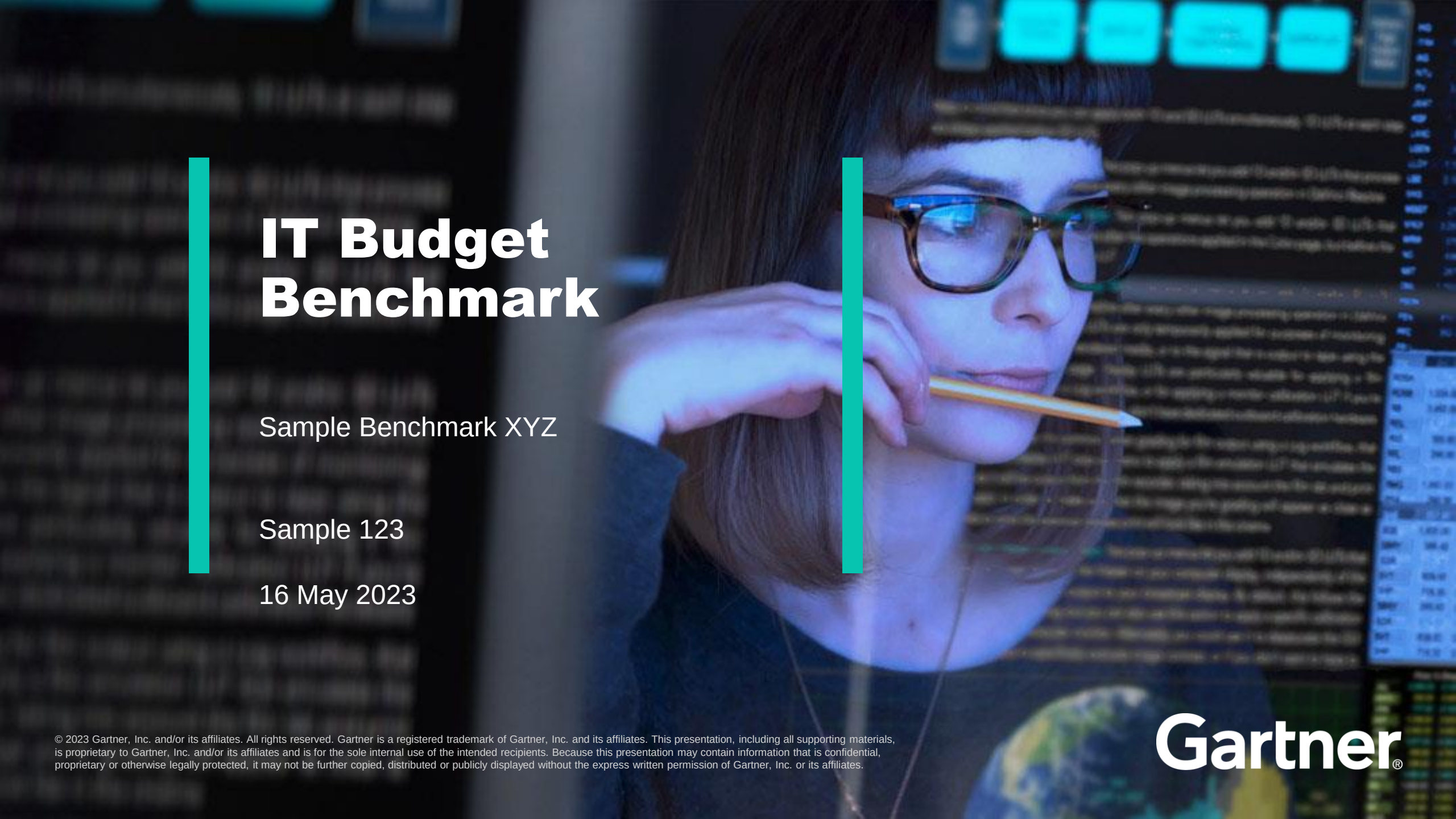

IT Budget Benchmark

Sample Benchmark XYZ

Sample 123

16 May 2023

Gartner®

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Introduction

The IT Budget & Efficiency Benchmark is designed to help IT to improve functional performance, optimize spend and drive maximum effectiveness by making effective resource allocation, structure and staffing decisions.

Gartner's goal is to provide guidance with written research related to strategy, operations and cost optimization along with the results that you can review with Advisors.

Assessment Details

Scope: **Full enterprise/organization**

Selected currency: **USD**

Selected Peer Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 million to $1 billion.**

Sample 123 revenue (billions of USD) = **1.2**

Sample 123 employees (thousands) = **3**

Peer average revenue (billions of USD) = **0.46**

Peer average employees (thousands) = **2.5**

Business Context

Objective: **Baseline my spend (asset spend peer comparisons)**

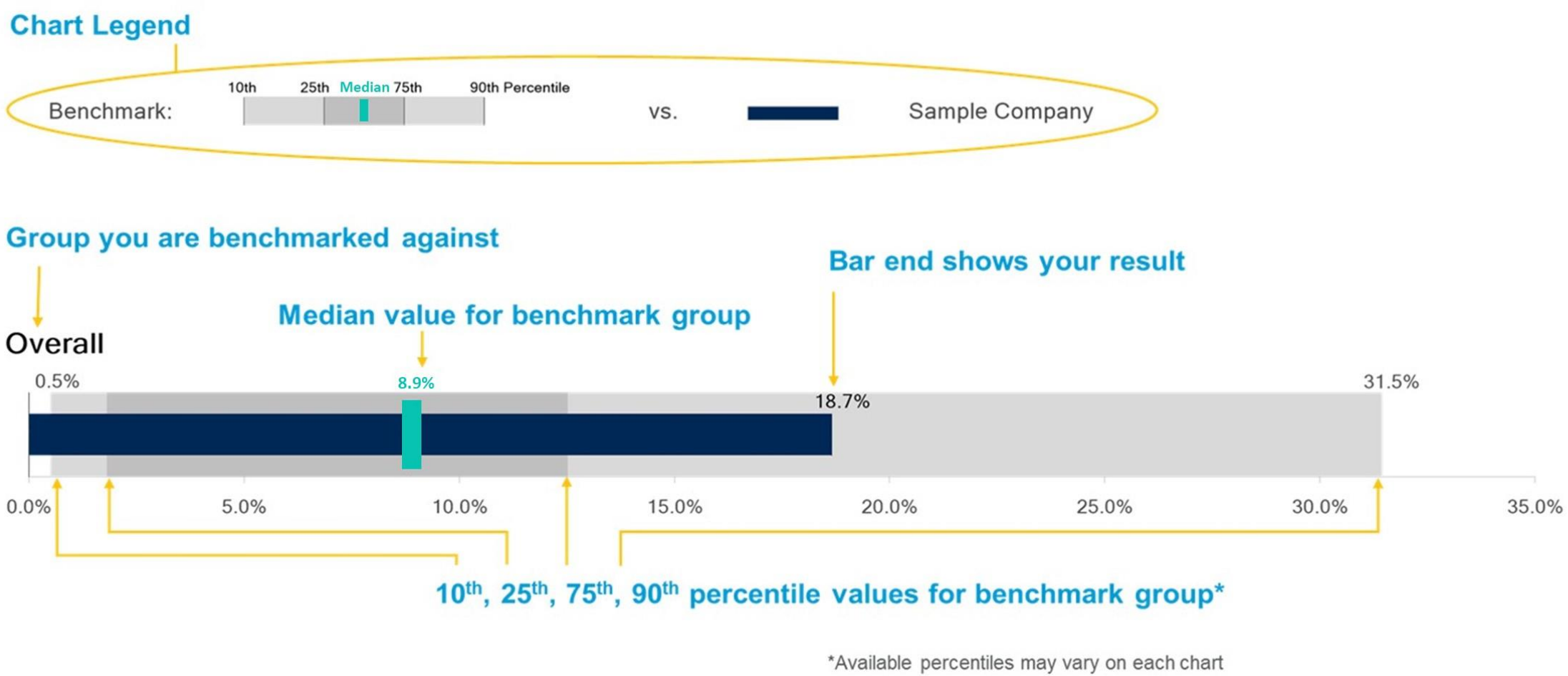
Your business context: **This is a sample benchmark**

Report Roadmap

Executive Summary	**IT Spending Baseline**	**Strategic View**	**Technical View**
Asset View	**Technical Staffing View**	**IT Security View**	

Bullet Chart Interpretation

Bullet charts are a type of bar chart that enable you to easily visually compare your value (the bar) with the median value and range of responses from your peers.



IT Budget supports the strategic cost optimization lifecycle to establish a baseline & measure continuous improvement

Executive Summary

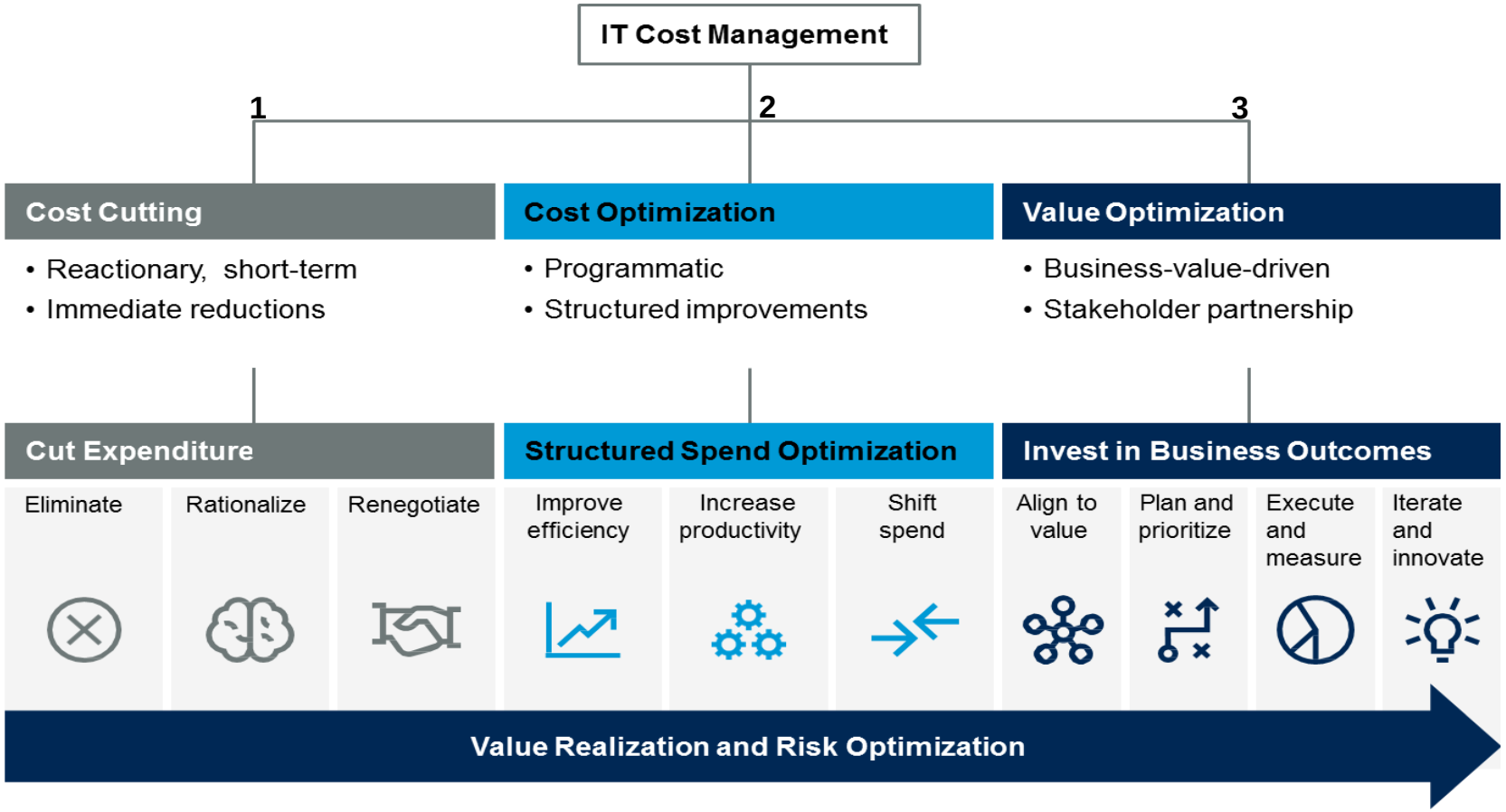
Top-performing CIOs deliver value by managing IT costs strategically and programmatically to drive business outcomes

Key Questions

Do you need to reconsider your cost management approach?

Have you formalized a cost optimization program?

Is IT spending aligned to optimize business value?



Source: Gartner

Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

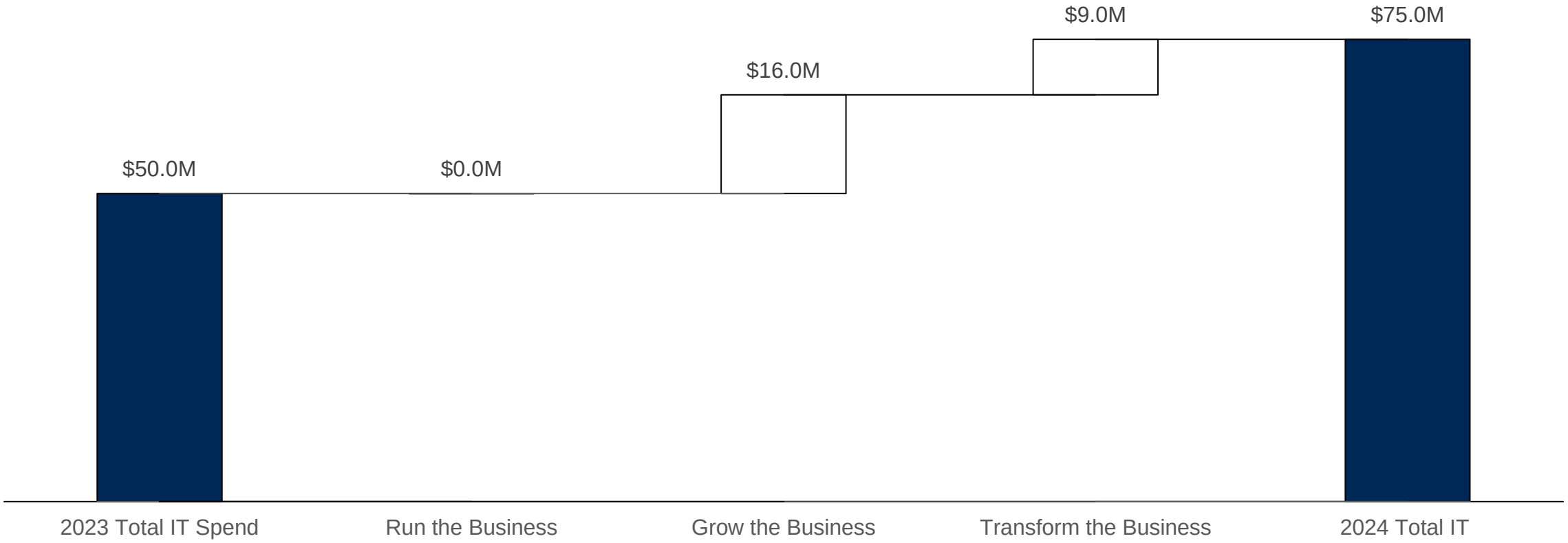
Sample 123 Profile

Business Financials	Sample 123 2022	Sample 123 2023	YoY Change	YoY Change %
Total Revenue	$1,200.0M	$1,350.0M	▲$150.0M	▲13%
Total Operating Expense	$1,100.0M	$1,200.0M	▲$100.0M	▲9%
Total Profit	$100.0M	$150.0M	▲$50.0M	▲50%
Total IT Spending/Budget	Sample 123 2023	Sample 123 2024		
IT Capital Spending	$5.0M	$20.0M	▲$15.0M	▲300%
IT Operational Spending	$45.0M	$55.0M	▲$10.0M	▲22%
Total IT Spending/Budget (Capital + Operational)	$50.0M	$75.0M	▲$25.0M	▲50%
Business and IT Staff	Sample 123 2023	Sample 123 2024		
Total Employees	3,000	3,500	▲500	▲17%
Total IT Staff Including Contractors	150	200	▲50	▲33%
Average IT Personnel Spending per IT FTE	Sample 123 2023	Sample 123 2024		
Blended Rate	$133.3K	$152.5K	▲$19.2K	▲14%
Internal IT FTEs	$109.1K	$120.0K	▲$10.9K	▲10%
Contractor IT FTEs	$200.0K	$250.0K	▲$50.0K	▲25%

Currency = USD. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
*Revenue and operating expenses are one year behind IT Spending/Staffing and Company Employees as current year financial data is not typically available. Profit is defined as Revenue – Operating expense.

