

# How Can CIOs Communicate the Business Value of IT?

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# CIOs Struggle to Communicate the Business Value of IT

## But Why?



# **What If We Are Asking the Wrong Question?**

**“How Do I Communicate  
the Value of IT to  
the Business?”**



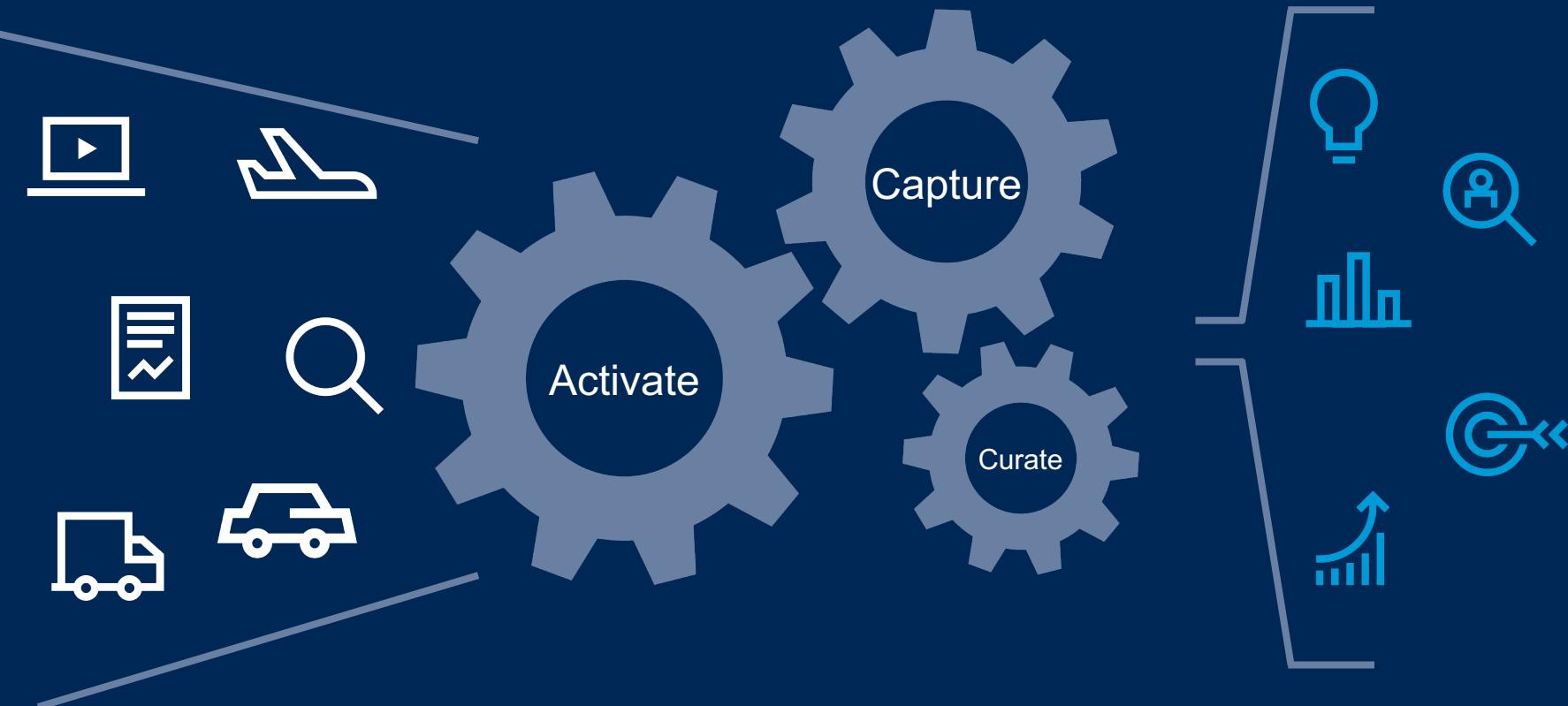
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# What If the Right Question Is:

**“How Are Business  
Outcomes and Executive  
Priorities Impacted by  
Digital Information  
and Technology?”**



# IT Demonstrates Value When We Enable Business Outcomes



**Not When We Report Effort Expended,  
Resources Consumed or Work Done**

# How Are Business Outcomes (and Executive Priorities) Impacted by Digital Information and Technology?



**Business Outcomes  
(Executive Priorities)**



**Impact**



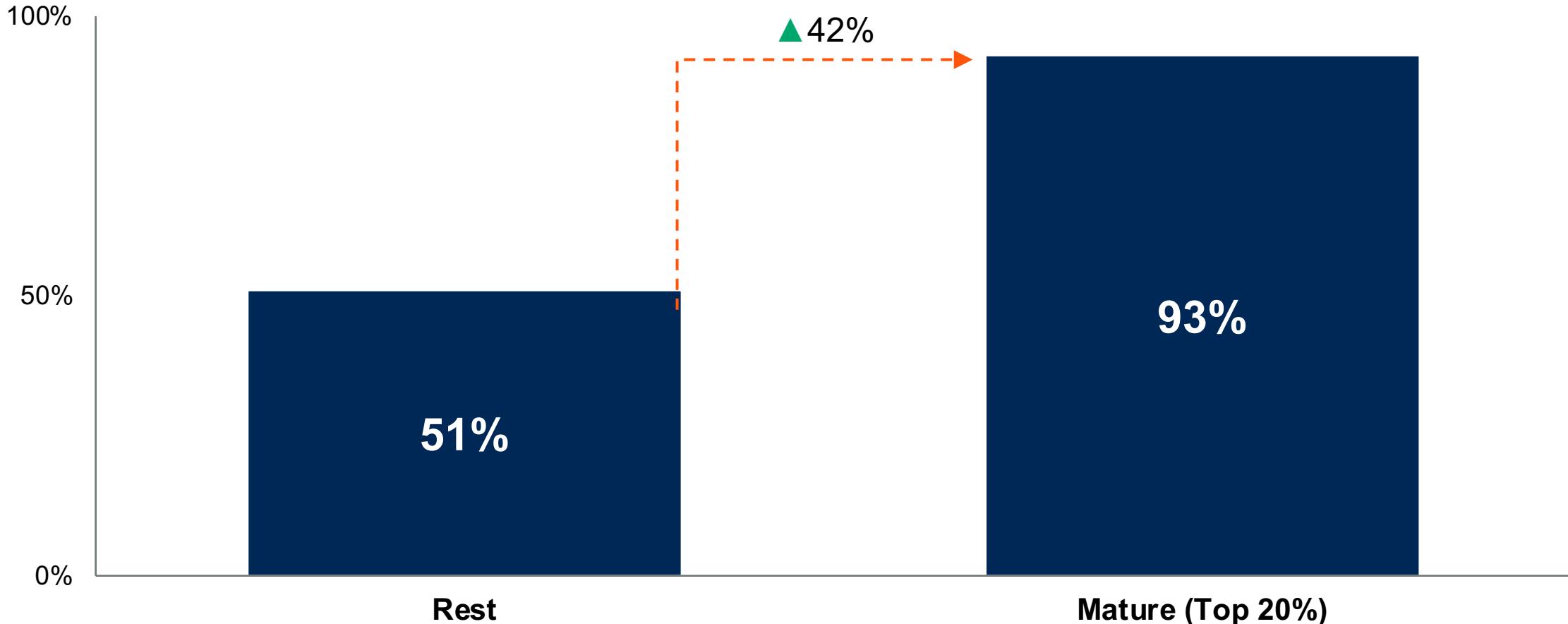
**Digital Information  
and Technology**

