IT Budgeting, AI Pricing Preferences, and Expectations

Q3 CIO Pulse Survey Highlights

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November 2025

Table of contents

Executive summary

1

Nearly 1 in 5 CIOs say, among tech vendors categories, it's most likely they will change their Consulting/SI vendor in the next year

Nearly 20% of respondents say they will make changes to consulting and systems integrators, AI model providers, and/or enterprise applications.

This is a pivotal moment for consulting and systems integrators to prove their value as AI and more specifically GenAI and Agentic AI disrupts their traditional business model.

2

63% of CIOs say IT budget planning takes place annually

Despite the economic uncertainty and greater need for agility, **more than half of CIOs say they still budget annually**. When asked how they budget, a product or service aligned approach was the most common response. For cost model, the IT shared services came out ahead, with the least amount of respondents saying they use a charge-back system in their organization.

3

CIOs lean towards hybrid and outcomes-based pricing for AI solutions

CIOs articulate that a hybrid model where some AI features are embedded into the product and some are offered at a premium (via consumption or subscription pricing) **is the most appealing AI pricing model**. A considerable amount also noted that outcomes-based pricing, linked to metrics for specific use cases is also preferred.

Research objectives

This CIO Pulse survey is a global initiative in partnership with IDC events and end user groups. The purpose is to connect with our CIO community. Through this approach, we can uncover reliable and timely insights on pressing questions.

This survey includes 72 respondents, 65% with the CIO title, 11% with CTO. Respondents below Director of IT were not qualified to respond.

There is a mix of industry with manufacturing and financial services dominant among the respondents. Likewise, there was a mix of organizational size, with 38% of respondents part of organizations with more than $2 billion in annual revenue.

To qualify, respondents must be involved or be the final decision maker in overall IT investments.

Key analysis and findings

CIO Pulse Survey – IT Budgeting, AI Pricing Preferences, and Expectations

Nearly 1 in 5 CIOs say its likely they will change their Consulting/SI vendor in the next year

Nearly 20% of respondents say they will make changes to consulting and systems integrators, AI model providers, and enterprise applications.

This is a pivotal moment for consulting and systems integrators to prove their value as AI and more specifically GenAI and Agentic AI disrupts their traditional business model.

Additionally, AI model providers must hold tight to their customers, as organizations move beyond experimentation and consolidate their partnerships to determine which partners they will use to scale across their business.

Meanwhile, enterprise applications vendors are aggressively expanding offerings to go after market share in new areas. This could be why some CIOs see the benefit of reducing the number of enterprise application vendors by switching from their current partner.

