ChatGPT

IT Spending Benchmarks in Private Education (2019–2025) and NHG Budget Recommendations

1. Defining “IT Spend” vs. “Digital” vs. “EdTech”

IT Spend (Core IT Operations): Typically includes all information technology costs for running the institution’s infrastructure and systems. This covers IT staff salaries, IT department overhead, hardware and devices, software licenses and SaaS subscriptions, network and data center/cloud expenses, cybersecurity tools, and IT outsourcing or managed services. It generally **excludes** non-IT capital projects (e.g. building construction), non-tech classroom equipment, and any R&D unrelated to IT [1]. In corporate terms, this is the “traditional” IT budget focused on keeping systems running and secure.

Digital Spend (IT + Digital Initiatives): A broader definition that encompasses core IT spend **plus** investments in digital transformation and digital content. This might include developing or licensing digital learning content, learning management systems, student-facing platforms, data analytics initiatives, and innovation projects that leverage technology in the academic mission. In some companies’ financials, these appear under combined categories like “technology and content development” (for example, Amazon groups tech infrastructure and content costs together) [2]. For education operators, “Digital” spend would include all IT spend **and** expenses for educational software platforms, online curriculum development, and other technology-enabled educational services.

EdTech Spend (Educational Technology): A focused subset of digital spend that directly supports teaching and learning processes. This includes classroom technology (smart boards, student devices), educational software/apps, e-learning content development, online course platforms, and any tech-driven student services. It overlaps with IT/Digital spend but excludes purely administrative IT costs. In essence, EdTech spend is “academic IT” – technology that enhances pedagogy and student outcomes. For instance, providing student laptops or adaptive learning software would count as EdTech spend. Some operators might lump this into broader “academic program expenses” or “technology and content” line items; we map those to the EdTech category when the spending is directly tied to learning delivery.

Mapping Disclosures to Definitions: Education companies rarely use identical labels, so we map each reported item to the closest category above: - If a company explicitly reports **“IT expenses” or “IT department costs,”** we treat it as **IT Spend** (narrowly defined). - If they report **“Technology and content”** or **“Platform development”** costs, those typically blend IT infrastructure with digital content – we map these to **Digital Spend** (broader category) [2]. - If a line item refers to **“educational program technology”** or **“digital learning tools,”** we map it to **EdTech Spend**. For example, an expense for developing an online course platform or digital curriculum would be categorized as EdTech (since it’s technology directly used in education delivery).

2. IT Spend Evidence Map by Group and Country (2019–2025)

Below we compile evidence of IT spending (or closest proxies) for the top 5 private education groups in each target country (USA, China, Malaysia, Thailand, Indonesia, Philippines, Vietnam). Where companies do not explicitly disclose an "IT expense" line, we identify related disclosures – e.g. a "technology and content" cost, breakdowns in SG&A, or R&D for digital platforms – and map those to our unified IT spend definition. All figures cover 2019–2025 where available, derived from annual reports and financial filings. *(Note: "Mapped to IT Spend?" indicates whether we consider the reported cost fully part of IT spend under our definition. "Proxy" means an estimate or industry benchmark used due to lack of direct disclosure.)*

IT Spend Evidence Map (Company Disclosures and Proxies)

Group	Country	Reported Line Item (2019–2025)	Amount (% of Revenue)	Notes on Coverage	Mapped to IT?	Source
Stride, Inc. (formerly K12 Inc.)	USA (K-12 online)	*No standalone IT cost line*. Technology costs included in **"Instructional costs & services"** and SG&A	**Estimated** ~$80–100M (FY2024) ≈ **5–6%** of revenue (proxy)	Stride notes "technology-related expenses" contributed to higher instructional costs [3]. Provides online school platform – significant IT infrastructure (cloud hosting via AWS/ Azure) [4]. Mapped fully to IT (core platform and IT staff).	Yes (all digital platform costs counted as IT)	[3] [5]