**Audience and  
Objectives**

**Actions and  
Measures**

**Domain and  
Delivery**

# We Engage With Business Stakeholders



**IT leaders proactively engage with business stakeholders to ensure the IT strategic plan focuses on business value contribution.**

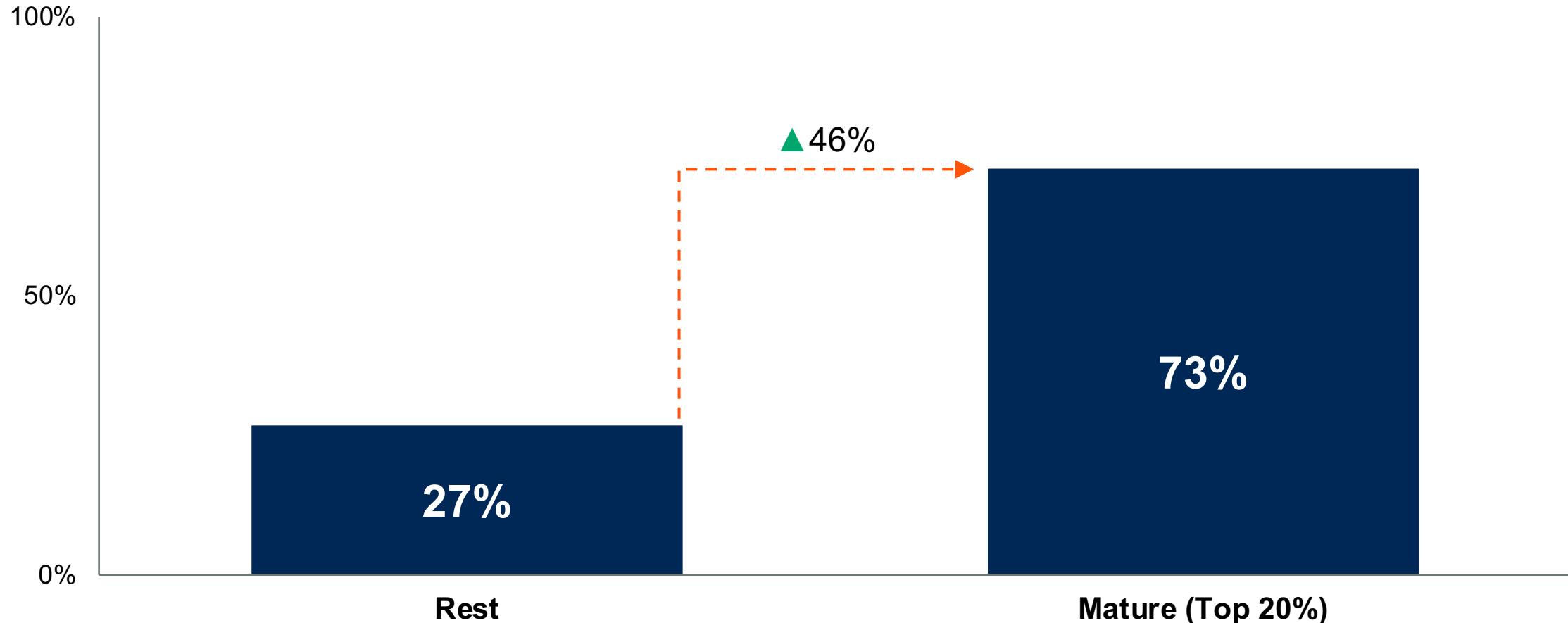
n = 1,860

Source: Gartner IT Score for CIO Data

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# We May Not Be Capturing the Value



The CIO and senior enterprise executives use business cases for I&T requests, which include modeling business outcomes to justify investment choices, and contain specific value and risk methods.

n = 1,860

Source: Gartner IT Score for CIO Data

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# Audience and Objectives

(Who and What?)

# Value Is Determined by the Buyer/Consumer, Not by the Provider!

“Economic value is the value that person places on an economic good based on the benefit that they derive from the good. It is often estimated based **on the person’s willingness to pay for the good**, typically measured in units of currency.”

Source: [Economic Value: Definition, Examples, Ways to Estimate](#), Investopedia



Source: IITA

# What Matters to Business Leaders?

Start by Asking Two Questions:

**What Do  
They Care About?**

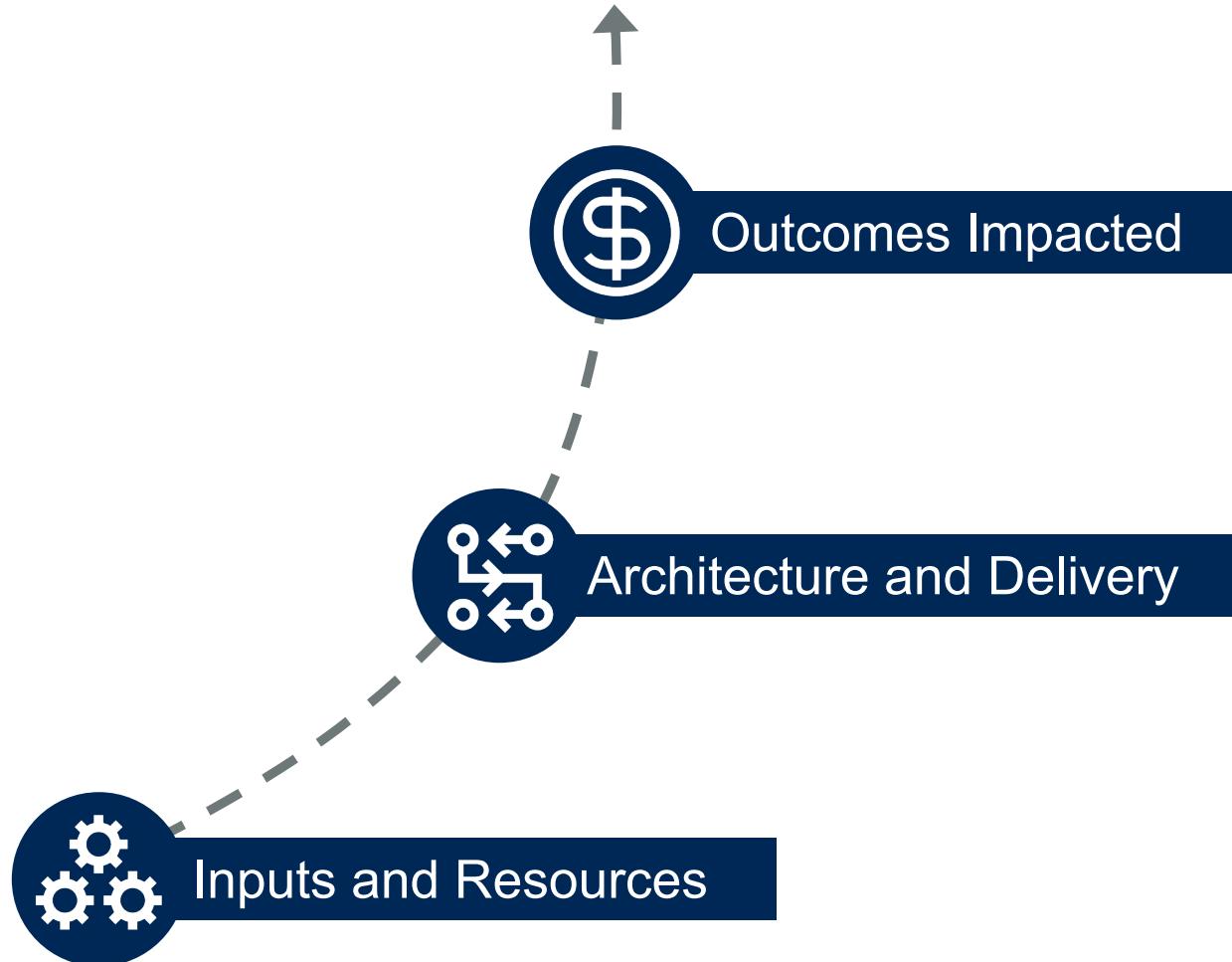


**How Can We (Technology)  
Make It Better?**



# Focus on Value

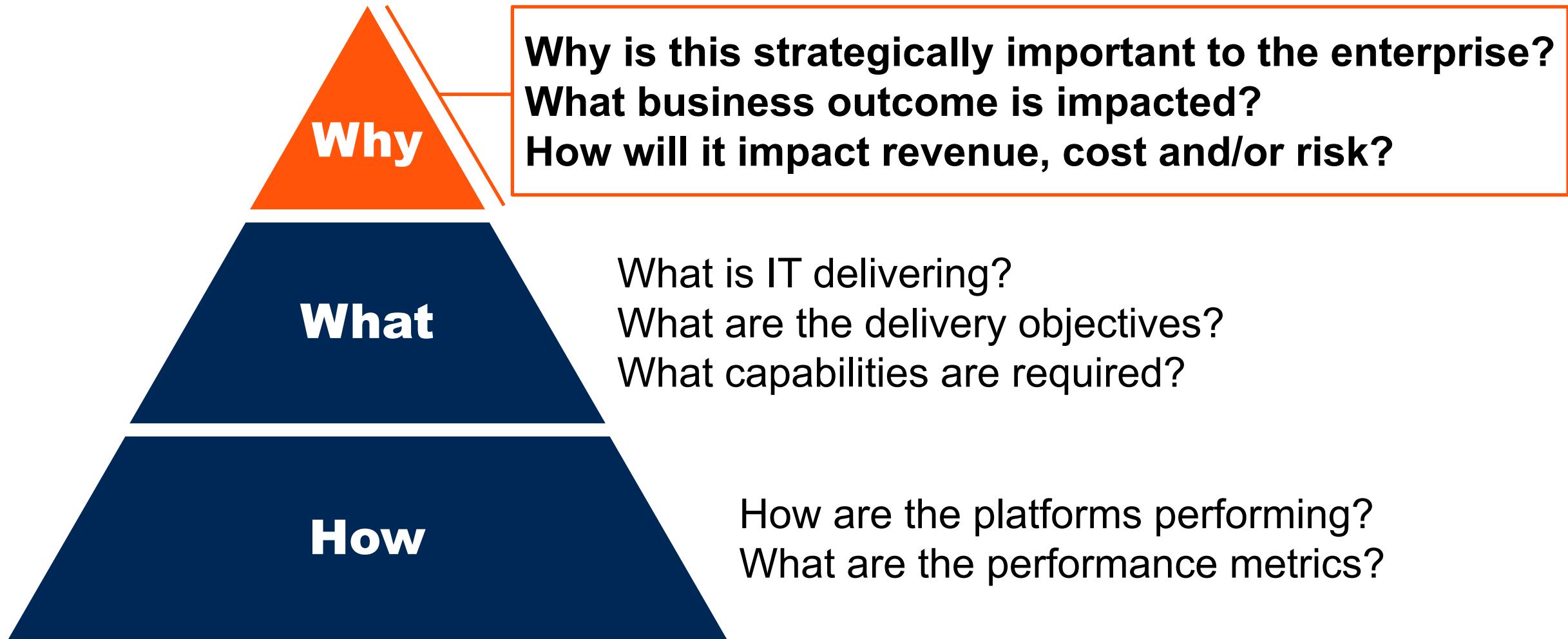
## Business Value



IT delivers value when we positively impact business outcomes.

