



Survey Results and Top Views going into 2020

IT Spending, Priorities and Industry
Transformation

IT Spending, Industry Transformation

This report is based upon our fall survey as well as other recent research input and analysis as we enter 2020.

Our research is ongoing. We welcome any input, opinions or other feedback regarding these names and our views. Just a short, one or two sentence reply would be great. Call / email us with questions at any time.

Our October / November survey included input from 98 industry professionals including VARs, distributors and other sales professionals. This survey has traditionally helped us gain a view of overall IT spending, hiring and updates on vendors and helps us prioritize further research.

We have kept this summary concise. In some cases we refer to our past notes for more depth. Below are links to some of our recent notes. Additional notes are archived on our web site. Just let us know if you need the current password.

Selected Recent Update Notes:

[BI:Analytics:Big Data Update for November 2019 AYX, TLND, MDB, CLDR, SPLK, DDOG, ESTC](#)

[Zscaler / Palo Alto Networks - Prisma Market Dynamics](#)

[SPR Client Conference call – Fed budget flush; Two huge Fed IT Awards – JEDI and DEOS!](#)

[PING \(Upcoming IPO\), CYBR – Growing Competition...](#)

[Highlights from call w:Mike Rothman on Cyber Security, link to recording](#)

[Black Hat Conference – Summary](#)

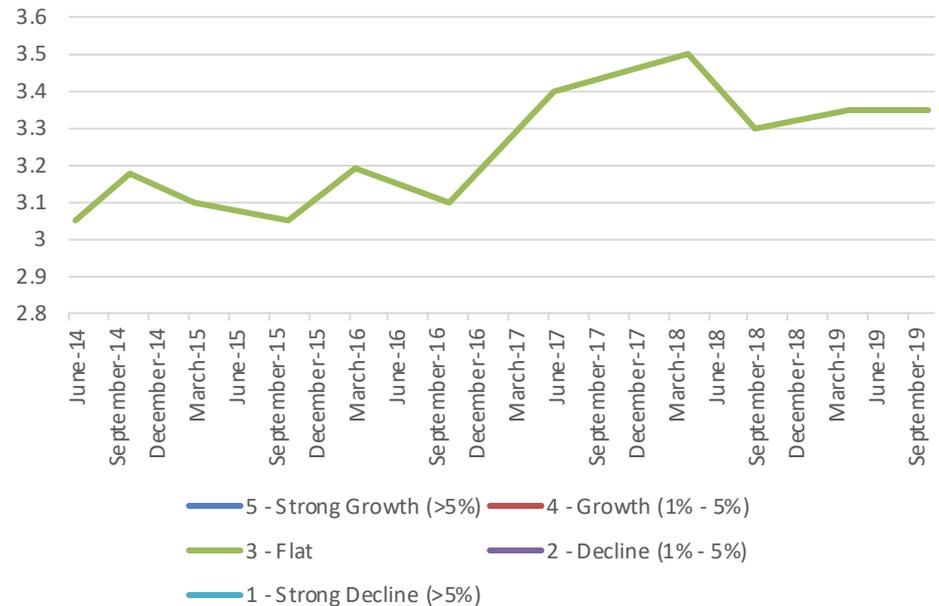
There is always more to share and we look forward to discussing trends and companies that are of specific interest to you.

Key Takeaways

Overall IT Infrastructure Spending

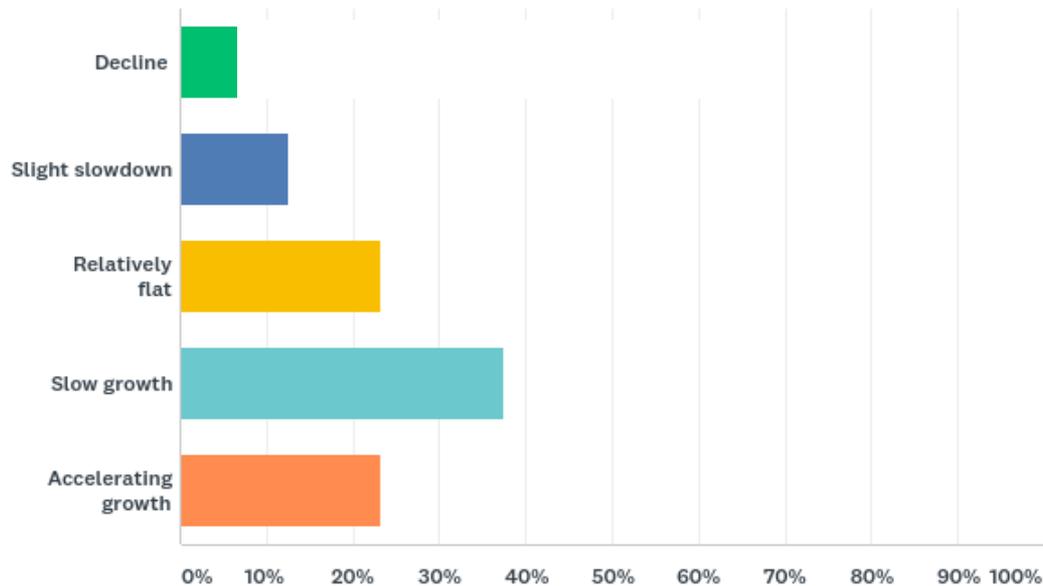
- Indications for IT spending elevated during 2018 but retreated in 2019.
- The shift to the cloud is having a growing impact. Some survey respondents reported end users moving some applications back to their own premise, or private cloud, for reasons of cost or performance.
- As discussed in more detail in the following slides, spending on security and analytics has held up better than other segments.