IT Spend Change by Strategic Category

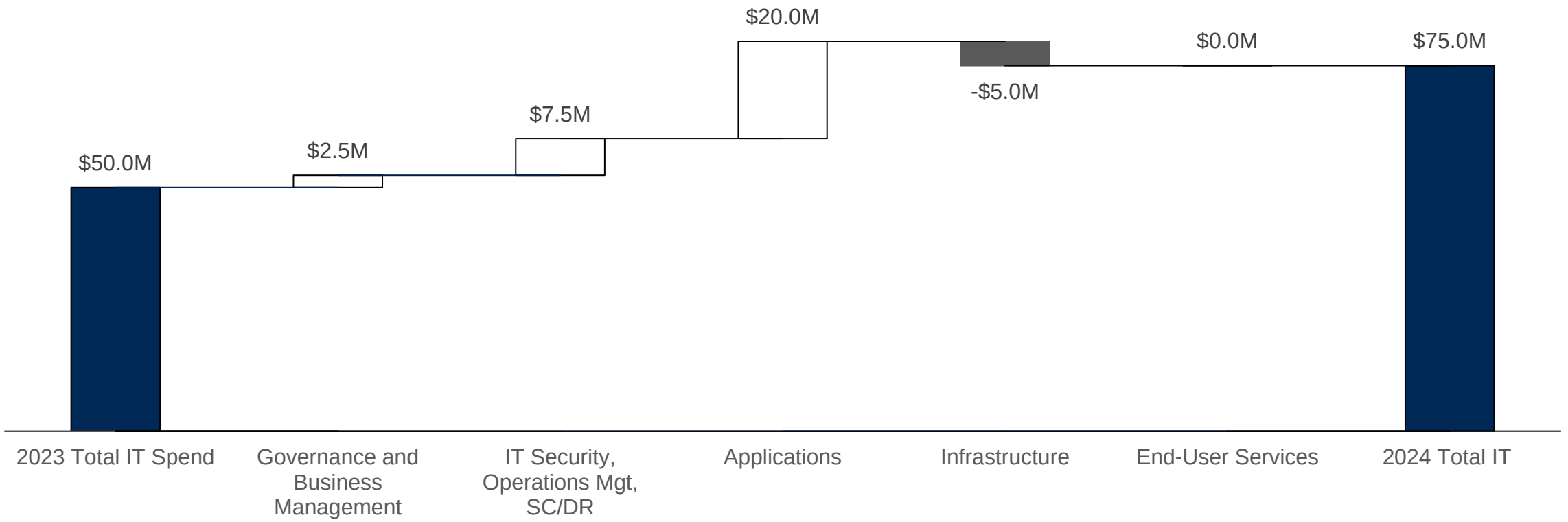
Sample 123's Total IT spending is budgeted to increase based on shifting spending on the following IT strategic functions.



Currency = USD. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Managing IT spending by strategic function provides insight into the cost drivers organizations can optimize when delivering IT products and services.

IT Spend Change by Technical Function

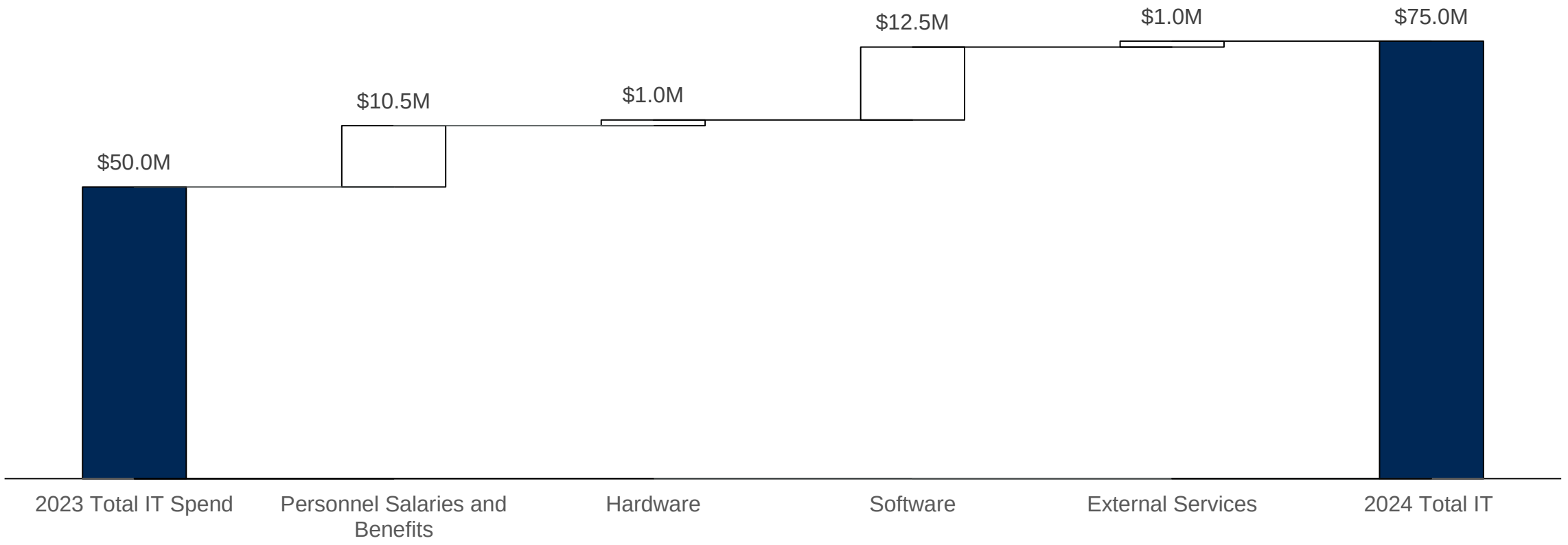
Sample 123's Total IT spending is budgeted to increase based on shifting spending on the following IT technical functions.



Currency = USD. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Managing IT spending by technical function provides insight into the cost drivers organizations can optimize when delivering IT products and services.

IT Spend Change by Asset Category

Sample 123's Total IT spending is budgeted to increase based on shifting spending on the following IT assets.



Currency = USD. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Managing IT spending by asset category provides insight into the cost drivers organizations can optimize when delivering IT products and services.

Executive Summary - IT Spend Baseline

Benchmark Comparison Group: Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)

Business Metrics	Sample 123 2023	Sample 123 2024	Benchmark	2023 Difference from the Peer
Revenue Per Employee	$400,000	$385,714	$219,787	▲$180,213
Operating Income Per Employee	$33,333	$42,857	$23,013	▲$10,320
Profitability	8.3%	11.1%	11.3%	▼3.0%
IT Spending Metrics and Distributions				
IT Investment Metrics				
IT Spending as a Percentage of Revenue	4.2%	5.6%	5.0%	▼0.8%
IT Spending as a Percentage of Operating Expense	4.5%	6.3%	5.7%	▼1.1%
IT Spending per Employee	$16,667	$21,429	$11,869	▲$4,798
IT Spending by Funding Source				
Formal IT Budget	80%	80%	86%	▼6%
Business Unit IT	12%	13%	12%	▲0%
Shadow IT	8%	7%	2%	▲6%
IT Spending by Accounting Category				
IT Capital	10%	27%	22%	▼12%
IT Operational	90%	73%	78%	▲12%

Currency = USD. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Executive Summary - IT Spend Distributions

Benchmark Comparison Group: Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)

IT Spending by Strategic Category	Sample 123 2023	Sample 123 2024	Benchmark	2023 Difference from the Peer
Run the Business	90%	60%	74%	▲16%
Grow the Business	8%	27%	13%	▼5%
Transform the Business	2%	13%	13%	▼11%
IT Spending by Technical Function				
Governance and Business Management	20%	17%	10%	▲10%
IT Security, Operations Mgt, SC/DR	10%	17%	10%	▲0%
Applications	40%	53%	40%	▼0%
Infrastructure	20%	7%	23%	▼3%
End-User Services	10%	7%	17%	▼7%
IT Spending by Asset Category				
Personnel Salaries and Benefits	40%	41%	34%	▲6%
Hardware	20%	15%	12%	▲8%
Software	30%	37%	32%	▼2%
External Services	10%	8%	22%	▼12%

Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Executive Summary - IT Staffing

Benchmark Comparison Group: Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)

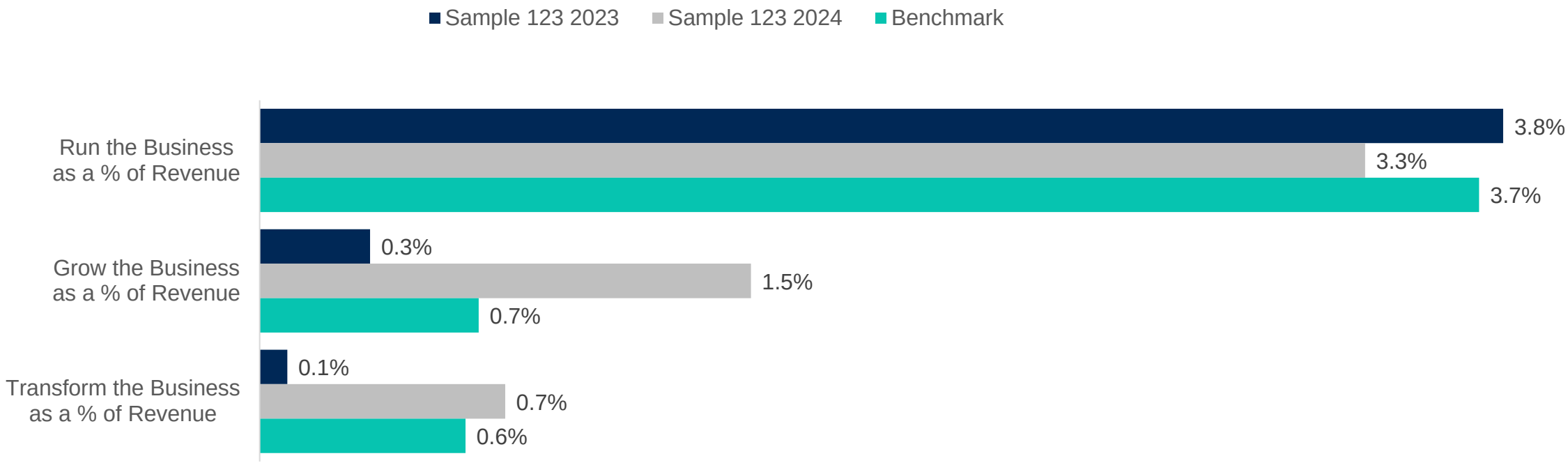
IT Staffing Metrics and Distributions	Sample 123 2023	Sample 123 2024	Benchmark	2023 Difference from the Peer
IT Full-time Equivalents as a Percent of Employees	5.0%	5.7%	4.3%	▲0.7%
Insourced FTEs	73%	75%	80%	▼7%
Contractor FTEs	27%	25%	20%	▲7%
IT Staffing by Technical Area: Level 1				
Governance and Business Management	7%	8%	17%	▼11%
IT Security, Operations Mgt, SC/DR	10%	10%	9%	▲1%
Applications	50%	50%	38%	▲12%
Infrastructure	23%	23%	15%	▲8%
End-User Services	10%	10%	20%	▼10%

Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Strategic IT Spend Summary

Evaluating run the business as a % revenue vs. grow & transform the business as a % of revenue helps to differentiate between IT cost optimization and IT value optimization (business optimization) funding.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

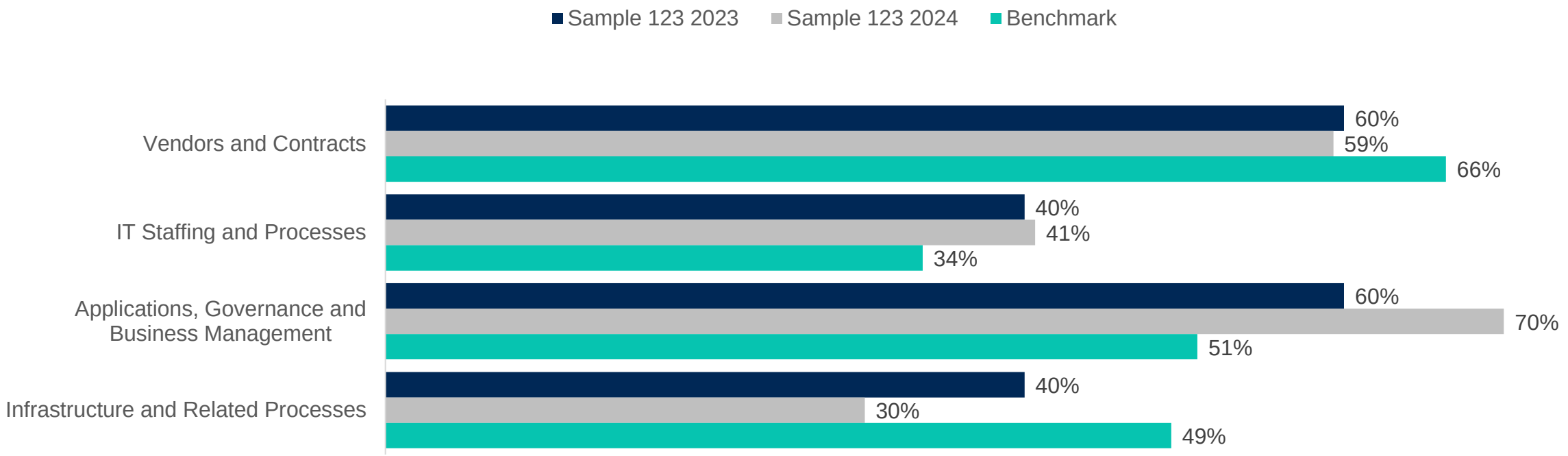


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

IT Spend Diagnostic Summary

The IT spend diagnostic summary provides a consolidated view of both IT spending by technical and asset categories to identify high level opportunities for further investigation.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**



Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Vendors and Contracts = Total Asset spend on hardware, software, and external services as a % of IT Spending
IT Staffing and Processes = Total Asset spend on personnel as a % of IT Spending
Applications, Governance and Business Management = Technical Function for spend on Applications and IT Governance and Business Management as a % of IT Spending
Infrastructure and Related Processes = Technical Function spend on Infrastructure, End User Services, Security, IT Operations Management and SC/DR as a % of IT Spending

Strategic Cost Optimization Opportunities

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

	Key Cost Optimization Initiatives	Time to Savings: Short Term 6-12 months	Mid Term 12-24 months	Transformational 24+ months
Vendors and Contracts	Renegotiate contract pricing / terms and recompete contracts			
	Consolidate vendors and manage supplier performance			
IT Staffing and Processes	Optimize the service delivery model			
	Align talent and skills to needs of the business			
	Redesign organization to address centralization and geography			
Applications, Governance and Business Management	Automate processes and increase productivity			
	Prioritize projects and investments and align to business value			
	Rationalize and standardize applications			
	Optimize software development and support			
Infrastructure and Related Processes	Manage IT and software assets			
	Shift to cloud and consolidate data centers			
	Rationalize hardware assets and devices			
	Align infrastructure services and service levels to business needs			

Some savings may be achieved in timeframe

Some savings usually achieved in timeframe

SCO Opportunities

Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
The purpose of this chart is to indicate where you may have optimization opportunities based the data in the IT Spending Diagnostic Summary.
We have highlighted in yellow the asset and technical categories where you have an equal or higher distribution of IT Spending than the peer average. Based on these variances we have suggested possible actions to take to reduce IT Spending in these areas.
These may not be appropriate in your individual situation due to unique business requirements, your total level of IT Spending, or other factors. They are intended to provide a starting point for analysis of options.

Recommended Resources

STRATEGIC COST OPTIMIZATION

- Workforce Cost Management: What CIOs Need to Know and Do
- The CIO's Guide to Implementing Workforce Reductions in IT
- Kick-Start Your IT Value Story With Metrics That Matter
- The 9 Rules for Demonstrating the Business Value of IT
- How to Identify Metrics and KPIs to Measure IT's Business Value Contribution
- 12 Rules of IT Cost Management
- How to Respond to Mandatory IT Budget Cuts
- Expert Insight Video: CIOs Should Prepare Now for Financial Discussions With CFOs and the C-Suite
- Expert Insight Video: 5 Best-Practice Rules for Chargeback
- Tool: Business Value Discovery Workshop for the CIO
- Toolkit: How to Present Your IT Budget to the Board of Directors
- Toolkit: Gartner's Ideas for IT Cost Optimization
- Tool: IT Cost Optimization Status Check
- Use Gartner's IT Finance Frameworks to Drive Successful IT Finance, Value and Cost Programs

Some recommended content may not be available as part of your current Gartner subscription.

Recommended Resources

VENDORS AND CONTRACTS

- Negotiating IT Contracts
- Gartner BuySmart
- IT Services and Solutions
- CIO Leadership, Culture and People
- Infrastructure and Operations Leaders
- Shared Services

Some recommended content may not be available as part of your current Gartner subscription.