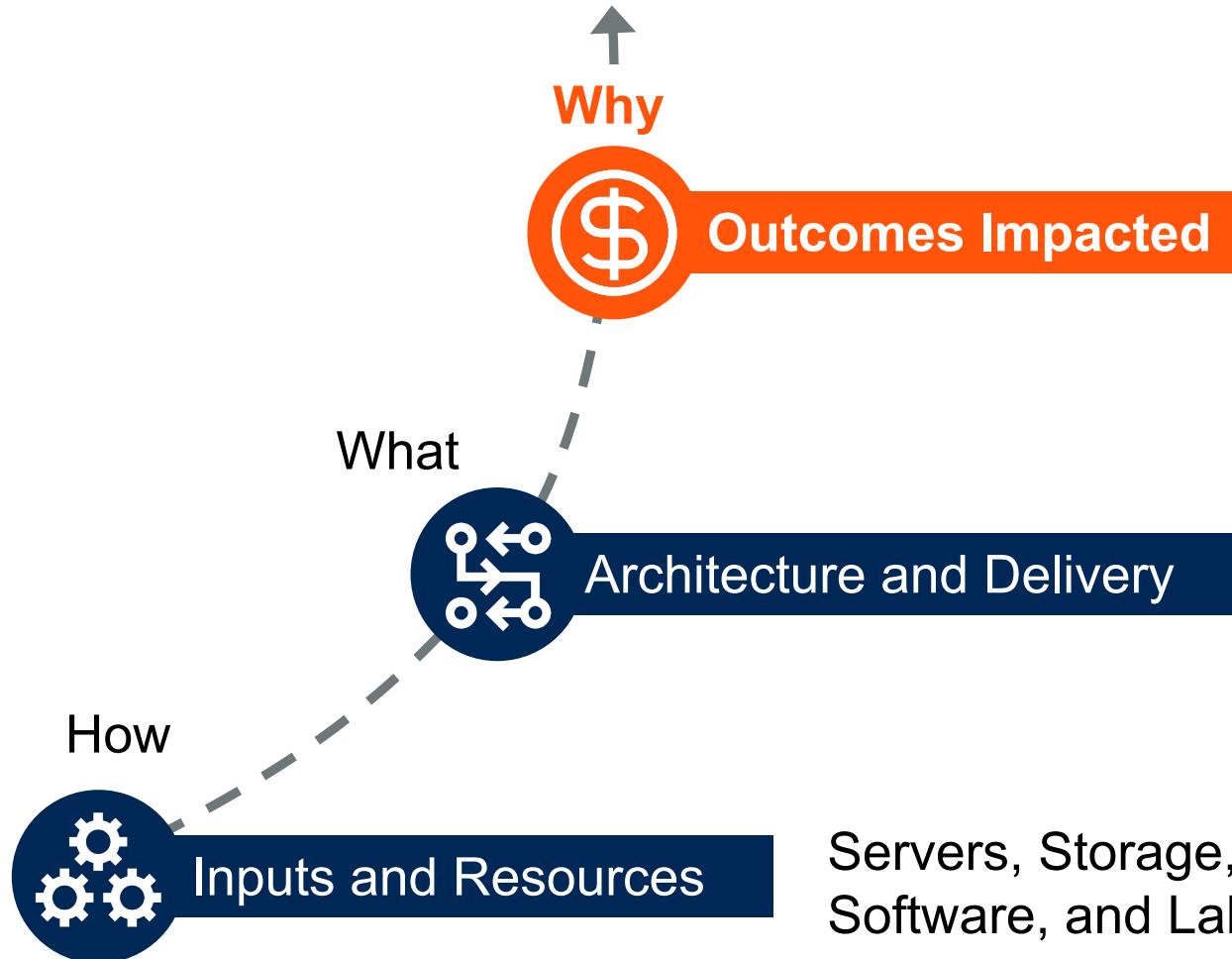
Value is measured by tracking demonstrable impact to the organization's mission or stakeholders' priorities.

# Clearly Define the “Why”



# Tell Them “Why” — Impact on Outcomes

## Business Value



Sales Enabled, Content Delivered,  
Claims Processed, Research Enabled,  
Checks Issued, Bills Paid, Payments Made,  
Processes Improved and Work Automated ...

Platforms, Applications, Networks,  
Cyber, Support, Development  
and Operations ...

Servers, Storage, Switches and Routers,  
Software, and Labor and Contractors ...



# Actions and Measures

(What and How Much?)

# Action: Separate the Value Conversations



## Run

- Operations
- Deliverables
- **Value Measure: Price for Performance**



## Change (Grow and Transform)

- New Investments
- Digital Innovation
- **Value Measure: ROI**

# Action: Build Your Value Narrative With a Message Map

2

What Do They Care Most About  
(Critical Business Outcomes)?

1

Who Is Your Audience?



Priority 1

Priority 2

Priority 3

3

How Does IT Impact What They Care About?

