CIO TECH POLL: TECH PRIORITIES STUDY

AI's promise, cybersecurity's peril

The 17th Tech Priorities study finds budgets rising as two
key technologies dominate ITDM's thoughts

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AI and security are the yin and yang, the opposing forces dominating IT projects, according to CIO's 17th Tech Poll survey.

AI is about building smarter, faster products and organizations; meanwhile, a fast-changing array of security threats loom over those ambitions. These two technology areas have far and away the most potential "to significantly alter the way your business operates" in the next three to five years, according to IT decision makers (ITDMs).

With overall spending expected to rise in most regions—though not all—it's turning into an arms race. Can security defenses protect the business gains AI promises?

On the AI front, predictive and real-time analytics are rapidly taking hold, and generative AI (GenAI) tools are surprisingly far along the adoption curve, for such a young technology. ITDMs are also working to test and upgrade AI-infused versions of key enterprise applications. And agentic AI is next on the docket — highly researched at the moment, and already marginalizing older business process management and automation technologies

Meanwhile, cybersecurity is as vexing as ever. The scale and speed that AI lends to malware, phishing attacks and deepfakes is no small factor. The survey finds security risks are ITDMs' biggest concern in implementing new technologies. To strengthen defenses, 60% of respondents expect to increase security spending in the next year. SASE adoption is moving fast, taking budget from standalone techs like

Most important projects IT departments are working on

1. AI-enabled security technology
2. Cybersecurity

software-defined networking and SD-WAN. A key question still outstanding: **Will AI bolster security capabilities as quickly as it's adding to attackers' arsenals?**

As ever, this battle plays out against the backdrop of daily IT operations, with budgets for some technologies receding as others gain traction.

Respondents weighed in on these issues and more, providing benchmarks and priorities for their peers and their vendor partners as well. Dive in.

Spending rises – though not everywhere

The top line: Most ITDMs are planning healthy budget growth in the coming year. Overall, nearly two-thirds respondents

(62%) expect their tech spending to increase. That's a solid increase compared to the prior year's survey (54%).

That said, growth isn't even distributed. Percentages vary significantly by organizations' size and geographic location.

Budget changes also vary by company size. Enterprise budgets (at organizations with 1,000-plus employees) are more likely to anticipate IT spending growth, whereas SMB spending is proportionally more likely to hold steady.

This is an inversion from last year's survey, when more SMBs (57%) than Enterprises (52%) were planning an increase.

Geographic variation is even more dramatic. While more North America

Budget breakdown

62%
Increase

32%
Remain
the same

7%
Decrease

SMB

51%
Increase

43%
Remain
the same

6%
Decrease

Enterprise

69%
Increase

22%
Remain
the same

9%
Decrease
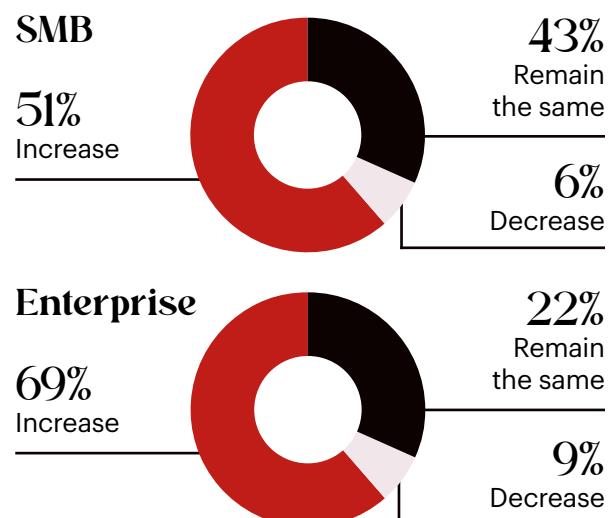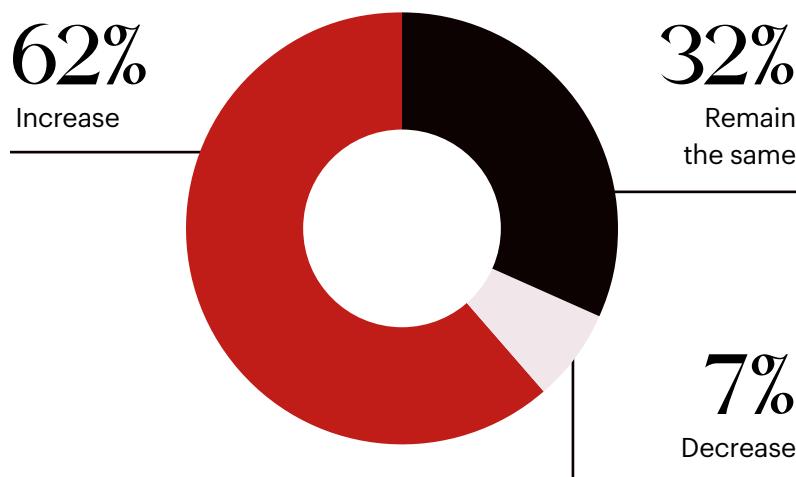
(NA) respondents (65%) and EMEA (66%) companies expect an increase, in the Asia-Pacific (APAC) region, that number is closer to one third (37%).