Recommended Resources

IT STAFFING AND PROCESSES

- CIO Leadership, Culture, and People
- CIO Leadership of Strategy, Governance, and Operating Models
- Infrastructure and Operations Leaders
- Application Leaders
- Shared Services

Some recommended content may not be available as part of your current Gartner subscription.

Recommended Resources

APPLICATIONS, GOVERNANCE and BUSINESS MANAGEMENT

- PMO Evolution for Digital
- Program and Portfolio Management Leaders
- Application and Product Portfolio Governance
- Digital Workplace Infrastructure and Operations

Some recommended content may not be available as part of your current Gartner subscription.

Recommended Resources

INFRASTRUCTURE, END USER, IT SECURITY, OPERATIONS and SC/DR

- Data Center Infrastructure
- Cloud Computing
- Cloud and Edge Infrastructure
- Infrastructure, Operations and Cloud Management
- Sourcing, Procurement and Vendor Management Leaders

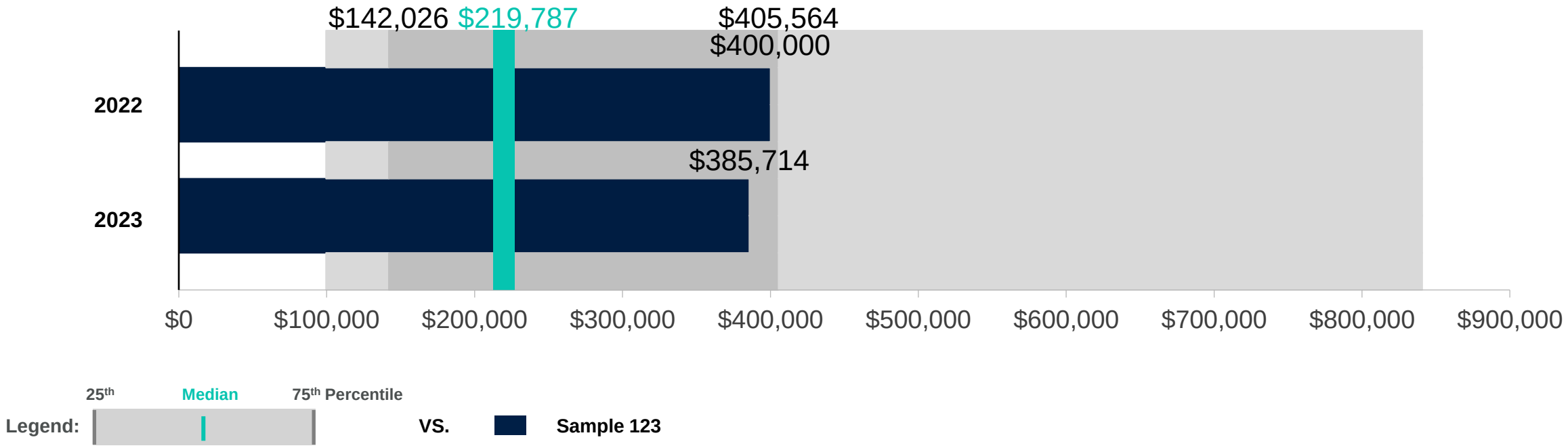
Some recommended content may not be available as part of your current Gartner subscription.

IT Spending Baseline

Revenue Per Employee (RPE)

Indication of business productivity and growth. Organizations utilizing technology will drive better productivity per employee and/or have less employees — therefore, a higher RPE metric.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

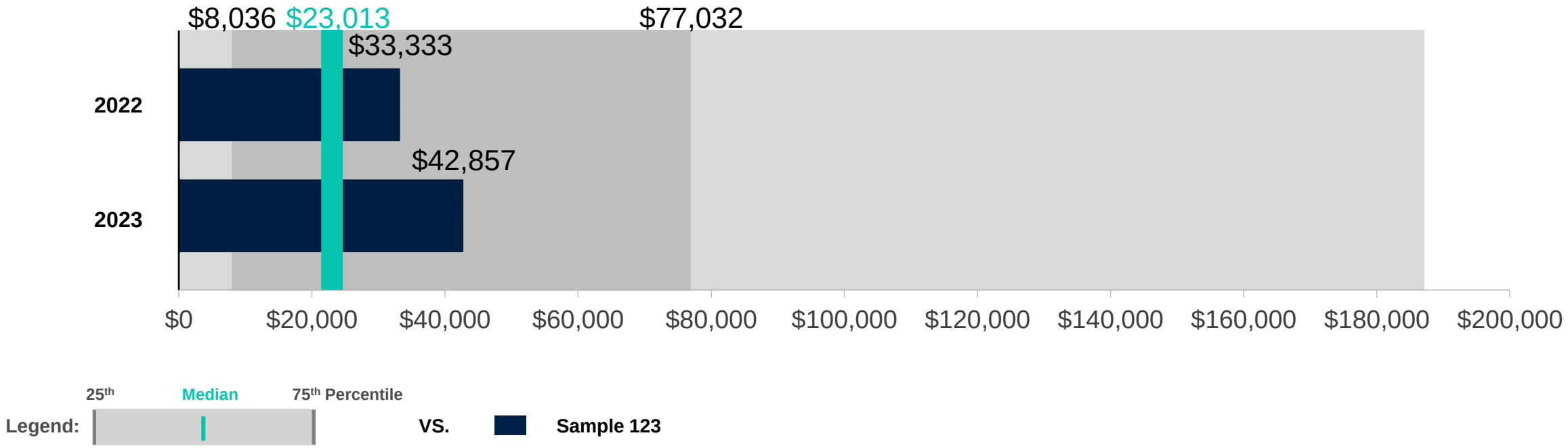


Currency = USD. n size = 159. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
This measure should be considered within the context of the enterprise operating model which drives operating income and profit margin as well as within the context of the total workforce strategy.

Operating Income Per Employee (IPE)

Indication of back-office productivity through technology. Organizations utilizing IT well have lower back-office costs and, therefore, a better IPE ratio.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

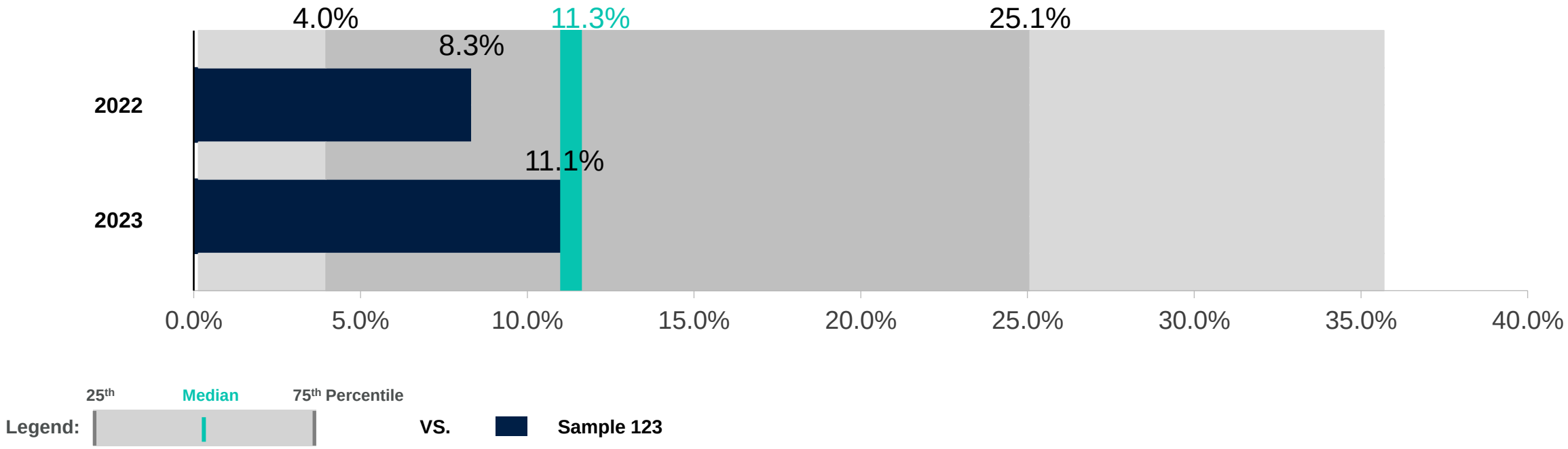


Currency = USD. n size = 126. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Profitability

Profitability is a measure of an enterprise's cost-efficiency and can help outline the enterprise's position relative to the industry as it is often related to investment patterns.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

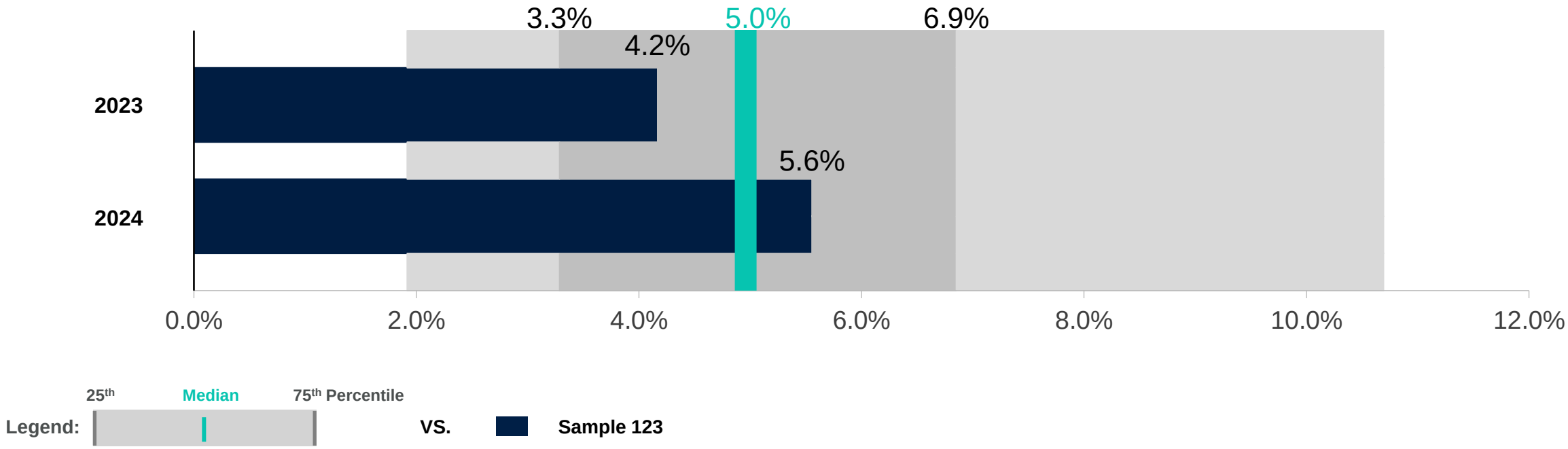


n size = 126. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Profitability is calculated as operating income as a % of revenue.

IT Spending as a % of Revenue

IT spending as a percent of revenue assists in identifying the competitiveness of investment levels relative to the most fundamental measure of business performance: revenue.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

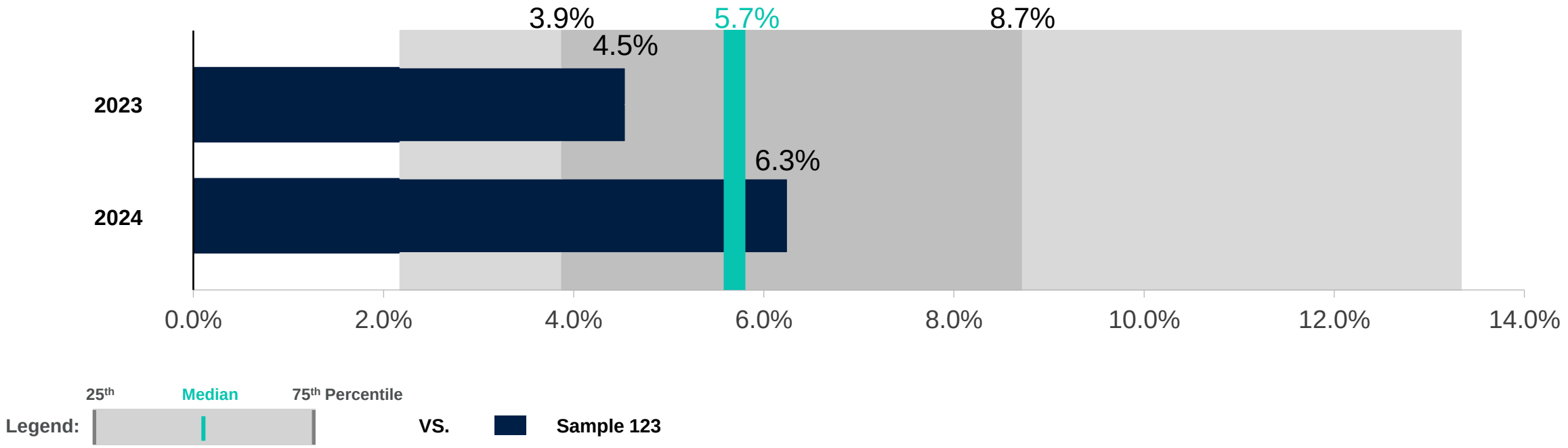


n size = 159. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Being above or below average does not necessarily mean spending is “too high” or “too low,” but significant variances should be analyzed to justify spending levels (e.g., investment in business transformation). Low investment could indicate underserved business needs.

IT Spending as a % of Operating Expense

IT spending as a percent of operating expense is another view of IT investment level in terms of the role IT plays in overall business spending patterns.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

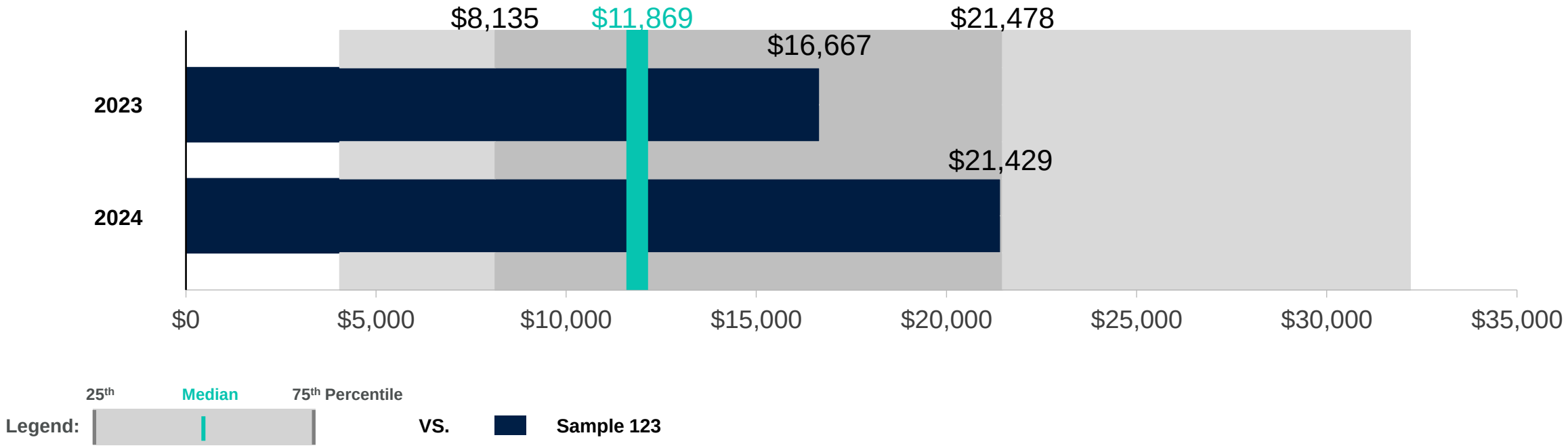


n size = 127. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
The greater the amount of operating expenses dedicated to IT, the greater the business will require visibility into IT investments.

