ICT Value Realization in Enterprises

ICT Budgets Are Increasing Across Industries. But Why Does Value Realization Remain So Limited?

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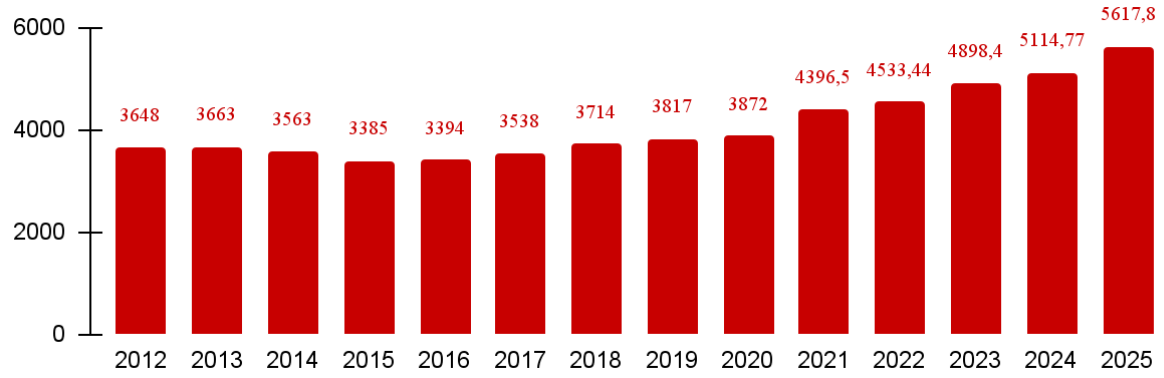
Baswara

Rising ICT Investment and Industry Patterns

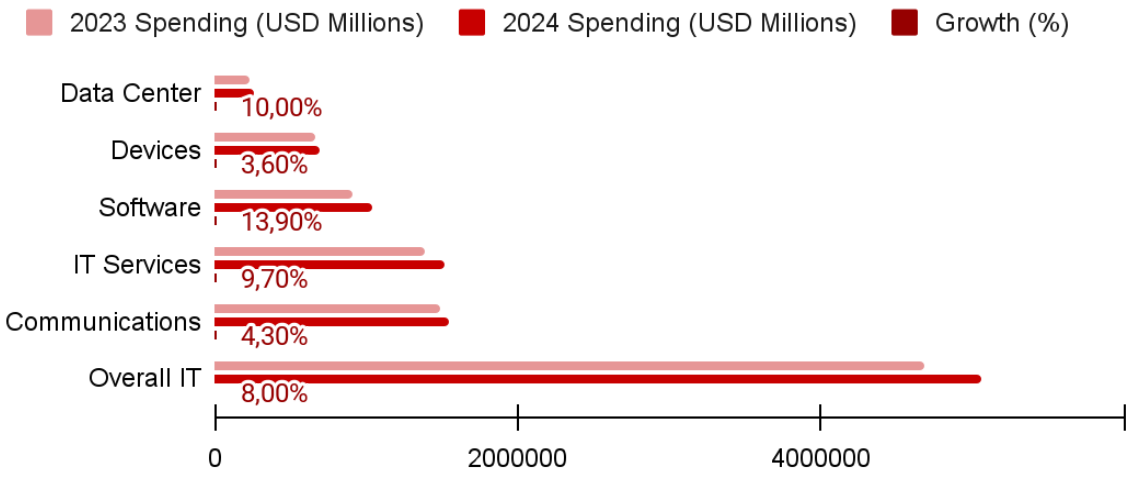
ICT spending is rising fast as companies move from basic digital adoption to full modernization of operations, customer experience, and infrastructure. Indonesia reflects this acceleration, the ICT market is set to grow from USD 46B (2025) to USD 75B (2030) and could reach USD 164B by 2033, with data-center demand increasing in parallel. Government digitalization and regulatory momentum further strengthen market growth. The ICT market is large and expanding, but value will only be captured by organizations with strong governance, data readiness, and disciplined execution. For ICT providers and integrators, this opens a major opportunity; for enterprises, it signals an urgent need to modernize before inefficiencies grow and competitiveness erodes.

