IT Key Metrics Data 2023: End-User Services Measures — Digital Workplace Services Analysis

Published 8 December 2022 - ID G00779735 - 9 min read

By Analyst(s): Eric Stegman, Jamie Guevara, Nick Michelogiannakis, Shaivya Kaushal

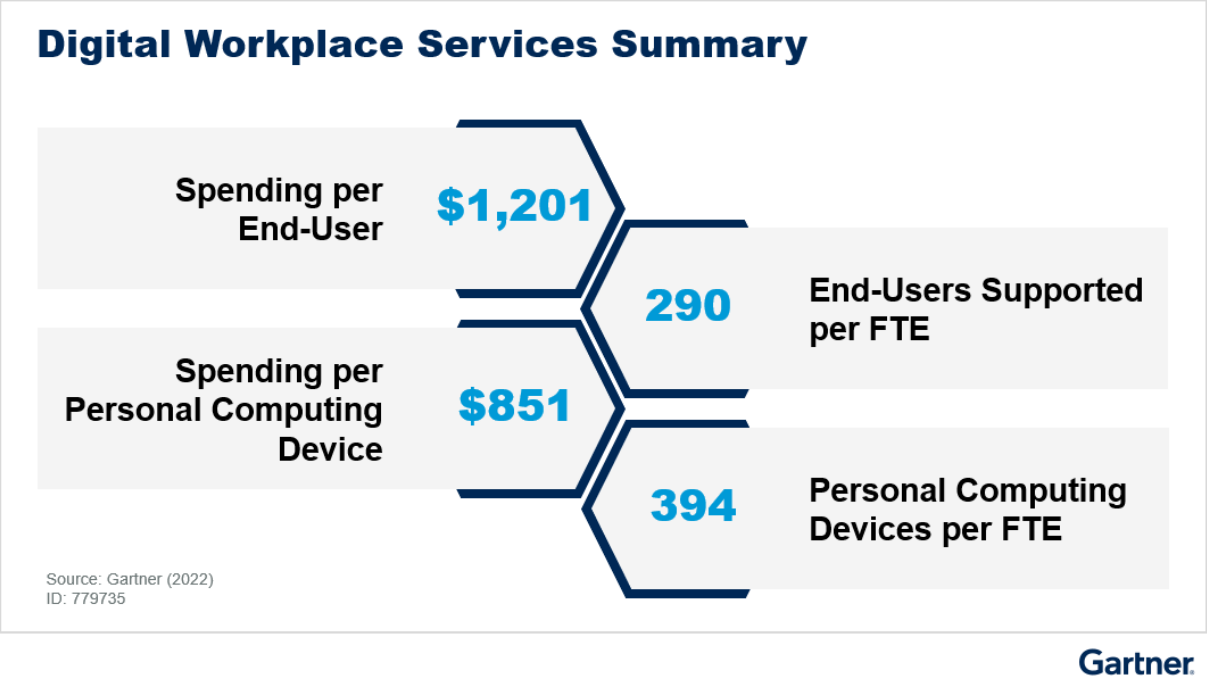
Initiatives: Technology Finance, Risk and Value Management; I&O Operations Management; I&O Organizational Strategy

The modernization of the digital workplace will bring along new spending requirements, and IT cost optimization will become increasingly important. IT leaders must quantify and communicate the benefits of collaboration, innovation and transformation being promised, as well as the steps they take to keep unnecessary spending in check. This research contains high-level Digital Workplace Services (previously referred to as End-User Device and Print Management) cost efficiency and staff productivity benchmarks which should be used as part of a perennial cost and value optimization program. The published information includes data collected throughout 2022 from a global audience of CIOs and IT leaders.

Overview

The aim of this report is to help IT organizations assess their Digital Workplace Services spending and staff efficiency at high level, as well as the suitability of the spending for their respective user base. These KPIs can be found in the summary figure below as well as throughout the report in more detail and context.

Figure 1: Digital Workplace Services Summary



Key Findings

- For the most part, efficiency metrics (cost per user and cost per device) have fallen over the past several years partially due to falling hardware prices. Chip shortages may change this in the near future.
- Software costs as a percentage of total costs have risen due to the increased requirements for collaboration and vendor price increases.
- Productivity metrics (devices per staff and users per staff) have been somewhat flat. Increased automation has not offset the increased complexity of environments.
- Laptops continue to eat into the share of desktop devices as more organizations adopt flexible and remote working.
- Environment size has a strong effect on productivity metrics whether these are from a demand perspective (end-users) or from a supply perspective (personal computing devices).

Recommendations

- Evaluate your organization by leveraging the available published content or receive a report tailored to your organization by completing the End-User Services & Enterprise Application Portfolio Budget & Efficiency Tool.
- Refer to the available supporting documentation such as the Digital Workplace Services Framework Definitions to better understand the consensus model and the methodology behind the metrics.
- Follow the Practitioners Guide to best prepare your data for comparison.
- Schedule an inquiry with a Gartner Expert to address alignment questions or to review your results and gain valuable insight based on your submission.

Analysis

Clients improve business performance by benchmarking their spending, staff and best practices against Gartner's IT performance repository, the largest in the industry, drawing on over 5,000 IT benchmarks a year. The produced metrics aim to help CIOs and IT Leaders evaluate the full life cycle management of all relevant Digital Workplace Services assets, both tangible and otherwise. By doing so, they will be better prepared to answer broader strategic questions such as the organization's readiness for a digital workplace or the effect of device policy (virtualization, BYOD) on the spending baseline.