Survey Indications for IT Infrastructure Spending January 2014 - Present



Q1 IT spending - what are you seeing regarding current spending trends?

Enterprise IT Spending



- Scores for IT spending were in line with our spring survey, at a lower level as compared to last year.
- As in our spring survey, most of the respondents who chose “Accelerating Growth” were in the Security, Analytics or Hyperconverged segments.

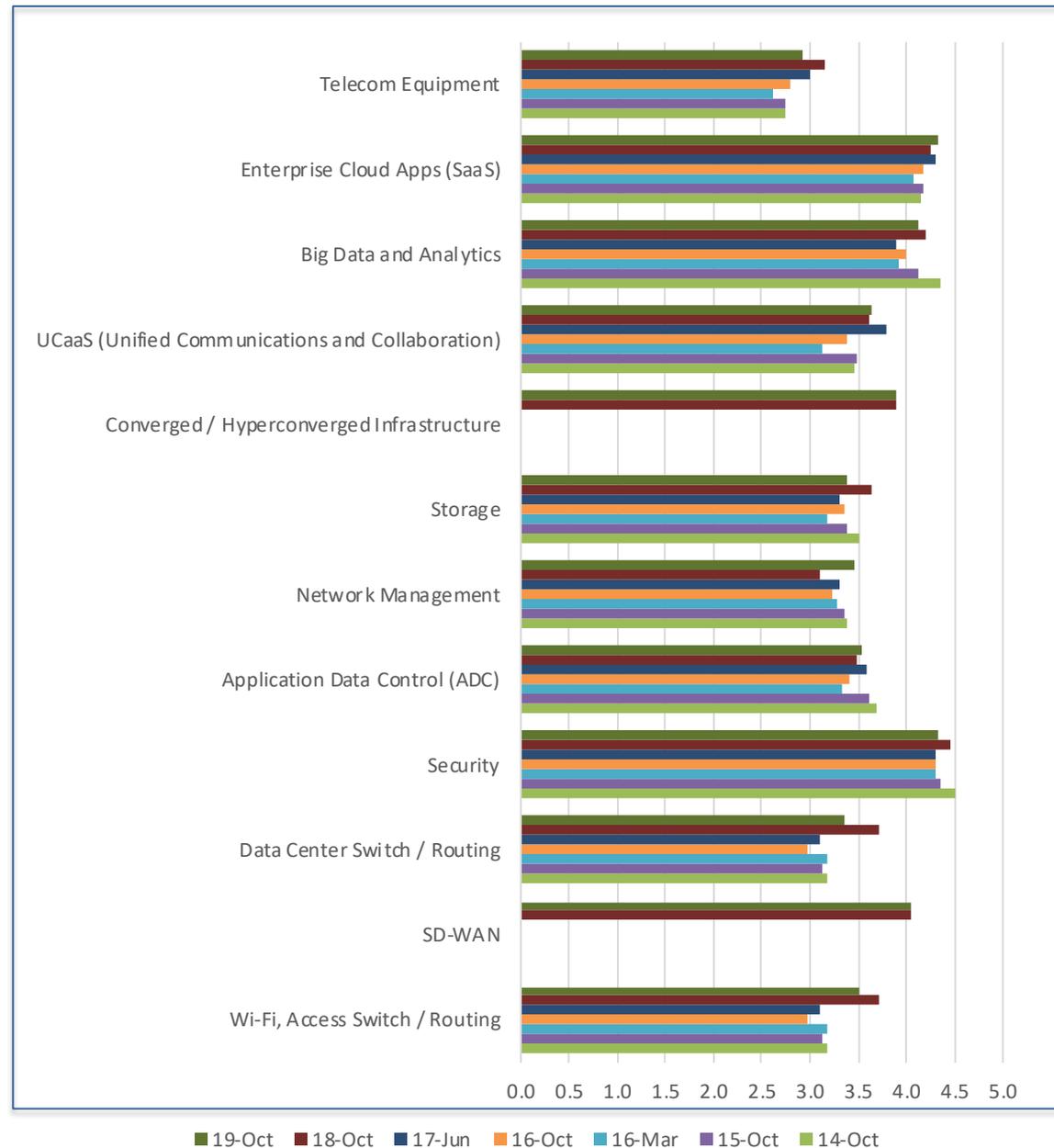
Indications for Growth by Market Segment