Figure 1: Global ICT Spending Growth Over Time ($ Billion)



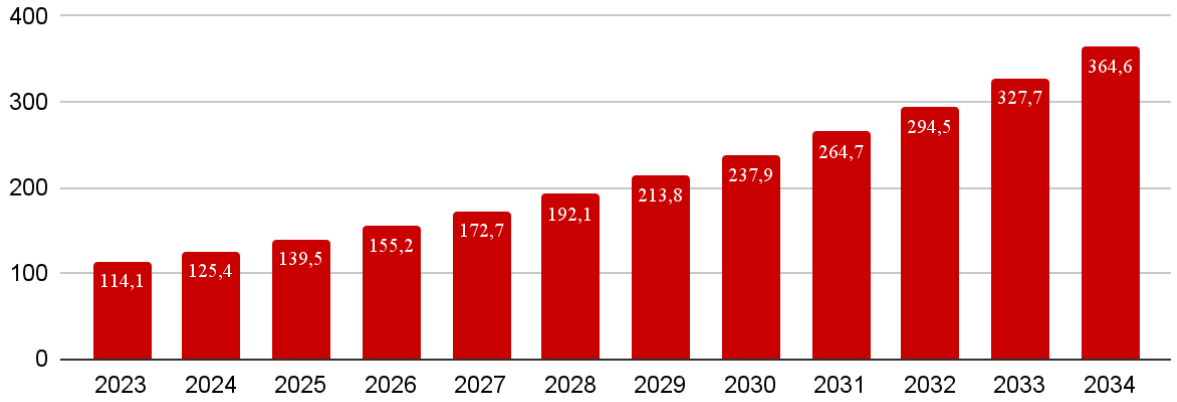
Global ICT spending has shown persistent year-over-year growth, with projections indicating continued expansion driven by cloud infrastructure, enterprise software, and cybersecurity. Hardware expenditure remains stable, but software and services now account for a significantly larger share of total ICT budgets, reflecting the shift toward scalable, platform-based architectures. The long-term upward trajectory highlights sustained organizational commitment to digital transformation, regardless of short-term macroeconomic fluctuations.

Figure 2: Global IT Segmentation Spending for 2024



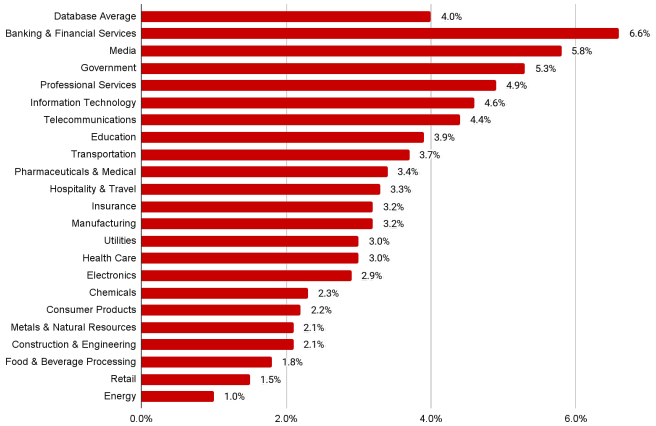
Across industry groups, ICT spending has grown in parallel with broader technology investment flows. Developing industries report steady increases as they transition away from legacy systems, while advanced industries demonstrate sharper growth as they adopt more sophisticated technologies such as cloud-native architectures, integrated ERP platforms, and data-driven workflow automation. The widening divergence in spending levels signals the emergence of a digital capability gap that may influence future competitiveness and productivity performance.

Figure 3: Global Data Center Market Size by Revenue ($ Billion)



The sharp rise in global data center market value, from USD 114B in 2023 to USD 364B by 2034 with signals an urgent, structural shift in how enterprises must support digital operations. Growth is driven by AI workloads, cloud adoption, stricter compliance, and the need for real-time data processing. Sectors with high regulatory and operational complexity, such as finance, healthcare, logistics, and telecom, are accelerating ICT spending to modernize faster. The implication is clear: legacy infrastructure can no longer meet emerging demands. Organizations that delay modernization will face performance bottlenecks, rising operating costs, and competitive disadvantage, while those that upgrade early capture efficiency, agility, and new value creation opportunities.

Figure 4: ICT Spending by Industry (As Percentage of Revenue)

