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Introducing the Business of High Tech Planning Trends for 2025

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Initiatives: Business of High Tech

2025 will be a pivotal year in high tech. This research collection identifies four planning trends high tech leaders must account for in their growth strategies and product plans. These trends are not obvious, but understanding and planning for their impact will be crucial for success in 2025.

Analysis

After two years of modest revenue growth and sluggish buying cycles, 2025 is expected to improve for product leaders, with reignited demand and sales. The economic environment will not prohibit providers reigniting revenue growth, with inflation and interest rates forecast to be moderate and enterprise demand for high tech returning to prepandemic levels while new technology solutions come to market.

While 2025 will not be a make-or-break year, the economic environment and GenAI are creating the right timing for technology and service providers (TSPs) to position themselves for sustained success. High tech leaders are getting ready. According to Gartner's 2024 Technology Marketing Benchmarks Survey, participating tech firms with more than \$10 billion in revenue are investing, on average, 8.2% of their organization's enterprisewide annual revenue into marketing. This represents a nearly 2% increase in the percent of sales, marking the highest level of investment in recent history. ¹

Everything has a connection to GenAI even though not every provider is a GenAI provider. GenAI will have an influence in every provider's plans. Since the public launch of OpenAI's ChatGPT on 30 November 2022, GenAI investments, interest and hype have skyrocketed. 2025 will be the first full year for which enterprises will budget for GenAI. With trillions of dollars of potential economic value, high tech firms are expected to invest \$1 trillion dollars in AI over the next few years. ²

Providers need strong growth in GenAI-related revenue to earn a return on those investments. This is one of the ways GenAI will influence the 2025 provider planning context. The other ways include:





- Changing economic and monetization strategies to redistribute revenue across software, services and inference providers such as Anthropic and OpenAI.
- Evolving product architectures to incorporate GenAI inferences into current products and services, which is the preferred approach for 63% of providers ³ and the preferred solution among enterprise clients.
- Influencing investor expectations for revenue and market value based on the performance of GenAI providers, for better or worse.

While everything has a connection to GenAI, providers must not let this focus to replace their underlying business and product strategies or their growth plans.

A trend is a force or change that leaders must respond to. A planning trend is an anticipated change that requires explicit consideration for future strategies and plans. Providers should incorporate these planning trends as part of their overall strategic planning process. The four trends outlined in Figure 1 help set the context for 2025 success.

Figure 1. Summary 2025 TSP Planning Trends

2025 TSP Planning Trends Summary

Subject area	Planning trend	Summary actions
 Economic	Economic tailwinds or headwinds will be limited.	Build business demand on your own: <ul style="list-style-type: none"> • Create clear investment and business cases. • Deepen customer relationships. • Create open-ended product portfolios.
 Revenue	Investors expect GenAI to drive greater growth.	Incorporate GenAI expectations into plans: <ul style="list-style-type: none"> • Delineate GenAI-dependent revenue streams. • Align messaging and go-to-market strategies to GenAI business impact. • Plan for increased merger, consolidation and acquisition activity. • Modernize product and service architectures.
 Profitability	GenAI inference costs will “tax” provider revenues and margins.	Manage the cost of inference: <ul style="list-style-type: none"> • Connect inference with specific business value. • Balance business needs against inference costs. • Improve and integrate AIOps capabilities.
 Product	Proactively pivot GenAI solutions.	Move to composable architectures: <ul style="list-style-type: none"> • Augment products with GenAI-enabled point solutions. • Design solutions to reduce inference costs, consumption and complexity. • Partition platforms into headless components for flexibility.

Source: Gartner
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Research Highlights

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Each of the four planning trends has its own research note containing impacts and actions for 2025 plans. These notes, taken together with Gartner’s enterprise IT spending forecasts and quarterly business updates, provide a starting point for incorporating these impacts and actions into your plans. The notes are:

2025 TSP Planning Trends: Build Demand Without Economic Headwinds or Tailwinds

Economic conditions are one of the many factors influencing enterprise technology spending. Providers are accustomed to planning when the economy is strong or in recession, where the signals are clear. Gartner assumes there will be no strong economic headwinds or tailwinds in 2025, requiring providers to build their own demand. This places greater emphasis on customer relationships, the nature of the product portfolio, and increased attention and investment in marketing and sales.

2025 TSP Planning Trends: Managing Investor Expectations for GenAI

Investors are betting on the future of GenAI in 2025. They expect software and services firms to accelerate revenue growth through GenAI-related revenue. This expectation, coupled with a predicted lower cost of capital, makes 2025 a year of rising expectations, increased M&A activity and greater volatility.

2025 TSP Planning Trends: Managing the GenAI Inference “Tax”

Incorporating GenAI functionality into TSP products and services generates a transfer payment from software providers to LLM inference providers. This payment is a form of “tax” that providers cannot control. Providers who do not plan for this tax put their revenue and margins at unnecessary risk.

2025 TSP Planning Trends: Proactively Pivoting GenAI Solutions

GenAI is driving increased complexities in AI systems architecture. As enterprises adjust their requirements for composability for best-of-breed architectures, the competitive vendor landscapes will drive providers to proactively pivot around their target buyers and markets, architecture, and business models. Deciding when and in what direction to make these pivots requires planning starting in 2025.

Evidence

¹ **2024 Gartner Technology Marketing Benchmarks Survey.** This survey was conducted online from January through March 2024 among 244 respondents. Respondents came from technology-focused organizations located in the U.S., Canada and the U.K. with more than \$10 million in annual revenue. Respondents were required to have knowledge of the marketing budget and spend (for the company or business unit) and the marketing campaign/program tactics. Quotas were established to guarantee a good distribution in terms of countries, product offering (software, technology services and hardware), customer type (B2B and B2B2C) and company size (annual revenue). Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

² GenAI: Too Much Spend, Too Little Benefit? Goldman Sachs.

³ **2024 Gartner General Manager Survey.** This survey sought to understand how economic turbulence poses challenges to general managers, how confident they are in their ability to achieve their plans, and the measures planned to tackle the uncertainty. The survey also sought general managers' outlook on customer profiles and the competitive environment. Results will be used to help technology and service providers (T&SPs) understand how their peers see the future and how they are organizing product organizations for success. The survey was conducted online from August through December 2023 among 200 general managers from North America (136; the U.S. and Canada) and Western Europe (64; the U.K., Germany and France). Selected general managers were from organizations with \$250 million or more in annual revenue from T&SP industries with the majority (139) from organizations with \$1 billion or more in annual revenue. General managers were responsible for overall portfolio management or distribution of revenue targets for the portfolio or representation of the portfolio in business reviews with executive leadership. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

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