Of the following technology categories, where are you most likely to make changes to vendors in the next 12 months?
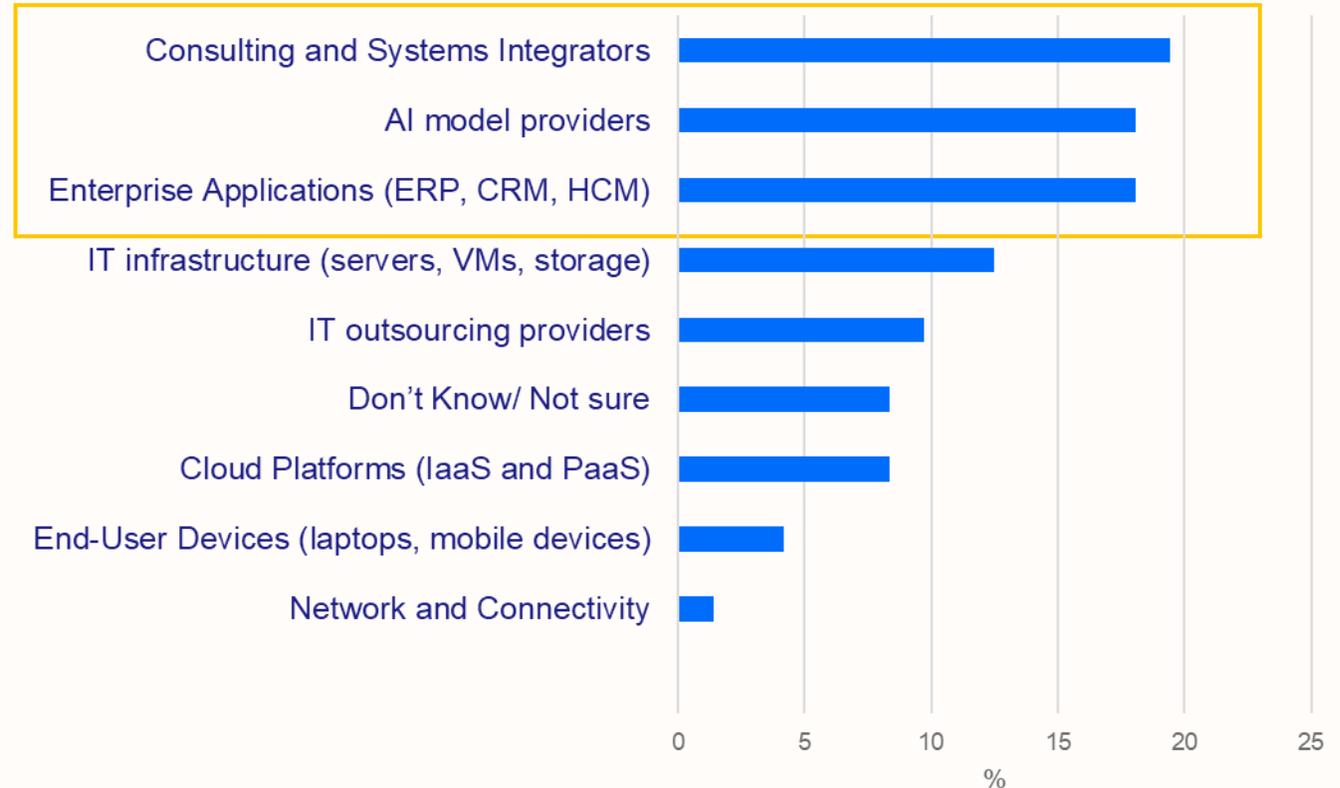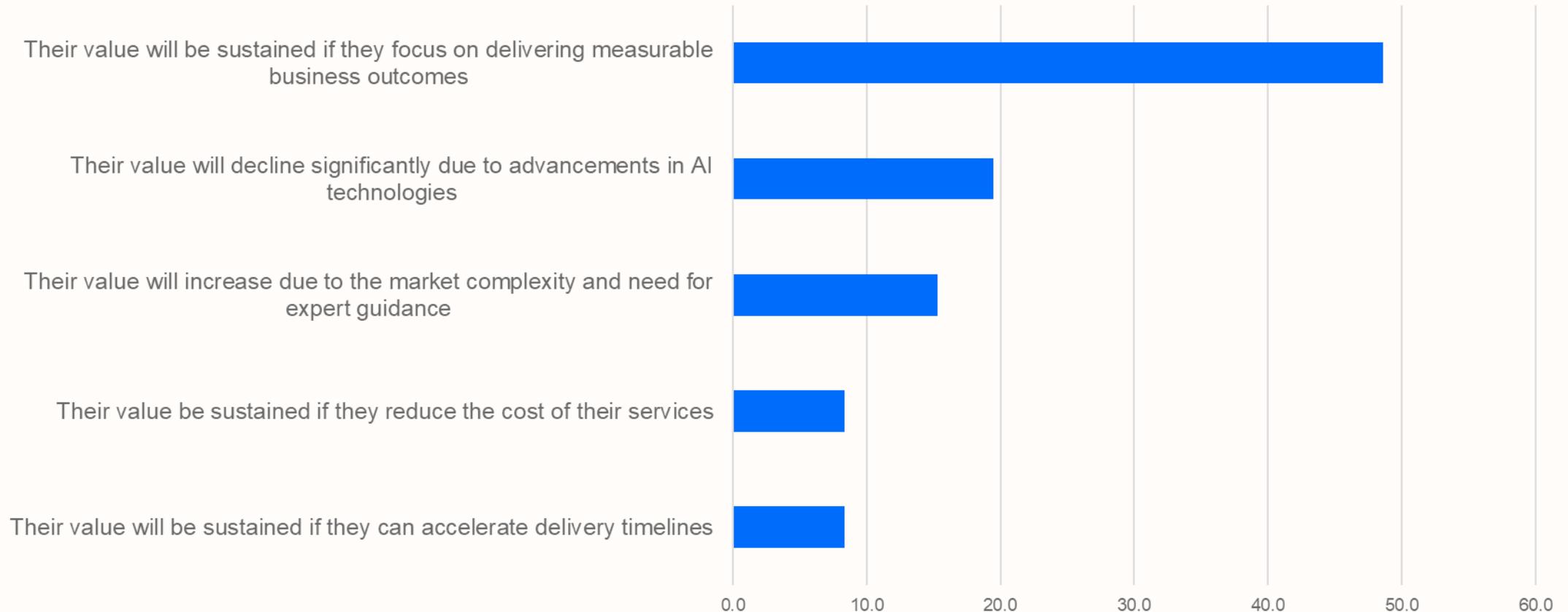

Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
N=72 Please use caution when interpreting small sample sizes

The link to business outcomes is the most critical for preserving the value of IT consulting and SI services

Which of the following best reflects your outlook on the future value of IT consulting and system integrator services?
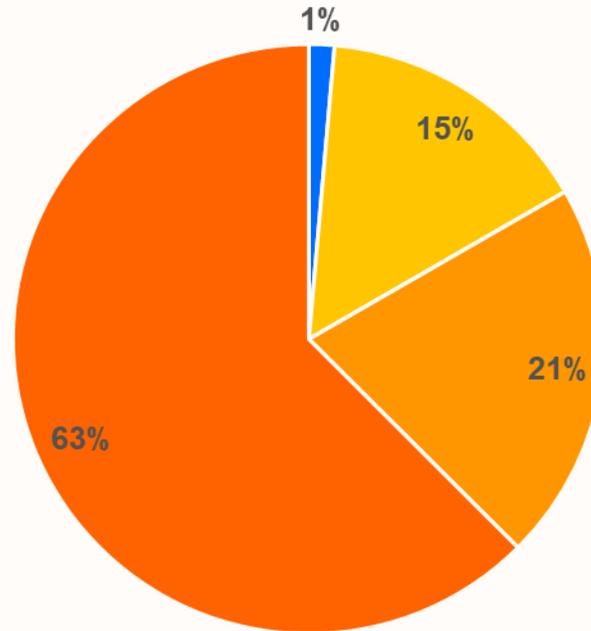
63% of CIOs say IT budget planning takes place annually

What cadence does your IT organization use for budget planning?

Despite the economic uncertainty and greater need for agility, more than half of CIOs say they still budget annually.