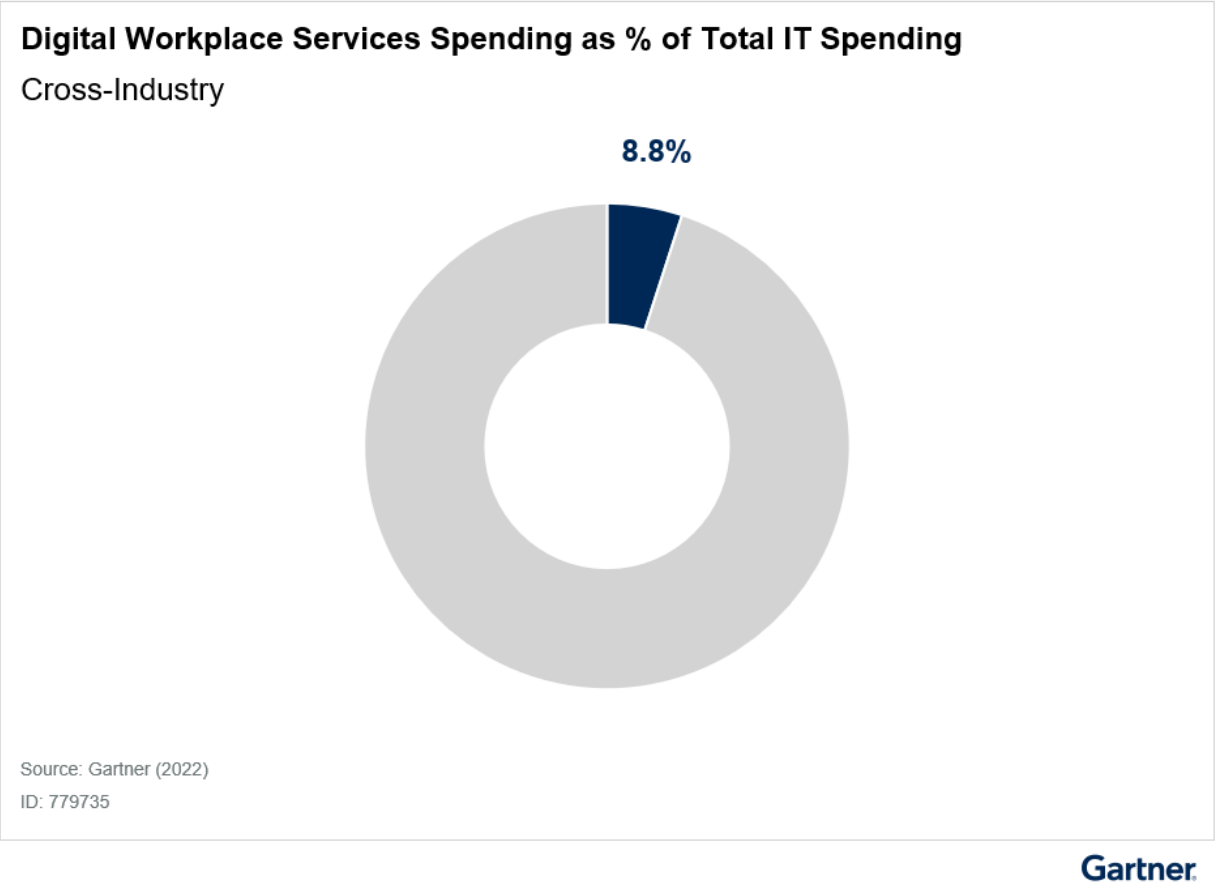
This report follows a top-down approach to the way the metrics are presented by starting with the overall spending and staff metrics followed by unit cost and productivity. We then strive to understand what is the effect of each asset to these high-level metrics by examining separately Personnel, Hardware, Software and External Services. The benefit of this method is that it reveals which elements of spending draw the most funds and identifies the key cost drivers for more actionable recommendations.

The metrics explored are database medians and do not account for individual variations of service quality, complexity or demand which may be justified by specific business needs.

Digital Workplace Services Spending as a Percent of Total IT Spending

Key efficiency metric that helps in understanding the relative level of IT spending to support the environment from a total IT portfolio perspective.This metric should be considered within the context of the overall technology & sourcing strategy. Higher than average spending on Digital Workplace Services can be attributed, amongst other things, to a trade-off for lower IT Service Desk spending.

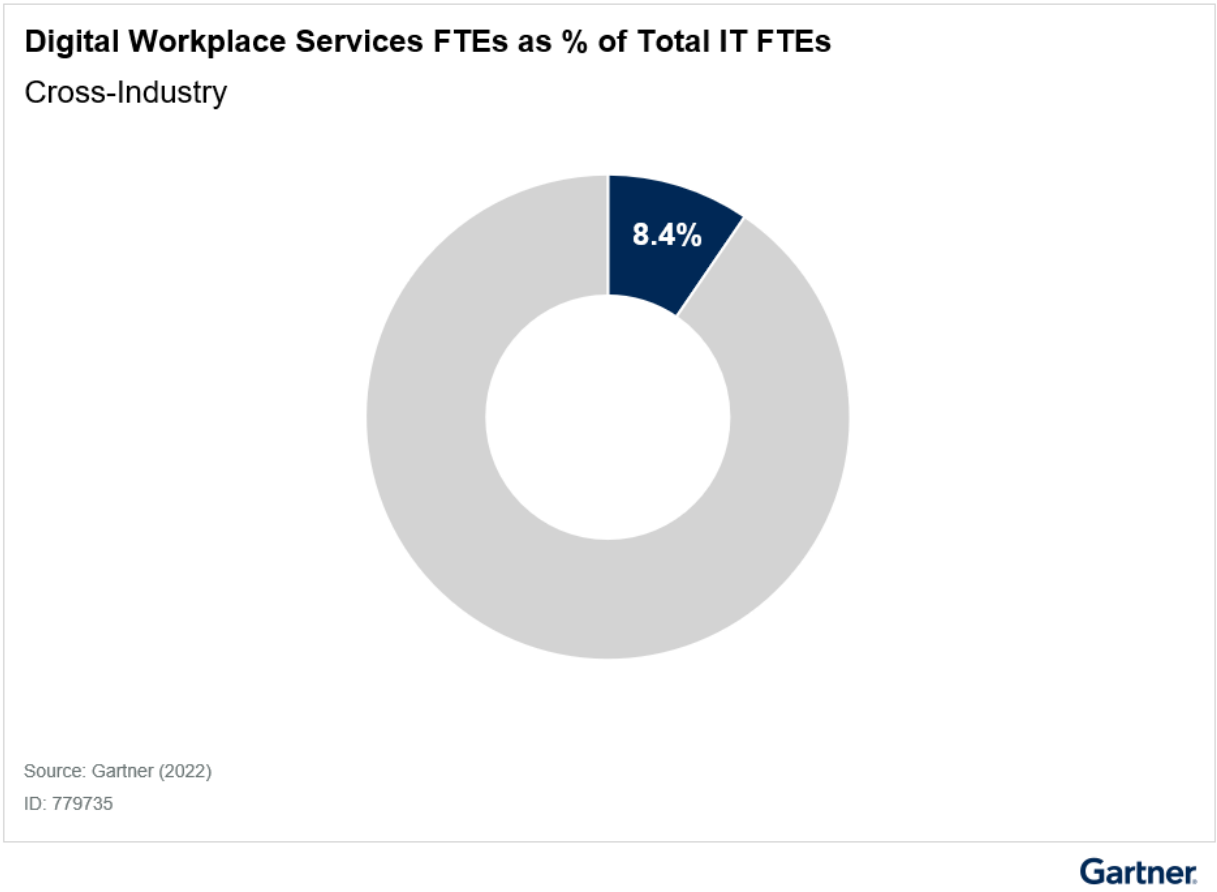
Figure 2: Digital Workplace Services Spending as a Percent of Total IT Spending