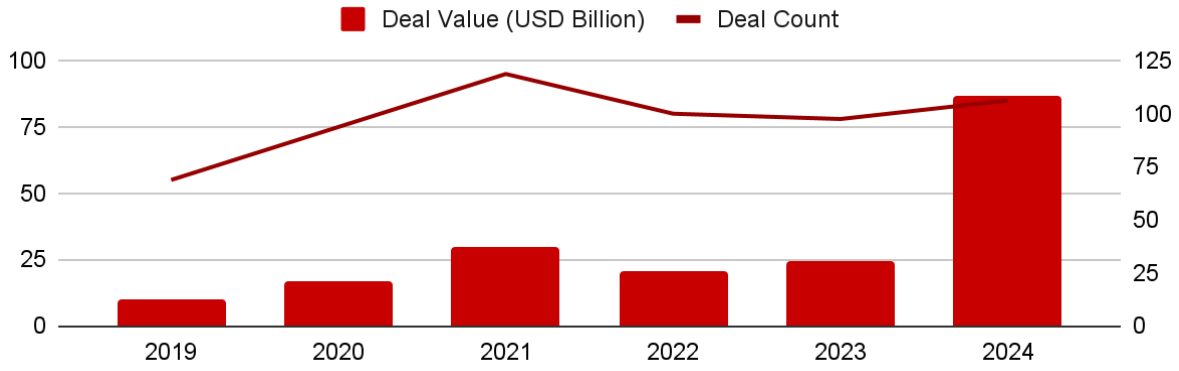


Industry comparisons show meaningful variance in ICT intensity. Advanced industries consistently invest a larger share of their revenue into ICT to maintain infrastructure reliability and develop differentiated digital capabilities. Transitional industries demonstrate moderate ICT intensity as they balance legacy system upkeep with modernization initiatives. Developing industries exhibit lower ICT intensity but show some of the fastest growth rates, signaling a long-term convergence as digital infrastructure becomes essential rather than optional.

The Performance Paradox: Why High ICT Spend Does Not Equal High Impact

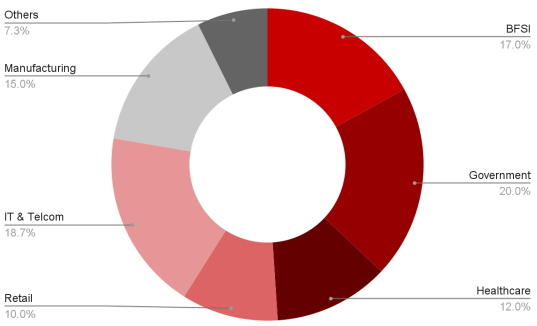
Despite rising ICT budgets, many organizations still struggle to translate technology spending into real business gains. Systems are upgraded and digital initiatives expand, yet improvements in productivity, profitability, and customer experience often remain limited. This creates an ICT performance paradox: higher investment is treated as progress, but the link between spending and actual impact is weak. A few industries continue to pour large resources into ICT, yet only a minority of their transformation efforts achieve meaningful success.

Figure 5: Private Investment in Data Centers



The surge in private investment—jumping from USD 30B in 2023 to USD 108B in 2024, shows how aggressively capital is flowing into the data-center and digital infrastructure ecosystem. Yet this influx of money reinforces the same performance paradox seen across enterprise ICT spending: even as investment soars, measurable business impact remains uneven. High deal value and abundant capital signal confidence in digital infrastructure as a strategic necessity, but they also highlight a growing gap—organizations are spending more, investors are funding more, yet outcomes from digital transformation still lag behind expectations. In other words, the market is pouring unprecedented capital into the foundations of digital capability, but the ability of enterprises to convert that infrastructure into real performance gains remains limited and inconsistent.

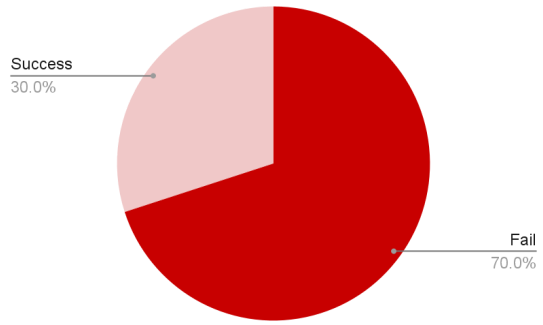
Figure 6: Global IT Services Market Share, By Industry, 2024



Enterprise IT spending is concentrated in a few digitally intensive sectors banking, government, healthcare, and IT/telecom, because they face the highest regulatory demands, security requirements, and customer expectations. These industries lead in cloud, cybersecurity, and managed-infrastructure adoption. However, high spending has not consistently delivered high value. Many organizations still struggle with rising ICT costs, legacy complexity, and mixed