1%

15%

21%

63%

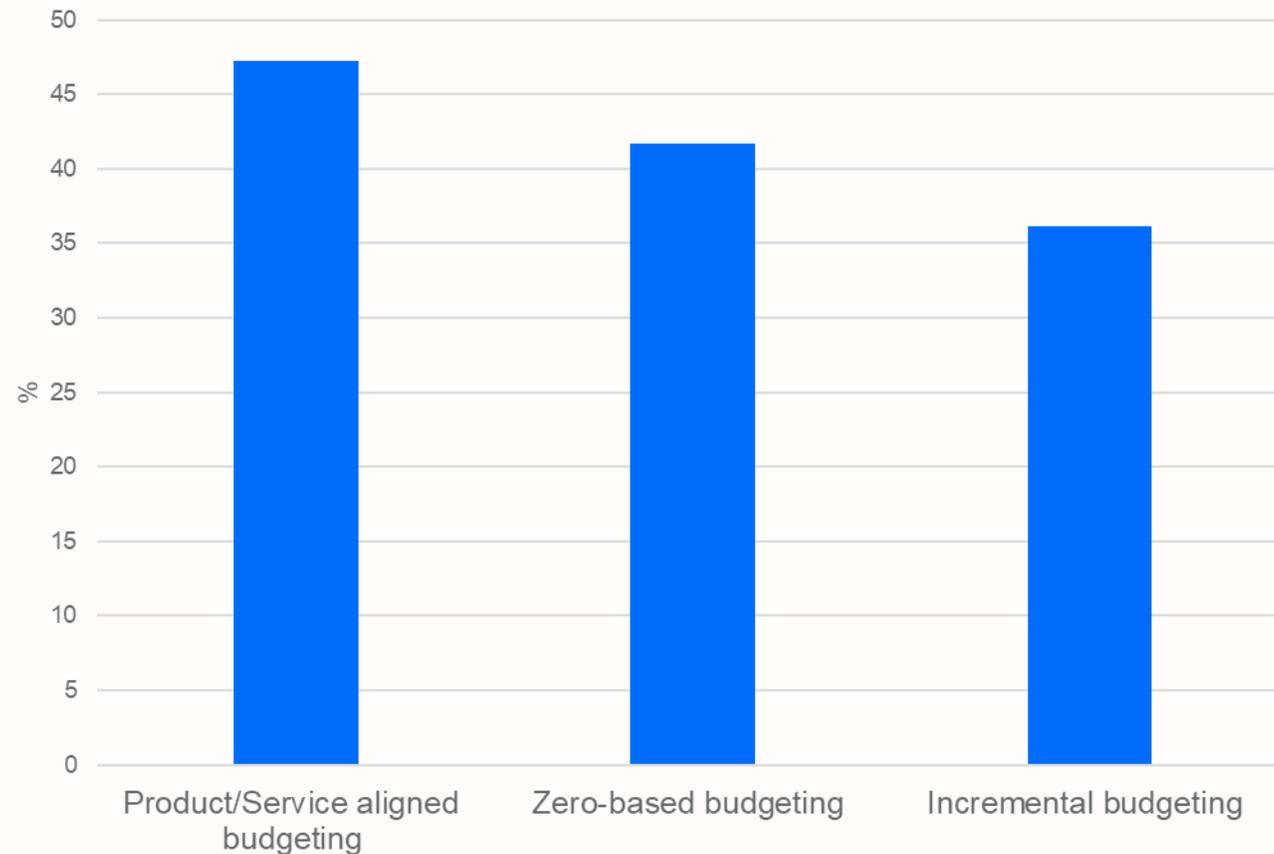■ Monthly   ■ Quarterly (every 3 months)   ■ Semi-Annually (twice a year)   ■ Annually

Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
N=72 Please use caution when interpreting small sample sizes

Nearly half of CIOs say their organization uses product/service aligned budgeting

- Incremental budgeting – using previous year spending as a baseline and making small adjustments to line items (either up or down)

- Zero-based budgeting – IT expenses must be justified every year, rather than assuming previous year spend is appropriate