Digital Workplace Services FTEs as a Percent of Total IT FTEs

This is the core staff metric and serves as a measure of IT support intensity from a human capital perspective. It can assist in identifying whether staff size is appropriate and should be considered within the context of the overall sourcing strategy and future state objectives. Variables to consider in tandem with this metric include: IT staffing distribution: contractors versus insourced FTE, the percentage of the environment outsourced (supported by a third party), as well as the evolving business requirements.

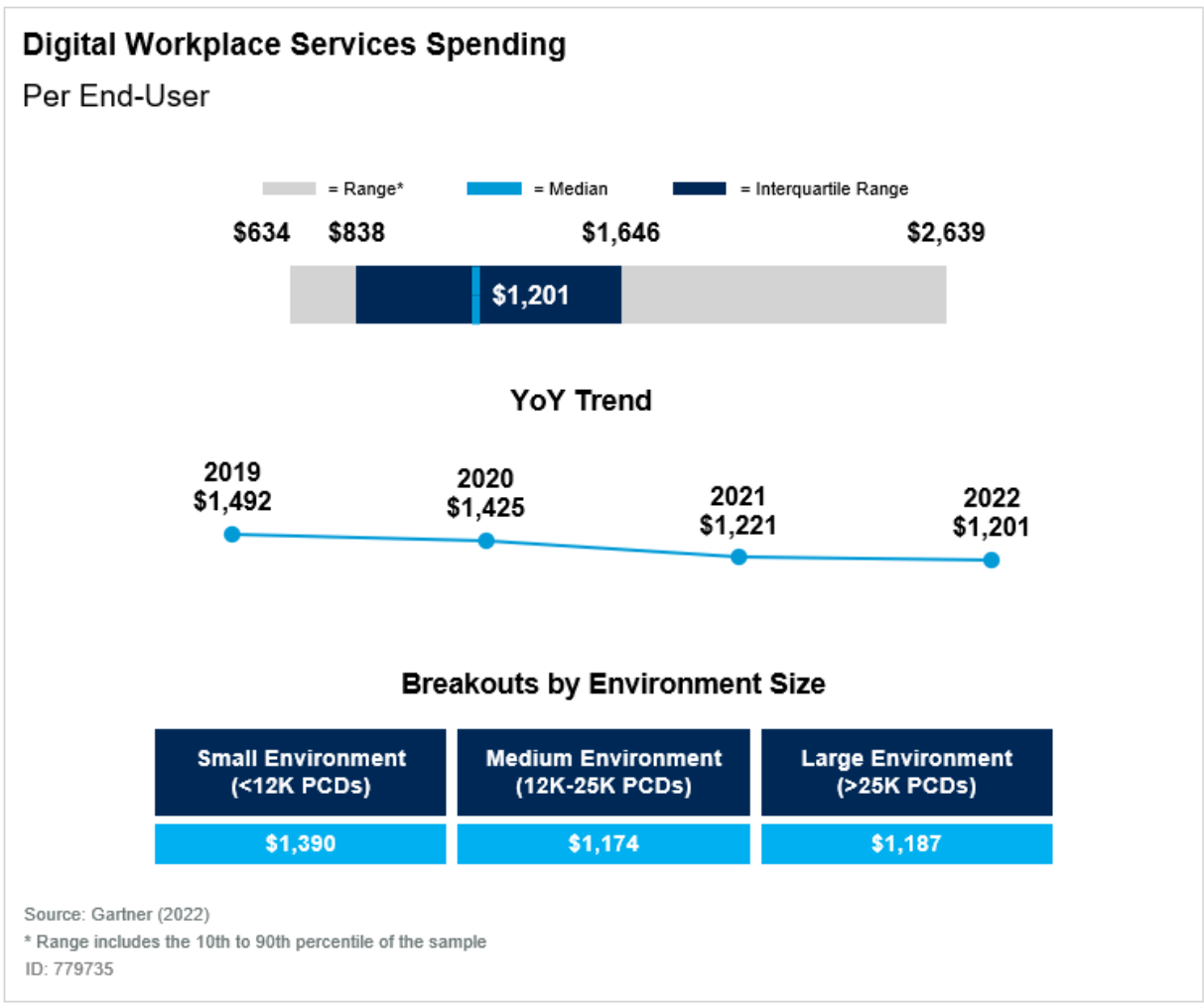
Figure 3: Digital Workplace Services FTEs as a Percent of Total IT FTEs



Annual Digital Workplace Services Spending per End-User

Even though it reflects cost, this metric should be seen in the context of investment. It showcases the level of investment on the demand side of Digital Workplace Services which is ultimately, the end-users.

Figure 4: Annual Digital Workplace Services Spending per End-User (USD)