4

Measure Impact to Business-Critical Outcomes

5

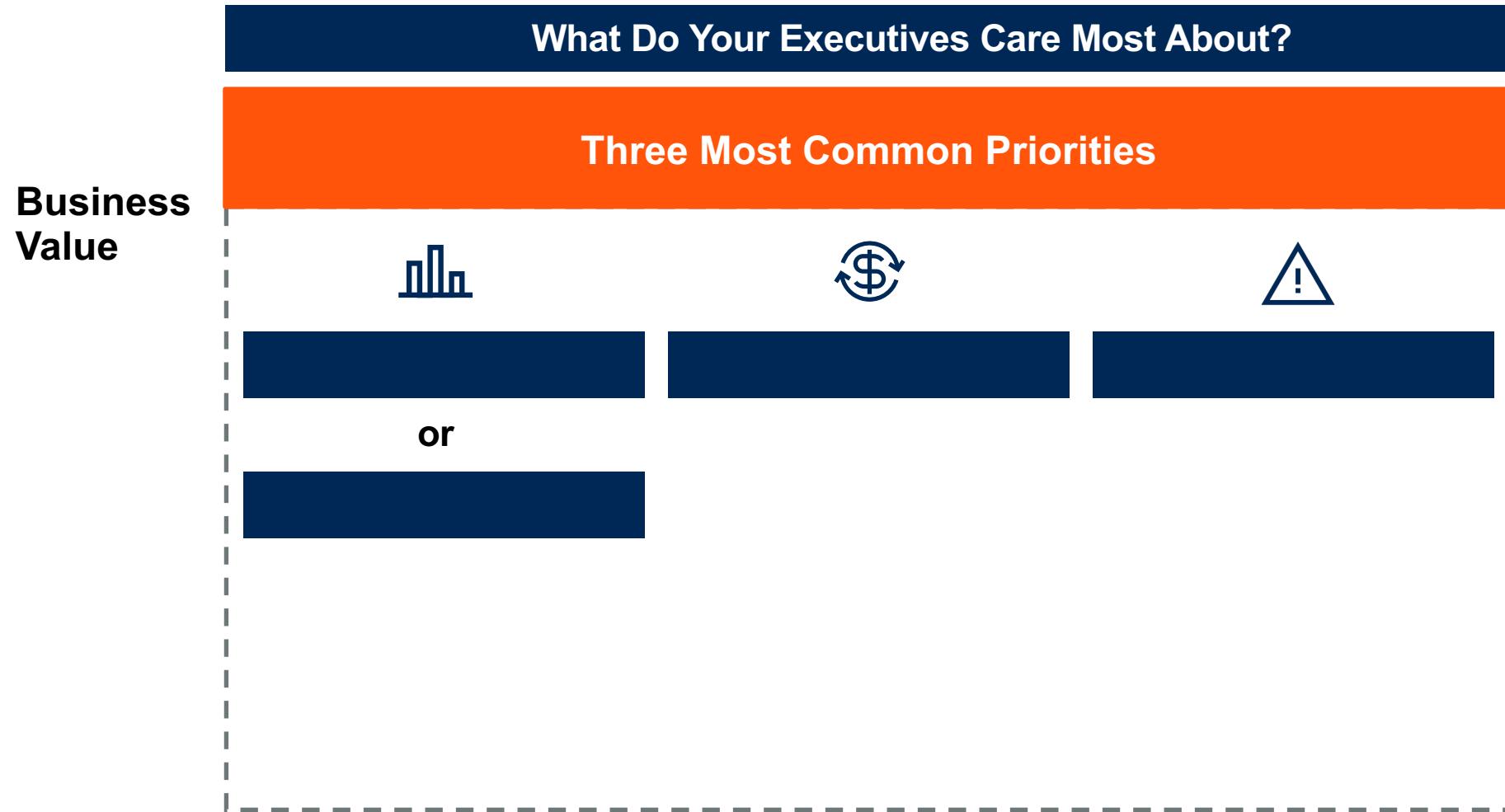
Cost the Delivery of Business-Critical Outcomes

Source: [Map IT Value Stories to Business Outcomes That Matter](#) (G00766758)

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# 1. Validate Executives' Top Priorities With Business Value Mapping



Source: [Map IT Value Stories to Business Outcomes That Matter \(G00766758\)](#)

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Source: [Map IT Value Stories to Business Outcomes That Matter \(G00766758\)](#)

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## 2. Identify Areas of Technology Impact



Source: [Map IT Value Stories to Business Outcomes That Matter](#) (G00766758)

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### 3. Identify Value-Impacting Deliverables

#### What Do Your Executives Care Most About?



Business Value	Revenue/Value Impact	Cost-Efficiency	Risk Mitigation
Transaction Systems	Productivity	Operational Downtime	
Customer Support	Efficiency	Reputation Loss	
Order Entry	Staffing Optimization	Compliance and Audit	
Records Management	Asset Optimization	Data and Operational Security	
Shopping Cart	Service-Level Alignment	Vulnerability Remediation	
Other ...			

**Identify the Top Three to Five Value-Impacting IT Services, Applications or Initiatives for Each Executive Priority**

Prioritize Top-to-Bottom Services That Have the Greatest Impact on Business Outcomes

Source: [Map IT Value Stories to Business Outcomes That Matter](#) (G00766758)

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# 4. Support Your Value Narrative With Metrics That Matter

What Do Your Executives Care Most About?

Business Value	Revenue/Value Impact	Cost-Efficiency	Risk Mitigation
	Transaction Systems	Productivity	Operational Downtime
Value-Impacting Services (Examples)	Customer Support	Efficiency	Reputation Loss
	Order Entry	Staffing Optimization	Compliance and Audit
	Records Management	Asset Optimization	Data and Operational Security
	Shopping Cart	Service-Level Alignment	Vulnerability Remediation
	Other ...		

**Metrics of Impact** Measure Impact to Business-Critical Outcomes

**Measures of Cost** Cost of Delivery of Business-Critical Outcomes

Source: Gartner

# 5. Cost-Valued Services — Units of Consumption

What Do Your Executives Care Most About?

Business Value			
Value-Impacting Services (Examples)	Revenue/Value Impact	Cost-Efficiency	Risk Mitigation
Transaction Systems	Productivity	Efficiency	Operational Downtime
Customer Support	Staffing Optimization	Asset Optimization	Reputation Loss
Order Entry	Service-Level Alignment		
Records Management	Vulnerability Remediation		
Shopping Cart	Data and Operational Security		
Other ...	Compliance and Audit		
Metrics of Impact	Measure Impact to Business-Critical Outcomes		
Measures of Cost	Cost of Delivery of Business-Critical Outcomes		

