

IT Budget Benchmark for Midsize Enterprise

Published 29 April 2022 - ID G00767246 - 4 min read

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Initiatives: [Midsize Enterprise CIO Leadership](#)

Midsize IT CIOs can participate in this benchmark to compare their budgets with those of their peers to help understand the true cost of supporting their organizations and improving confidence in their budgeting processes.

Overview

Midsize IT leaders require visibility into their IT spend to ensure efficiency and strategic alignment. The IT Budget Tool for Midsize Enterprises can be used to manage IT cost and identify opportunities for cost and value optimization. Leading organizations regularly leverage benchmark spending across multiple categories to facilitate effective budget management.

This interactive, online tool guides you to enter key metrics so you can create informative and comparative views of your organization against those of your peers. It will help you:

- Establish a baseline of your total IT spend and staff levels.
- Compare total IT spend with industry peers.
- Identify areas for improvement.
- Improve IT cost management with multiple views of IT spend.
- Establish future budgeting or efficiency goals.
- Shift IT spend to better align with business value.
- Communicate performance to stakeholders in your organization.
- Build a compelling story around how IT spend is strategically aligned to enable business objectives.

Users of the IT Budget Tool for Midsize Enterprises can select from three levels of detail to complete their benchmark evaluation:

- **Foundational:** A minimal set of questions required to establish a baseline benchmark of top-level IT spend and staffing
- **Intermediate:** An additional set of questions required to go beyond a baseline and identify key drivers to improve cost management
- **Advanced:** The complete list of survey questions required for a comprehensive strategic cost and value optimization exercise

What It Is

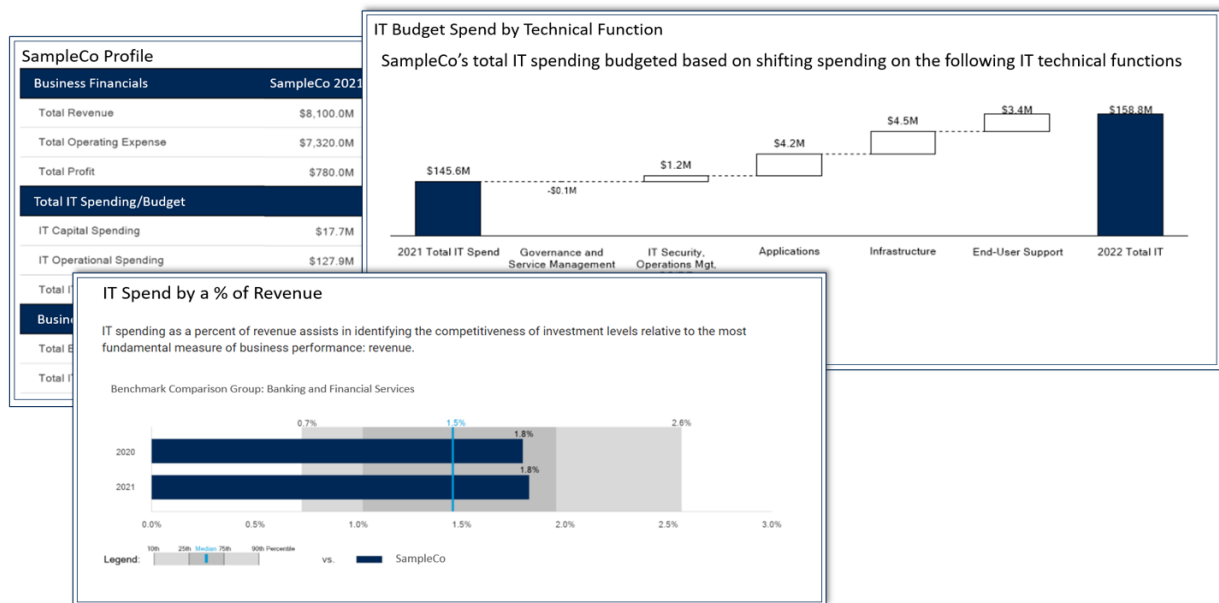
The IT Budget Tool for Midsize Enterprises is an interactive, online assessment based on data provided directly to Gartner from other midsize organizations that have engaged in any of Gartner's benchmarking and IT cost optimization value propositions, such as consulting, benchmarking and events. The categories of metrics for comparison include:

- Total IT spend and staffing
- Strategic IT spending to grow and transform the business (organization)
- IT spending by technical function
- IT spending by asset category
- IT staffing by technical function
- IT security spending and staffing

What You Get

As you input your metrics in the intuitive, interactive online survey, you'll immediately be able to view and download customized results that include comparisons with peers (as benchmarks are available). These results include Gartner insight and recommended resources (see Figure 1).