This difference likely reflects wildly fluctuating macroeconomic conditions. For example, while the International Monetary Fund considers APAC "the world's growth engine," estimating gross domestic product (GDP) growth of 4.5% as the region's final tally in 2025, IMF also notes that "higher US tariffs and increasing protectionism will likely reduce demand for Asian exports in the near-term." APAC budgeters are holding the reins closely.

Where's that money going?
As to the specific technology areas showing increased investment, AI is practically lapping the field—again—with an 11-point gap over the next-most commonly increased line item, which was, of course, cybersecurity.

AI was no. 1 last year as well, with a similar percent planning to spend more: 71% this year, in addition to 70% in the previous survey. If AI spending is a bubble, it shows no sign of an immediate pop.

After the top two of AI and security, just a few other areas squeak over the 50% mark — analytics frameworks and tools, customer experience technologies, and

Investments in these tools are increasing

AI-enabled technology
71%

Cybersecurity
60%

Data analytics frameworks
57%

BI/Analytics tools
51%

AR/VR (augmented reality/virtual reality)
50%

augmented or virtual reality tools. The latter area shows a surge compared to last year, as the economics of AR/VR gear appears to have hit a tipping point for those industries where it may have greatest impact.

...and where is it coming from?
While the overall budget may grow, as ever, some increased spending areas represent a reallocation, rather than net-new IT budget.

Among areas of decreased investment, no individual technology is falling off a cliff. Software defined networking tops the

list, but barely, as ten different techs were mentioned by 12% to 16% of respondents.

This indicates that older technologies are experiencing a slow chipping away rather than a wholesale replacement, however transformative new AI developments may be.

For this question of declining budget, a collection of infrastructure-related answers—containers/microservices, edge computing, serverless, virtualization— together suggest that at a given time, a cohort of companies, perhaps one out of five respondents, are moving toward a fully cloud-and-SaaS approach to IT.

**Technologies most common
in production use**
While AI soaks up the spotlight, IT's basic blocking-and-tackling technologies are still working away in the background. Tools in production use at 70% or more of responding organizations include cybersecurity, business process management, IT operations management, business intelligence and analytics, and various enterprise applications.

Another common concern: 78% of respondents also indicated they are dealing with Windows 11 migration and/ or end-of-support issues for Windows 10.

**On the horizon: What are
ITDMs researching?**
Among technologies that are still in the research phase for ITDMs, advanced AI (28% of respondents) and analytics frameworks (25%) have surprising company at the top, in the form of quantum computing (25%). Companies may be keeping an eye on developments in quantum due to its potential for helping to handle AI's heavy compute requirements.

Secure access technology, employee experience, and blockchain are also widely researched by respondents (23%).

Blockchain, of course, is a polarizing technology, as it's also among the top ten responses in the next rankings, technologies of "no interest" to respondents. For this question. a wide range of newer and older technologies are cited by a range of 14% to 23% of respondents. Some of those are simply not applicable to some industries, such as FinOps (atop the list at 23%) and AR/VR (18%).