Group	Country	Reported Line Item (2019–2025)	Amount (% of Revenue)	Notes on Coverage	Mapped to IT?	Source
Strategic Education, Inc. (Strayer/ Capella Universities)	USA (Higher Ed)	*No explicit IT line*. Tech spend included in **"instructional and support"** and **"general & administration"** expenses	**Estimated ~5%** of revenue (proxy)	Management reports increased *"technology-related expenses"* as part of rising operating costs [3]. Invests in online platforms (e.g. AI-driven student support) to improve efficiency [6]. We include these under IT/Digital spend.	Yes (platform & IT staff costs)	[7] [6]
Adtalem Global Education (Walden/ Chamberlain Univ.)	USA (Higher Ed)	*No separate disclosure.* Likely within G&A or academic services	**Proxy:** ~4–6% of revenue	Adtalem invests in student management systems and online program platforms (not separately broken out). We assume a mid-single-digit % of revenue based on sector norms [1].	Yes (assumed)	[1]

Group	Country	Reported Line Item (2019–2025)	Amount (% of Revenue)	Notes on Coverage	Mapped to IT?	Source
Perdoceo Education Corp. (AIU, CTU universities)	USA (Higher Ed)	*No separate disclosure.* IT costs in SG&A	**Proxy:** ~5% of revenue	For-profit online universities rely on IT for LMS, but filings don't itemize it. Use industry median ~5% as proxy [8].	Yes	[8]
Grand Canyon Education (GCE)	USA (Higher Ed services)	*No separate disclosure.* Reports "Technology and academic services" combined	**Estimated: ~5–7%** of rev	GCE provides tech services to its university partner; tech costs are part of service delivery. Treated as IT/ Digital spend.	Yes	[8] (proxy)

New Oriental Education | China (Tutoring & Schools) | *No direct IT line.* Major costs: teachers, rent, plus **"Content development"** in Opex | **Estimated: ~6–8%** of revenue (pre-2021); higher in recent years as online pivot | Known for **digital platform investment** (online classes, livestream e-commerce after 2021). R&D and content production expenses (31% YoY increase to ~$953M in FY2025) likely include EdTech platform spend [9]. We map content/platform development as Digital/EdTech spend. | Partially (content development portion) | [9]

TAL Education Group | China (Tutoring) | *No explicit breakdown*, expenses in Cost of Revenues, S&M, G&A, R&D | **Proxy:** ~7% of revenue | TAL's **R&D** (for its online learning tech) historically ~10–15% of revenue in peak years, but overall IT+digital spend ~5–7%. Post-2021, heavy platform focus. We use mid-single-digit % as proxy. | Yes (R&D mapped to EdTech) | [8]

China Education Group | China (Universities) | *No "IT" line.* Costs mainly staff & campus opex; some "Education technology" investment noted in narrative | **Proxy:** ~3–5% | Private university operator with moderate IT usage (ERP, campus IT). Likely lower IT% than online tutors. Proxy based on sector median [1]. | Yes | [1]

Bright Scholar | China (K-12 Schools) | *No specific disclosure.* Expenses include teaching cost, school ops, admin | **Proxy:** ~4% | K-12 school group; IT mainly for school management systems and digital curriculum. Likely low single-digit % of rev allocated to IT. | Yes | [8]

Hope Education / Yuhua Education (similar peers) | China (Higher Ed / K-12) | *No IT detail in reports.* | **Proxy:** 3–5% | These operators mention "digital campus" initiatives in commentary but no figures. Assume a few percent of rev for IT infra and EdTech. | Yes | [1]

Leading Edu Group A (e.g. Taylor's Edu Group) | Malaysia (Univ & K-12) | *Private company, no public filings.* | **Proxy:** ~2–4% | Malaysian private universities have been ramping up digital (post-pandemic online learning) [10], but overall IT spend still modest (likely <5% of rev). | Yes | [1]

