Americas Technology: Hardware: Expert Network Series: 2027 Enterprise IT Spending Outlook with Channel Expert

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We hosted an investor webinar with Tom Ducatelli, former SVP Sales at SHI on October 15, 2026, as part of our Expert Network Series to discuss 2027 enterprise IT spending outlook. Key takeaways:

- **No 2027 air pocket expected.** Large customers got early allocation, while pent-up commercial/SMB demand should increasingly convert as supply improves.
- **Agentic AI broadens the hardware opportunity.** Hybrid/on-prem deployments should drive incremental networking, storage and security demand alongside compute.
- **Dell well positioned to take share**. Supply-chain execution, pricing, bundling and direct customer relationships provide key advantages in a constrained market.
- **AI expands the traditional IT wallet.** Spending is increasingly funded by both traditional IT budgets (~3.5%-4% of sales) and incremental business-line budgets.
- **Backlog does not look bubble-like.** Orders are largely tied to approved projects/non-cancelable POs, with limited speculative stocking or COVID-style double ordering.

Key takeaways

No 2027 air pocket expected as enterprise orders begin to be fulfilled. He highlighted meaningfully different buying patterns by customer size. (1) Hyperscalers and neoclouds, which largely buy directly from OEMs, have been purchasing infrastructure against future demand, while (2) large enterprises have greater budget flexibility and began making hardware investments as early as 4Q25 to get ahead of price increases. These large customers also benefit from direct OEM relationships and preferential allocation tied to volume commitments, with lead times of roughly 3-4 months.(3) Mid-market and SMB customers are served predominantly through the channel and have seen less demand fulfilled due to ongoing supply constraints. As memory availability improves, he expects this pent-up commercial demand to increasingly convert into shipments in 2H27 and 2028, benefiting channel partners

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with deep specialization in AI deployments.

Enterprise Agentic AI adoption accelerates networking, storage and security investments. He expects early AI testing to remain largely in the cloud, but believes scaled deployments will increasingly move into hybrid environments, including on-premises and colocation, particularly for proprietary and mission-critical workloads where cost and data control matter. This workload repatriation should broaden AI infrastructure spending beyond compute into networking, storage and security. On storage specifically, he expects the significant increase in data captured and retained for generative and Agentic AI to drive higher storage demand and deployment, highlighting NetApp and Pure Storage as particularly well positioned. PCs should be softer in 2027 given the meaningful demand pull-forward into 1H26.

Dell highlighted as well positioned to navigate current market dynamics. He views Dell as particularly well positioned to take share given its pricing, supply availability, bundling capabilities and best-in-class supply chain execution. Dell's direct-sales model is also an advantage with large enterprises, allowing high-volume customers to build closer relationships with the OEM, receive stronger allocation and avoid the incremental costs associated with the channel. He highlighted significant pent-up Dell demand across servers, storage and networking and expects the company to continue taking share as supply remains constrained.

AI expanding the IT wallet beyond the traditional ~4% budget. He believes enterprise AI spending is increasingly drawing from two pools of capital: (1) traditional IT budgets, which typically represent roughly 3.5%-4.0% of sales; and (2) incremental funding from individual business units. For AI projects specifically, he sees many purchasing decisions being driven by business owners rather than IT departments, with departments funding initiatives based on expected productivity improvements and business outcomes. As more use cases move from testing toward production, this incremental business-line funding could expand the addressable IT infrastructure wallet beyond traditional CIO budgets.

Current backlog/inventory does not look bubble-like. He sees little evidence of the speculative stocking or COVID-style double ordering that could create a meaningful inventory correction. Current purchases are generally tied to approved projects and non-cancelable POs, while some channel inventory is customer-owned and held under 3PL arrangements. With hardware increasingly expensive and limited price protection available, resellers have little incentive to accumulate speculative inventory. In his view, much of the inventory sitting in the channel is already sold and instead represents pent-up demand for deployment, implementation and services as remaining components become available.