AI's many challenges, and surprising maturity

Many technologies are useful, but few are genuinely transformational. ITDMs resoundingly say AI rises to

58%

of IT leaders say that AI/ML, agentic AI, and Gen AI has the most potential to alter the way their business operates.

that level, with well over half (58%) saying it has the most potential to significantly change their business operations. Other technologies such as cloud databases, cloud infrastructure, and 5G all clock in under 30%.

What exactly will these transformative effects be? AI, together with other data and analytics work (though the distinction between them is disappearing fast), will affect the business through improved decision-making, real-time visibility, better risk management, and increased automation.

Falling a notch below these internally focused improvements, customer experience improvements were cited by roughly one quarter of ITDMs.

What's perhaps surprising about enterprise AI today is not its rapid adoption, but the reported maturity of its use.

ChatGPT, harbinger of the AI boom, was only released in late 2022. Just three

years later, 47% of ITDMs say they have some form of AI-enabled technology in production use in at least one division or business unit. That number is not dramatically different from some other techs that have been around much longer, such as containers and microservices or edge computing.

But which AI technologies?
Generative AI is, unsurprisingly, among the most widely deployed types of AI, in production use at 53% of responding organizations. Agentic AI is newer and less advanced, but easily leads the pack in terms of research interest.

How AI/ML, data and analytics transform business

- Improving decision-making through predictive or real-time analytics **(37%)**
- Detecting and managing risk **(33%)**
- Automating process to improve efficiency and reduce costs **(32%)**
- Enhancing customer experiences through personalization or journey insights **(26%)**
- Enhancing employee experiences **(26%)**

Adoption of Agentic AI

35%
On radar
or actively
researching

23%
Piloting new
initiatives

14% In production
in a business
unit or division

13% In production
enterprise wide

8% Upgrading
or refining

7% Not interested
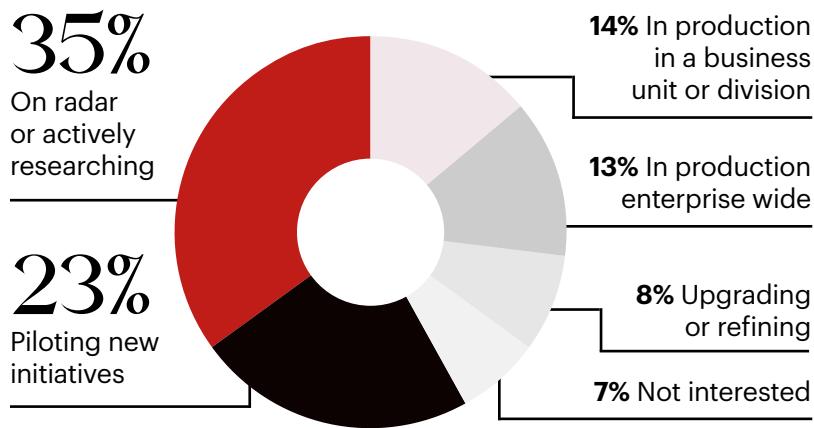
It's interesting to correlate the Agentic AI rush with other questions showing marked ITDM interest in business process management and automation, as well as declining investment in the mature tech category of Robotic Process Automation (RPA). ITDMs may anticipate that Agentic AI will supersede or assimilate traditional RPA sooner rather than later.

Cybersecurity, the sword of Damocles

That shadow looming over all this AI-driven business transformation? It's security, of course. Where AI is the no. 1 ranked potentially transformative technology, cybersecurity is no. 2, as ITDMs worry over potential attacks and losses. And it's also the second-most common area of increased spending.

Further, security is the runaway most cited challenge as organizations consider deploying new technologies.

Most organizations (55% or higher) confront security concerns with a broad range of security products, services, and controls in some degree of production use, including basics such as authentication and access control, identity management, and threat analysis.