Source: Gartner

# Measure the Value of Outcomes, Not Parts



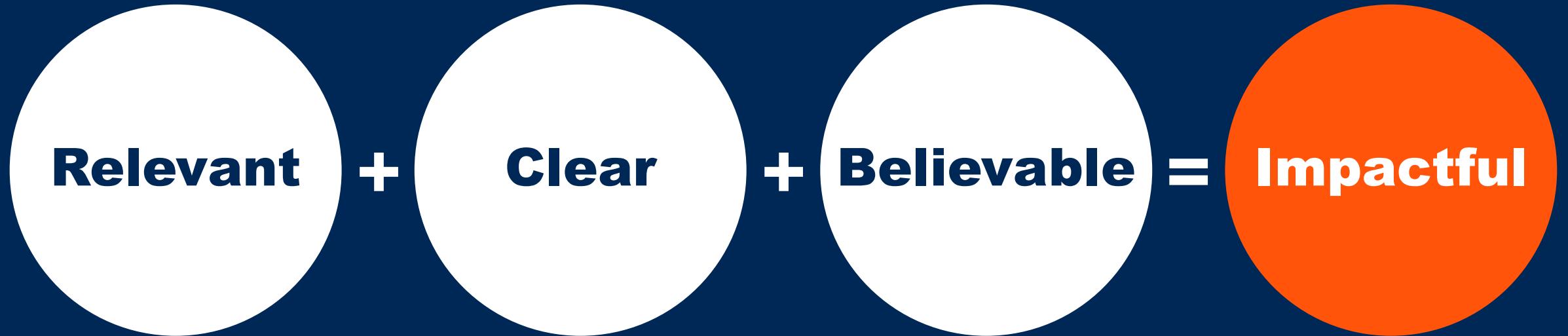
What Are Your “Units of Consumption?”

# Measure Impact on What the Business Values

- How do they interact with technology? What do they use and “value?”
- How does technology impact what they care about?
- What was the cost of the impact?



# Elevate Your Business-Value Story



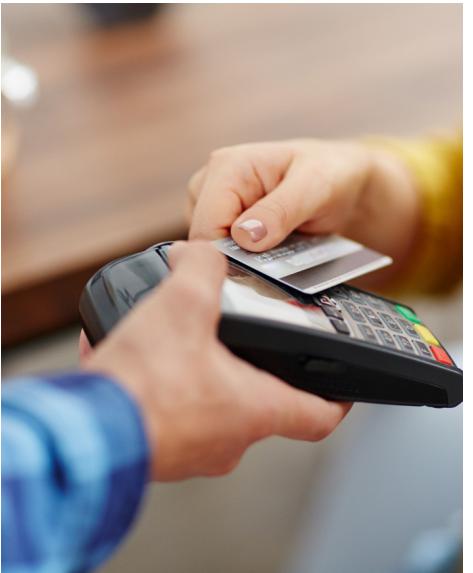
**Communicate the Impact on Outcomes and Cost per Impact**



# Domain and Delivery

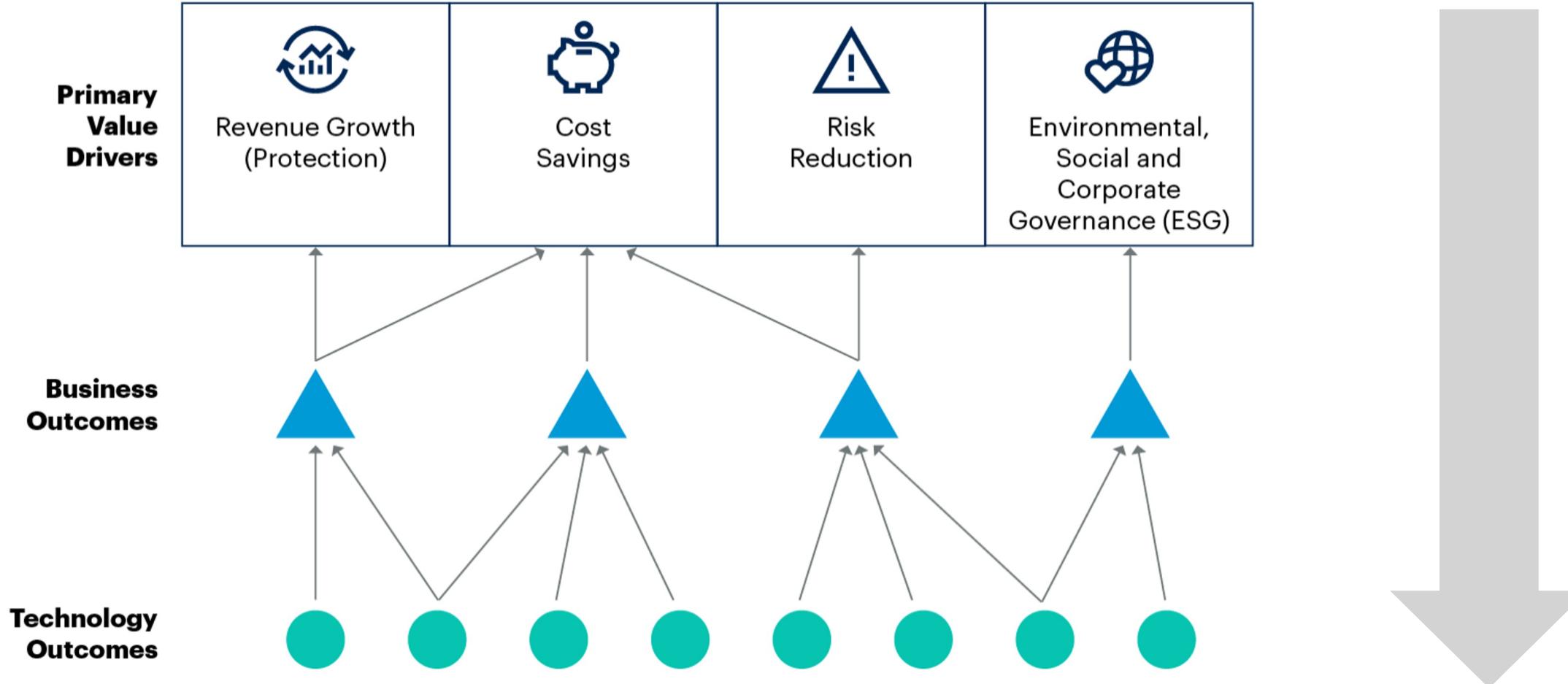
(How and by Whom?)