This chart is a bit challenging to digest. In our analysis we found that there were a few notable changes in spending priorities by segment:

- **Strongest segments continue to be:**
 - **Security**
 - **Converged / Hyperconverged**
 - **BI & Analytics**
 - **Cloud Applications (SaaS).**
- **SD-WAN** has grown quickly as a priority.
- **WiFi, Access Switch / Routing** became a higher priority during 2019.

Key:

- 1 = Steep Decline
- 2 = Moderate Decline
- 3 = Flat
- 4 = Moderate Growth
- 5 = Strong Growth



Top Views Going Into 1H 2020

The following slides describe some of the top themes that we are focused on going into 2020 and views of many of the companies we follow. As always, we are happy to discuss in more detail.

Our research is ongoing. We welcome any input, opinions or other feedback regarding these names and our views. Just a short, one or two sentence reply would be great. Call / email us with questions at any time.

Top Themes We are Following in 2020

Cloud - Migration and Repatriation - We continue to follow the migration of workloads to the public cloud as well as the recent trend of repatriation of some applications back to private clouds or on-premise infrastructures.

Shifting Priorities within Security - Priorities in security continue to shift away from appliance-based firewalls and towards identity / zero trust, SASE (Secure Access Service Edge) and SOAR (Security Orchestration and Automation).

Changing Dynamics in the End Point Protection Market - In 2019 we saw acceleration in the adoption of new generation EPP solutions. In 2020 we expect more growth, further consolidation of vendors and integrated solutions.

Acceleration in Analytics - Based upon successful projects last year, we expect strong spending in this area early in 2020.

HCI (Hyperconverged Infrastructure) HCI / storage - strong growth in demand; strong growth in competition.

5G - Ramp in Spending is beginning - We are exploring views on the timing of the ramp in investment in infrastructure; progress of use cases; vendors benefitting...

Top Positive Views - Companies

RPD - Rapid7 is executing well in the vulnerability market and have successfully added a strong SIEM offering for the mid-market. Rapid7 has also recently introduced a solution in the SOAR (Security Orchestration, Automation and Response) segment. Industry feedback indicates that this offering is well crafted for the mid-market.

RNG (Ring Central) - Very strong execution continues; Channels believe that Ring Central will deliver on the growth anticipated from their recent deal with Avaya. We will be monitoring field activity to understand the timing and magnitude of this uptake.

SAIL - Sailpoint is a leader in their segment of identity management (governance). We believe that Sailpoint is misunderstood by many investors. (Field teams say that they are also misunderstood by many channels and end users as well). Sailpoint has well regarded solutions and address a large market but have a long sales cycle. So far, identity governance has not been a priority for the SME market. We believe this part of the market represents additional upside for Sailpoint and they are working to make their solution easier to implement.

SPLK - Splunk is well established as the leader in operational analytics and in security analytics. They enjoy high levels of customer loyalty. Their Phantom acquisition is called a “home run” by industry contacts, providing upside in the emerging market for automation. We are watching competition from Google (Chronicle), Elastic, Sumo Logic, and others. All competitors are behind Splunk in features but going after them with aggressive pricing.

AYX - Alteryx has become the new generation “go to” tool for analytics. All the systems integrators we have surveyed include Alteryx in their Centers for Excellence, where they stage Proof of Concepts (PoCs) for their clients. Since implementing tools including Alteryx, Talend and new generation data repositories, PoCs take much less time than with previous generation tools and analytics projects are accelerating.

TLND - Like Alteryx, Talend has become a standard new tool for data acquisition, integration, and normalization. Talend was initially more premise-based and their revenues were lumpy as the transition of their business to the cloud was faster than expected. They appear to be beyond these challenges and are now also benefitting from the acceleration of analytics projects.

Additional Positive Views

MIME / PFPT - Mimecast and Proofpoint are leaders in a large market with otherwise weak competition. O365 continues to drive new business for these vendors and there is still a significant portion of the market yet to be converted. Symantec's lack of focus on this market is also providing a tailwind as end users re-evaluate as renewal dates approach. Microsoft is a threat at the low end and both vendors work hard to demonstrate why Microsoft's email protection is inadequate.

