

Forrester's 2025 Budget Planning Guides: Leaders Across Functions, Industries, And Geographies Intend To Spend More In 2025

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Tech leaders are the most bullish when it comes to increased budget expectations in the coming year

LONDON--(BUSINESS WIRE)--Sep. 9, 2024-- According to Forrester's. (Nasdaq: FORR) 2025 Budget Planning Guides, leaders intend to spend more in 2025 after a year of restrained budget expectations. Despite high interest rates, tight labour markets, and the uncertainty of US elections, 91% of global tech decision-makers and 87% of global marketing decision-makers are planning for budget increases in the year ahead. Pressure to optimise spending and drive efficiencies remains a focus for organisations, however. As a result, to derive the most value from increased budgets, leaders must invest in cross-functional efforts that have an outsized impact on their firm's growth.

Forrester's Budget Planning Guides provide data-backed recommendations for technology and security, B2B and B2C marketing, customer experience (CX), digital strategy, and sales and revenue operations leaders to make sound planning and budgeting decisions for the coming year. The guides also include spending intention benchmarks and recommendations for areas to experiment, deepen investments, and divest budget allocations. Read on for key insights from Forrester's 2025 Budget Planning Guides.

Areas to increase investment in 2025:

- Cross-functional efforts to deliver connected experiences. Organisations with strong alignment among their marketing, digital, and CX teams report 1.6 times faster revenue growth than their peers and 1.4 times better customer retention. To ensure alignment, leaders should invest in customer journeys where functional teams and business units have a strong interlock.
- Capabilities and frameworks for Al governance and trust. As Al deployments become ubiquitous, firms should invest in building policies and frameworks around data access, usage, sharing, storage, and retention to retain customer and employee trust. This also requires security and privacy investments in approaches like advanced encryption, data masking, differential privacy, and data clean rooms.

Areas to decrease investment in 2025:

- **Journey-mapping without a purpose.** CX leaders often struggle to build momentum and drive action from their mapping efforts. As a result, they should scale back journey-mapping initiatives that lack a clear objective, an executive champion, or customer insights.
- Bespoke tech stacks. Leaders should inventory and replace their bespoke applications and isolated infrastructure that only serves one or a few applications. Addressing this sprawl requires up-front investment to reduce technical debt and deliver high-performance IT.

Areas for experimentation in 2025:

- Platform teams that break down silos and innovate. Platform teams are cross-functional product-centric teams that build and maintain tooling, infrastructure, and services, enabling other IT and business teams to build, deploy, and manage their applications. Platform teams deliver value to stakeholders by improving alignment and eliminating bottlenecks.
- Quantum security. As cybercriminals amass sensitive data vulnerable to quantum attacks, leaders should follow post-quantum (PQ) cryptographic developments and experiment with PQ security solutions to insulate critical assets and future-proof their organisation against data breaches.

"Optimistic budget expectations will serve leaders well as they enter 2025, but they need to be super thoughtful about investing in areas that support their firms' overall growth," said Sharyn Leaver, chief research officer at Forrester. "While leaders should continue to experiment with more advanced AI capabilities in 2025, those shouldn't be the only experiments they pursue. They should prioritise investments that benefit their entire firm and help establish long-term trust with customers and partners. Forrester's Budget Planning Guides provide detailed guidance on where leaders should invest, pull back, and strategically experiment to succeed amid continual, rapid change."

Resources:

- Explore the Budget Planning Guides hub.
- Read more about the key areas that technology, marketing, customer experience, and other leaders in Europe should prioritize in 2025 to deliver customer value and business results.
- Register to attend Forrester's upcoming Budget Planning Guides 2025 webinars for B2B marketing leaders, CX leaders, and technology and security leaders.

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Hannah Segvich hsegvich@forrester.com

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