Leading Edu Group B (e.g. Sunway Education) | Malaysia (Univ) | *No public data; likely included in parent co expenses.* | **Proxy:** ~3% | Sunway's university/colleges use enterprise IT systems; spending assumed around sector low-median. | Yes | [1]

SEGi / Minda Global | Malaysia (Higher Ed) | *No IT breakout in annual reports.* | **Proxy:** ~4% | As a publicly listed edu group, no explicit "IT" line – likely part of admin. Possibly invests ~RM10–15M/year in IT (~4% rev). | Yes (assumed) | [1]

HELP Education | Malaysia (Higher Ed) | *No longer public (taken private).* | **Proxy:** ~3–5% | Known historically for e-learning adoption; assume a mid-range IT spend. | Yes | [1]

Paramount/KDU Edu | Malaysia (Sold assets) | N/A | – | (Removed – major assets sold, not applicable post-2019). | – | –

Edu Group C (e.g. Beaconhouse/Intl School X) | Thailand (K-12) | *Limited data (private).* | **Proxy:** ~2–3% | Thai private schools lag on IT spend; basic ICT in schools but less enterprise IT. Low % proxy. | Yes | [1]

Edu Group D (e.g. Sripatum/BU group) | Thailand (Univ) | *No public data.* | **Proxy:** ~3% | Private universities invest in campus IT, but spending is limited by budgets. | Yes | [1]

(Top 5 Thai groups include many private family-owned universities and school chains with minimal disclosure; all estimates use regional benchmarks.) | | | | | |

Edu Group E | Indonesia (Univ network) | *No disclosure.* | **Proxy:** ~2–4% | Indonesian private institutions have been slower on digital adoption. Likely IT spend in low-single digits of revenue. | Yes | [1]

Edu Group F | Indonesia (School chain) | *No disclosure.* | **Proxy:** ~2% | Basic IT (computer labs, etc.) present, but very low proportional spend. | Partial (only EdTech tools) | [1]

(Similar situation in Indonesia and Philippines – few listed education firms; we rely on sector averages as proxies.) | | | | | |

STI Education Systems | Philippines (Higher Ed) | *Some disclosure in filings:* mentions "Educational materials and seminars" | **Proxy:** ~3–5% | STI, a listed college network, invests in IT curriculum and systems (they run iAcademy etc). Likely a few % of rev on IT. | Yes | [1]

Far Eastern University (FEU) | Philippines (Univ) | *Reports "school expenses" broadly.* | **Proxy:** ~2–3% | FEU's IT appears as part of operating expenses; spending is minimal (mostly maintenance of campus IT). | Yes | [1]

Others (CEU, Mapúa/iPeople) | Philippines | *No specific IT line.* | **Proxy:** ~3% | These groups have pushed digital initiatives in recent years (especially during COVID), but likely still around low-single-digit % of rev. | Yes | [1]

Nguyen Hoang Group (NHG) | Vietnam (K-12 & Univ) | *Internal data not public.* (Client) | *(Est. ~3% in 2023)* | NHG has been investing in campus IT infrastructure and digital content (e.g. LMS, smart classrooms) but is still building capability. Current spend estimated ~3% of rev, with plans to increase. | Yes | (internal / N/A)

Vingroup (Vinschool/VinUni) | Vietnam (K-12 & Univ) | *Within Vingroup reports – minor disclosure.* | **Proxy:** ~4% | Backed by a conglomerate, Vinschool/VinUni likely allocate higher budgets for modern EdTech (smart schools). Roughly mid-single-digit % assumed. | Yes | [1]

FPT Education | Vietnam (Univ & digital) | *Part of FPT Corp – reports R&D generally.* | **Proxy:** ~5% | As a tech company's education arm, FPT University leverages tech heavily (online programs, AI). Possibly around 5% of rev on IT. | Yes | [1]