# Technology Contributes to Business Performance ...



**Not All Technology Is Within IT's Domain,  
But We Can Still Add Value!**

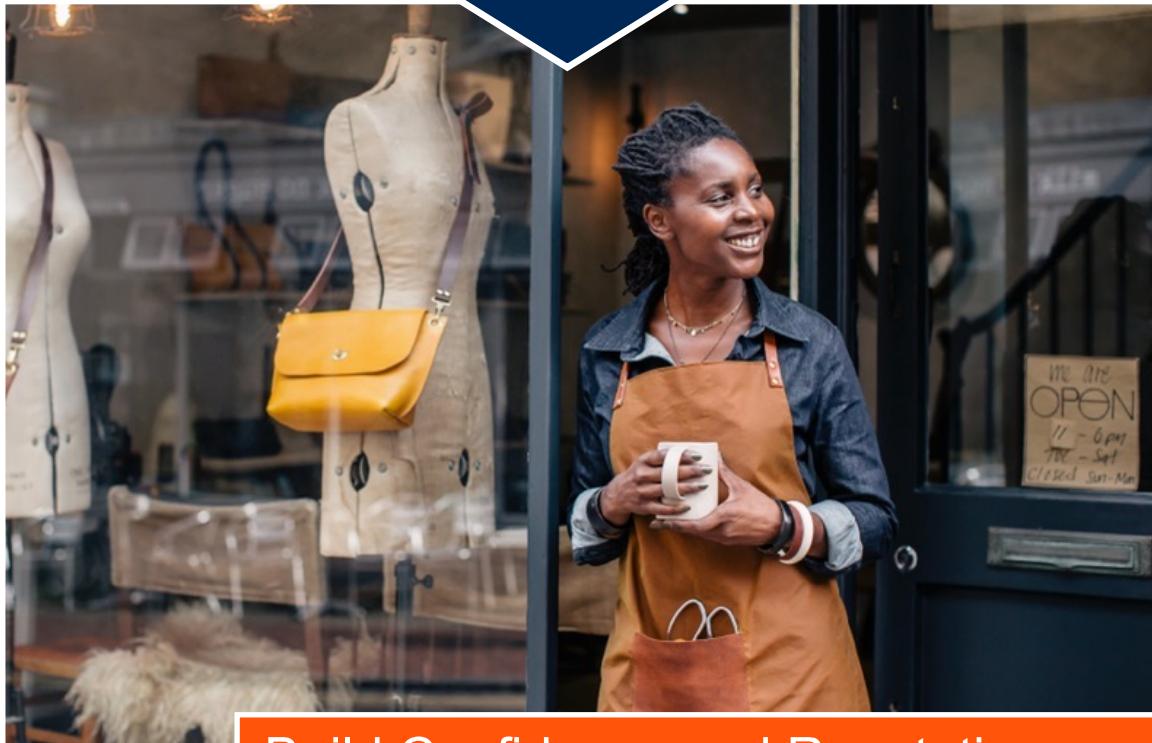
# Work Top-Down and Outside-In



Source: Gartner

# Extend Domain: Ownership vs. Outcomes

## Own Delivery



Build Confidence and Reputation ...