IT Spending Per Employee

IT spending per employee is often used to determine the amount of IT support the average organization's workforce receives.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

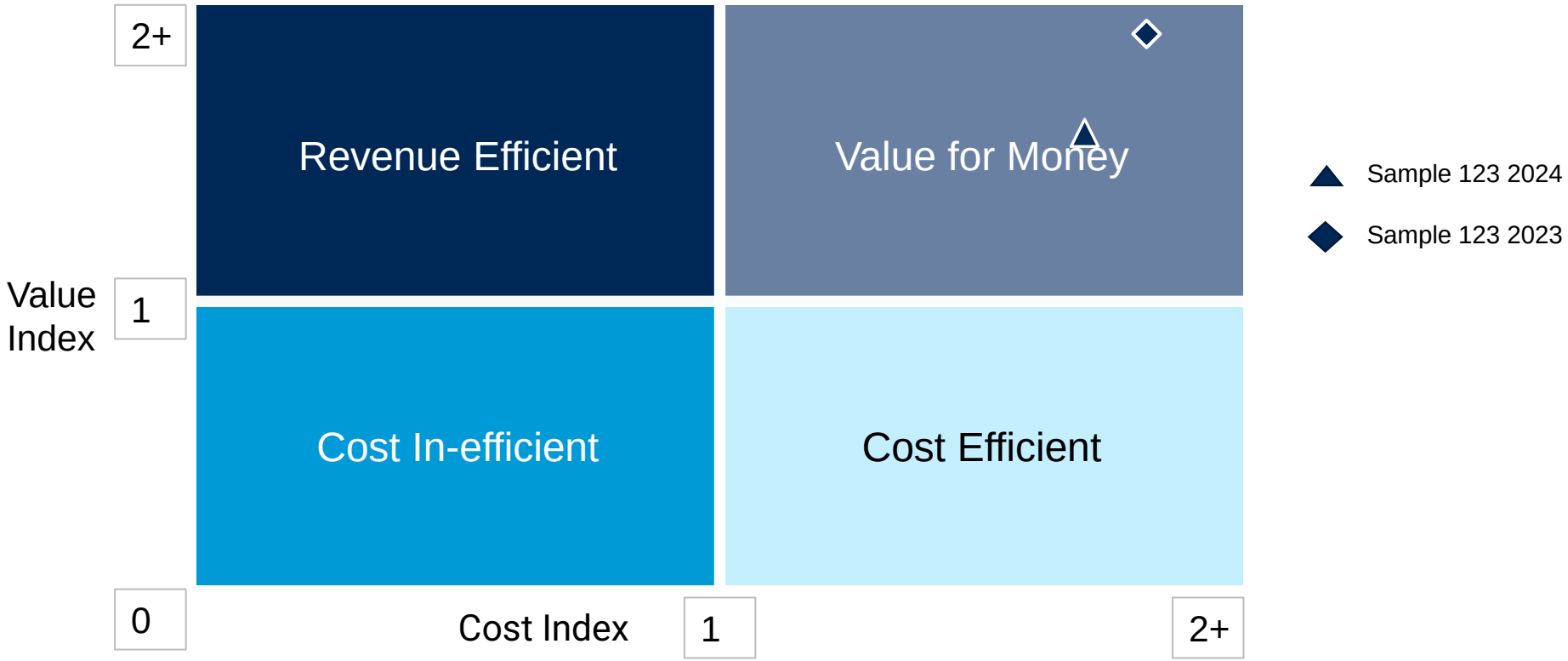


Currency = USD. n size = 159. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Large variations within the peer group can represent different business models for service or product delivery. High spending can imply either higher levels of automation and/or higher spend on IT in general. Low spending levels can be related to higher overall staffing levels and/or lower IT investment than peers.

Cost Value Matrix (CVM)

The CVM provides insight to ensure that cost optimization plans maximize business value as well as reduce costs by evaluating IT spend levels within the context of revenue and operating income levels.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

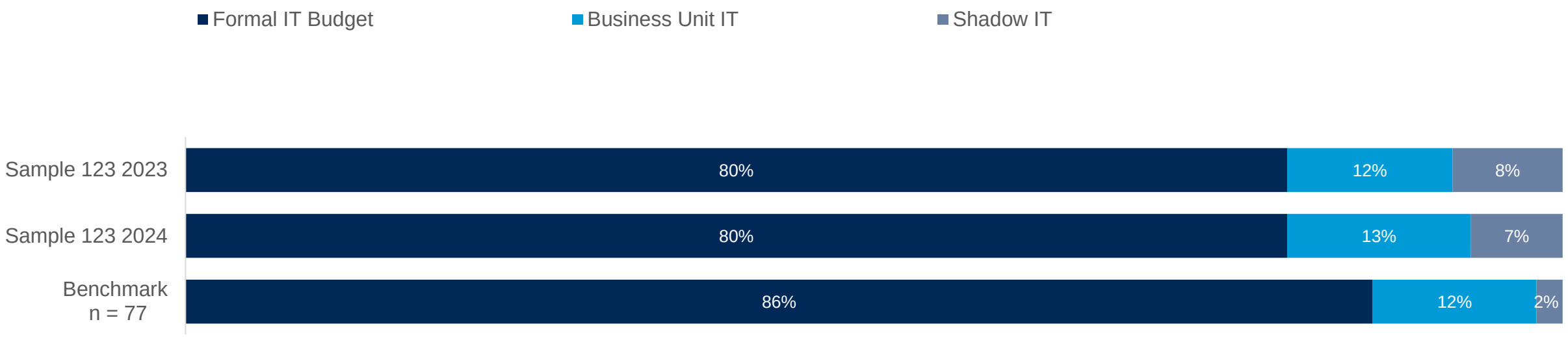


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

IT Spending by Funding Source

IT spending can come from several different sources within an enterprise or organization and is not restricted to the formal IT Budget.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

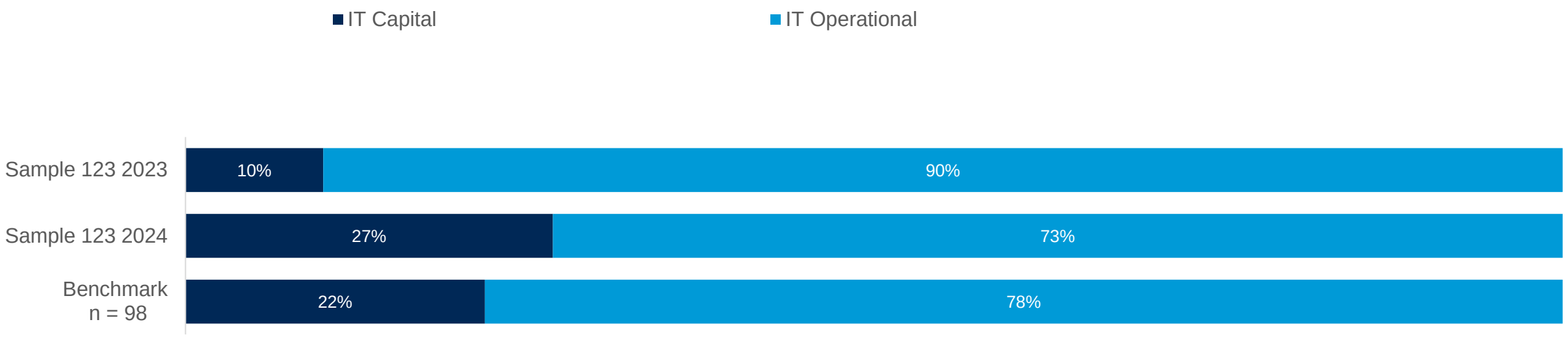


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Understanding how much IT spending occurs outside the formal IT budget allows organizations to better manage total IT spending relative to enterprise cost and value optimization objectives.

Capital vs. Operational IT Spending

IT operational versus capital spending helps to portray the IT investment profile for an organization in a given year.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

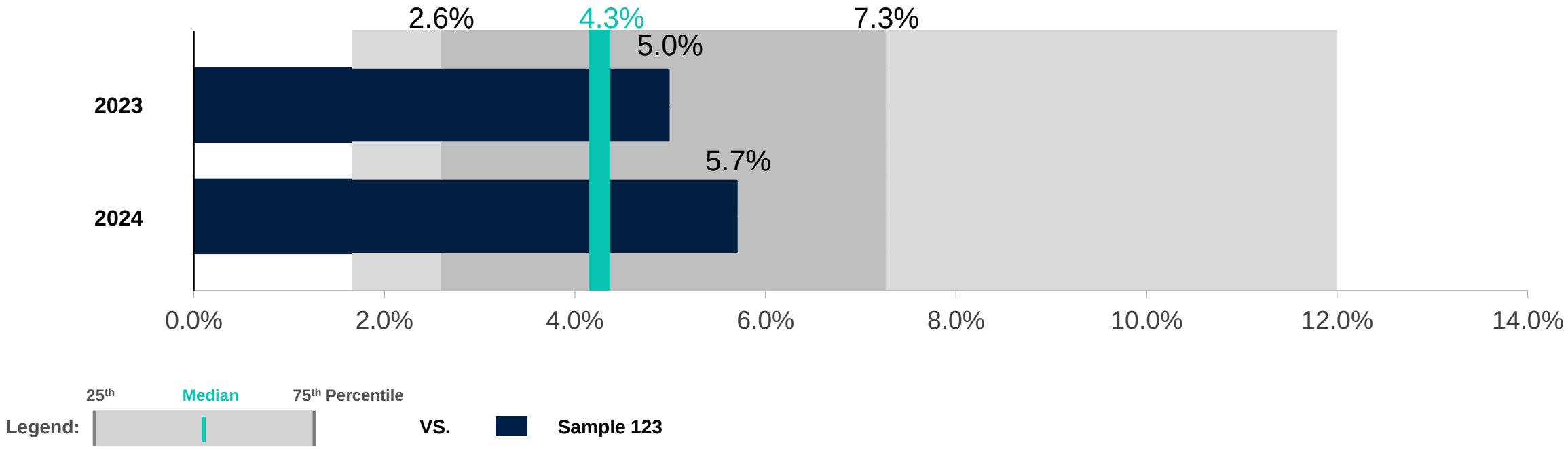


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
While easy to obtain, this measure provides visibility into the cyclical nature of capital investments (such as hardware, software and large service contracts) compared with recurring operational expenses (such as personnel, facilities and maintenance expenses).

IT Full-time Equivalents as a % of Employees

IT FTEs as a percent of employees is a key measure of IT support and IT intensity from a human capital perspective.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

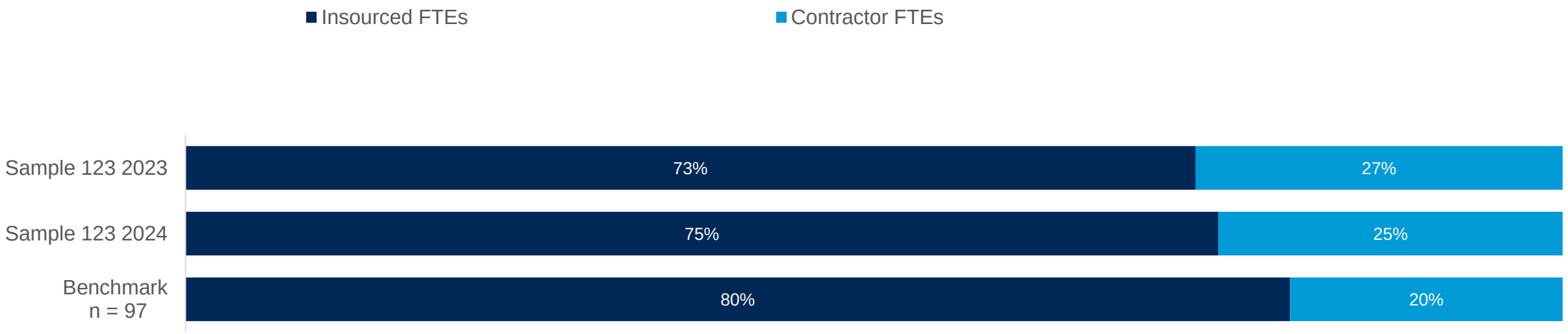


n size = 124. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
This measure should be considered within the context of the IT sourcing strategy as well as the enterprise workforce strategy.

Employee vs. Contractor IT Staffing

The distribution of IT FTEs (insourced versus contractor) can help provide a view of the IT staffing strategy.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**



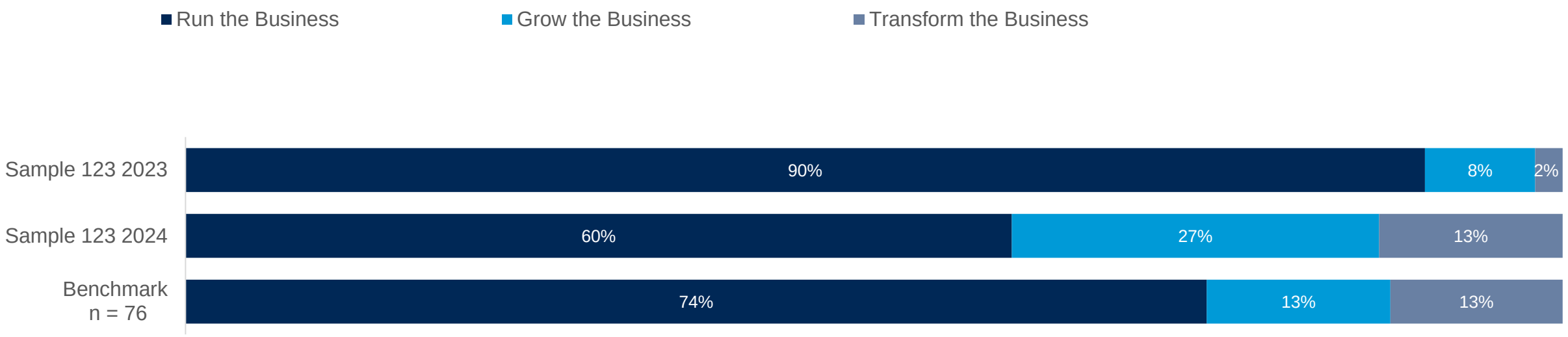
Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
IT contract labor or contractor usage can be an effective approach to maintain flexibility and agility when business conditions are changing. However, keeping contractors for extended periods can be costly and limit process standardization.

Strategic View

Strategic IT Spending to Change the Business

The distribution of IT spending to run the business, grow the business and transform the business provides a view of the IT investment profile or "portfolio" to support business performance.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**



Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Classifying IT spending into categories that show impact on business outcomes or success can optimize alignment to value activities as well as quantify underinvestment in IT.

IT Investments Aligned to Value

Evaluating IT investment within the context of business strategic priorities helps organizations evaluate IT alignment to business value.

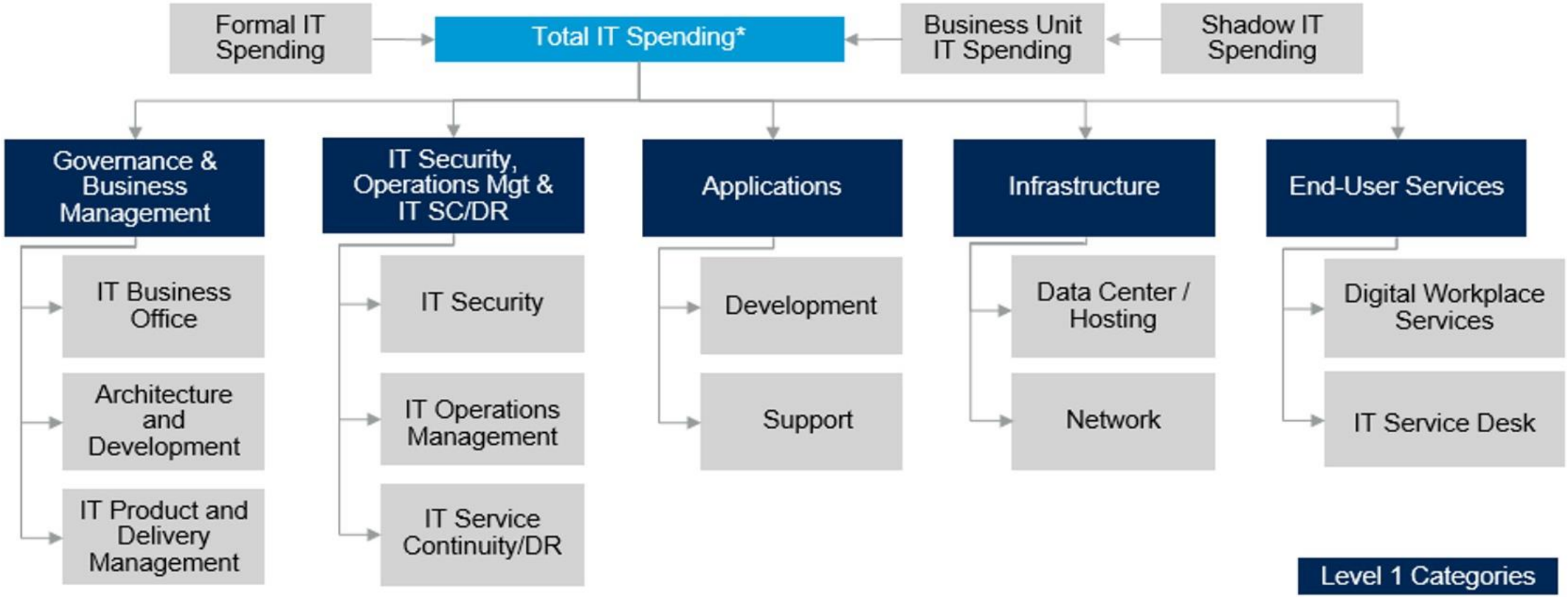
IT Spend: Increasing ↑ Maintaining ↔ Decreasing ↓	New business models	Improve operating margin	Improve workforce productivity	Improve customer experience	Increase asset utilization	Reduce security and privacy risk
Customer experience (including website, ecommerce, mobile applications)	↔			↔		
Digital workplace / work from home / collaboration tools			↔			
Business intelligence / data analytics				↑	↑	
APIs and development platforms	↑					
Cloud services and solutions (SaaS, PaaS, IaaS including distributed cloud)		↑				
Security						↑
Business continuity management						↔
Internet of Things / Edge Computing	↑	↑	↑	↑	↑	

Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Technical View

IT Supply-side Technology Cost Management Framework

IT Technical Function Cost Management View

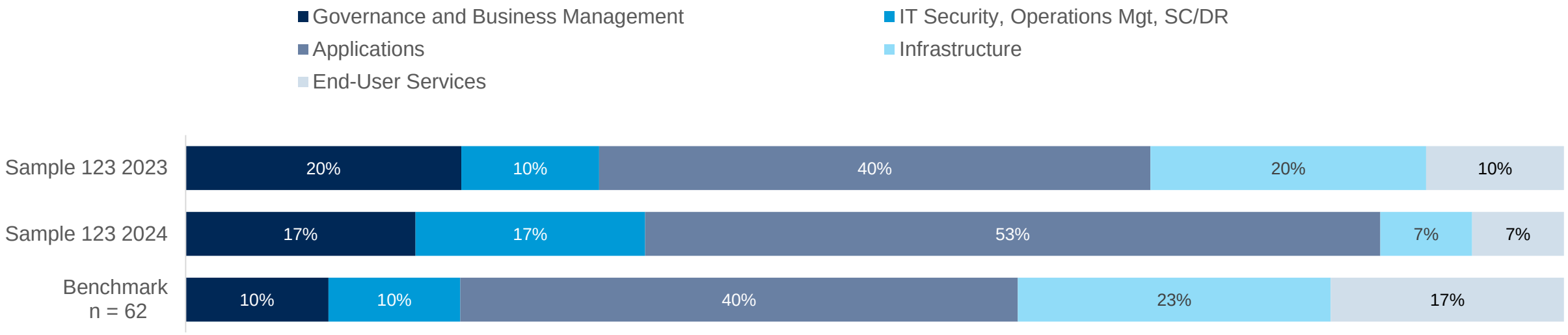


*IT Capital + IT Operational spending (excludes depreciation)

IT Spending Distribution by Technical Function

The distribution of IT spending by technical function provides a view of key IT resource consumption in the context of IT supply-side technical services.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

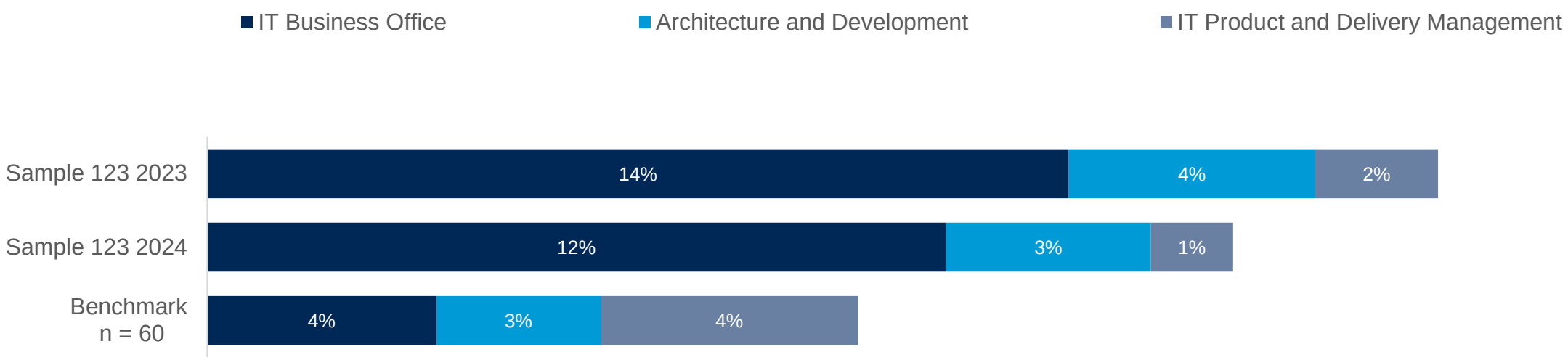


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Organizations should evaluate each technical function from both an IT cost as well as a business value optimization lens.

Governance and Business Management Breakdown as a % of IT Spending

Identifying where governance and business management spending is focused can help as organizations shift to more value aligned operating model to support business optimization.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

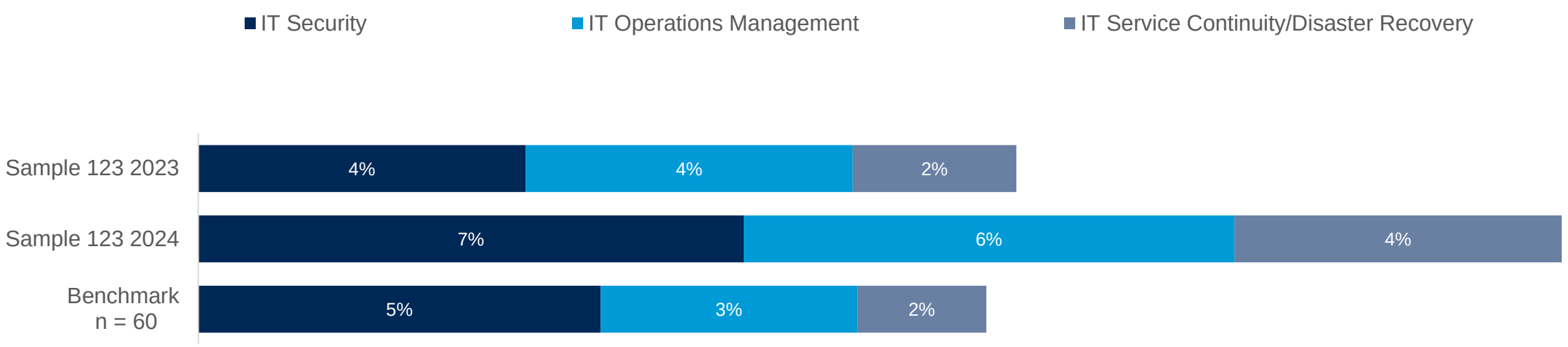


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
As organizations mature to a service, product or value oriented operating model, increasing visibility into value-add governance and business management functions will be required.

IT Security, Operations Mgt & IT SC/DR Breakdown as a % of IT Spending

Identifying where IT security, operations mgt. & IT SC/DR spending is focused can help organizations perform cost management activities related to risk management and operations functions.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

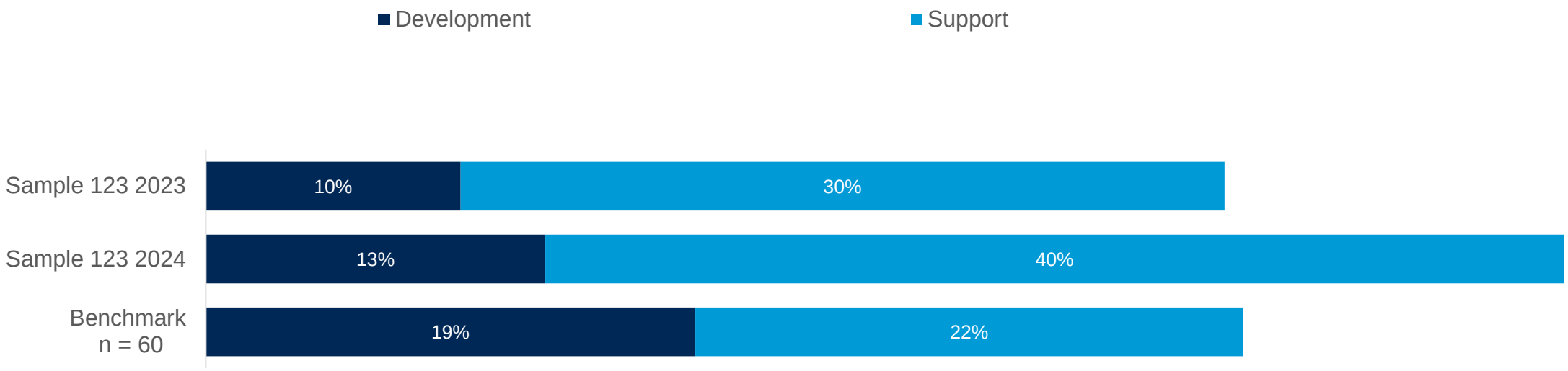


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Applications Breakdown as a % of IT Spending

Identifying where applications spending is focused can help organizations perform cost management activities related to development vs. support functions.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

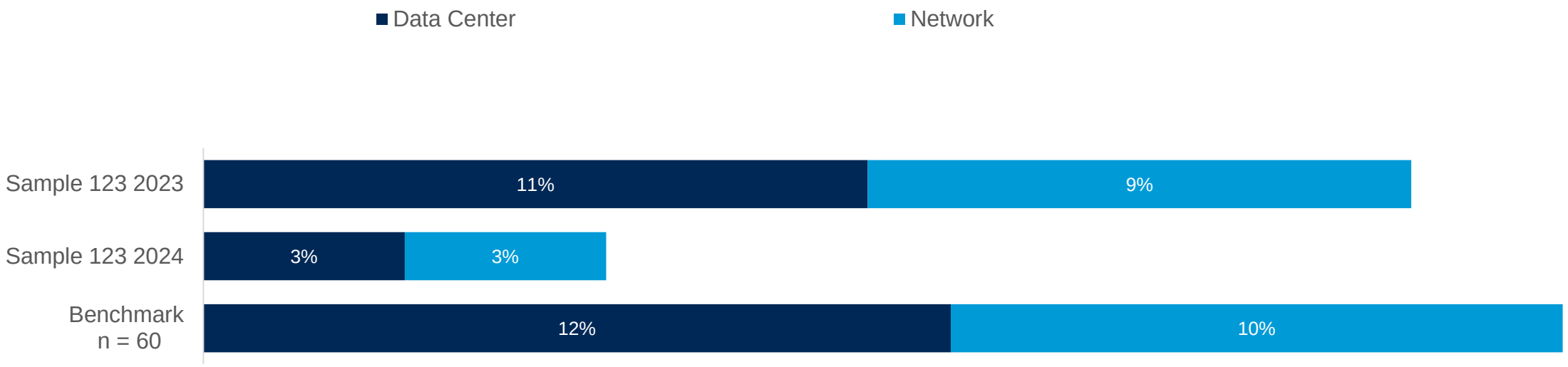


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Infrastructure Breakdown as a % of IT Spending

Identifying where infrastructure spending is focused can help organizations perform cost management activities related to data center and network functions.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

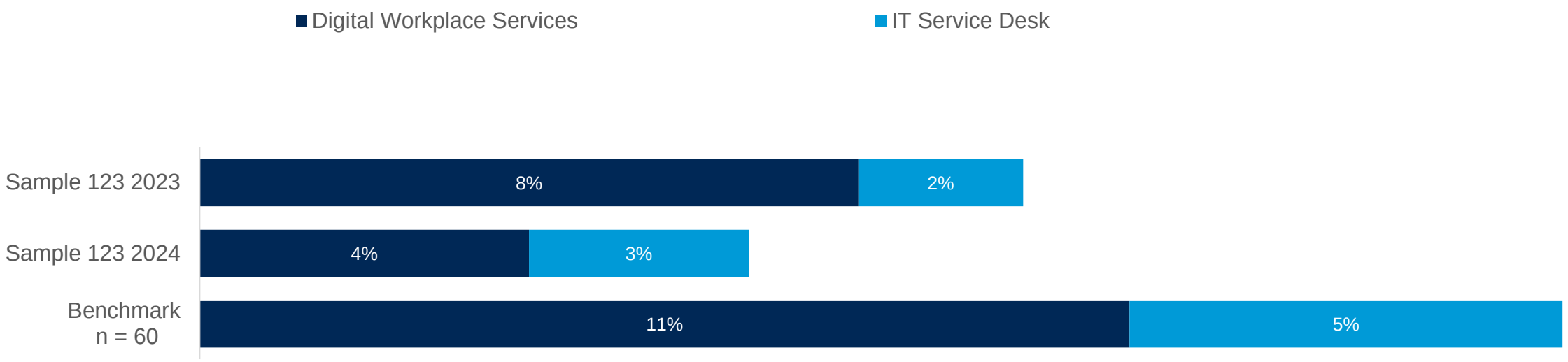


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

End-User Services Breakdown as a % of IT Spending

Identifying where end-user service spending is focused can help organizations perform cost management activities related to digital workplace services and IT service desk functions.

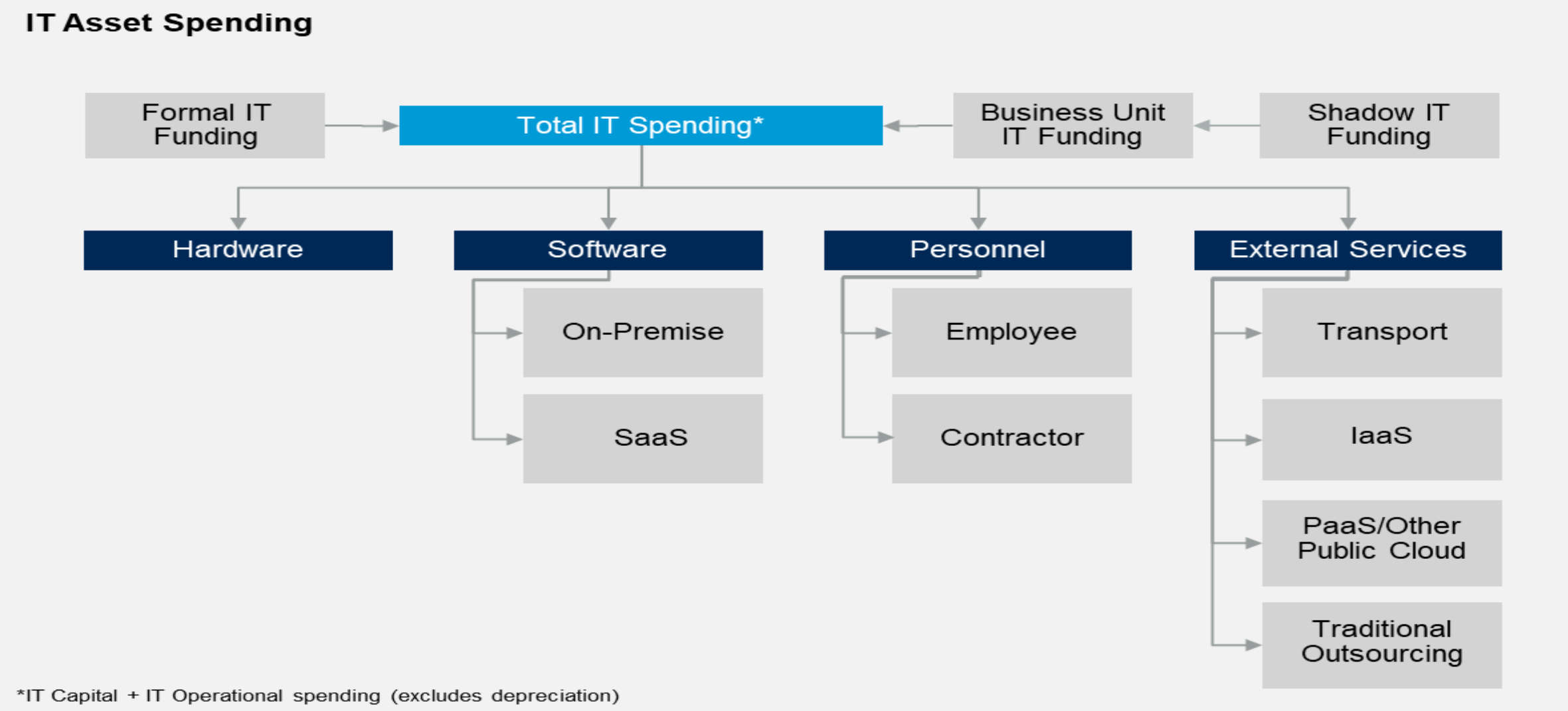
Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**



Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Asset View

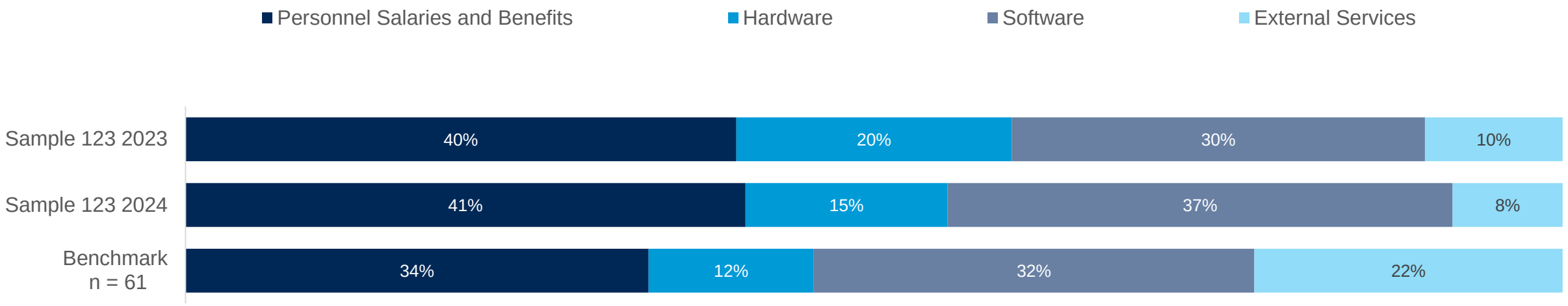
IT Supply-side Asset Cost Management



IT Spending by Asset Class

The distribution of spending between asset categories (hardware, software, personnel and external services) outline the asset based cost controls to manage IT investments.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

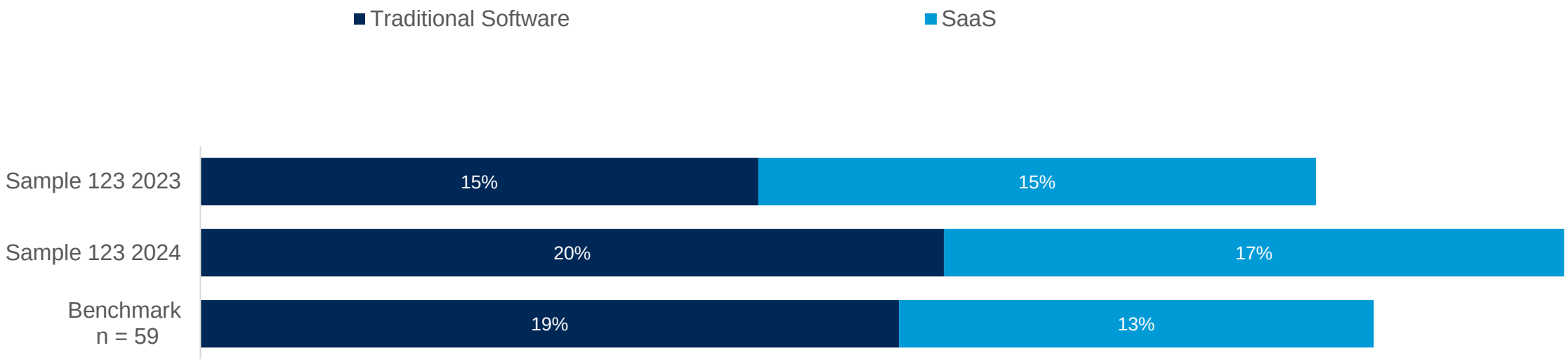


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: This measure should be considered within the context of the IT sourcing strategy as well as the enterprise workforce strategy.

Software Breakdown as a % of IT Spending

Evaluating software spending between traditional licenses and SaaS provides insight into software asset management opportunities for cost management.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

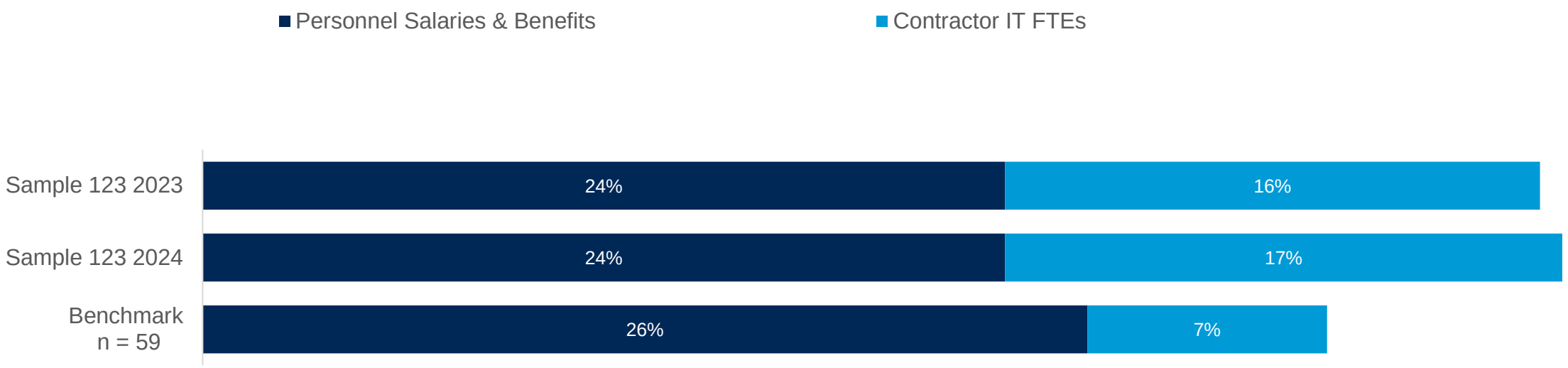


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: This measure should be considered within the context of the IT sourcing strategy as well as the enterprise workforce strategy.

Personnel Breakdown as a % of IT Spending

Evaluating personnel spending between employees and contractors provides insight into staffing workforce profile and associated costs.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

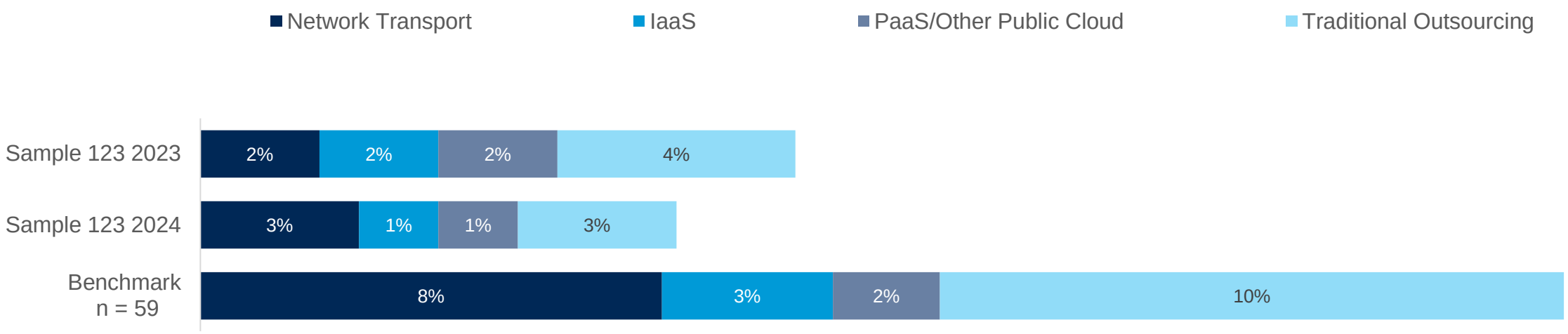


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: This measure should be considered within the context of the IT sourcing strategy as well as the enterprise workforce strategy.

External Services Breakdown as a % of IT Spending

Evaluating external services spending between Network Transport, IaaS, PaaS/Other public cloud and Traditional Outsourcing provides insight into optimization opportunities for cost management.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

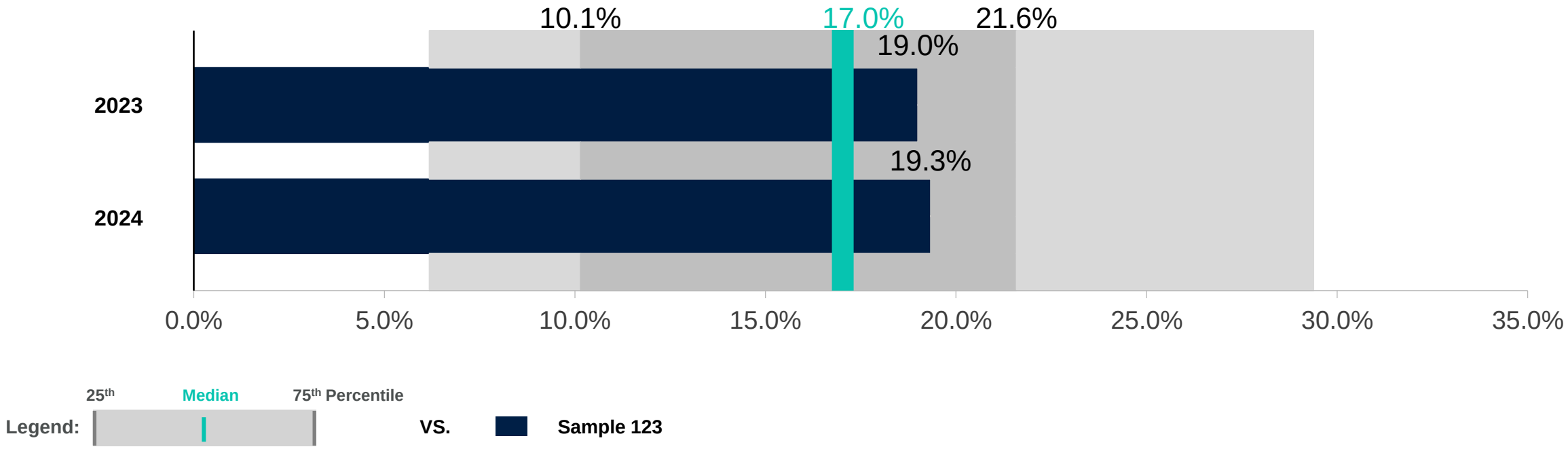


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Public Cloud as a % of IT Spending

As organizations increase leverage of cloud based services, it is important to track spending separately to enable more focused cost management practices to optimize IT

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

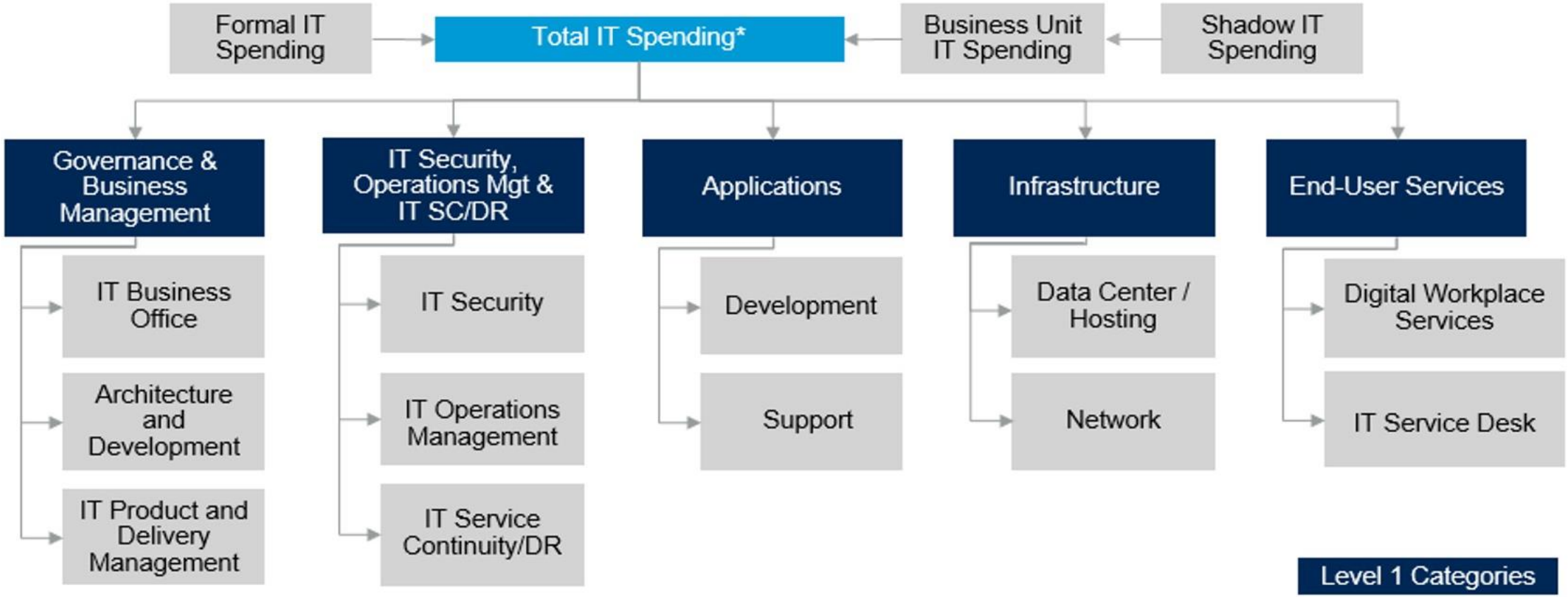


n size =59. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Public Cloud includes Software as a Service, Infrastructure as a Service, Platform as a Services as well as other public cloud services.

Technical Staffing View

IT Supply-side Technology Cost Management Framework

IT Technical Function Cost Management View

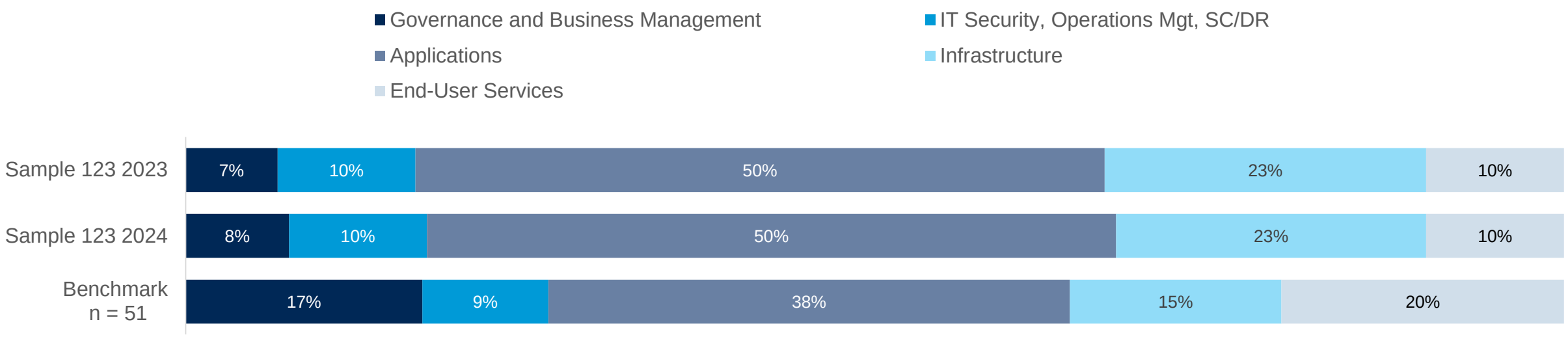


*IT Capital + IT Operational spending (excludes depreciation)

IT Staffing Distribution by Technical Function

The distribution of IT staffing by IT technical function provides a view of key IT resource consumption in the context of the overall IT portfolio.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

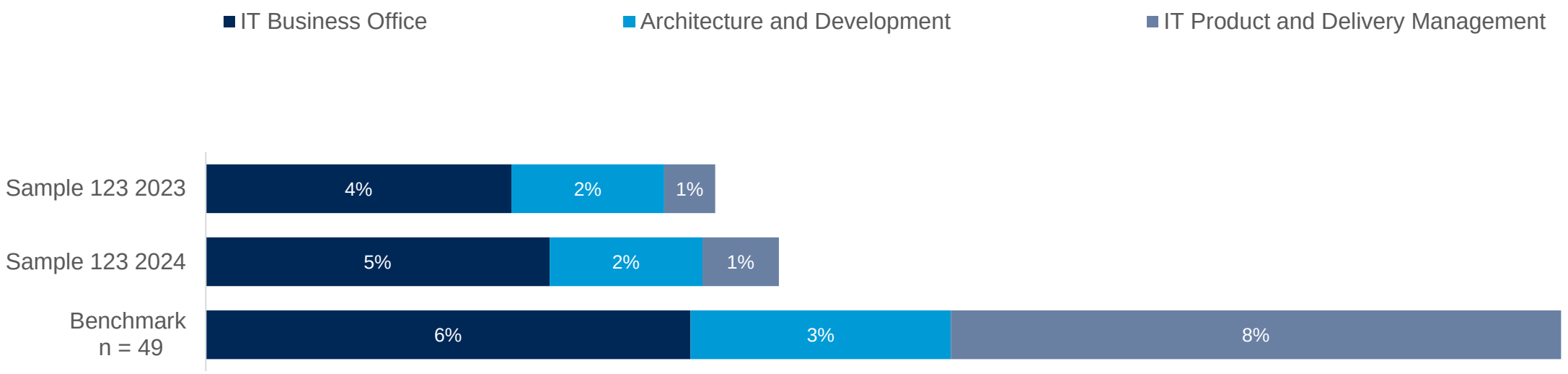


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: This measure should be considered within the context of the IT sourcing strategy as well as the enterprise workforce strategy.