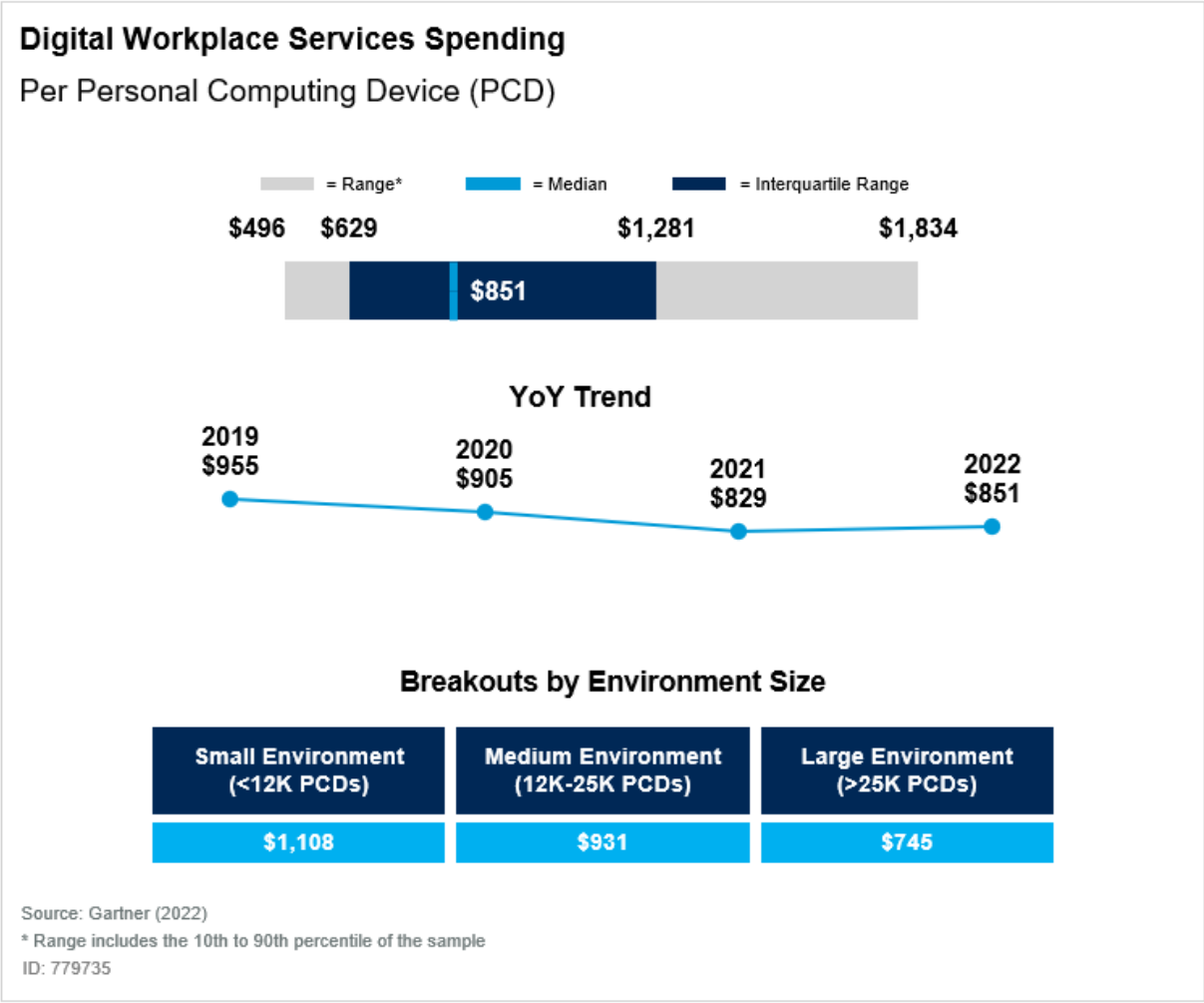


Annual Digital Workplace Services Spending per Personal Computing Device

This unit cost metric is often used to evaluate the relative cost efficiency level of the overall Digital Workplace Services environment. Unit cost should be considered within the context of business requirements, environment architecture and scale (i.e. client density, users, devices, sites, print environment, number of operating systems deployed). It should also be considered alongside productivity and service levels delivered.

Personal Computing devices (PCDs) are defined as desktops, laptops, tablets, thin clients, and smartphones/mobile devices. Costs for other devices and assets such as fixed handsets, printers, and end-user applications are included in the model, but are not part of the workload as they are considered overhead items.

Figure 5: Annual Digital Workplace Services Spending per Personal Computing Device (USD)



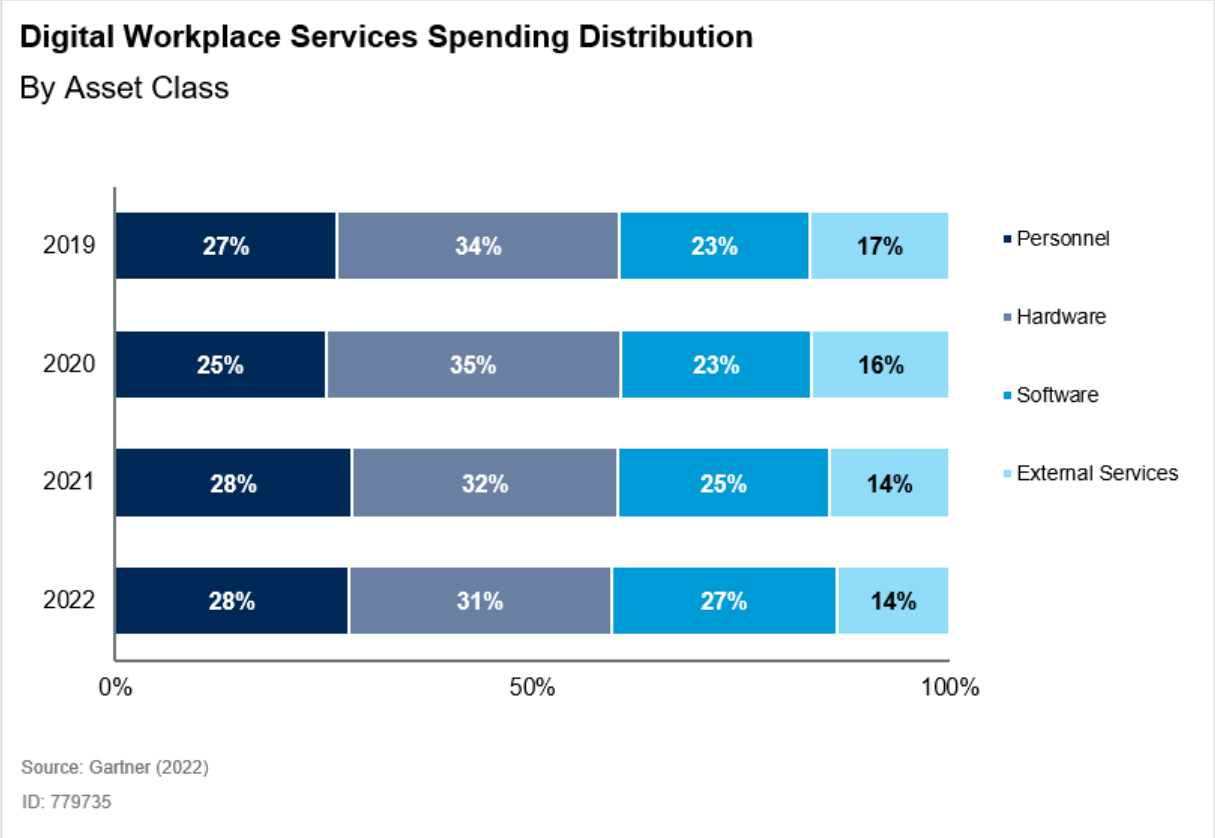
Supplemental information available in the self-service tool on the effect of smartphones on Spending per PCD. Learn more

Digital Workplace Services Spending Distribution

This metric provides an understanding of how Digital Workplace Services spending is dispersed across the four Gartner consensus model asset classes. This distribution helps to outline personnel versus non-personnel related cost allocations. The degree in which an organization outsources can play a significant role in altering this distribution as personnel costs are typically the primary expense.

