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Operational Efficiency Emerges as Key Driver in Modernization Investments as Enterprise Spending to Hit \$33 Million on Average, Couchbase Research Finds

July 12, 2023 at 9:00 AM EDT

Focus on Business Resilience, Agility and Empowering Developers Helps Organizations Continue to Drive Transformative Modern Application Projects

SANTA CLARA, Calif., July 12, 2023 /PRNewswire/ -- [Couchbase, Inc.](#) (NASDAQ: BASE), the cloud database platform company, today released the findings from its sixth consecutive digital transformation survey of global IT leaders. The research shows that, despite shifting digital transformation goals, enterprises are still investing heavily in IT modernization and implementing new projects. A focus on operational efficiency is influencing how global enterprises invest in digital transformation initiatives. Nearly 60% of enterprises surveyed reported that their key modernization goal is to improve business resilience and efficiency in the face of the evolving global economy. And findings revealed that enterprises' top IT investment priority in 2023 is empowering developers to build modern applications.



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The survey of 600 senior IT decision makers¹ found that enterprises plan to invest on average \$33 million in the next 12 months. At the same time, digital transformation priorities have shifted. 78% of IT decision makers confirm their main priorities for transformation have changed in the last three years. 54% say their digital transformation focus has become more reactive to market changes and customer preferences in order to help the wider organization stay agile.

While these changes in digital transformation goals have helped businesses build resilience and weather a dynamic economy, they have not drastically slowed transformation. More than half (53%) of enterprises are either on target or ahead of their planned progress.

"IT modernization and digital transformation are vital strategic initiatives for an enterprise – whether helping to adopt new technologies like generative AI, creating new services or building resilience in times of uncertainty," said Ravi Mayuram, CTO at Couchbase. "These survey results show how an efficient approach to digital transformation, taking full advantage of advances in data, cloud and AI can help with business resiliency, and at the same time pursue new growth opportunities. And rightly so, empowering developers has emerged as a key priority for enterprises, demonstrating their commitment to innovation."

Other key findings include:

- **Modernization enhances business resilience:** 57% of respondents said their enterprise's key digitization goal is to improve business resilience and efficiency in the face of an evolving global economy. Increased business resilience was the most common benefit from digital projects in the past 12 months, while increased profitability, employee productivity and application performance are the expected benefits for the next 12 months.
- **Pressure to embrace new technologies:** IT leaders are most commonly under pressure from the wider business to adopt serverless computing (identified by 42% of respondents), edge computing and IoT (40%) and low- or no-code technologies (39%). And while AI demonstrates a huge promise in accelerating and transforming businesses, it is still early days. IT teams are under less pressure today to adopt large language models (LLMs) such as ChatGPT, with 35% under pressure to adopt this technology. Web 3.0 and augmented or virtual reality were less of a priority.
- **Developer productivity in the spotlight:** Digital transformation projects are a key focus for developers. Pressure from developers on their organizations to support agile development and innovation (44%), and empowering developers to build more applications to meet customer needs (44%) were the top two drivers behind individual transformation projects. Furthermore, enterprises' top IT investment priority switched from improving application performance in 2021 to empowering developers in 2023.
- **IT spending under increased C-level scrutiny:** 49% of respondents say their CFO is managing budgets in more detail and asking more questions about IT investment, while 37% say the pressure to achieve transformation with less budget and staff resources has increased in the last 12 months. And 35% say their IT department is under more strain than at any point in the last five years. This suggests that IT leaders are looking for ways to show cost efficiencies and reduce total cost of ownership.
- **Enterprises report project challenges and delays:** Issues such as a lack of buy-in within the business, an inability to secure or stay within budgets and reliance on legacy technology meant enterprises experienced projects failing, suffering

delays or being canceled. This cost organizations on average \$4.4 million and forced 68% of organizations facing modernization challenges to push digital transformation goals back by more than three months.

- **High expectations and hopes for creative modernization projects:** While there have been challenges, research showed that 38% of IT teams are focusing on tangible modernization projects that will provide immediate results. Furthermore, 100% of enterprises have implemented or identified opportunities for creative digital transformation projects that seemed impossible at the end of 2021. This suggests that modern tech continues to push the boundaries of what is possible for business transformation, drive innovation and inspire new next-gen apps.

"It's clear that IT and business leaders recognize the importance of investing in modernization to drive transformation and achieve their short- and long-term goals efficiently," continued Mayuram. "Organizations must make sure they are giving development teams the tools required to build modern, powerful and innovative applications to meet any use case in a cost-effective way. This will help them meet their customer demands faster and continue to maintain their leadership position."

Read the full Couchbase report [here](#).

Additional resources


- Developers can learn more about how easy it is to build modern apps with the Couchbase Capella™ Database-as-a-Service [here](#).
- For more information about Capella and to start a free trial, [visit this page](#).
- To learn how Couchbase drastically reduces the total cost of ownership for customers, [visit this page](#).

About Couchbase

Modern customer experiences need a flexible database platform that can power applications spanning from cloud to edge and everything in between. Couchbase's mission is to simplify how developers and architects develop, deploy and consume modern applications wherever they are. We have reimagined the database with our fast, flexible and affordable cloud database platform Capella, allowing organizations to quickly build applications that deliver premium experiences to their customers – all with best-in-class price performance. More than 30% of the Fortune 100 trust Couchbase to power their modern applications. For more information, visit www.couchbase.com and follow us on Twitter @couchbase.

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¹ Methodology: Couchbase commissioned an online survey, conducted in April-June 2023 by Coleman Parkes, an independent market research organization. 600 heads of digital transformation, such as CIOs, CDOs and CTOs, in organizations with 1,000 employees or more in the US, UK, France, Germany, Spain, Italy and Turkey were surveyed.

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