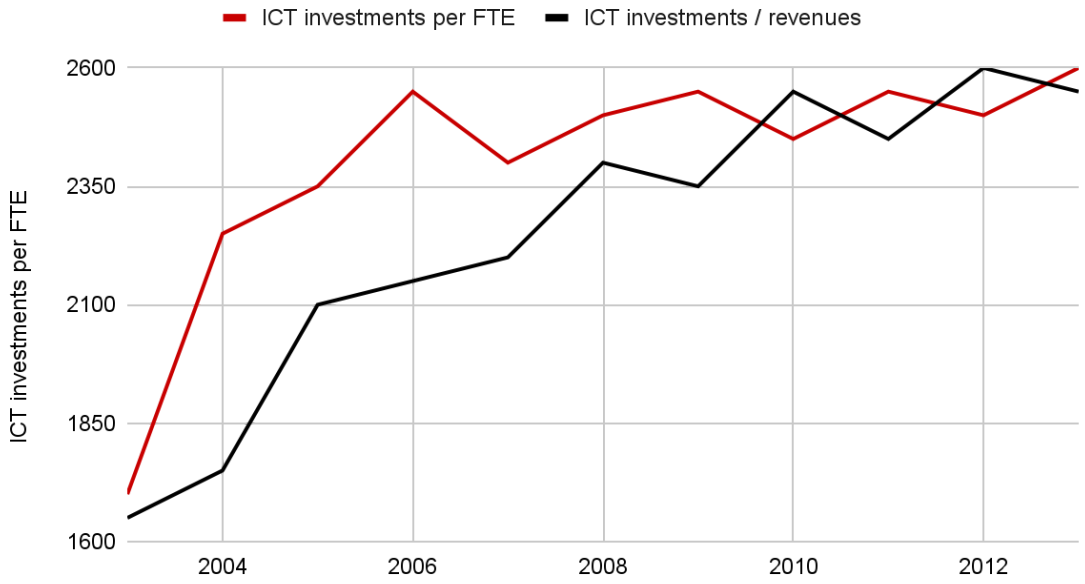
transformation outcomes. This shows that ICT is now a baseline requirement to operate in these sectors, but not yet a guaranteed source of differentiation or performance gains.

Figure 7: Digital Transformation Successful Percentage



Across industries, digital and ICT transformation programs exhibit a striking performance paradox. Despite record levels of investment, only a minority of initiatives are rated as successful by their sponsors. In survey after survey, roughly one third of projects are considered fully successful, while the majority deliver only partial benefits or fail to meet their objectives. Organizations often achieve local improvements in specific processes, but struggle to convert these into enterprise wide gains in productivity, customer experience, or financial performance. The high failure rate reflects the complexity of coordinating technology, process change, and human behavior at scale, rather than a lack of modern tools or platforms

Figure 8: ICT capital deepening

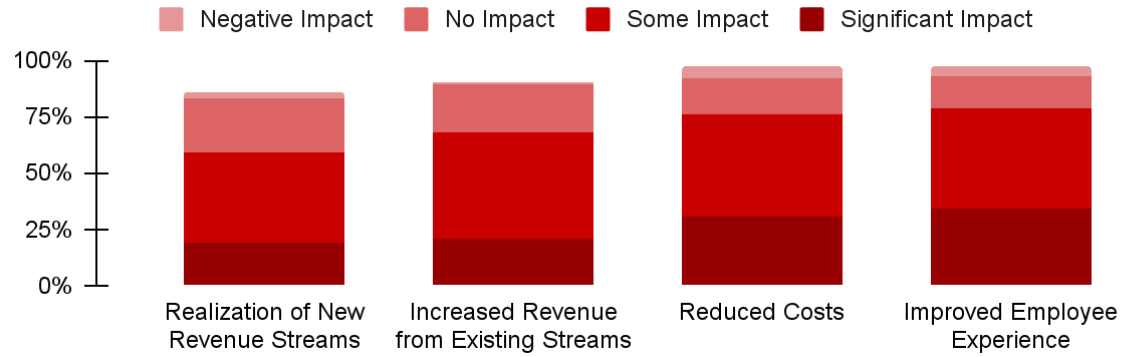


ICT capital deepening further illustrates the gap between spending and impact. Over the past decade, ICT investments per employee and ICT investments as a share of revenue have both trended upward. Each full time employee now works with more ICT capital than in earlier years, and a larger fraction of firm revenues is reinvested in digital infrastructure and systems. However, aggregate productivity and profitability metrics have not increased at the same pace. Many organizations have effectively upgraded the technological intensity of work without redesigning workflows, decision rights, and operating models in ways that fully exploit the new capabilities. The result is a landscape where ICT has become more pervasive and more expensive, while tangible value realization remains inconsistent.