It is not uncommon to reduce spending in one asset only to have the follow-on effect of passing those costs off to another asset. By monitoring investments across all assets, such cost transfers within IT can be more visible.

Figure 6: Digital Workplace Services Spending Distribution

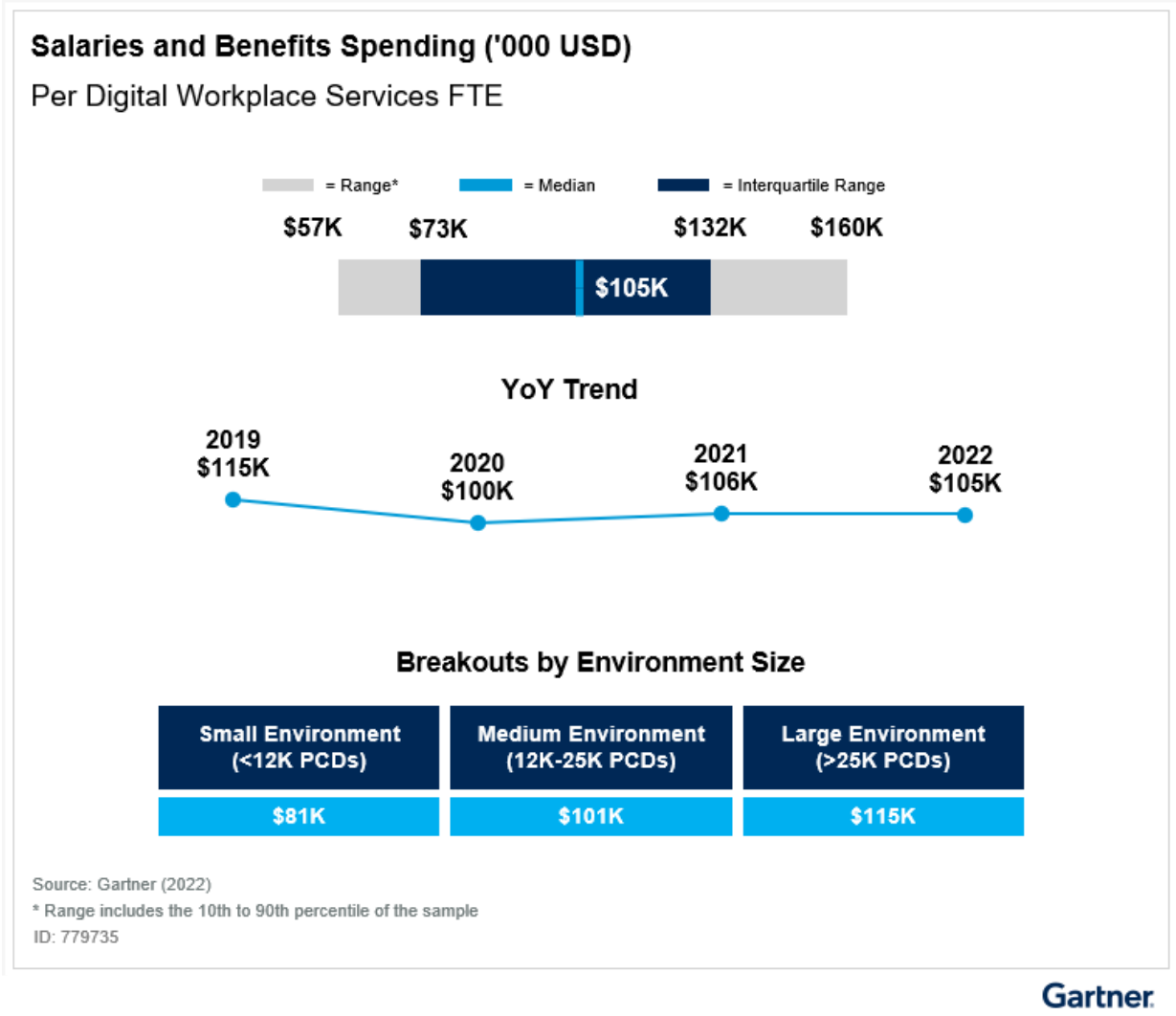


Annual Salaries and Benefits Spending per Digital Workplace Services FTE

A compensation metric that provides the median annual cost of salaries and benefits for a Digital Workplace Services FTE. This cost will vary depending on geographic location, experience, and expertise.It is best used within the context of the skill requirements for the various roles within the technology environment depending on the environment structure and level of complexity.

Questions to consider can be along the lines of: What percentage of the environment FTEs are management versus operations versus engineering? What services/roles are outsourced to a third party? How does the use of contractors and/or offshore labor impact your costs? What is the required skill set?