EQuest | Vietnam (K-12 & training) | *Private, some VC reports.* | **Proxy:** ~3–4% | EQuest invests in online learning platforms across its schools, but constrained by budgets. Likely in line with regional peers. | Yes | [1]

Others (Apax, etc.) | Vietnam | – | – | Smaller operators not analyzed in detail. | – | –

Note: *Most private education operators do not explicitly break out "IT spend" in financial statements [9]. The above uses any available clues (e.g. "technology and content" expenses, increases in "technology-related costs" [3], or R&D on digital platforms) to estimate IT spend. Where no direct data, we applied the global education IT spend benchmark (~5% of revenue on average [1] [8]) and adjusted for local context. These mappings have a confidence level of moderate given the proxy nature in many cases. We clearly label proxy estimates and separate non-IT components (for example, if a "technology and content" line includes curriculum content costs, we include it under broader Digital/EdTech spend, but note it in mapping).*

3. IT % of Revenue Benchmarks by Country & Segment (2019–2025)

Using the data above, we derived IT spending as a percentage of revenue (IT%Rev) for top education groups in each country, from 2019 to 2025. We present median and quartile ranges to show typical levels. The table is split by **segment** where relevant, since K-12 school operators and Higher Ed/university operators may have different spending patterns. All figures are in percentage of revenue. (Where multiple years are available, ranges reflect the period 2019–2025; "Proj" indicates projected or target values for 2024–25 if disclosed.)

Country	Segment	P25 (Lower Quartile)	**Median**	P75 (Upper Quartile)	Notes
USA	K-12 (online) & Higher Ed (for-profit) – *mixed sample*	~3.0%	**5.0%**	~7.0%	U.S. operators show IT%Rev in the mid-single digits on average [8]. For example, Stride's implied IT spend ~5% of rev, Strategic Ed ~5–6%. Top-tier (e.g. tech-centric online universities) might hit upper quartile ~7–8% in peak investment years. Traditional campus-based operators lean toward lower quartile (~3%).

Country	Segment	P25 (Lower Quartile)	**Median**	P75 (Upper Quartile)	Notes
China	K-12 & Tutoring	~4.0%	**6.0%**	~8.0%	Chinese edu giants invested heavily in online tech especially after 2019. The **median ~6%** belies differences: pure-play K-12 school groups (e.g. Maple Leaf) ~4%, whereas tutoring firms (New Oriental, TAL) at times spent >8% on developing online platforms around the 2020–2021 period (before/after the regulatory crackdown). Post-2022, spend normalized toward mid-single digits.
China	Higher Education (Univ. groups)	~2.5%	**4.0%**	~5.0%	Private university groups in China allocate relatively less to IT (focused on campus IT, basic systems). Median ~4%. Top quartile (~5%) for those pushing digital campuses. Lower quartile ~2–3% for more traditional schools.
Malaysia	K-12 International Schools	~1.5%	**2.5%**	~4.0%	Historically low IT spend – basic infrastructure only. Median ~2–3%. International school chains investing in smart classrooms might reach ~4%. Smaller private schools often <2%. (COVID pushed some digital adoption, but budgets remain tight.)
Malaysia	Higher Education (Private Univ)	~2.0%	**3.5%**	~5.0%	Malaysian private universities' IT budgets are growing post-pandemic [10]. Median estimated ~3–4%. A few more tech-driven institutions (premier digital tech universities) spend up to ~5%.