ICT Value Creation and the Gaps Holding It Back

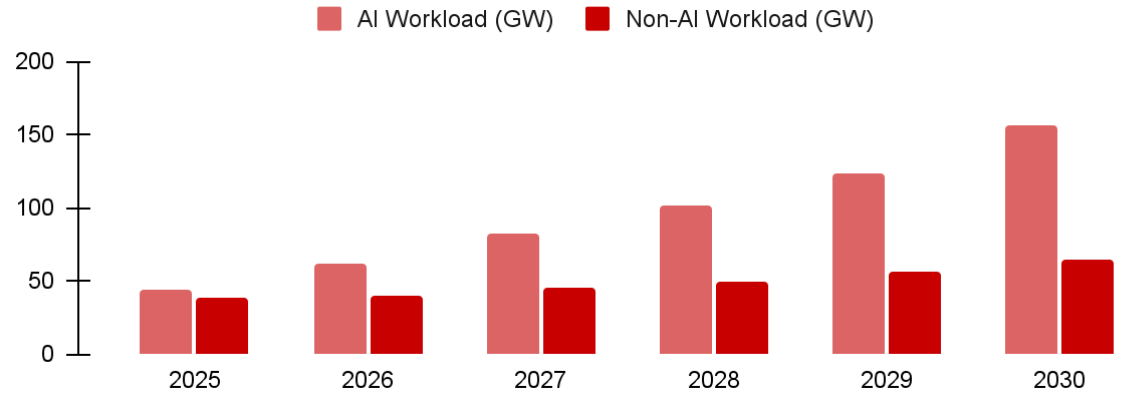
ICT investments are creating value, but the impact is still uneven across organizations. Many companies see improvements in efficiency and revenue, yet the results often fall short of expectations because execution and readiness vary widely. The charts below show where ICT is delivering real gains today and where limitations continue to slow broader impact.

Figure 9: Impact from Technology Transformation Over The Past 2 Years



Tech transformation consistently creates value with most companies see positive impact on revenue, cost efficiency, and employee experience. Gains are strongest in cost reduction and workforce productivity, proving that well-executed digital initiatives pay off quickly. The takeaway for clients: those who invest and execute now unlock measurable benefits, while laggards risk losing efficiency and competitiveness.

Figure 10: Estimated Global Data Center Capacity Demand (2025-2030)

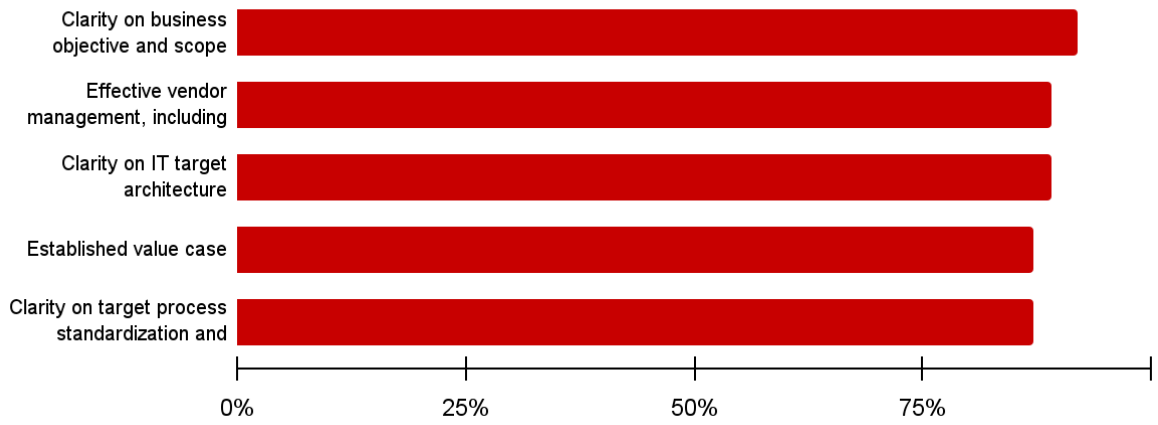


Global data-center demand is set to surge through 2030, driven primarily by AI workloads, which grow far faster than traditional (non-AI) compute. This shift signals a structural change: organizations must modernize infrastructure, expand capacity, and adopt AI-ready architecture to stay competitive. AI will dominate future compute needs, and firms that delay capacity upgrades risk bottlenecks, higher costs, and inability to scale digital initiatives.

