infrastructure Purchasing Trends in 2024

July 18, 2024



Today's agenda

About TBR's infrastructure strategy customer study

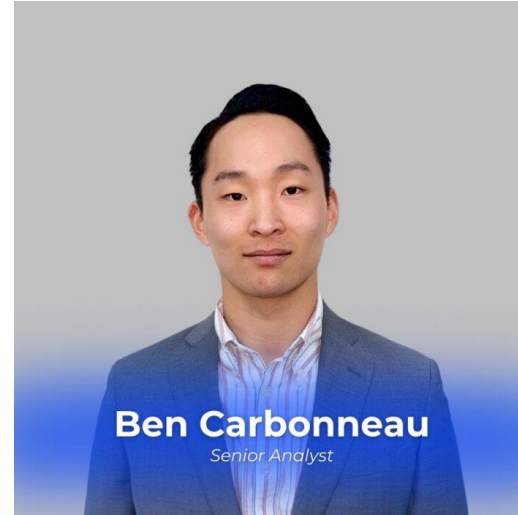
How AI is shaping IT infrastructure purchasing trends

Additional buyer trends

Meet your presenters



Angela Lambert
Principal Analyst



Ben Carbonneau
Senior Analyst

About TBR's *Infrastructure Strategy Customer Research*

Respondents

- IT decision makers
- Companies with at least 250 employees
- Broad industry vertical coverage
- 300 respondents annually
- Survey fielded in April and May 2024

Topics

- Macro trends
- IT infrastructure investments
- Data center consolidation
- IT infrastructure services

As AI buzz rapidly increases, trends in TBR’s survey data suddenly shift

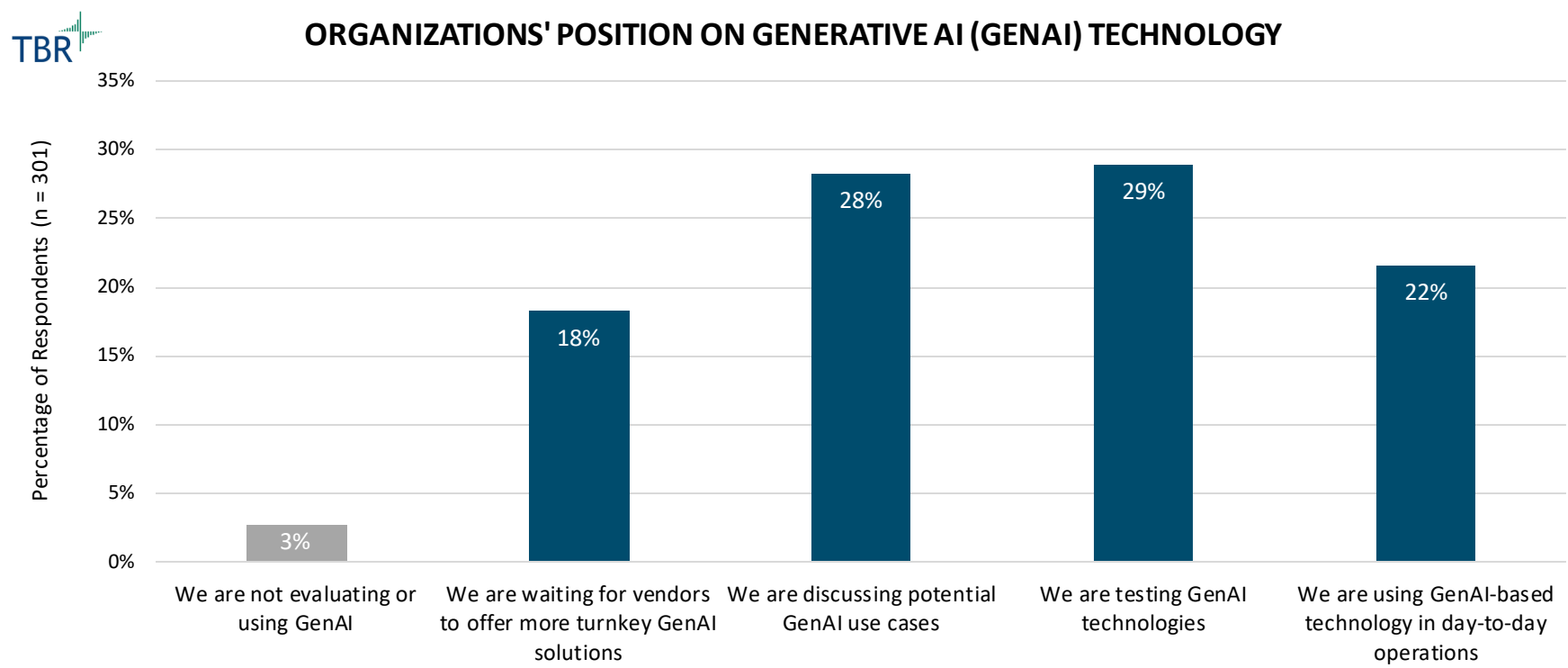


IT Organizations’ Top Priorities Over the Next 2 Years

| | 2022 | 2023 | 2024 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| 1 | Improve security | Improve security | Utilize artificial intelligence |
| 2 | Improve reliability of IT systems | Improve reliability of IT systems | Improve reliability of IT systems |
| 3 | Build hybrid cloud/multicloud | Automate time-consuming IT tasks | Improve security |