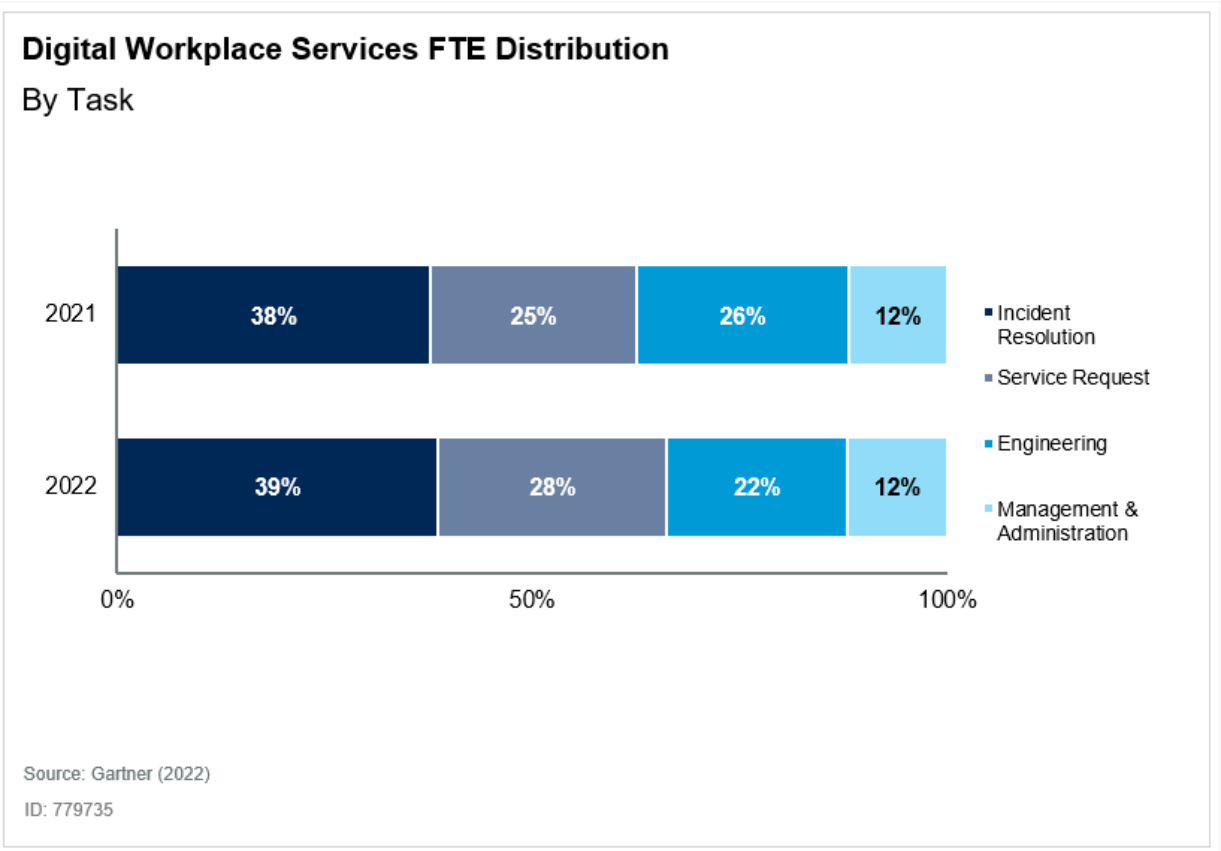
Figure 7: Annual Salaries and Benefits Spending per Digital Workplace Services FTE ('000 USD)



Digital Workplace Services FTE Distribution: by Task

This metric shows the distribution of human effort across the four main Digital Workplace Services tasks as they are defined in the Gartner consensus model. It can add context to the personnel spending per each Digital Workplace Services FTE by showing the effort directed towards more skill-intensive activities.

Figure 8: Digital Workplace Services FTE Distribution: by Task

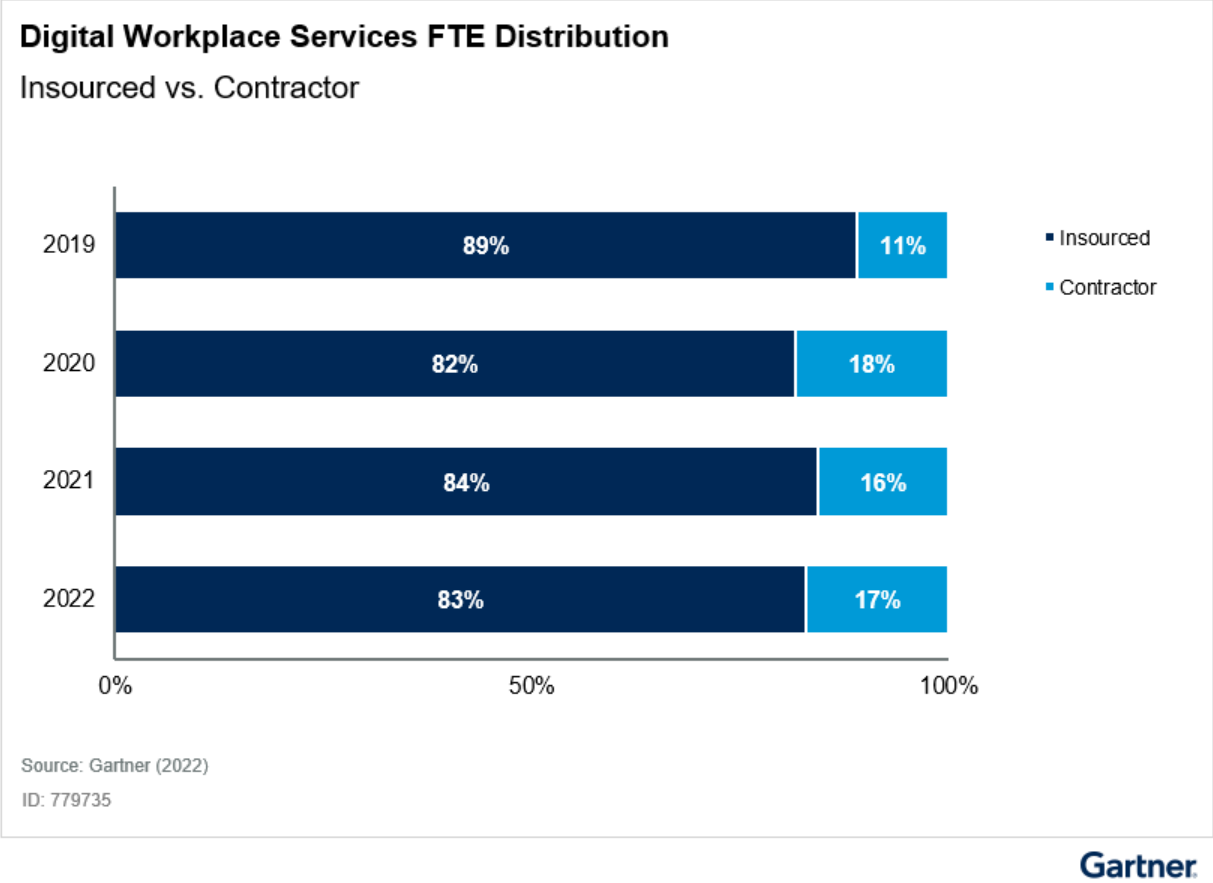


Supplemental information available in the self-service tool on the distribution of Personnel spending by task. Learn more

Digital Workplace Services FTE Distribution: Insourced Versus Contractor

The distribution between insourced and contract FTEs can help provide a view of the Digital Workplace Services staffing strategy. IT contract labor or contractor usage can be an effective approach to maintaining flexibility and agility when business conditions are changing. However, keeping contractors for extended periods can be more costly and limit process standardization if the associated knowledge, IP and processes are not well documented and captured within the enterprise.

