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A Resilient Market in Challenging Times

As the dust settles following the results of US Midterm Elections, the software industry is still expecting to face challenging headwinds in 2023. The Fed anticipates a higher terminal rate and economists are predicting a recession starting in the first half of 2023.

The global economy has experienced a significant strain characterised by surging unemployment rates and inflation, tumbling financial markets, and tangled global supply chains since the World Health Organisation (WHO) declared COVID-19 a public health emergency.

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"**Growthonics has been a huge help in allowing us to expand into the UK. I would recommend Growthonics to any company wanting to accelerate growth and build their sales pipelines.**"

Daniel Shearman
Head of Sales – UK

The impact of the Russia-Ukraine war on global economies and financial markets are fueled by disruptions in supply chains, fluctuating commodity prices and economic sanctions.

Economic recessions affect both small and large companies differently. Harry Truman once said "If your neighbour gets laid off, it's a recession. If you get laid off, it's a depression,". The three major business areas that are affected directly by recessions are:

- **CAPITAL** – Uncertainty of the business' financial health.
- **SALES** – Decline in aggregate demand for services and products leading to a drop in sales.
- **WORKFORCE** – Need to layoff staff, manage costs and handle reduction in demand for services and products.

The International Data Corporation (IDC) projected a 2% decrease in ICT spending in 2022 ostensibly because of the Russia-Ukraine War. This is attributed directly to the spike in energy prices and the effect of supply chain disruptions. Even then, the IT industry has always shown resilience in the face of recession.

While it was expected that IT services markets would contract in 2022, they remain to be growth drivers because many companies are turning to outsourcing services like Growthonics to grow their businesses. Similarly, software spending will remain stable.

Our Data Insights

Average Open Rate	Average Response Rate (%)	Average Positive Meetings Booked	Average Response	Average Positive
29.46%	7.31%	14	254	46

Gartner forecast a 4% rise in worldwide IT expenditure to $4.5 trillion. Although this is a slow pace, it's indicative of a resilient market. Specifically, a 6.8% and 8.5% growth is forecast for IT services this year and in 2023 respectively. Software has recorded faster growth with a 9.8% projected expenditure growth this year, shooting up to 11.8% in 2023.

Growthonics' Sales Development Representative results support this trend. Our lead generation campaigns in 2022 delivered positive results across the board for our clients, despite the struggling economy .

According to CIO, 85% of IT leaders are keen on modernising applications and infrastructure as well as align IT initiatives with their business goals. Most C-suit executives are now turning to increasing operating efficiency aided by automation and integration projects.

As the tough economic conditions prevail, businesses have realised the value of leveraging technology to adapt fast, diversify their offerings and embrace new revenue streams to achieve their business goals. Going by past trends, demand for IT outsourcing services will continue even in the face of uncertain economic times.

Growthonics Reviews

4.6 ★★★★☆ 18 REVIEWS

Scheduling	4.4
Quality	4.5
Cost	4.7
Would Refer	4.8

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