70% of Company Digital Transformation is Fail

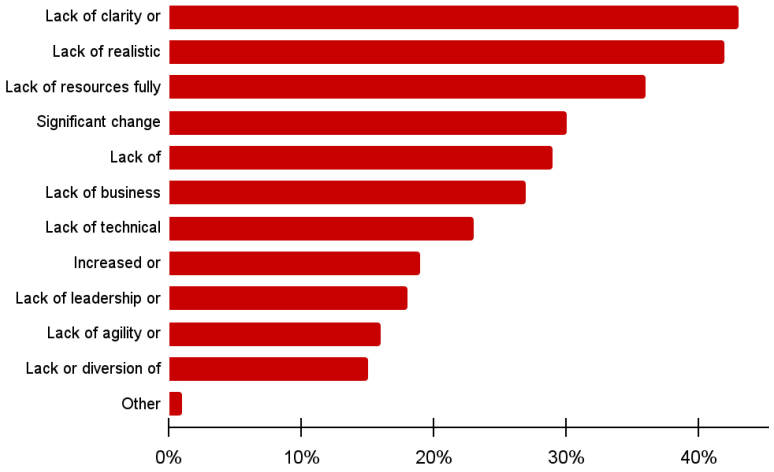
Most companies invest heavily in digital transformation, yet the majority still struggle to achieve meaningful results. Failure rarely comes from the technology itself—it comes from unclear goals, weak governance, and poor execution discipline. The data shows a consistent pattern: projects succeed when fundamentals are strong and fail when the basics are overlooked. digital transformation is not a technology challenge, but a management and alignment challenge.

Figure 11: Drivers of Success for IT Project



Successful tech programs win not because of the technology itself, but because the fundamentals are clear and aligned. Champions lock in business objectives, architecture, value cases, and standardized processes early, reducing ambiguity and execution risk. Strong vendor management also plays a crucial role by ensuring accountability and shared ownership. Transformation succeeds when governance is strong before execution begins.

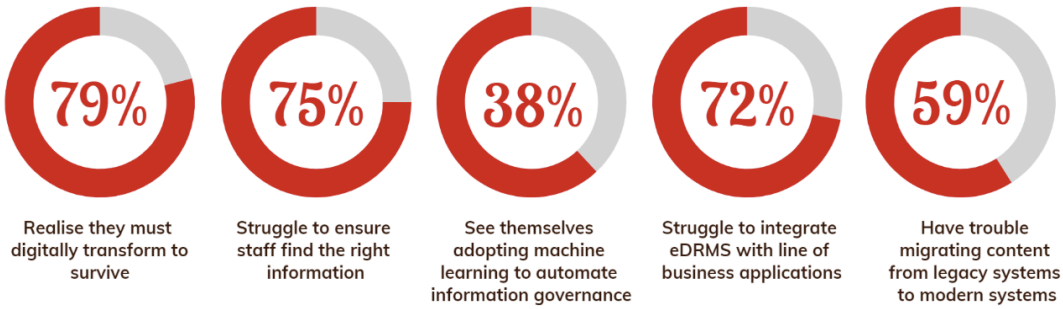
Figure 12: Reasons for IT Project Delays



Most IT project delays are driven by fundamentals, not technology. The top issues (43% unclear outcomes, 42% unrealistic timelines, 36% insufficient resources) point to gaps in planning, governance, and organizational alignment. Technical challenges rank lower, reinforcing that failure is rarely due to the tools but due to execution discipline. For clients, this means stronger upfront scoping, cross-team coordination, and dedicated talent are far more important predictors of success than the size of the tech budget.

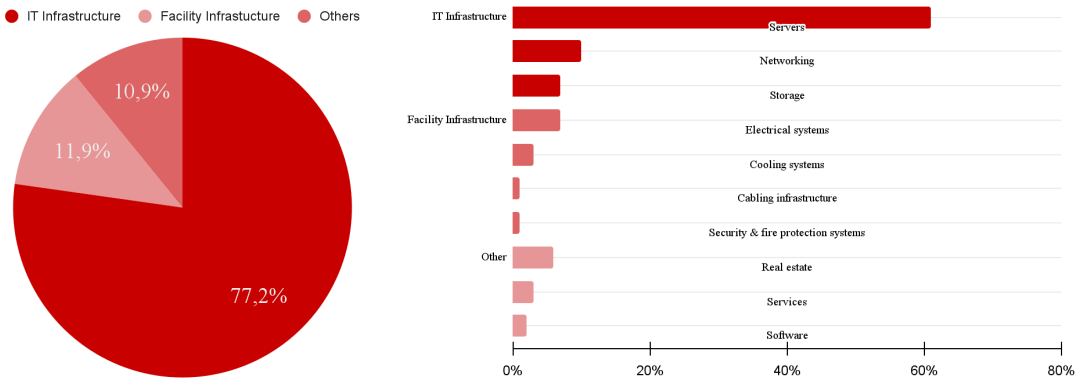
Companies are spending more on ICT than ever, but the fundamentals often lag behind. Poor data, siloed systems, and outdated processes prevent technology investments from translating into real performance gains. The following charts highlight where organizations struggle and how current spending patterns reflect structural readiness challenges.