Respondents show fast-increasing use of Secure Access Service Edge (SASE) services as one part of the current answer. SASE, comprising multiple security and network tool categories and delivered as a single cloud-native service, is in production use at 49% of companies and under research or pilot status at another

Top challenges associated with new tech deployment:

1. Security concerns
2. Lack of appropriate skillsets for deployment
3. Inability to integrate with existing tools
4. Insufficient training capabilities
5. Lack of budget

39%; it's rapidly becoming a part of baseline enterprise security portfolio.

The survey also finds emerging interest in container security technology, being researched by 24% of respondents, while in full enterprise production at only 18%.

The intersection of AI and security

A critical question is whether AI can help cybersecurity efforts take a big leap forward.

While cybersecurity isn't the most widely adopted use case for AI, it's picking up speed: security is the no. 1 AI-enabled technology cited for increased spending this year.

Evidently, much of that cybersecurity-plus-AI money will go directly to vendors. Compared to other common business goals—including optimizing costs, increasing innovation, extracting value

Top AI-enabled techs planned for more spending

- AI for cybersecurity **(63%)**
- GenAI **(62%)**
- Agentic AI **(58%)**
- Cloud-based AI infrastructure/ services **(58%)**
- Chatbots or virtual assistants **(57%)**

Planning to partner with vendors on the following tech to improve future performance:

- Cybersecurity protection **(42%)**
- Efficiency/optimizing costs **(24%)**
- IT productivity/project delivery time **(23%)**
- Accelerating innovation **(23%)**
- IT and business alignment **(22%)**

from business data—digital security shows ITDMs relying heavily on partnerships.

Researching, sourcing, and staffing tech investments

ITDM's reliance on outside help for security AI implementation turns out to be an outlier.

Across all kinds of new technology deployments, half of the top six challenges pertain to staffing and skills: lack of skillsets at no. 2, insufficient training capabilities at no. 4, and shortage of staff at no. 6. But to solve these issues, the greatest uptick in importance is in the upskilling of current team members — much more so than finding outside resources.

Staffing areas seeing an increase in importance over the past 12 months

Upskilling existing talent

64%

Reskill existing talent

55%

Hire new full time employees

42%

Respondents purport to be increasingly focused on upskilling and reskilling, compared to hiring (which is of course potentially faster, but very expensive!) Nearly two-thirds say upskilling's importance has grown in the past year, while less than half say hiring new employees has increased in importance.

The new vendor research process

One more change in how ITDMs approach their work: Specifically for the task of investigating new technologies, it's man-plus-machine.

Respondents say AI is now the most widely used tool for researching new technology vendors, ranking higher than all the classic methods including checking customer references, gathering peer recommendations, and absorbing reviews and demos.

Pilot testing and product demos plummeted from last year's leading answer, at 66%, all the way to 33% in the current survey. Other techniques such as attending conferences dropped significantly as well. ITDMs indicate confidence that they can get detailed, qualitative, and accurate product information—not just vendor and category lists—from AI-assisted research.

How IT leaders evaluate new vendors

- Using AI to research/ evaluate vendors **(44%)**
- Customer references **(37%)**
- Best practices from research analyst firms **(35%)**
- Read reviews written by experts **(33%)**
- Pilot testing/product demonstration **(33%)**
- Create specialized team to review **(32%)**
- Attend external events and/or conferences **(32%)**
- Talking to my peers **(30%)**

Conclusion

ITDMs face striking opportunities and acute challenges in the coming year. Budgets are rising to help maximize the former and minimize the latter. AI is sprawling into all sorts of systems, products and processes. In particular, AI is raising the stakes for both attack and defense in cybersecurity.

Traditional obstacles of budget prioritization, staffing and skill shortages still remain, but this year's survey finds a marked shift in emphasis toward building the current in-house IT team to meet organizations' new demands.

About the survey

The 2026 CIO Tech Priorities survey analyzed data from an online questionnaire completed by 269 IT decision-makers in November 2025. All respondents are involved in the purchase process for major IT or security products and services. Respondents' organizations are in North America (59%), Europe (20%) and the Asia-Pacific region (21%). Industries represented include high tech (15%), manufacturing (15%), financial services (13%), other services (7%), retail (7%) as well as healthcare, education, and more.

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