- Product/Service aligned budgeting – aligning budgets to the lifecycle of products/service with regular reviews to adjust for new priorities.
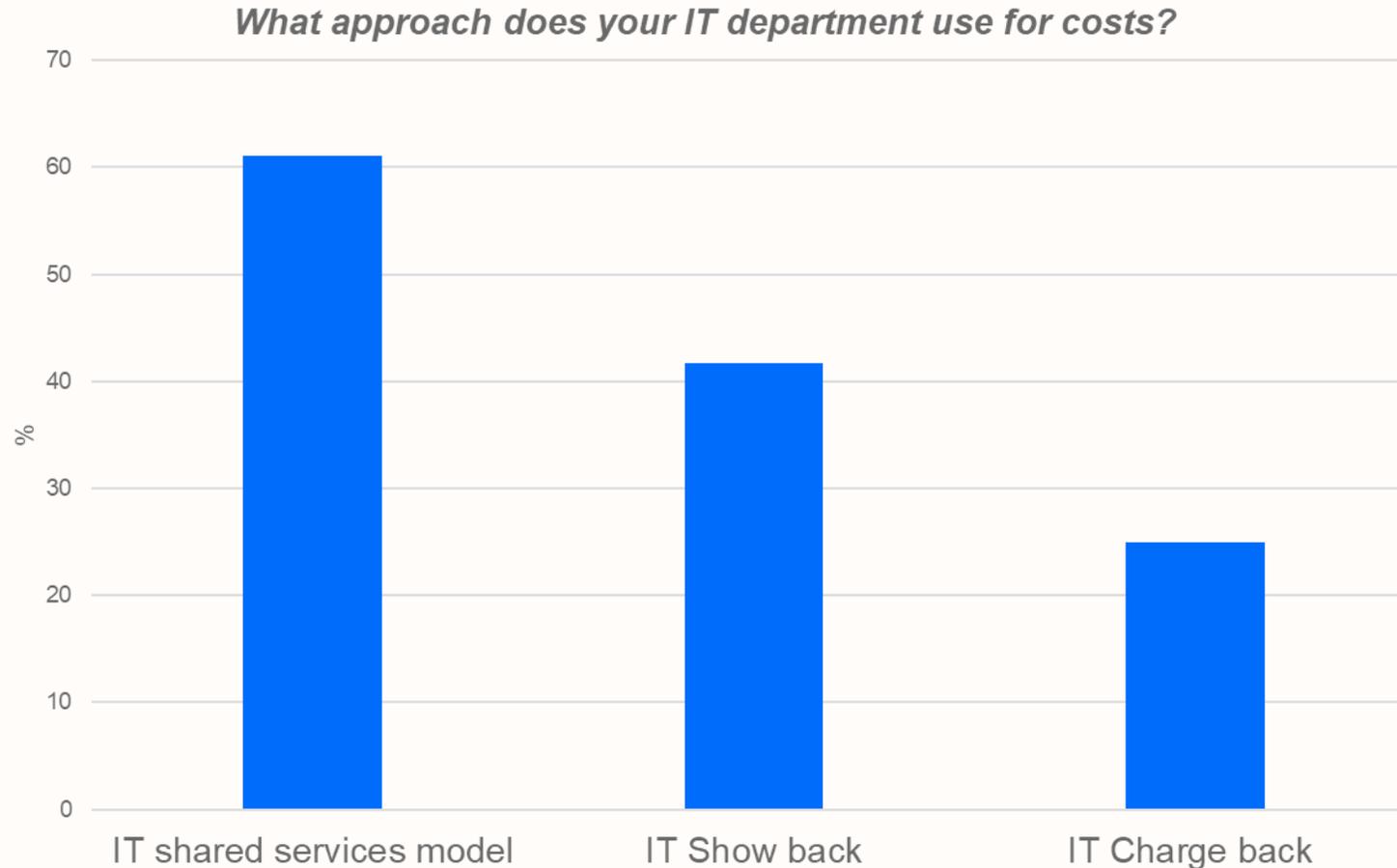
What budgeting approach(es) does your organization currently use for technology investments?

Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
N=72 Please use caution when interpreting small sample sizes

The IT Shared Services model is most popular approach for costs

What approach does your IT department use for costs?