Mimecast leads in the low end of the market with very attractive price / performance but is winning some enterprise business and putting pressure on Proofpoint in accounts that are unwilling to pay for Proofpoint's depth in technology. Proofpoint has made solid acquisitions over the past few years and channels continue to report progress with their broader offerings.

Based upon recent field input we are optimistic about the continued growth of these vendors.

CYBR - Channel contacts believe that the strong momentum in the identity space should continue. Although Beyond Trust, Thycotic and Centrify provide some competition for CyberArk, channels see no indication of share loss.

OKTA - Okta is the leading software vendor for Single Sign On / Authentication for SaaS. This is a large market and growing quickly as users adopt SaaS applications. Okta is also broadening their solution set. Okta has competition from Microsoft for some applications but competition in the broader market appears benign. Field input continues to be very positive for Okta and channels have confidence in sales pipelines and continued growth into the near future.

DELL - According to channels, Dell's execution improved steadily through 2019. Dell now has refreshed much of their product line and has structured sales teams and marketing to align more effectively with channels and end users. Dell faces some headwinds such as stagnant demand for servers but have taken the lead in high growth areas such as hyperconverged infrastructure. VMware has successfully made the transformation from a fairly narrow premise-based solution to offering important capabilities for hybrid cloud, containers and Kubernetes. Dell is leveraging VMware's capabilities as well as their broad product portfolio and expertise to win large projects for digital transformation. Industry contacts / channels expect Dell to capitalize further on these strengths in the coming year.

Additional Positive Views

CIEN - Even competitors agree that Ciena is executing well and positioned to benefit from increasing demand for bandwidth and from the ramp in 5G. Despite some problems and recent delays in projects, Ciena has posted solid recent quarters. Industry contacts expect Ciena to benefit from continued leadership in DCI (Data Center Interconnect), enterprise optical, 400G, 800G and from the ramp in buildout of 5G infrastructure (starting in 2H 2020).

CRWD - CrowdStrike has strong momentum and is well positioned in a large market that is in the early stages of moving to “next gen” solutions. Channels report that CrowdStrike is “in every deal”. End point protection is getting a boost from the demise of Symantec. Some industry contacts tell us that CrowdStrike has a very aggressive sales management style. Some believe it may catch up with them at some point and set them up for miscommunicating expectations. We will continue to watch for signs of slowing but in the near-term indications are for full speed ahead.

CLDR - As we have reported in recent notes, Cloudera’s new platform (CDP) is being very well received. Although much of the market has moved to the cloud there is still an important segment of end users, i.e. financial services, that require an on-premise or hybrid solution.

ESTC, MDB, DDOG - Strong technology and great market momentum; we have positive views of all these vendors. We do not have enough evidence at this time to be confident that they can exceed lofty expectations.

VMW, MSFT, NOW - All executing well. We get ongoing views, but they are well covered stocks. We will pass on incremental info when we believe it is not generally well understood.

INFN / JNPR / CALX - Recent input has been more positive.

Mixed Views

ANET:

- Arista's success has been built on selling to hyperscale accounts ("Web Titans" in their words). They have made less progress penetrating the enterprise. Web scale growth is waning and Arista's growth has slowed.
- Juniper and Cisco are now competing aggressively to pick up share in the hyperscale market. The product differentiation between Arista, Juniper and Cisco has narrowed.
- Cisco just announced their new strategy for selling components (ASICs, DSPs, etc.) directly to the hyperscale operators. Although many of these new products will not be available for ~six months, we believe that discussions have already been taking place to advance Cisco's position in this market.
- Arista has made some attempts to broaden their solution set and value proposition. They have added routing features to their platform and bought Mojo Networks, an early stage WiFi company. 2020 will be an important year for Arista to show that they can broaden beyond their initial areas of success in the market.

ZS

- Zscaler has achieved success by taking an early lead in the market that Gartner now defines as SASE (Secure Access Service Edge). This market is an evolution of the Secure Web Gateway market and has been ripe for disruption because of the move of workloads, and associated access requirements, to the cloud. Because of their early focus and purpose-built solution, Zscaler has grown quickly. Their growth is likely to continue, although our research has found that the competitive environment is also changing and having an impact on Zscaler's success.
- Channels see Zscaler having continued success with branch/remote access to O365 and internet via SDWAN and some wins with their ZPA solution but only initial success with their broader security offerings. On the positive side, the O365 and SD-WAN markets are large and Zscaler has strong brand recognition in these niches. These niches are also attracting more competition. Zscaler and now Palo Alto are the leaders. Netskope, Cisco and iBoss are also competitors. Fortinet and Check Point are telling channels that they will soon have offerings.

