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New Research Finds Investment from Outside IT Is Key to Digital Transformation Success

Machine Data Cited as Critical Enabler in Cross-Functional Collaboration

SAN FRANCISCO--(BUSINESS WIRE)-- [Splunk Inc.](#) (NASDAQ:SPLK), provider of the leading software platform for real-time Operational Intelligence, today announced the results of new research that shows digital transformation initiatives are more successful when they have buy-in from across the business, in a report titled "[Digital Transformation Trailblazing: A Data-Driven Approach](#)."

Findings from a survey of 400 senior IT executives across the U.S., U.K. and Germany show that adoption of digital transformation initiatives is widespread. When asked where they are in the journey, 55 percent believe they are moving with the masses, while 36 percent believe they are ahead of the curve. Respondents on average reported 29 percent of their IT budget is dedicated to digital transformation projects, but the research reveals these initiatives are more likely to succeed when funded from outside IT. The organizations that are most mature when it comes to digital-first strategies are more likely to indicate that funding comes from departments such as product development, customer service, sales and marketing.

"Having a digital transformation strategy and executing on it no longer means you have an edge. If the majority of organizations are 'moving with the masses' or believe they are 'ahead of the curve' then no one is really standing out," said Doug Merritt, president and CEO, Splunk. "Organizations that rely on machine data to make better decisions gain a strategic advantage over their competitors. It is not surprising that those organizations with the most success are the ones collaborating - and funding - cross-functionally. Data is a key driver in enabling that collaboration and can help companies drive real-time business insights to move faster to differentiate, innovate, raise revenues, reduce costs and mitigate risks."

Key findings from the report include:

- | **Funding for digital transformation initiatives is on the rise:** 67 percent of respondents expect digital transformation budgets to increase, while only 8 percent expect a decrease.
- | **IT funding is only one of many sources for these initiatives:** 69 percent of respondents cite this as a key funding source. Outside the IT department, product development is funding initiatives for a third (34 percent) of respondents, followed by customer service (30 percent), sales (30 percent) and marketing (27 percent).
- | **Only 36 percent say security is funding digital transformation, although this is the top driver for these programs:** 77 percent of respondents say security was a critical or very important driver, with the top three rounded out by improving customer acquisition and retention (72 percent) and reducing costs through automation and improved efficiency (72 percent).
- | **Insight into machine data is key to success:** When asked about the ability to derive real-time insights and business value from machine data to achieve their digital business goals, more than two-thirds (68 percent) of respondents say this is a critical or very important priority.

For more information, visit the Splunk website or read the "[Digital Transformation Trailblazing: A Data-Driven Approach](#)" white paper for insight into how organizations are leveraging machine data to drive business-critical insights.

Methodology

IDG surveyed more than 400 organizations in the U.S., U.K. and Germany. All of the respondents hold director-level or above IT or business titles, and their companies have revenues of \$500 million or more (or at least 1,000 employees for public sector organizations).

About Splunk Inc.

Splunk Inc. (NASDAQ: SPLK) is the market leader in analyzing machine data to deliver Operational Intelligence for security, IT and the business. Splunk® software provides the enterprise machine data fabric that drives digital transformation. More

than 13,000 customers in over 110 countries use Splunk solutions in the cloud and on-premises. Join millions of passionate users by trying Splunk software for free: <http://www.splunk.com/free-trials>.

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