Figure 13: ICT Spending by Industry (As Percentage of Revenue)



Most digital transformation failures stem not from technology limitations but from organizational readiness gaps. Companies still operate with weak data foundations, siloed systems, and outdated processes that cannot support modern digital tools. The message for clients is straightforward: without strong integration, governance, and change management, even the best cloud, AI, or automation investments will fail to deliver impact. High performers focus on fundamentals first, aligning people, processes, and systems before scaling transformation efforts.

Figure 14: Spending Distribution Across Infrastructure Elements



Most data center spending goes to compute, with servers making up 61% of total costs, showing that performance and scalability depend mainly on expanding compute capacity. Data center investment remains heavily concentrated in compute, with servers representing the majority of total spend. This reflects a market where performance, scalability, and workload efficiency are core value drivers. At the same time, cooling, power, and facility infrastructure though smaller in share—are becoming increasingly critical as AI workloads accelerate. The priority is clear: optimize compute resources, manage workloads intelligently, and upgrade facility infrastructure to avoid bottlenecks and keep pace with rising demand.

Major Stages in Data Center Development look to capitalise on the market opportunity

Table 1: Data Center Development Lifecycle

Phase		Key Activities
Development	Site Selection & Acquisition / Leasing (3–6 Months)	• Assess site feasibility based on power and water access, connectivity, climate, and land pricing. • Secure initial permits (building, environmental, etc.). • Complete land purchase or negotiate long-term lease agreements.
	Design & Engineering (3–6 Months)	Develop comprehensive architectural designs and facility layouts. • Produce detailed electrical, mechanical, and structural engineering plans. • Submit designs to authorities and obtain required construction approvals.
Construction	Construction (12–18 Months)	• Clear and prepare the site for development. • Build the core physical structure (foundation, walls, roofing). • Install critical infrastructure such as generators, UPS, cooling systems (CRAC/chillers), and networking equipment. • Set up server racks, cabling, and internal components. • Conduct inspections to confirm compliance with engineering specifications and building codes.
	Commissioning & Testing (3–6 Months)	• Integrate all systems and verify seamless end-to-end functionality. • Perform rigorous testing of electrical, mechanical, and IT systems across operating scenarios. • Obtain performance certifications (e.g., Uptime Institute Tier ratings). • Complete final inspections, secure occupancy/operating permits, and hand over to the operations team.
Operations	Service Provision Contracting & Go-Live (3–6 Months)	• Train operational staff and establish monitoring and operating protocols. • Contract support functions such as Security, O&M, and Asset Management. • Officially launch the data center and transition into live operations.

A data center works only when every phase, from choosing the site to going live is managed carefully. Good early decisions reduce risks, strong engineering ensures reliability, and thorough testing prevents failures once the facility is active. For clients, the message is simple: treating the entire lifecycle as one coordinated process is the key to delivering a data center that is stable, efficient, and built to last.

The ICT market is tightening. Firms must strengthen cloud control and AI governance to stay competitive

Digital spending is accelerating, and pressure on cloud, data, and AI capabilities is rising. The firms that win will be the ones that operate with stronger cost discipline, scalable infrastructure, and compliant data systems.

1. **Cloud Economics & FinOps Excellence**
   Cloud spend is rising fast. Companies that implement FinOps, workload optimization, and usage governance gain immediate savings and higher system stability.
2. **AI-Ready & Scalable Infrastructure**
   AI workloads require more compute, storage, and power. Firms that modernize their infrastructure—GPU-ready, scalable, and energy-efficient
3. **Data Governance & Compliance Readiness**
   Stricter privacy and sovereignty rules demand better data controls. Strong governance reduces risk and increases trust with regulators and customers.
4. **Managed Operations & Automation**
   Limited talent and complex operations push organizations toward automation and managed services. This improves reliability, speed, and operational efficiency.

Table 2: Risk Mapping for Industry Construction

Risk / Disruptor	Industry Impact
Surge in AI workloads & compute demand	Infrastructure becomes saturated, causing performance issues and forcing unplanned CapEx. Firms without scalable infra fall behind in AI adoption.
Cloud cost inflation & unmanaged spending	Margins erode as cloud bills escalate. Without FinOps, organizations face unpredictable OpEx & delayed digital initiatives.
Cybersecurity and compliance pressure	Stricter regulations require stronger governance. Firms lacking data-control frameworks face fines, operational disruption, or loss of customer trust.
Energy constraints & sustainability expectations for data centers	Rising power requirements and ESG pressures push firms to adopt efficient cooling, optimization, and green-infra solutions. Non-compliant operators risk exclusion from premium contracts.