Mixed Views

PANW - Our views on Palo Alto Networks, based upon input from Palo channels and industry contacts, have been very positive. That input has not changed. The reason that we are starting off the year with Palo Alto among our mixed views is that there has been increasing indications that the move to the cloud is resulting in a decline in demand for hardware-based appliances. Although Palo Alto is arguably the leading security vendor in introducing cloud security solutions, they still depend on hardware for the majority of their revenue and are therefore vulnerable if there is an acceleration in decline in demand for HW based solutions.

In the near term we remain positive on Palo Alto and will be monitoring the impact of the cloud as the year progresses.

FTNT - Fortinet has executed very well over the past 18 - 24 months by appealing to buyers who are focused on price / performance. Fortinet has improved their sales staffing and execution in the enterprise market. While they are vulnerable to cloud impact on the appliance market, Fortinet appears to have more runway before declining appliance demand for a few reasons including their success selling into MSSPs, their very strong price / performance, and their telco business. Fortinet is also known in the channel for being easy to work with to craft aggressive deals. We will continue to work with our channel contacts to understand the shifting demand for security solutions that might impact Fortinet and their competitors in 2020.

CHKP - Some of our channel contacts believe that competitive factors, especially the strong execution of Fortinet and Palo Alto Networks, will likely have a greater negative impact on Check Point as the coming year progresses. Fortinet in particular is increasingly targeting Check Point's installed base with aggressive take out proposals that offer high ROIs.

On the other hand, Check Point has been taking steps to broaden their solutions and improve their work with channels. We will continue to monitor channels for indications of acceleration.

NTNX - Nutanix has been a controversial name since Dell flipped from their largest channel to become their greatest competitor. Nutanix has very high customer satisfaction and continues to see growth from existing customers but they are having less success in gaining new accounts. Based upon the strength of their technology and business from established accounts we expect continued growth. Channels are not yet seeing signs of re-acceleration.

Additional Mixed Views

PSTG - Field input on Pure Storage has been positive but hard to reconcile with their recent disappointing report. The storage market is very competitive and experiencing price compression.

QLYS - In the vulnerability management market Tenable and Rapid7 are taking share. Qualys has a large installed base and has expanded their solution set. We are looking for signs of accelerated decline or rebound.

PLT - Since Plantronics acquired Polycom the combine company (Poly) has been missing revenue goals. Fixing their problems may take longer than many expect. On the other hand, Poly is in growing markets and has a broad product portfolio and established channels. The company is entering 2020 with an opportunity to turn things around.

FFIV - Input from channels is that F5 faces some difficult headwinds including the move of workloads to the cloud, virtualization of their core load-balancing solution and increasing competition, including from Avi Networks who was recently acquired by VMWare.

- F5 has been developing new security solutions and recently acquired Shape Networks, a leader in detection of bots and stolen credentials.

FSCT - Forescout has been the leader in NAC.(Network Access Control). NAC functionality is being integrated into other security solutions. On the other hand, IoT may be opening up the need for more NAC solutions. Forescout has received a disproportionate amount of their business from the Federal market. They are working to increase their penetration of the broader enterprise market.

Other Mixed Views

(always happy to discuss...)

- NTAP
- CSCO
- EXTR
- TENB
- BOX
- DBX
- VRNS
- TUFN
- FEYE
- PING
- NTCT
- EGHT
- VG
- BB / Cylance

Comments on IT Spending 2019

The following 10 slides include selected comments from responses to our survey. Although these may be too many for most to peruse, we include them as many of our clients and industry contacts have told us that they find value in this unfiltered industry input.

Q 1) IT spending - what are you seeing regarding current spending trends?

“Security/Cybersecurity spending has increased, Storage is flat.”

“Several of my customers have mentioned budget concerns going forward, tied in part to uncertainties in the OIL/Gas/Energy sector and potential signs leading to a recession.”

“Our clients, across all segments, are migrating on-premise applications to the cloud, investigating AI for their companies and beefing up analytical reporting.”

“Spending is moving along the cloud and security strategies as well as unifying most of these segments with identity management.”

“We are seeing a significant increase in adoption of commercially supported open source software.”

“Clients are looking for open source solutions. Also on EOL HW, looking for alternate solutions to hardware FWs.”

“We are seeing a decrease in CapEx, but an increase in OpEx. Overall, it appears to be a slight downturn. In essence, enterprises are deferring upfront costs (kicking the can down the road).”