- **IT shared services model** – IT funds the technology enabling functional areas across the organization

- **IT Show back** - Expenses are linked to functional areas they are enabling and shown for reference, but IT continues to fund centrally

- **IT Charge back** – Expenses are linked to functional areas they are enabling and billed accordingly

Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
N=72 Please use caution when interpreting small sample sizes

CIOs lean towards hybrid and outcomes-based pricing for AI solutions

When thinking about pricing for AI solutions, which model is most attractive to you?
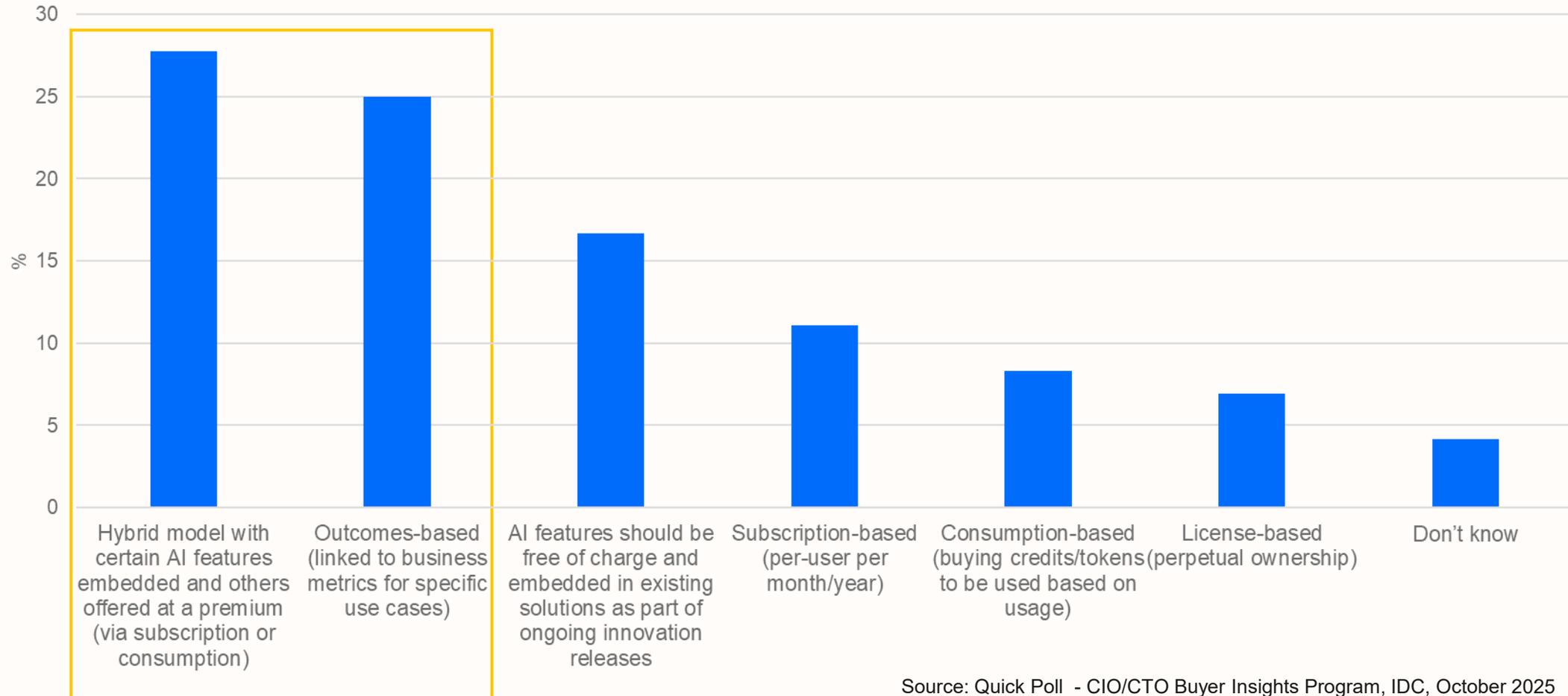
Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
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CIOs prefer a fee based on achieving a specific pre-defined business target for outcomes-based pricing

When thinking about an outcome-based pricing model for technology services, which of the following is most attractive to you?

Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
N=72 Please use caution when interpreting small sample sizes

AI outside of work has made employees more open to the technology in an enterprise setting

How do you think employees' use of AI in personal life has changed expectations for how software is consumed in your business?

Only a small percentage express frustration, signaling a positive sentiment for AI in the enterprise

Y-axis: % (0 to 70)

Categories:
- Employees are demanding more self-service tools
- Employees are keen to automate workflows
- Employees are putting more trust in AI technologies
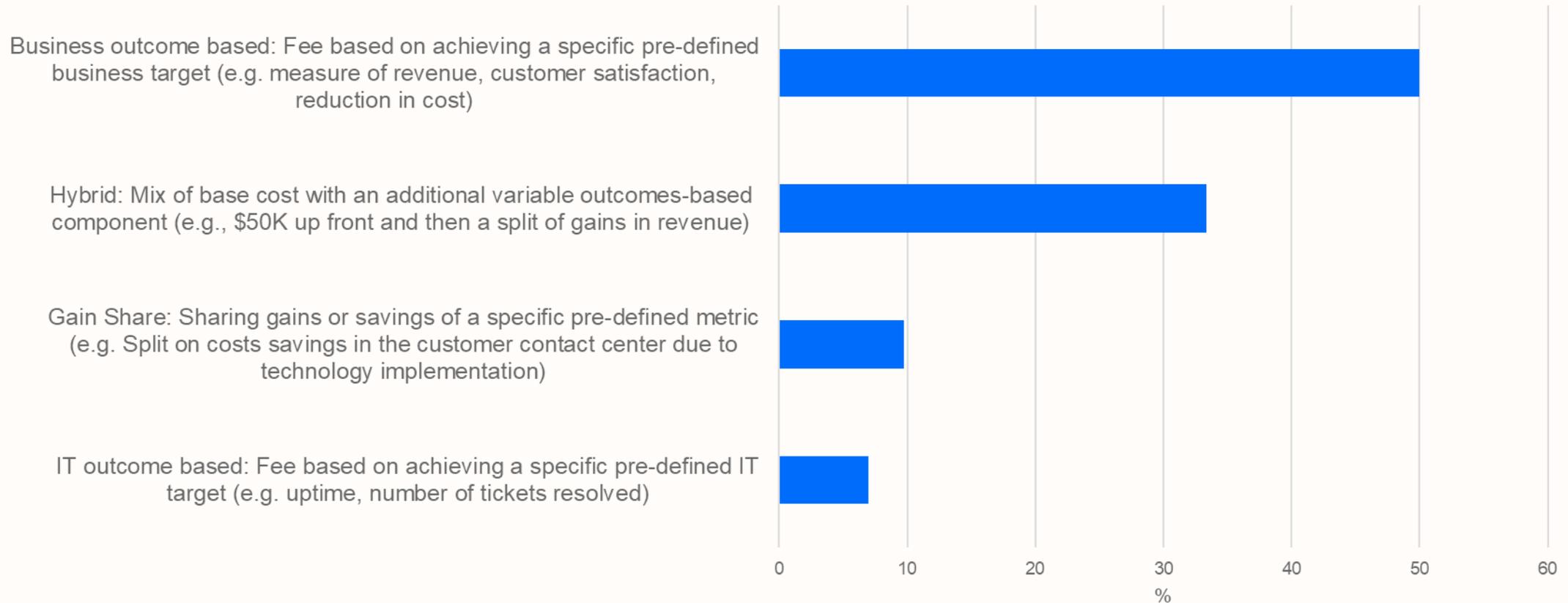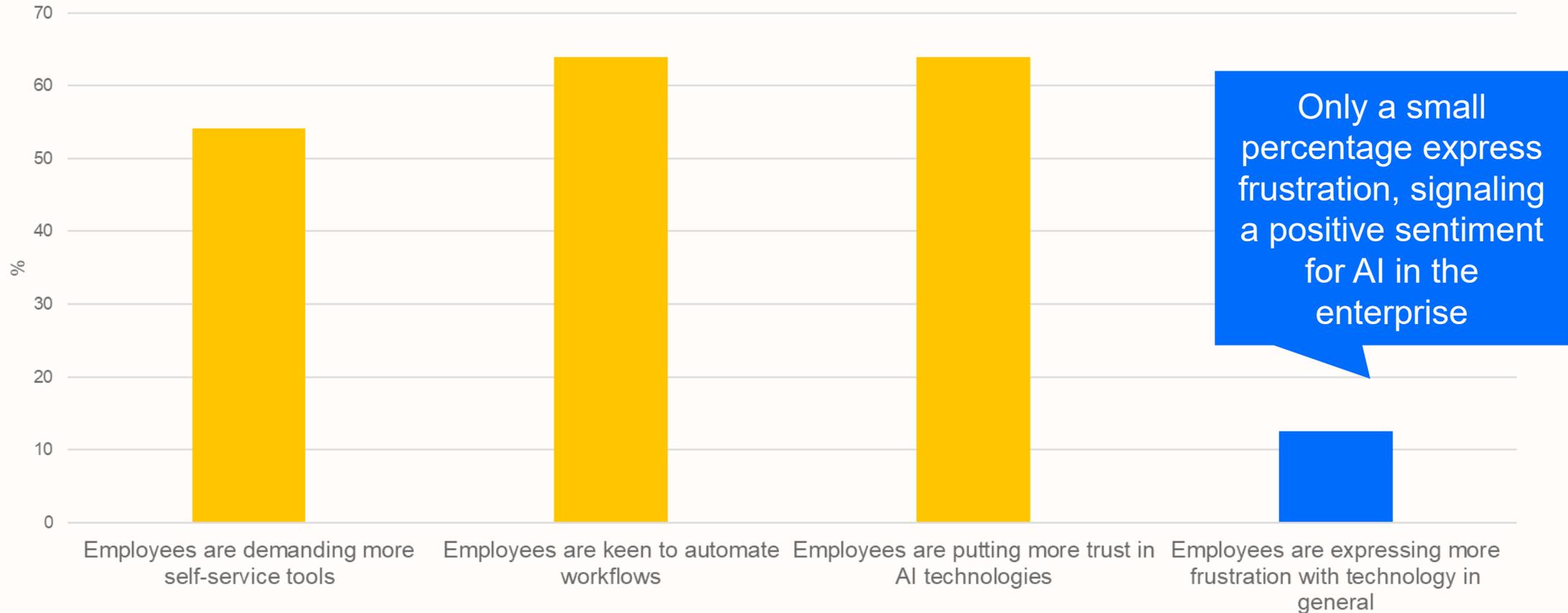- Employees are expressing more frustration with technology in general

Source: Quick Poll - CIO/CTO Buyer Insights Program, IDC, October 2025
N=72 Please use caution when interpreting small sample sizes

Reducing silos and leveraging AI within IT are the top necessary org. design changes articulated by CIOs

What types of changes are needed to the current IT organizational design to better support the overall business strategy?

Change	%
Reduce functional silos and build more cross functional teams	~58
Intentional adoption of AI to augment IT team's capabilities and performance	~55
Development of an AI Center of Excellence	~48
Introduction of more business aligned roles	~46
Shift from organizing around infrastructure stacks to cloud/platform/services teams	~33
Less hierarchy is required to drive better business agility	~29
Introduction of more technical roles	~28
New C-Level roles are required to meet CEO mandate for technology with a focus on AI	~21
More hierarchy is required to drive organizational effectiveness	~5
No changes are needed	~1

Related Research

CIO Pulse Survey: Challenges to Implementing AI Across the Business

Document number:# US53383825

June 2025

IDC Executive CIO Quick Poll Series: Agentic AI

Document number:# US53156125

April 2025

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