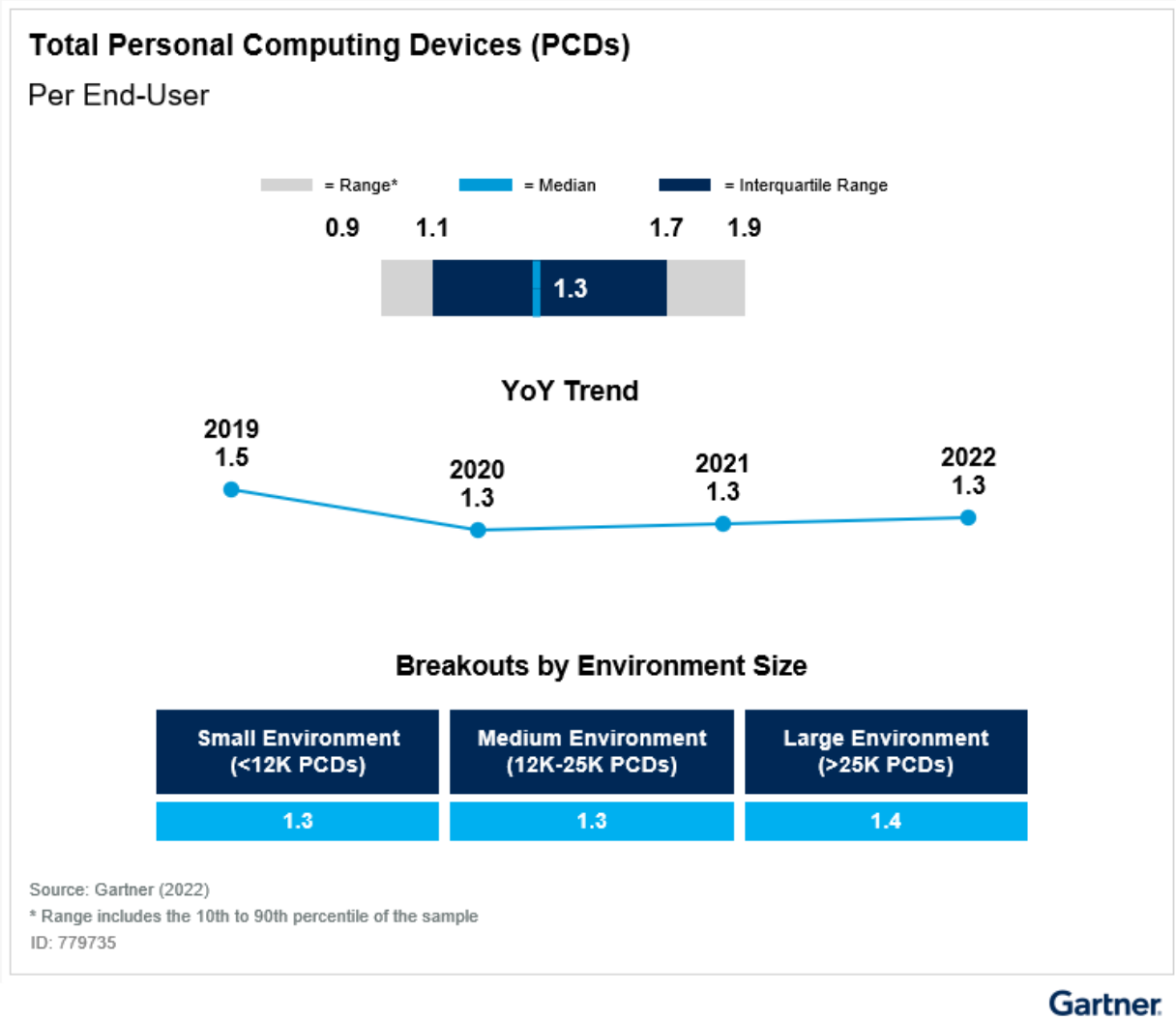
Figure 9: Digital Workplace Services FTE Distribution: Insourced vs Contractor



Total Personal Computing Devices per End-User

This is the core demand metric that shows how many devices are assigned to each end-user. In addition to cost efficiency, productivity and service-level metrics, it is important to understand the level of generated demand as it relates to the device policy and the number of devices per end-user.

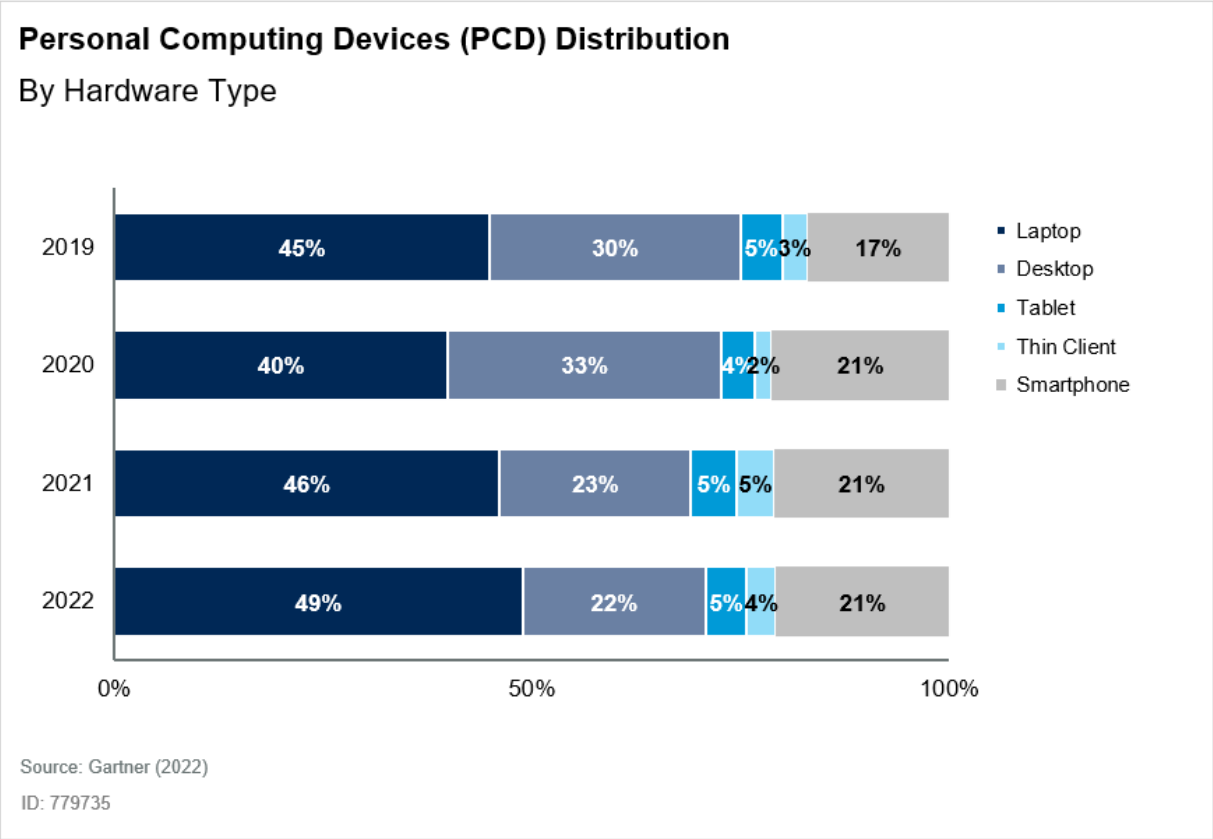
Figure 10: Total Personal Computing Devices per End-User