“Mid-market storage - steady as she goes. Not going gang busters, but not terrible.”

“The shift to Cloud spending continues.” (14 similar comments)

“Security and microsegmentation are priorities.”

“The cloud is still driving increased spending on security as end users evaluate both their premise and cloud strategies.”

Comments on IT Spending 2019

2) What is your outlook for IT spending going forward?

“Flat or slight growth.” (10 similar comments)

“Looks like there will be fairly strong IT spending in December.”

“With the upcoming FCC grants/loans, IT spending will definitely increase for the rest of the year for Tier 2/3 telco infrastructure.”

“Strong pipelines going into the end of the year!”

“We are seeing spending flatten out in the near term. ”

“Spending on compliance and security is a priority.”

“Continued growth, but may be slowing.”

“Flat to slow growth with a positive outlook. Tariffs are having some impact on overall spend. ”

“Spending is high and accelerating (cloud and security).”

“Flat to moderate where IT is revenue generating - flat to decline where IT is cost center where headcount is already flattened.”

Only necessary, continuation expense are being funded.

“Overall it's slowing down, many quarter 4 deals are decreasing due to new up incoming vendors offering more for less, like Digital Guardian.”

Comments on IT Spending 2019

“Spending may be down for networking. We are starting to see more interest in our SDN/NFV platforms.”

“Flat for the rest of 2019, uptick in 2020.”

“Positive/growth over 1H.”

“Flat for Q4; we are mostly dealing with budget requests for next year. ”

“We see flat to slow growth going forward.”

“We are seeing signs of increased spending for the coming federal fiscal year.”

“Increase for security and decrease for storage.”

“Spending will continue to grow through 2019 as organizations plan for economic downturn in 2020.”

“IT spending only on "must have" purchases. Any EOL HW will be reviewed in great detail before new budget for HW renewal. ”

“IT spending will continue to grow at a moderate pace for 2019-2020.”

“IT spending will be flat. If anything, budgets will be shift to the arenas of Security and Privacy. ”

“Based upon pipeline, we expect an Increase in Q4 over the previous 3 quarters.”

“Same - steady spending. We're not hearing of any slow down or budget constraints.”

Comments on IT Spending 2019

“End of year budgets may cause slight uptick in spending. ”

“We see continued slow increase in IT budgets. ”

“Remains as budgeted through the end of the year - no slowdown.”

“Just slightly up from last year. ”

“Good, we have hit an all time high for sales in Q3 and looks like it will continue into Q4.”

“We have a large Q4 lined up. ”

Comments on IT Spending 2019

3) Considering the market segment that you are in, what trends do you see that are driving growth or decline in spending (ie, cloud, economic uncertainty, tariffs, refresh, analytics, 5G) ?

“Trend of migration from premise based to cloud based unified communications continues, which in turn drives growth in cloud services.”

“Storage sales are increasingly toward all-flash arrays.”

“Growth in cloud and datacenter for service providers”.

“Fiber needs/FCC pushing for 25/3 speeds, network spending will definitely increase for Tier 2/3 telcos.”

“Cloud and Hybrid cloud are priorities, and now security in the mid-market.”

“UCaaS and Security are growth sectors for us.”

“Growth tied to 5G / Small Cell enhancement and Cloud. Decline tied to Oil/Gas uncertainty.”

“Tier 1 CSPs are in pull back mode thinking they’re going forward with open source.”

“Microsoft Teams deployments are slowing down spending in some cases as hardware vendors scramble to get their devices certified and release new devices that can operate seamlessly with Teams.”

“SD-WAN and Security seem to be the primary drivers of growth.”

“We are seeing growth in cloud UCaaS and CPaaS (8 similar comments).”

“Cloud migration and security (12 similar comments).”

“Compliance and security are behind most of our IT expenditures. Otherwise it's standard hardware refresh.”

Comments on IT Spending 2019

“Regulatory compliance is driving sales. Finance and healthcare are good markets for us.”

“Cloud, mobile apps, operational efficiencies, refresh after lengthy product life.”

“High growth in Implementing applications in the cloud, analytics applications and hiring of analytics-based personnel.”

“Big companies are considering/moving to outsourcing IT departments and commodity SW development and operations.”

“On premise cloud and data growth are priorities.”

“Edge Computing cycle for growth Seeing a lot of applications being repatriated from public clouds .China slowdown primary impact of weaker IT spending, slight risk in Europe.”

“Access is declining but 5G deployment should drive investment up for front/backhaul equipment.”

“Cloud and Unified Communications are the big drivers for our business right now. ”

“New capabilities (802.11ax) and new requirements for virtualization (IOT driven). ”

“Priorities - cloud, cyber defense, training, systems vulnerability counter measures.”