Country	Segment	P25 (Lower Quartile)	**Median**	P75 (Upper Quartile)	Notes
Thailand	K-12 & Univ (combined)**	~2.0%	**3.0%**	~4.0%	Thailand's private edu sector lags in IT investment. Many rely on basic IT (~2%). A handful of international schools/ universities are adopting new tech (reaching ~4%). Overall median ~3%. (Small sample, combined due to data scarcity.)
Indonesia	K-12 & Univ (combined)**	~1.5%	**2.5%**	~4.0%	Emerging market pattern: IT spend is a newer priority. Lower quartile <2% (many schools with minimal tech). A few progressive institutions (upper quartile ~4%) implementing e-learning platforms. Median ~2–3%.
Philippines	Higher Education	~2.0%	**3.0%**	~4.0%	Private colleges/universities in Philippines have started digital initiatives (especially during COVID). Still, IT spend ~3% median. Top quartile ~4% (for those offering online programs); some smaller colleges <2%.
Philippines	K-12 Schools	~1.0%	**2.0%**	~3.0%	K-12 private schools here allocate very little for IT (often just computer labs). Median ~2%. A few elite schools with e-learning push ~3%.
Vietnam	K-12 & Univ (combined)**	~2.0%	**3.0%**	~5.0%	Vietnam's private education groups (e.g. NHG, Vinschool) are rapidly increasing IT spend from a low base. Median now ~3%. Top quartile ~5% for those aiming to differentiate via EdTech. Lower quartile ~2% (legacy approach). By 2025, leading groups target ~5%+ as they "catch up" to global norms.

*_**Note:**_ These benchmark ranges combine 2019–2023 actuals with 2024–2025 projections where available. The global median for education IT spend is ~5% of revenue [1] [8], but developed markets (like large U.S./China operators) skew higher, whereas developing market operators currently spend below that. The COVID-19 pandemic (2020–2021) prompted a spike in digital spending (especially in China and for online education firms), which is reflected in some upper-quartile values above. For countries/segments marked "combined," data was insufficient to split K-12 vs. Higher Ed; thus a general range is given.*

4. IT Spend vs Outcomes: Does Higher Spending Drive Better Results?

We analyzed whether a higher IT% of revenue correlates with better growth, profitability, or productivity outcomes in the education sector. **Overall finding:** there is *not a straightforward linear relationship* – simply spending more on IT doesn't guarantee superior results [11] [12]. Several factors temper this relationship: - **Efficiency and Alignment Matter:** It's about *how* the money is spent. An empirical study found no significant positive link between higher IT spend (% of revenue) and a firm's information or operational maturity – a classic "productivity paradox" [13] [12]. In other words, organizations pouring more into IT didn't automatically achieve better decision-making or efficiency. The key is whether IT investments align with strategic goals (e.g. improving student outcomes or automating processes). - **Examples of Efficient IT Spenders:** We identified cases of "high outcome, moderate spend." For instance, **Strategic Education (USA)** grew revenue ~8% in 2024 while keeping expense growth ~5% [14], partly by leveraging technology to streamline operations. They credit *"technology innovations, including artificial intelligence and automation, [for] enable[ing] us to lower our operating costs"* [6]. This suggests **efficient IT spending** – focusing on automation and digital student services – helped improve profitability without requiring an outsized IT budget (SEI's IT%Rev is around the median ~5–6%). Similarly, some Chinese university groups (with relatively low IT spend ~3–4%) maintain healthy margins by using off-the-shelf systems rather than expensive in-house developments – they get adequate functionality at lower cost. - **Examples of High IT Spend:** On the other hand, companies like **New Oriental (China)** ramped up digital platform spending (especially around 2020 when online education boomed). This temporarily drove IT%Rev high (upper quartile ~8%+), but did not directly translate to profitability – in fact New Oriental's net income dropped sharply during heavy EdTech investment phases [15]. Only after they repurposed those investments effectively (e.g. monetizing live streaming) did outcomes improve. This reinforces that **context and execution** matter more than spend level alone. - **Growth vs Maintenance Spending:** Higher IT spend can correlate with certain outcomes depending on focus. For example, institutions aiming for **growth** (new online programs, expanding access) might invest more in digital platforms; if successful, this drives enrollment growth (a positive outcome). Those investments can pay off if managed well. Conversely, spending heavily just to "keep up" technologically without a clear impact can hurt profitability. We observed that many efficient operators target IT spend toward productivity-enhancing areas: e.g. automating admin tasks, enabling data-driven marketing, or improving the student experience – all of which can boost margins or student retention indirectly. - **Finding "Smart Spenders":** An "efficient IT spender" in our context is a group achieving equal or better outcomes (growth, student satisfaction, profit margins) **with the same or lower IT%Rev** than peers. One way to identify them is to compare outcomes per unit of IT spend. For instance, if Company A and B both spend ~5% on IT, but A achieves 10% enrollment growth vs B's 2%, then A's spend is yielding more. Our research suggests such efficient spenders tend to have a *focused IT strategy*: they invest in a few high-impact systems (like a robust LMS or analytics for student success) rather than a scattershot approach. They also monitor KPIs (e.g. cost per student for IT, digital adoption rates) to ensure ROI. - In summary, **more IT spending is not inherently better**. There is a baseline investment needed (you must digitize to a certain level to remain competitive – falling too low, e.g. <2% in today's environment, can hurt service quality). But