SOURCE: TBR

Despite significant interest in GenAI, IT organizations are still weighing the path forward



SOURCE: TBR 2Q24

Customers will take a hybrid approach to GenAI adoption



How Organizations Will Deploy GenAI Use Cases

| | |
|-------------------------------------|-----|
| On their own private infrastructure | 65% |
| In public cloud | 45% |
| Buy software with GenAI features | 59% |

SOURCE: TBR SURVEY DATA
n = 237



Hardware Footprint Expansion Over the Next 2 Years

| | |
|----------------------------|-----|
| Servers | 51% |
| Networking | 50% |
| High-performance computing | 49% |

SOURCE: TBR SURVEY DATA
n = 301

Company size impacts GenAI adoption barriers



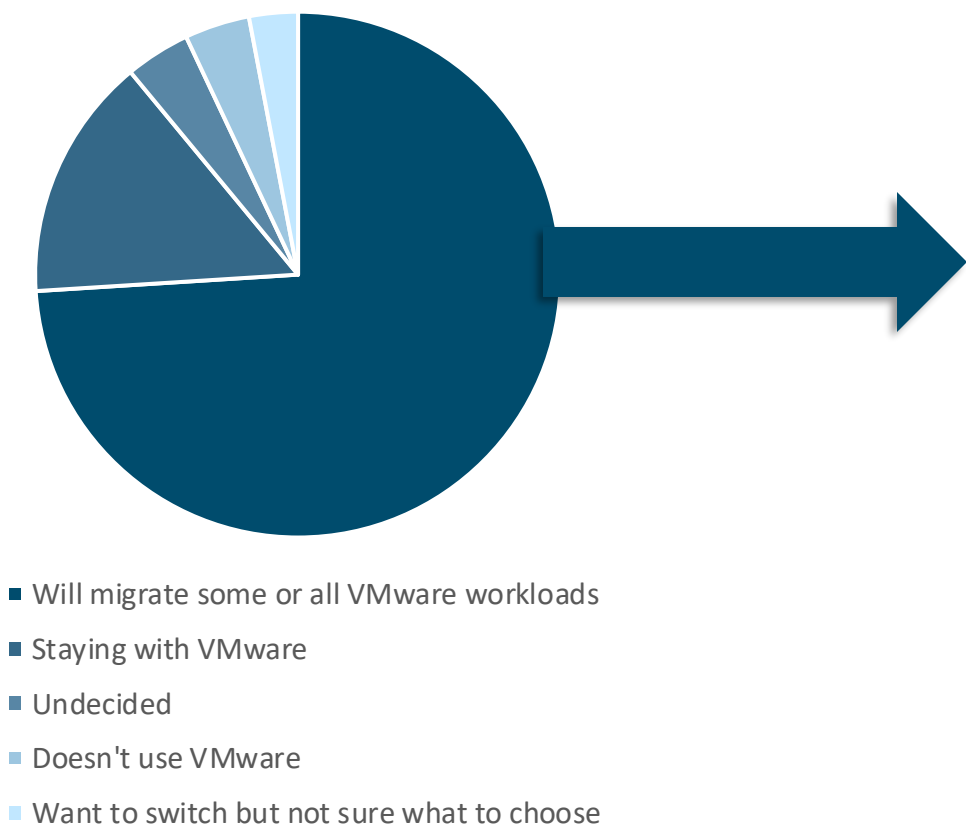
Organizations’ Greatest Barriers to Adopting GenAI

| | Small business | Medium business | Enterprise |
|---|---|---|--|
| 1 | Assessing legal or ethical risks to using GenAI technology | Ensuring data privacy | Ensuring data privacy |
| 2 | Cost of adopting new technologies | Finding vendors to help deploy GenAI solutions | Assessing legal or ethical risks to using GenAI technology |
| 3 | <ul style="list-style-type: none">Identifying use cases with solid ROIShortages of GPUs/AI servers | Lack of internal skills to operate GenAI technology | <ul style="list-style-type: none">Identifying use cases with solid ROIStructuring our data for machine learning |