“Cloud adoption and more complex breaches causing security spending to increase.”

“Data analytics and visualization is another high growth segment.”

“Movement toward SAAS in the cloud and stricter audit requirements.”

“Lots of people talking about cloud, several coming back on prem after failed cloud migrations mostly due to unexpected cost of cloud.”

Comments on IT Spending 2019

“Increased and well publicized ransomware attacks will cause discretionary and out of budget cycle security spend.”

“Growth is being driven by digital enablement.”

“Shift to Opex model in Storage away from owning equipment, simply subscribing to Cloud based Storage.”

“Decline (Satcom): Middle market solutions Increase (Satcom): Vertically integrated solutions to the large providers. The net is a slight increase overall.”

“We are still seeing an upgrade to 802.11ac or Wi-Fi 5, even though Wi-Fi 6 is now out but limited client support thus far. Switches will need to be upgraded to support both MultiRate interfaces, as well as 802.3bt POE power levels.”

“Lots of talk about 5G, relatively little spending yet. Digital Identity has been a needle mover.”

“Cloud, especially hybrid cloud and analytics drive growth, while economic and political uncertainty attenuate and mute decisions on spending.”

“Containers, cloud, analytics use cases...”

“Analytics, security, cloud”

Comments on IT Spending 2019

4) What vendors do you see gaining or losing market share?

“Pure Storage in gaining share. Hitachi Ventara is losing share.”

“Nokia gaining in SP.”

“Google is gaining market share in non-financial, AWS in Financial.”

“Calix, Adtran, Juniper, Cisco, doing well in Tier 2/3 telco market. Over-the-top video vendors will continue doing well.”

“CrowdStrike, CyberArk & Proofpoint all diving business for us.”

“We are doing well with 8x8 in UCaaS.”

“At risk - small niche security players. Right Time with uptick - Fiber connectivity, Cloud, Identity Management.”

“Ciena doing well. Ericsson killing it in 5G.”

“Gaining - Jabra, Yealink, MSFT. Losing Poly, Cisco”

“I see Cisco for sure gaining market share and Juniper along with Arista as flat.”

“Silver Peak gaining in SD-WAN”

“Ring Central, 8x8, Vonage, TPx, PGI, Jive, Fuze all gaining”

“Palo Alto still gaining. Duo Security and Okta also gaining.”

Comments on IT Spending 2019

“Cisco Meraki, Collaboration and Security-gaining; Cisco DC-Flat.”

“Gaining - Microsoft, IBM, Dell, Apple, Amazon, Oracle, Tableau, and many analytics software vendors, including consulting firms that offer analytics services. ”

“AWS, AZURE, IBM (outsourcing), Google ”

“Dell Technologies Gaining; VMware gaining; Google Cloud gaining; HPE losing; Cisco flat; IBM losing Commvault losing”

“Ciena gaining”

“In the CALA market Huawei, Nokia and Fiberhome”

“Snowflake, Redshift gaining”

“Adva gaining.”

“Cloudstrike, Okta, ServiceNow, Zscaler growing fast.”

“Saviynt, Oracle losing share to Sailpoint.”

“Gaining, Fortinet, Palo, Apple, Amazon.”

“Gaining: AWS, AZURE”

“Zscaler - - we see them a lot as partners. Their cloud FW integrates with our software to allow customers to break out traffic directly to the internet versus being backhauled.”

“Nutanix - Yes folks are taking aim at Nutanix but I haven't seen where that's had any effect. They are still doing well from what I see.”

Comments on IT Spending 2019

“Fortinet - most enterprises are talking to them because of their price performance.”

“Salesforce, ServiceNow, Microsoft, Amazon gaining. Oracle and IBM losing. ”

“Qualys is losing market-share and Tenable and Rapid 7 are gaining market-share in the Vulnerability Management segment.”

“Pure Storage gaining, Dell/EMC gaining, HDS losing, IBM Losing, NetApp Losing .”

“Netapp losing, Dell losing, HPE / Pure gaining.”

“Hp Losing , Pure Gaining , Dell / EMC Gaining.”

“Cisco security gaining; Msft security gaining proof point gaining. Palo growth slowing.”

Gaining: Sailpoint; Losing: Cisco, Avaya

“Pure losing, Nimble flat, SuperMicro based merchant SSD storage growing.”

“Losing: iDirect, Gilat Gaining: Newtec, Intelsat, SES.”

“SAP gaining”

“Palo Alto Networks and Splunk still gaining share.”

“Gaining: Microsoft Azure”

“Vendors with a "softer" or more virtualized offering and flexible price offerings are prevailing. Appliances and hardware are losing. Open source has a solid following.”