The acceleration of AI, cloud, and data-center adoption shows that the ICT market is entering a more selective era. Organizations with weak infrastructure, poor cost governance, or low digital maturity will face escalating operational pressure and competitive displacement. As demand for scalable, efficient, and compliant infrastructure grows, firms must proactively strengthen their cloud economics, modernize data operations, and build governance frameworks to remain resilient and capture emerging opportunities.

We fix the root cause. Not the symptoms.

The ICT industry is not struggling because technology is moving too fast, it is struggling because organizations cannot operationalize the technology they buy. Legacy operating models, siloed data, and low digital readiness prevent companies from capturing value from cloud, AI, automation, and data-center modernization. Baswara enters as your transformation architect to rebuild how ICT organizations plan, scale, and operate. Below is the transformation bridge that connects structural pain points to measurable outcomes.

1. WHAT WE SOLVE

Baswara addresses the structural barriers behind uncontrolled cloud spending, failed digital initiatives, security gaps, and inability to scale infrastructure for the AI era

Chronic Cloud Overspend & Infrastructure Inefficiency Caused by fragmented systems, lack of governance (FinOps), poor workload planning, and legacy migration approaches.	**AI, Data Governance, and Compliance Readiness Failures** Most firms adopt AI tactically; governance, data pipelines, and risk controls are not ready.
Inability to Scale Data-Center Capacity for AI Workloads Companies cannot meet compute, storage, and power requirements driven by hyperscale and AI workloads.	**Low Digital Maturity & Failed Tech Adoption** Digital tools fail not because of technology, but because the operating model is not designed for it.

Most ICT organizations are not failing because AI or cloud is too complex. They are failing because their core operational systems are siloed, manual, and ungoverned. Cloud overspend, failed AI initiatives, data fragmentation, cybersecurity gaps, and inability to scale infrastructure all stem from the same structural deficiency: a broken digital operating model.

These challenges require more than new software. They require a unified operating model, capability system, and governance structure that enables cloud, data, and AI to generate measurable value.

Baswara does not add more tools to your stack. We rebuild how your digital organization performs.

2. HOW WE WORK (Baswara Methodology)

Baswara's approach is built on four transformation pillars. Each pillar directly attacks the Silent Killers identified in the ICT industry.

Digital Maturity Diagnostic

We benchmark your organization across four maturity levels: Survival, Awareness, Integrated, Predictive.

We identify:

- Cloud cost leakage patterns
- AI readiness & data governance gaps
- Infrastructure bottlenecks & compute saturation
- Cybersecurity exposure & compliance risk
- Workflow fragmentation

Financial & Cost Governance

We help clients transform cloud and infrastructure spending into predictable, optimized, value-driven portfolios.

Our support covers:

- Cloud FinOps framework + automated cost governance
- Workload right-sizing & architectural cost modeling
- AI workload financial modeling Cloud contract & service-provider negotiation

Enterprise-Wide Digital Controls

Installs a unified ICT governance framework that connects cloud, security, operations, data, and compliance into one operating model.

Our work includes:

- Multi-cloud S-curve, KPI system, and early-warning indicators
- Integrated ITSM/ITOM workflows
- Cybersecurity governance
- Compliance documentation
- Vendor-performance + SLA/OLA discipline
- Digital risk heatmap

AI Enablement & Capability Build

Instead of installing tools, we redesign the process. Baswara ensures cloud, AI, and automation amplify productivity

Focus Areas:

- AI/ML workflow integration
- Observability + predictive analytics for performance/cost
- SRE discipline
- Infrastructure & utomation pipelines
- Cloud-native architecture refactoring
- Sustainability & energy-efficiency optimization for data centers

We are not adding more people to your team.
We rebuild how your team performs.

Baswara acts as your transformation architect, a partner that diagnoses, designs, and operationalizes the systems required to compete in a future where efficiency, transparency, and sustainability define the winners.

Baswara Consulting works with industry leaders, public institutions, and emerging innovators to solve critical business challenges and unlock long-term value. We focus on strategic clarity, execution discipline, and measurable outcomes. Since our establishment, we have supported organizations in navigating transformation, strengthening operating models, and accelerating growth through informed decision-making and practical implementation.

Our team brings experience across strategy, policy, PMO execution, and organizational development. We combine analytical rigor with grounded industry insight to help clients operate more efficiently, scale capabilities, and position themselves competitively in evolving markets. Baswara delivers solutions through strategy formulation, business transformation management, project implementation support, and advisory services.

We operate in a collaborative model, working closely with leadership teams and key stakeholders to ensure alignment, ownership, and seamless execution. Our goal is to help organizations scale with confidence, improve how they operate, and build capabilities that last.

For partnership or media inquiries, please contact Baswara Consulting at:
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