Governance and Business Management Breakdown as a % of IT Staffing

As organizations pivot to service and value oriented operating model, measuring staff levels in support of key functions better enable strategic workforce management.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

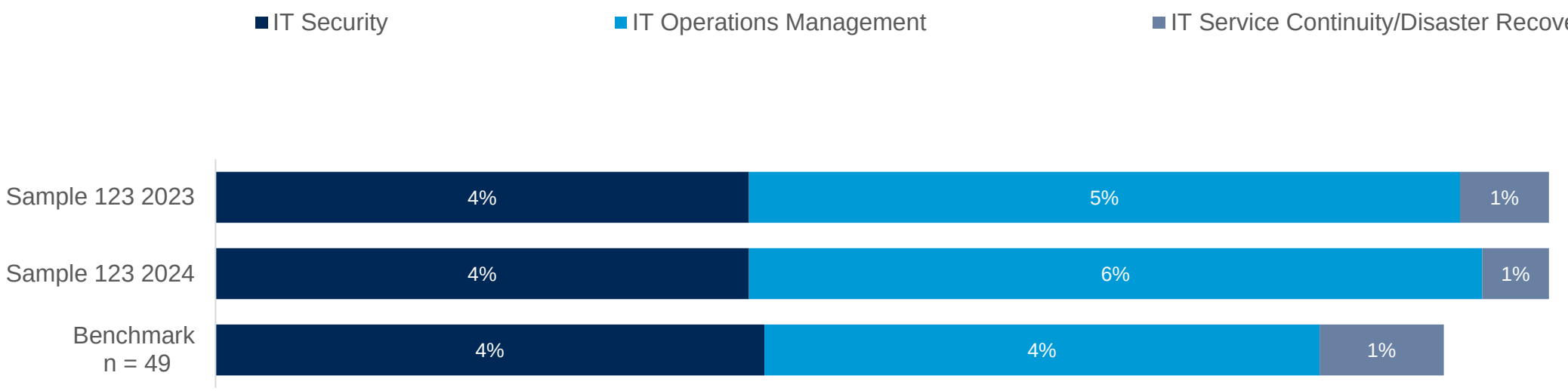


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

IT Security, Operations Mgt & IT SC/DR Breakdown as a % of IT Staffing

As organization pivot to service and value oriented operating model, measuring staff levels in support of key functions better enable efficient and secure operations.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

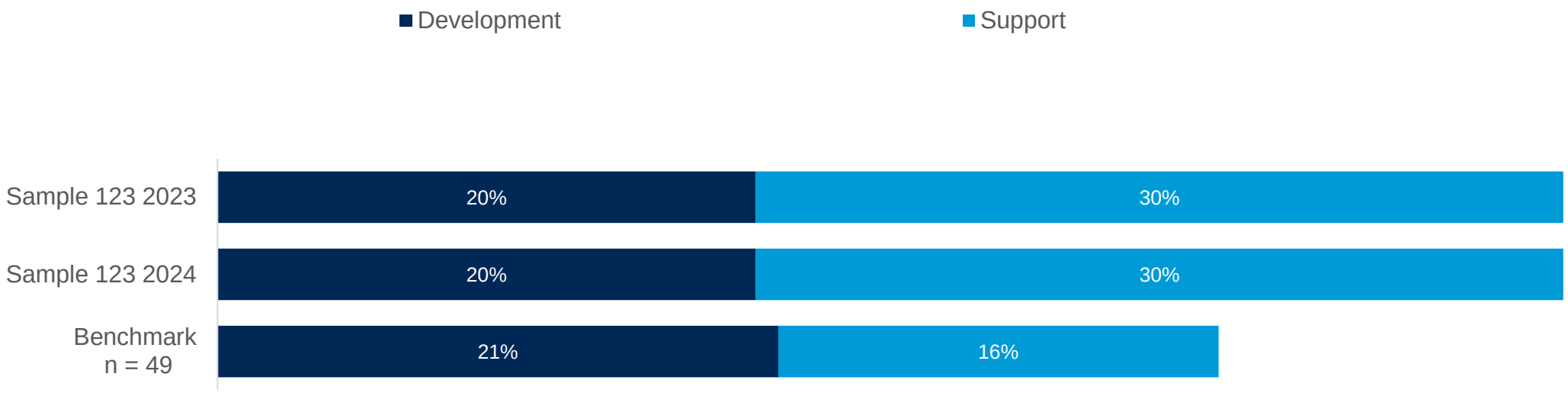


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Applications Breakdown as a % of IT Staffing

Measuring Applications staff levels in support of key functions enable organizations to better manage key resources building and maintaining the portfolio of business functionality applications.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

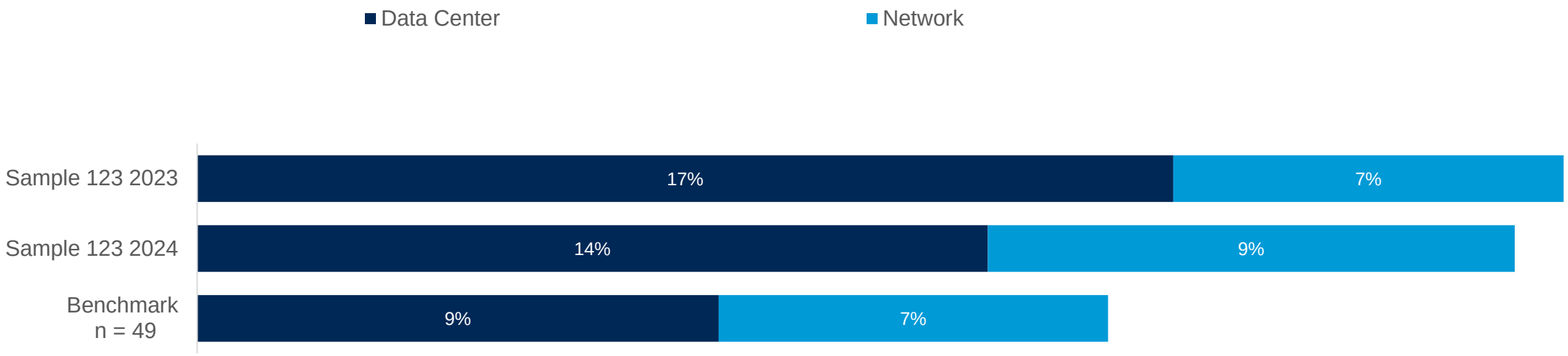


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Infrastructure Breakdown as a % of IT Staffing

Measuring infrastructure staff levels in support of key functions enable organizations to better manage key resources managing the hosting and network backbone of the IT system.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

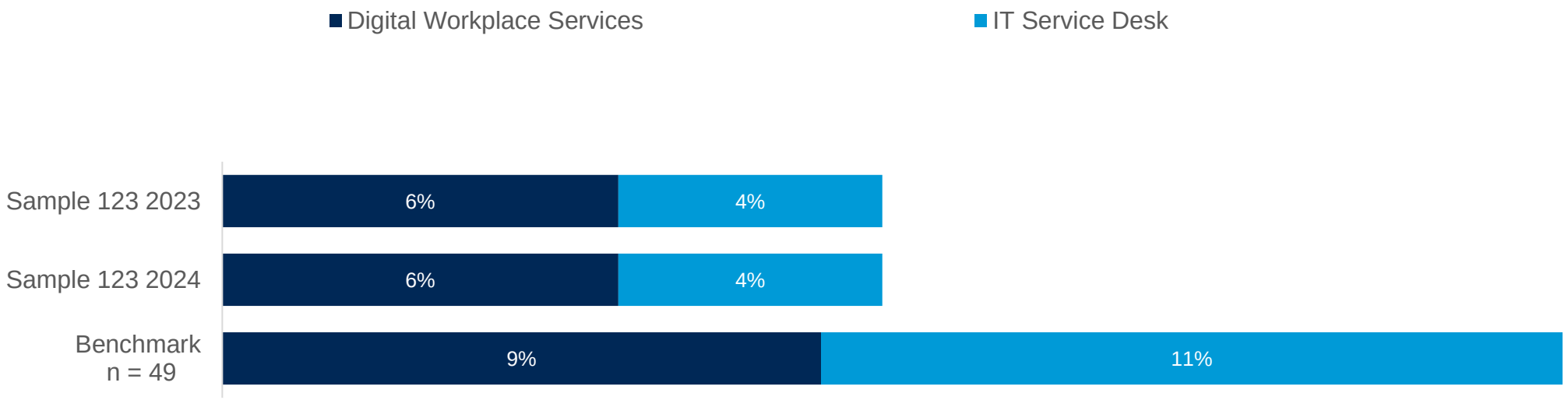


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

End-User Services Breakdown as a % of IT Staffing

Measuring end-user service staff levels in support of key functions enable organizations to better manage key resources delivering desk-side support as well as remote based support teams.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**



Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

IT Security View

Security Analysis Summary (1 of 2)

Benchmark Comparison Group: Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)

IT Security Spending Metrics and Distributions	Sample 123 2023	Sample 123 2024	Benchmark	2023 Difference from the Peer
IT Security Spending Metrics				
IT Security Spending as a % of Total IT Spending	4.0%	6.7%	5.7%	▼1.7%
IT Security Spending per Employee	$667	$1,429	$663	▲$4
IT Security Spending per Thousand Dollars of Revenue	$ 1.67	$ 3.70	$ 2.95	-$ 1.28
IT Security Spending by Asset Class				
Personnel Salaries and Benefits	50.0%	42.0%	37.4%	▲12.6%
Hardware	10.0%	4.0%	5.0%	▲5.0%
Software	30.0%	22.0%	34.3%	▼4.3%
External Services	10.0%	32.0%	23.2%	▼13.2%

Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Factors such as level of risk, past investment, and organizational culture also play important roles. This metric should be considered within the context of the overall information security and risk management strategy i.e., as the technology environment plays a lesser or greater role in mission-critical business processes, so will the need to mitigate risk by maintaining and managing a secure technology environment.

Security Analysis Summary (2 of 2)

Benchmark Comparison Group: Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)

Benchmarks will show when minimum n size is reached.

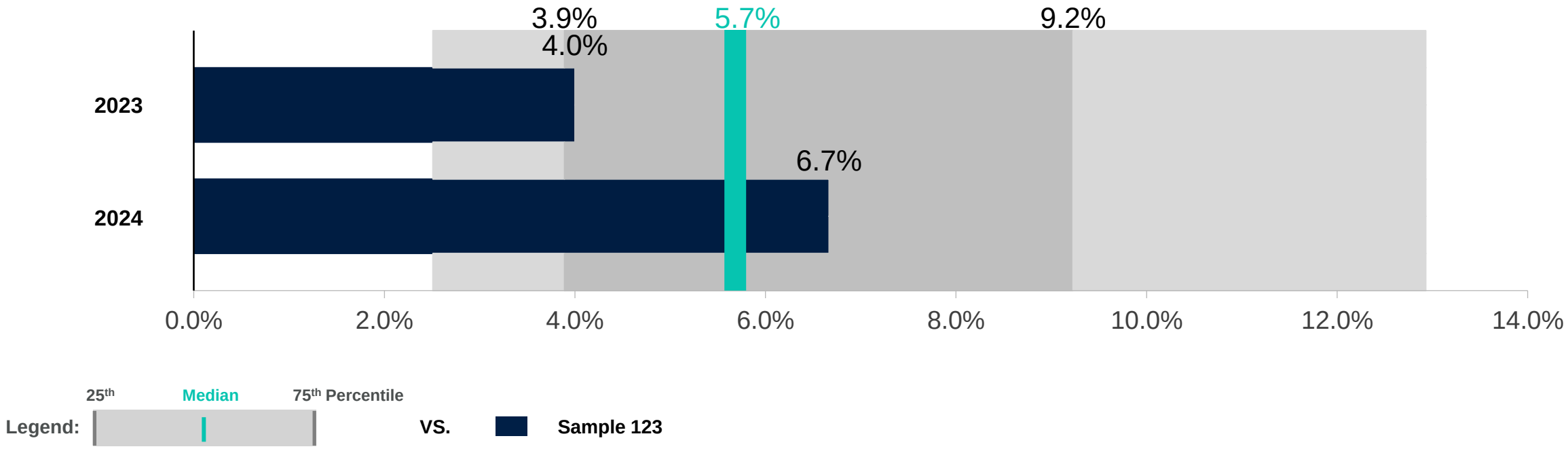
IT Security Spending Distributions	Sample 123 2023	Sample 123 2024	Benchmark	2023 Difference from the Peer
IT Spending by Technical Function				
IT Operational Infrastructure Security	45%	40%	47%	▼2.0%
Vulnerability Management and Security Analytics	25%	26%	24%	▲1.1%
Application Security	20%	20%	11%	▲8.7%
Governance, Risk, and Compliance Management	10%	14%	18%	▼7.8%
Operational Infrastructure Security Spending by Task				
Identity / Access Management	33%	50%	18%	▲15.5%
Network Security	28%	30%	37%	▼9.6%
End Point Security	28%	15%	31%	▼2.8%
Data Security	11%	5%	14%	▼3.0%
Average IT Security Personnel Spending per Security FTE	$166,666.7	$262,500.0	N.A.	N.A.

Currency = USD. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Factors such as level of risk, past investment, and organizational culture also play important roles. This metric should be considered within the context of the overall information security and risk management strategy i.e., as the technology environment plays a lesser or greater role in mission-critical business processes, so will the need to mitigate risk by maintaining and managing a secure technology environment.

IT Security Spending as a % of Total IT Spending

IT security spending as a percent of total IT spending is helpful in understanding the relative level of investment to support the security of the total IT environment from a total IT portfolio perspective.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

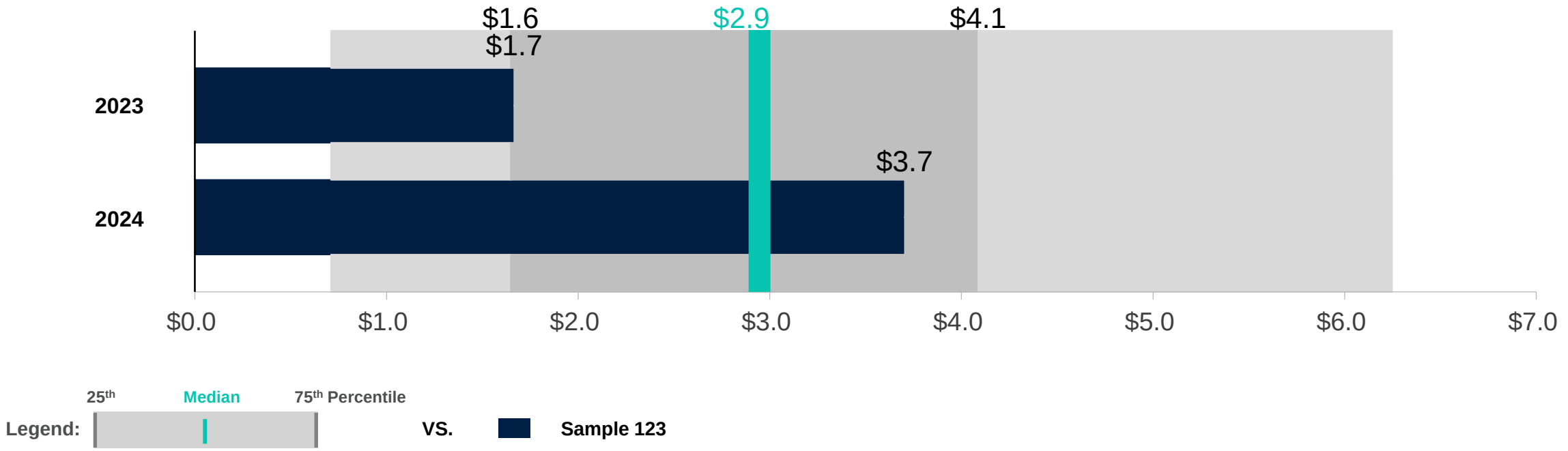


n size = 69. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Factors such as level of risk, past investment, and organizational culture also play important roles. This metric should be considered within the context of the overall information security and risk management strategy i.e., as the technology environment plays a lesser or greater role in mission-critical business processes, so will the need to mitigate risk by maintaining and managing a secure technology environment.