“AWS gaining; Alteryx gaining; Cloudera gaining. VMware gaining. ”

“Cisco and HP losing in routing, switching and wireless. ”

Comments on IT Spending 2019

5) Segments

“Consolidation continues in the UCaaS space. Our Sophos business continues to grow but not as fast as prior years.”

“Overall SD WAN activity seems to be gaining momentum. ”

“HCI not growing as fast (based on performance and scaling issues) .”

“AWS, Azure, Google Cloud growth appears to be slowing but not going away. Companies still struggle in determining the correct balance of SaaS, onsite, outsourced Cloud, etc. ”

“HCI, like cloud, made big promises but has failed to deliver we’re seeing a return to converged stacks with better automation.”

“Companies are going to the cloud. Long term they are spending more.”

“Cloud infrastructure management on the rise, use of Turbonomics is growing in FT 100, as is use of Kubernetes in DT 100 and SMB cloud operator service market segment.”

“Software to help large enterprises manage workloads moving to the cloud is hot.”

“Spending in the K12 sector should be strong for the next couple of years. A new five year cycle just started with a fresh bucket of funds.”

“FFIV at risk due to AVI acquisition by VMW putting competitive pressures on them, slowing core business and NGINX being last resort when traditional LB's are no longer wanted.”

“Business in our segment is strong. Tufin and AlgoSec replacing Firemon; ServiceNow everywhere...”

Comments on Hiring

Hiring - Are there any companies that you see that are increasing their hiring activities? Any new trends in hiring and / or compensation that you have observed?

”Companies in growing markets like unified communications & security continue to hire. Technical talent in certain areas like full stack developers, cloud developers/architects, AI/ML developers are in short supply and commanding higher compensation.”

“Calix, pushing software services more and requires personnel.”

“Fortinet mores hires than departures... BUT PLENTY of BOTH!”

“I've seen a couple of companies shut down and their IT people are hired quickly by other companies-sometimes in the same sector.”

“Logitech, Zoom are steadily hiring good people from their competition.”

“UC providers continue to churn sales people but with some growth in headcount. growth in support and engineering teams for Contact Center, CPaaS.”

“Hiring in the development of cloud applications and in information protection.”

“I'm seeing increased hiring in the VAR community.”

“Manufacturing firms, financial companies and consulting organizations hiring for analytics comprehensive individuals. Also continued hiring for modifying / developing new mobile applications to extend services remotely (ie more banking capabilities on an iPhone). Security for IT is also hiring.”

“I see increases based on aging workforce as well as some decreases because of outsourcing .”

Comments on Hiring

“Hiring has definitely picked up, and compensation has increased by over 20% in security.”

“Fortinet, Amazon hiring”

“We cannot find qualified people fast enough (large VAR)”

“ServiceNow hiring 3,000 people in 2019. Adding 4 more large development centers. Salesforce growing steadily. ”

“Hiring for automation, engineers with networking background but can code in Python or work with Ansible.”

“Experienced security personnel are in demand and commanding higher salaries.”

“Seeing some startups hiring - also Pure, Nutanix, Cohesity, Arctic Wolf, Sysdig. Pay is up, stock compensation seems to be weakening.”

“Hiring is ongoing in sales. Engineers are in very high demand .”

“Security sector hiring is strong traditional network flat and cloud i.e. Amazon, Azure strong.”

“Amazon is growing rapidly in the hiring of software development personnel, as they "eat the world" .”

“Certain regions are escalating salaries due to shortage of workers especially SE's and qualified salespeople in DC, New York, Montreal.”

“Fortinet appears to have hired too many people and have let some of them go.”

“Palo alto networks has been hiring to support their "speed boat" teams.”

“API management and integration is still strong. Container security seems to have a number of new entrants ramping up. ”

“AWS is hiring a lot of sales managers and solution architectures. ”

“Juniper increase in hiring, seems to be related to 5G.”

Disclosures:

The following disclosures are provided to survey participants:

No company confidential information is requested or will be knowingly included in any report or communication associated with this research. This research is not an attempt to gain insight into non-public company specific financial data or any other confidential information. The focus of this report is market dynamics. Our goal is to gain input across various geographies and industry segments to understand broader industry trends.

Participants: For their input, industry participants receive our reports. This information may help better understand the industry and assist with individual job activities, or in some cases job searches. Participants should not provide any information that conflicts with the policies of the company they work for. We welcome your input regarding competitors, customer trends, and other market observations. Survey participants should decline to participate in the survey if participating would violate any confidentiality obligation.

Our thanks to all who have assisted with market input and suggestions. Please call or email with any questions.

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