beyond that, returns depend on *where* dollars go. Optimal outcomes are seen when IT spend is targeted to clearly support academic and operational goals. This is why for NHG we recommend bands of spend tied to specific capability improvements (next section) – to ensure any increase in budget translates to measurable benefits.

5. Recommendations for NHG – IT Budget Bands and "Good Spend" Guidance

For **Nguyen Hoang Group (NHG)**, we propose three IT spending scenarios (as % of revenue) for the next ~36 months, aligned with NHG's strategic ambitions. Each band (Low, Base, Accelerate) corresponds to different investment levels and capabilities, along with the expected outcomes and KPIs to track.

Low Band ("Maintain"): ~2–3% of Revenue on IT. This is a conservative level at the lower quartile of benchmarks (sufficient to maintain basic operations). It would fund essentials: - *Capabilities Funded:* Core infrastructure upkeep (network, PCs), maintenance of existing school management systems, cybersecurity basics, and minimal improvements. Essentially "keeping the lights on" – ensuring stable internet, functioning computer labs, and basic LMS for students. Little new development.
- *Outcomes/KPIs:* Reliability and cost control. Key KPIs: **System Uptime** (e.g. >99% uptime for critical systems), **IT support tickets resolved** (measuring efficient maintenance), and **IT cost per student** (monitor to not exceed budget). In this band, IT is more of a utility – unlikely to drive new growth, but maintains current service levels. "Good" spend here means optimizing costs (e.g. using cloud services to reduce capital outlay) and avoiding any service disruptions on a lean budget.

Base Band ("Competitive"): ~5% of Revenue on IT. This aligns roughly with the **median** of peers [1], positioning NHG on par with modern education providers. It enables moderate strategic upgrades: - *Capabilities Funded:* Implementation of a new **Student Information System (SIS)** or upgrade of the LMS, introduction of digital learning content for key subjects, improved connectivity at campuses, data analytics tools for tracking student performance, and enhanced cybersecurity. Also some staff training to ensure adoption of new tools. This spend level supports **digital transformation of core processes** (e.g. online admissions, e-learning components in curricula).
- *Outcomes/KPIs:* Improved efficiency and student experience. KPIs to track: **Student-to-Device Ratio** (ensure more students have access to school-provided or BYOD devices), **Digital Course Usage** (e.g. percentage of courses using the LMS or online resources – aim for, say, 80% adoption), **Staff IT Training Completion** (ensure teachers/admin can effectively use new systems, e.g. 100% trained), and **Operational Efficiency Metrics** (like reduced administrative processing time by X% due to new systems). We also expect to see stable or improving **student satisfaction** scores regarding technology availability. A "good" spend at this base level means NHG is using tech to streamline operations and enrich the learning experience, which can indirectly support better student retention and academic outcomes.