IT Security Spending per Thousand Dollars of Revenue

IT security spending per $1,000 of revenue is helpful in understanding the relative level of investment to support the security of the total ecosystem (assets, staff, contractors, vendors) based on total business scale.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

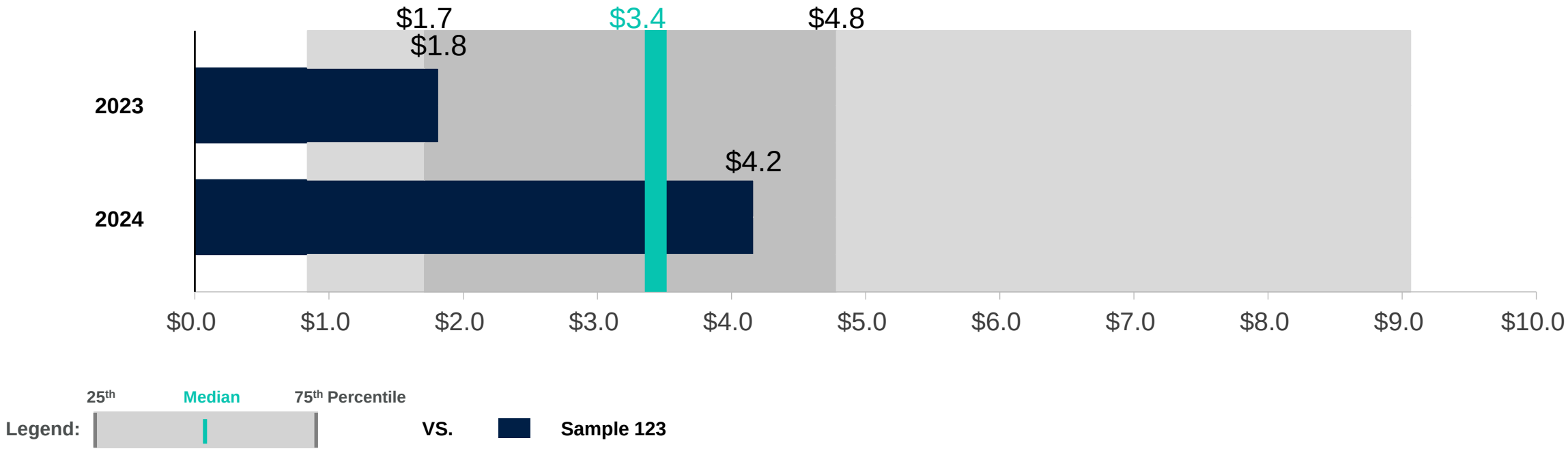


Currency = USD. n size = 70. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Factors such as level of risk, past investment, and organizational culture also play important roles. This metric should be considered within the context of the overall information security and risk management strategy i.e., as the technology environment plays a lesser or greater role in mission-critical business processes, so will the need to mitigate risk by maintaining and managing a secure technology environment.

IT Security Spending per Thousand Dollars of Operating Expense

IT security spending per $1,000 of operating expense is helpful in understanding the relative level of investment to support the security of the total ecosystem (assets, staff, contractors, vendors) based on total business scale.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

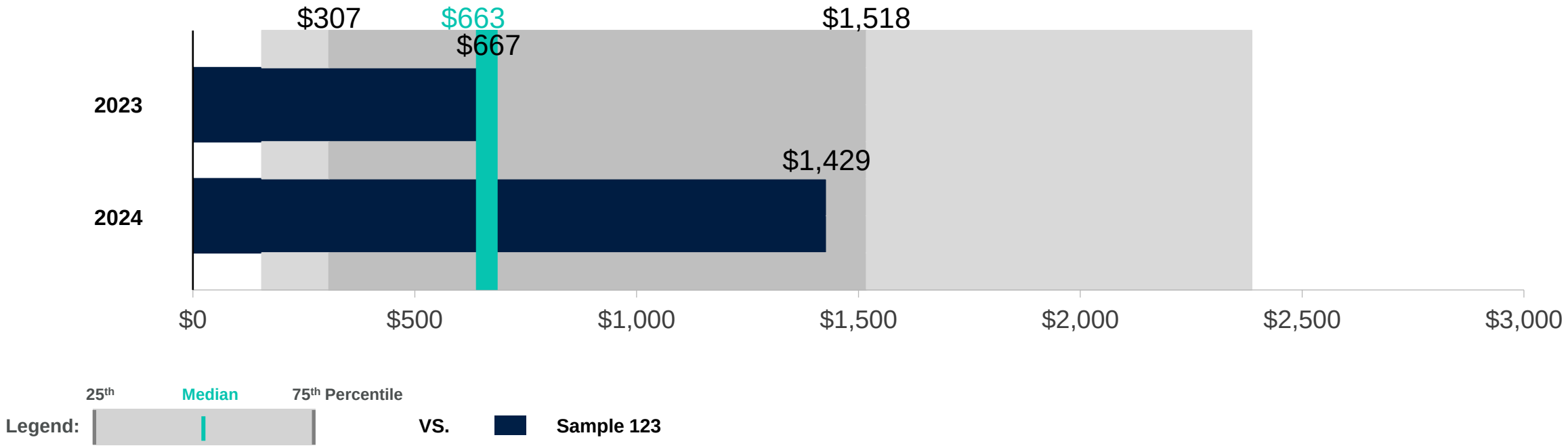


Currency = USD. n size =62. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: For Government clients who do not supply revenue this is calculated using operating expenses.

IT Security Spending per Employee

IT security spending per employee is helpful in understanding the relative level of investment to support the security of the total IT environment based on the total employee base supported.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

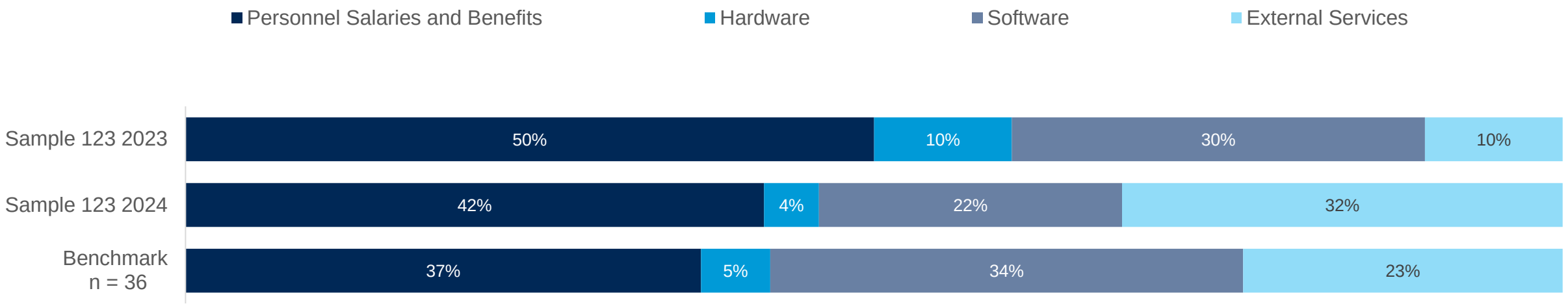


Currency = USD. n size = 70. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Factors such as level of risk, past investment, and organizational culture also play important roles. This metric should be considered within the context of the overall information security and risk management strategy i.e., as the technology environment plays a lesser or greater role in mission-critical business processes, so will the need to mitigate risk by maintaining and managing a secure technology environment.

IT Security Spending by Asset Class

The distribution of IT security spending by asset class provides an understanding of how investments are dispersed within the environment. This distribution helps to outline non-personnel vs. personnel related cost allocations.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

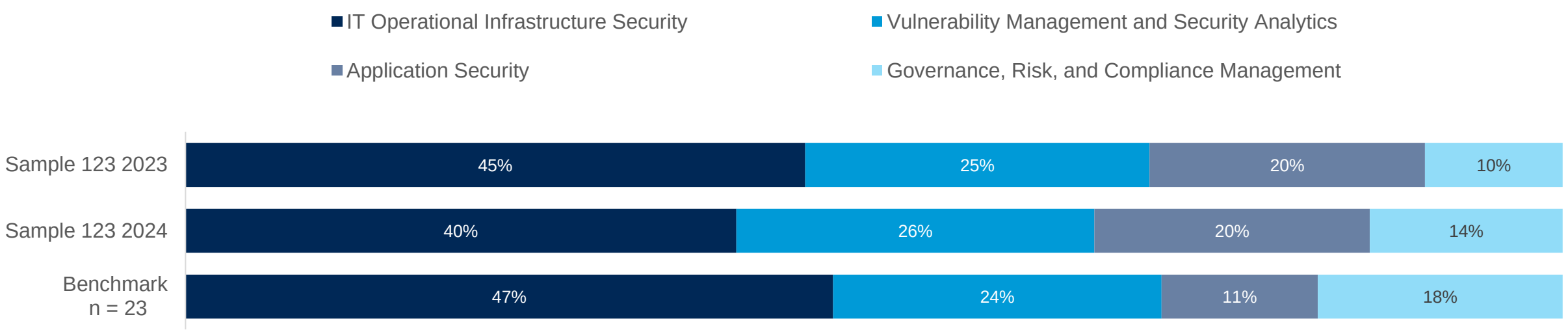


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

IT Security Spending by Security Technical Function

The distribution of IT security spending by technical function is important as it indicates what types of investments the enterprise is making to manage information and technology risk.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

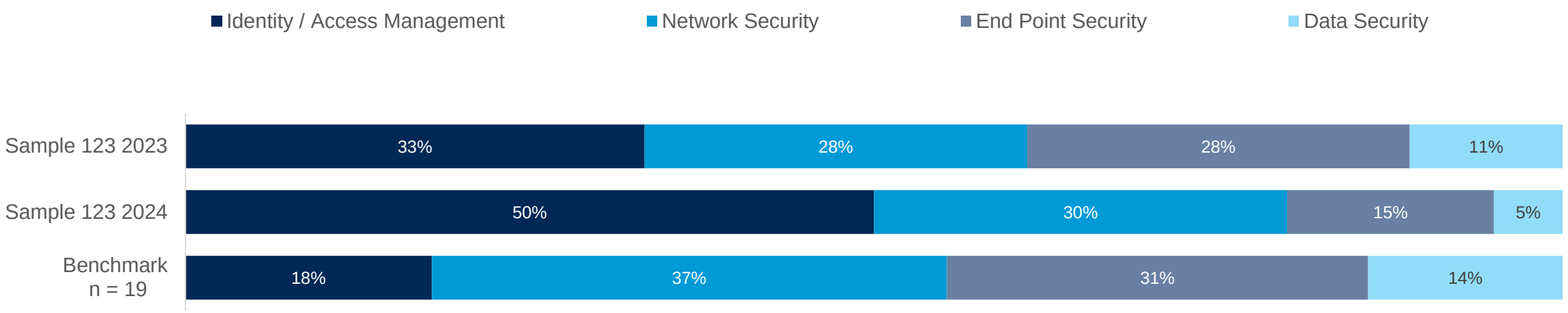


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Operational Infrastructure Security Spending Distribution

IT security spending distribution by operational function is important as it indicates what types of investments the enterprise is making to manage information and technology risk.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

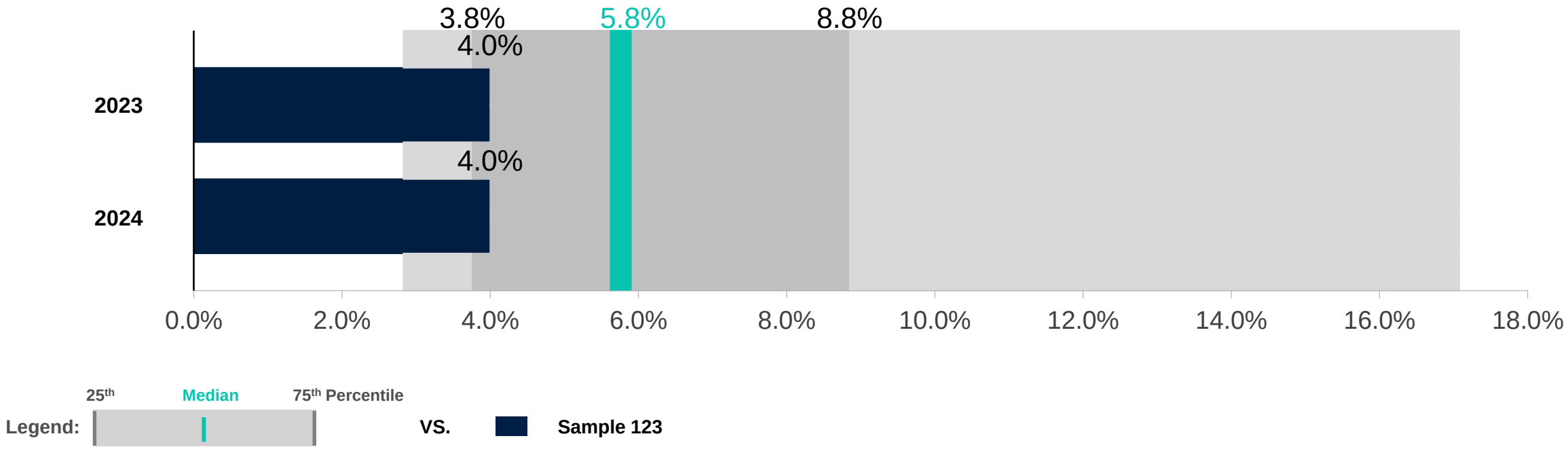


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

IT Security FTEs as a Percent of Total IT FTEs

IT security FTEs as percent of total IT FTEs is a measure of IT security support intensity from a human capital perspective.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

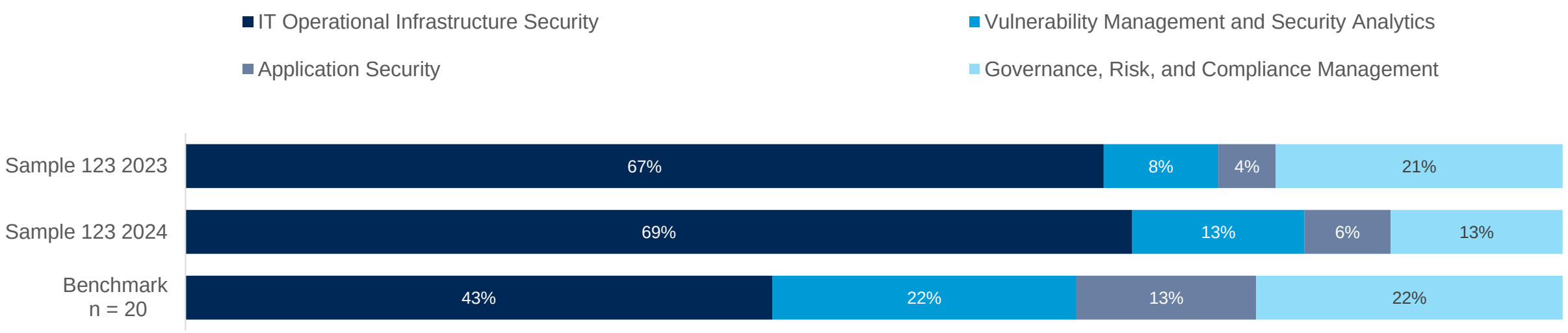


n size = 44. Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.
Notes: Variables to consider in tandem with this metric include: IT staffing distribution: contract versus insourced FTEs, the percentage of the environment outsourced (supported by a third-party), as well as the evolving business requirements.

IT Security Staffing by Security Technical Function

The distribution of IT security staffing by technical function is important as it indicates the personnel investments that go along with the IT security spending distribution.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**

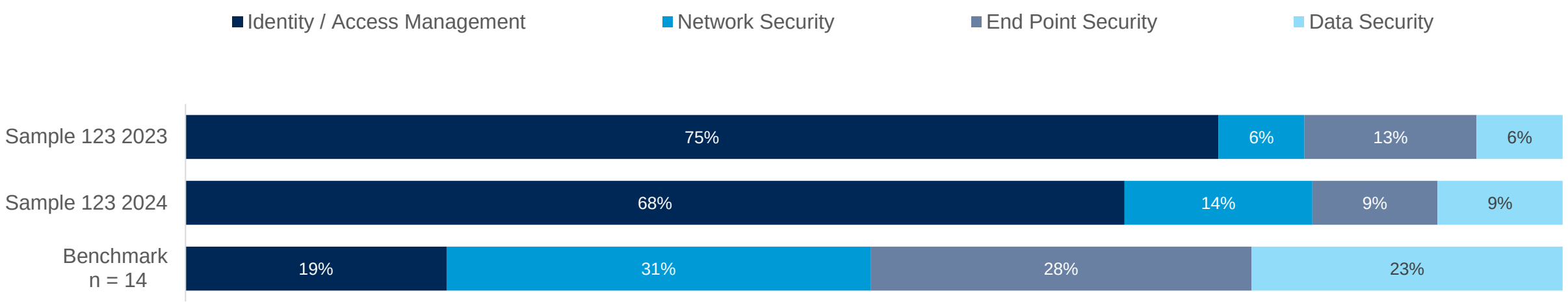


Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.

Operational Infrastructure Security Staffing Distribution

The IT security staffing distribution by operational function provides an understanding of how security FTEs are dispersed to support the technology environments.

Benchmark Comparison Group: **Industry: Professional Services, Utilities. Revenue Size: Less $250 million, Greater than $250 million to $500 million, Greater than $500 mi… (+1 more)**



Source: Gartner IT Budget and Efficiency Benchmark. As of 31 October 2022.