Current challenges and problems faced by IT managers and CIOs in German-speaking Europe and especially in Switzerland

Artificial Intelligence (AI) and Data Strategy

- AI is the dominant technology trend, with 74% of CEOs seeing AI as the most important influencing factor in their industry by 2025. CIOs are under intense pressure to prove the value and return on investment (ROI) of AI investments, even though this is often difficult to quantify and the cost structure remains volatile[1].
- Without solid data foundations and data governance, AI potential cannot be leveraged. Many CIOs struggle to build trusted data structures and overcome resistance to enterprise data governance[1].
- 72% of CIOs are also concerned about the challenges of regulating AI. 64% fear that AI could threaten their core business. Internal regulation of AI use is considered difficult, which is why 86% of companies have already introduced formal AI policies[2].

Cybersecurity and digital resilience

- Cyber security risks continue to grow: 69% of CIOs say managing cyber and technology risks is their main focus. Attackers are increasingly using AI and automated methods, which means that classic defense mechanisms are no longer sufficient[1][3].
- The threat situation is intensifying: phishing, ransomware and insider threats are among the greatest dangers. 82% of companies see an increasing risk of cyber attacks[3].
- Protecting digital identities is becoming the Achilles' heel of cyber security. New regulatory requirements such as DORA increase the pressure on IT managers to regularly demonstrate digital resilience[3].
- Despite cyber security improvements, as many as 83% of organizations were victims of a cyber attack, resulting in significant damage[2].

Skills shortage and talent strategy

- The shortage of IT specialists remains one of the biggest challenges. Many companies are struggling to find and retain employees with the necessary digital skills[1][2].
- Only 16% of CIOs are currently prioritizing building an enterprise-wide technology workforce, even though the demand for new skills is high. Companies need to upskill and reskill their employees faster and more continuously in order to remain competitive[1].
- Skill availability, lack of a clear digital vision, and security concerns are the top three barriers to digital transformation[2].

Cost and investment pressure

- CIOs are under pressure to implement new and more expensive technologies with limited budgets. Software prices are rising, especially due to the integration of AI into SaaS solutions. Cost overruns in AI projects can consume up to 35% of the annual IT budget, with cost estimates fluctuating wildly[1].
- There is a challenge in developing a viable business case for AI technologies, despite unclear short-term return on investment and often limited control over spending[1].

Competitive pressure and market dynamics (especially Switzerland)

- The competitive pressure in the Swiss IT industry is high. The threat of substitute products and the increasing interchangeability of services are increasing the intensity of competition. The risk of customers switching to competing products is growing[4].
- At the same time, it is becoming more difficult for new entrants to gain a foothold as the capital required to enter the market increases[4].

Regulatory requirements and compliance

- Implementing and complying with new and existing digital laws (e.g., AI regulation, data protection, DORA) ties up significant resources and requires continuous adjustments to IT strategies[5][3].
- Especially in the EU context, the focus is on harmonizing the digital single market and defending against external threats[5].

Technological infrastructure and connectivity

- Infrastructure – especially in the area of connectivity – remains an obstacle, for example in the implementation of IoT initiatives. Many companies are therefore investing in private 5G solutions to support digital transformation[2].
- Nearly all CIOs (95%) face barriers to digital transformation, including infrastructure challenges[2].

Summary of the top challenges of 2025

Challenge	Description
Artificial Intelligence & data orchhestration	Demonstrating the benefits of AI investments, establishing data governance, implementing AI policies
Cyber security	Defend against modern attacks (AI, ransomware, phishing), protect digital identities, ensure compliance
Skills shortage	Build digital skills, train employees, attract and retain talents
Cost and investment pressure	Rising technology prices, budget constraints, proof of ROI for new technologies
Competitive pressure	Competition from substitute products, customer churn, market entry barriers are increasing
Regulatory requirements	Implementation and compliance with new laws and standards
Technological infrastructure	Modernize infrastructure, especially for IoT and 5G

These challenges require CIOs and IT leaders to demonstrate a high level of strategic adaptability, innovation, and investment in skills, security, and infrastructure[1][2][3].

Sources:

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