SOURCE: TBR SURVEY DATA
n = 237

Buyers respond to VMware licensing changes by seeking alternatives

TBR RESPONSE TO VMWARE
ACQUISITION BY BROADCOM



SOURCE: TBR SURVEY DATA
n = 301

TBR Preferred VMware Alternatives

| | |
|--|-----|
| Other virtualization software (e.g., Microsoft, Nutanix) | 46% |
| Migrate workloads to public cloud | 44% |
| Bare metal compute (no hypervisor) | 34% |

SOURCE: TBR SURVEY DATA
n = 301

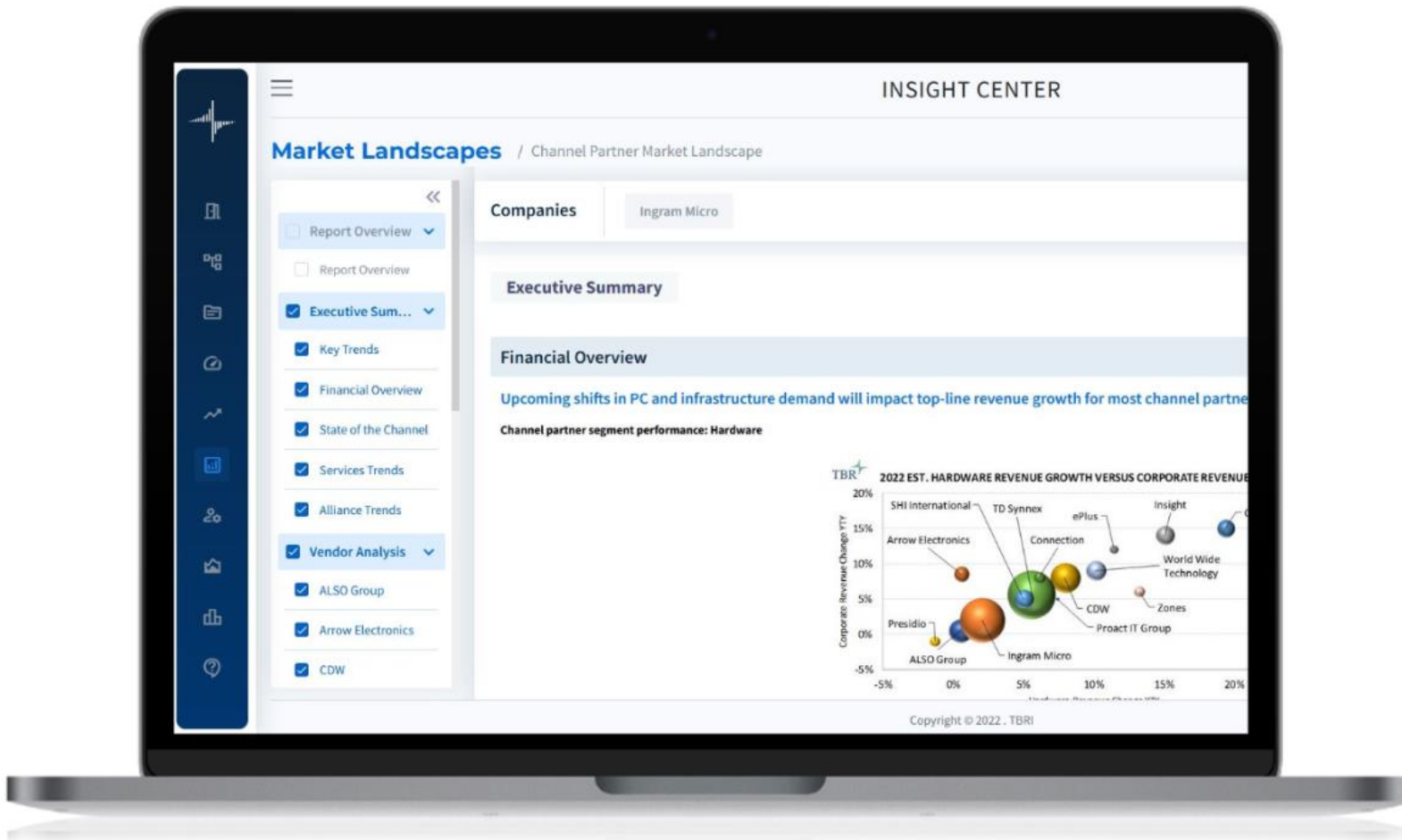
U.S.-based survey respondents increasingly prioritize sustainability as data center demands continue to grow

Key trends

- Sustainability gains attention in the U.S. market
- Organizations are prioritizing low-hanging fruit
- Management console features will be a value add

Q&A

Next Steps



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