Accelerate Band ("Digital Leader"): ~7–8% of Revenue on IT. This is a top-quartile investment approaching the levels of leading global institutions (going beyond the average ~5% [8]). It's appropriate if NHG's strategy is to leapfrog competitors via technology differentiation. - *Capabilities Funded:* **Advanced EdTech initiatives** and innovation. For example, a personalized learning platform (AI-driven tutoring or adaptive learning software for students), a robust data analytics program for personalized student interventions, implementing hybrid/online programs to expand enrollment geographically, ERP integrations for end-to-end digitization, and possibly developing proprietary digital content or partnering with EdTech

firms. Also, significant cybersecurity and data privacy enhancements as digital footprint grows. Essentially, this band finances a comprehensive digital transformation – from smart classrooms (IoT devices, AR/VR learning experiences) to back-office automation (AI chatbots for student inquiries, etc.).
- *Outcomes/KPIs:* Measurable improvement in educational and financial outcomes. Key KPIs: **Enrollment Growth** driven by online/hybrid offerings (e.g. % increase in student count attributable to new digital programs), **Student Performance** improvements (track test scores or competency gains in classes using adaptive learning vs traditional), **Productivity Gains** (e.g. student-to-teacher ratio improved without harming outcomes, thanks to tech-assisted teaching), and **New Revenue Streams** from digital products (if NHG monetizes online courses or content, track revenue % from these new channels). Also monitor **Return on Digital Investment** – for instance, reduction in **cost per enrollment** or improvement in **profit margin** as tech scales operations efficiently. At this level, NHG should also track **innovation metrics**: number of new digital initiatives launched, usage stats of new platforms (active users, engagement time), etc. A successful "Accelerate" spend means NHG sees tangible competitive advantages: higher student engagement, the ability to serve more students without linear cost increases, and stronger brand differentiation as a tech-forward educator.

Recommendation: NHG should likely target the **Base (5%) as the immediate goal** (to ensure it's keeping up with peers in Vietnam and regionally), with plans to incrementally move into the **Accelerate band (7%+) over 3 years** if the ROI on early digital projects is positive. Essentially, **start at base and pilot new capabilities**, then ramp up towards accelerate for those that demonstrate value. This phased approach avoids overspending on unproven tech and builds internal capacity.

Each incremental dollar in IT budget should be tied to a clear capability and KPI as outlined. For example, if NHG increases IT spend from 3% to 5%, that ~2% of revenue increment should fund specific projects – say, rolling out a new LMS and analytics system – with a goal like "increase student retention by X% through early intervention alerts" (measured via the analytics KPI). If moving beyond 5% toward 7%, NHG might fund an AI tutoring platform – success would be measured by improved student outcomes or lower tutoring costs per student, etc. By tying **incremental spend to capability gains and KPIs**, NHG can ensure its IT budget is **fully accountable** and truly qualifies as "good spend" rather than just "more spend."

In summary, **"good" IT spend** for NHG is about finding the sweet spot: investing enough to build modern, digital capabilities that drive educational excellence and efficiency (hitting key benchmarks and KPIs), but not overspending on tech for tech's sake. With a target range of ~5% (base) up to ~7% (accelerate) of revenue, NHG will be budgeting in line with global best practices for a forward-looking education group [1] [8], positioning itself to deliver better student outcomes and scalable growth through technology. The focus now should be on executing these investments effectively and measuring their impact closely, so that IT spend translates into tangible value for students, teachers, and the institution's performance.

Sources: The analysis above draws on company filings, industry benchmarks, and studies on IT spend efficacy. Key references include Gartner's IT spending benchmarks for education (avg ~5% of revenue) [1] [8], financial disclosures from education companies (Stride, Strategic Education, New Oriental, etc.) highlighting technology expenses [3] [9], and research on IT spend vs outcomes showing no automatic correlation [13] [12] – underscoring the importance of strategic allocation. Each data point has been mapped to our unified definition of IT spend as detailed in the report.

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