## Facilitate Technology Outcomes



... Build Trust as an Enabler

# Prioritize Delivery: IT Adds Value When We ...

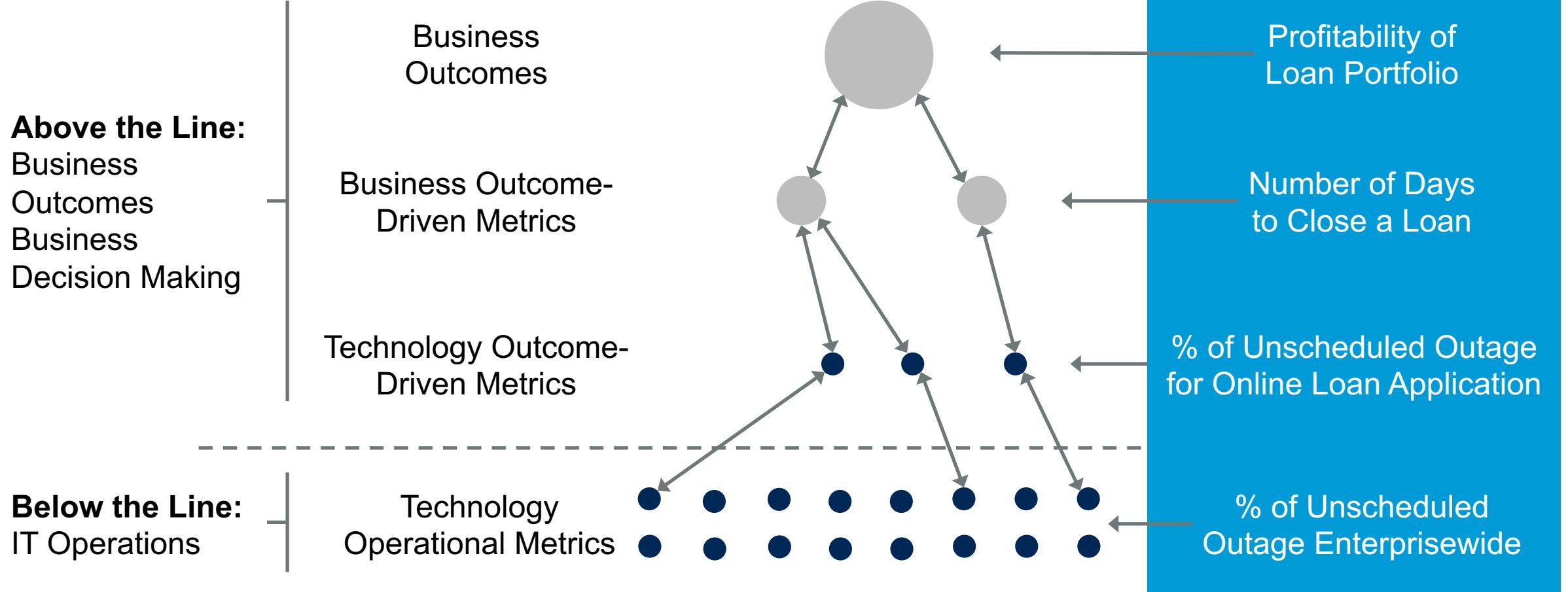
**Make Technology Easier to Use**



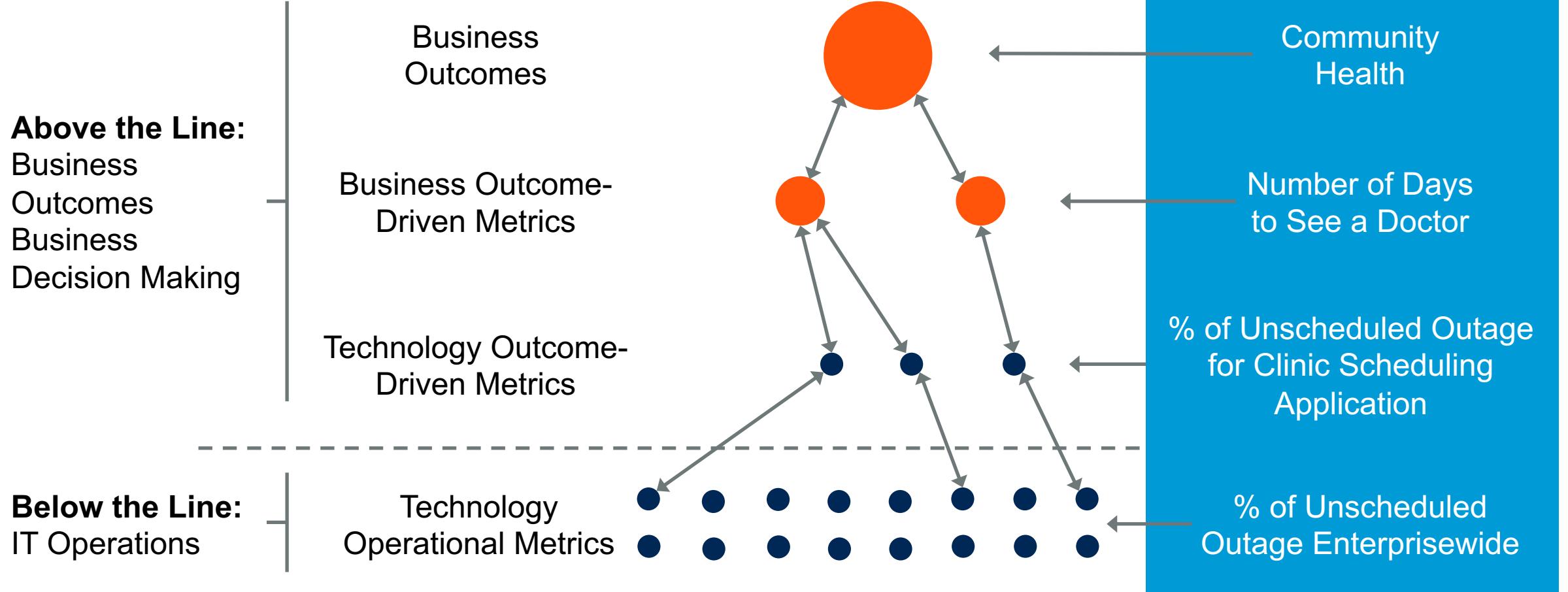
**Apply Technologies to Improve Business Outcomes**



# Example: Lending Agency



# Example: Local Government



# Identify the Top Outcomes That Technology Can Improve for Your Organization

## Technology Ease

- Service Definition
- Request and Delivery
- Partnering
- Outsourcing

## Business Impact

- Workflow Creation
- Task Validation
- Error Reduction
- Process Efficiency
- Automation

# Communicate Value Better by Telling Executives How You Impact What They Care Most About!

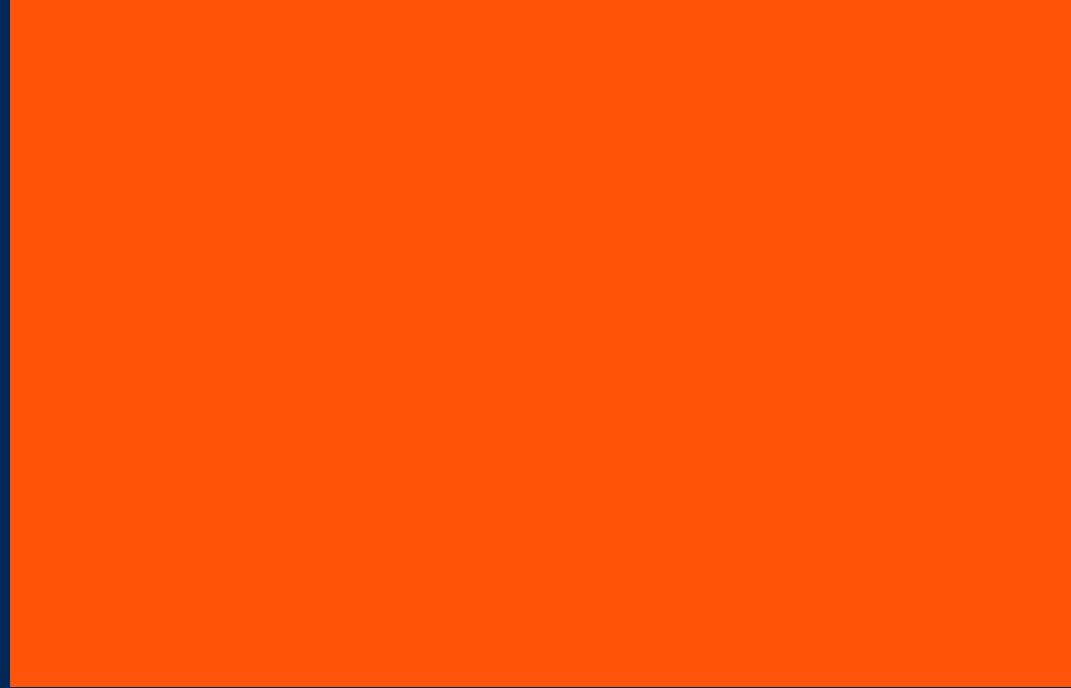


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# Recommended Gartner Research

- 🔍 [\*\*7 Rules for Demonstrating the Business Value of IT\*\*](#)  
Robert Naegle, Chris Ganly and Galliopi Demetriou
- 🔍 [\*\*Map IT Value Stories to Business Outcomes That Matter\*\*](#)  
Robert Naegle and Chris Ganly
- 🔍 [\*\*Divide Business Value of IT Conversations Into a Run Story and a Change Story\*\*](#)  
Robert Naegle and Jim McGittigan
- 🔍 [\*\*Infographic: 7 Value Stories to Communicate the Business Value of IT\*\*](#)  
CIO Research Team
- 🔍 [\*\*Executive Essentials: Demonstrate the Business Value of IT\*\*](#)  
Bryan Hayes and James Anderson

Access to Gartner research is subject to entitlement. For information, please contact your Gartner representative.



# Thank You!