Figure 1: IT Budget Tool for Midsize Enterprises Artifacts



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You may compare your results with one or two benchmark groups at a time, which include the IT budget benchmarks in Table 1.

Table 1: IT Budget for Midsize Enterprise Benchmarks for Comparison, as Available

Name ↓	Description ↓
Industry Cohort	Industry cohorts are composed of one or many subindustries, as defined by the IT Key Metrics Data 2022: Industry Measures – Framework Definitions
Organization Size	Revenue/operating budget scale in bands, as available
Region	North America: Mexico; Central America: the Caribbean; South America; EMEA; Asia/Pacific, as available
Overall	All industries with revenue <\$1 billion and <2,500 employees
<i>Note: The above are defined filters for the model and become available when a minimum n = size is met.</i>	

Source: Gartner (March 2022)

Figure 2: Strategic Cost Optimization Opportunities

Strategic Cost Optimization Opportunities

Key Cost Optimization Initiatives		Time to Savings		
		Short Term 6-12 months	Midterm 12-24 months	Transformational 24+ months
Vendors and Contracts	Renegotiate contract pricing/terms and recomplete contracts			
	Consolidate vendors and manage supplier performance			
	Optimize the service delivery model			
IT Staffing and Processes	Align talent and skills to needs of the business			
	Redesign organization to address centralization and geography			
	Automate processes and increase productivity			
Applications, Governance & IT Service Mgt	Prioritize projects and investments and align to business value			
	Rationalize and standardize applications			
	Optimize software development and support			
Infrastructure, Operations, IT Security, SC/DR	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			

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Some savings may be achieved in time frame

Savings usually achieved in time frame

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Directions for Use

Start the interactive assessment using the “Launch Tool” button above. After entering demographic and “Getting Started” data, you can navigate among the different sections of metrics to provide individual data points that the tool will use to calculate and display results.

For example, questions include:

- What was your revenue for the most recent fiscal year completed?
- What is your organization’s total IT spend for the current year?

Helpful artifacts in answering the questions can include budget and financial reports, organization charts, and procurement and asset management reports. Best practices for performing a benchmark analysis are available in [IT Key Metrics Data 2022: Industry Measures – IT Budget Practitioners Guide](#).

The benchmark tool uses these answers to calculate IT spend as a percentage of revenue (as an example).

The time it takes to complete depends on your ability to answer all the questions with the information you have at hand, and whether you need to gather input from others. The tool allows you to delegate questions via email to other members of your team if you need them to provide or verify an answer.

As you enter input, your personalized benchmarks report refreshes or updates in real time, allowing you to instantly visualize and export your results. You can use the interactive tool as often as you choose to see how your metrics compare with those of your peers over time (see Figure 2).

When you complete your assessment, you should mark your assessment “Ready to Use.” This notation removes the draft watermark from your results and signals that no further changes are expected at this time. You can continue to make updates if needed. However, you can also copy and update the copied assessment to document changes over time without losing your original study.

If you are entitled to inquiry through your product subscription, you can request a call with an expert supporting the IT budget assessment to review your results, providing further insight and context into what your report means for your organization. Contact your service partner to schedule your results call.

Recommended by the Authors

[IT Key Metrics Data 2022: Industry Measures – Framework Definitions](#)

[IT Key Metrics Data 2022: Industry Measures – IT Budget Practitioners Guide](#)

[IT Key Metrics Data 2022: Industry Measures – IT Budget Data Collection Toolkit for Online Comparison](#)

[IT Key Metrics Data 2022: Industry Measures – IT Budget Next Steps](#)

[IT Key Metrics Data 2022: Frequently Asked Questions](#)

[IT Key Metrics Data 2022: Definition of Industries](#)

[IT Key Metrics Data 2022: Industry Measures – Executive Summary](#)

[IT Key Metrics Data 2022: Frequently Asked Questions](#)

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