Personal Computing Device Distribution: by Hardware Type

In addition to the total personal computing devices supported, it is important to understand the hardware mix across desktop, laptop, tablet, thin client and smartphone/mobile device. The below figure outlines the distribution of the sample between the different hardware categories.

Figure 11: Personal Computing Device Distribution: by Hardware Type



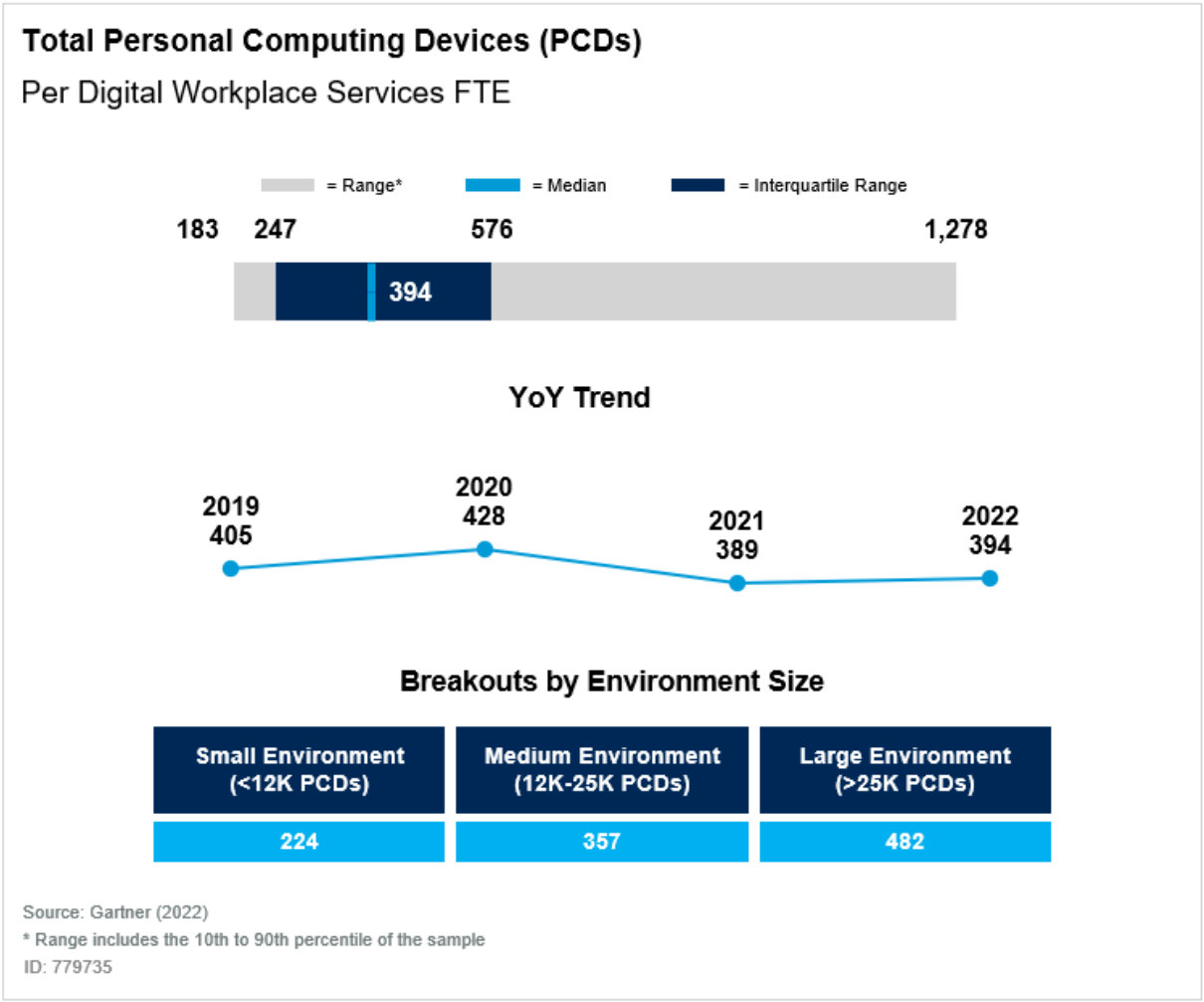
Supplemental information available in the self-service tool on the respective mix of Virtual Device and Printers. Learn more

Personal Computing Devices Supported per Digital Workplace Services FTE

This is the core productivity metric and provides a look at dedicated staff FTE output levels. Understanding the productivity of your staff in terms of units supported can be very helpful in establishing efficient and effective workflows as well as ensuring your support staff is the “right size.”

If your support staff is supporting more than the 75th percentile of the published sample, you can consider the following questions: Iis this level of productivity sustainable? How will you adapt to required future growth or complexity? How many sites and end-users are supported per FTE? Do the different sites have different productivity levels?

Figure 12: Personal Computing Devices Supported per Digital Workplace Services FTE

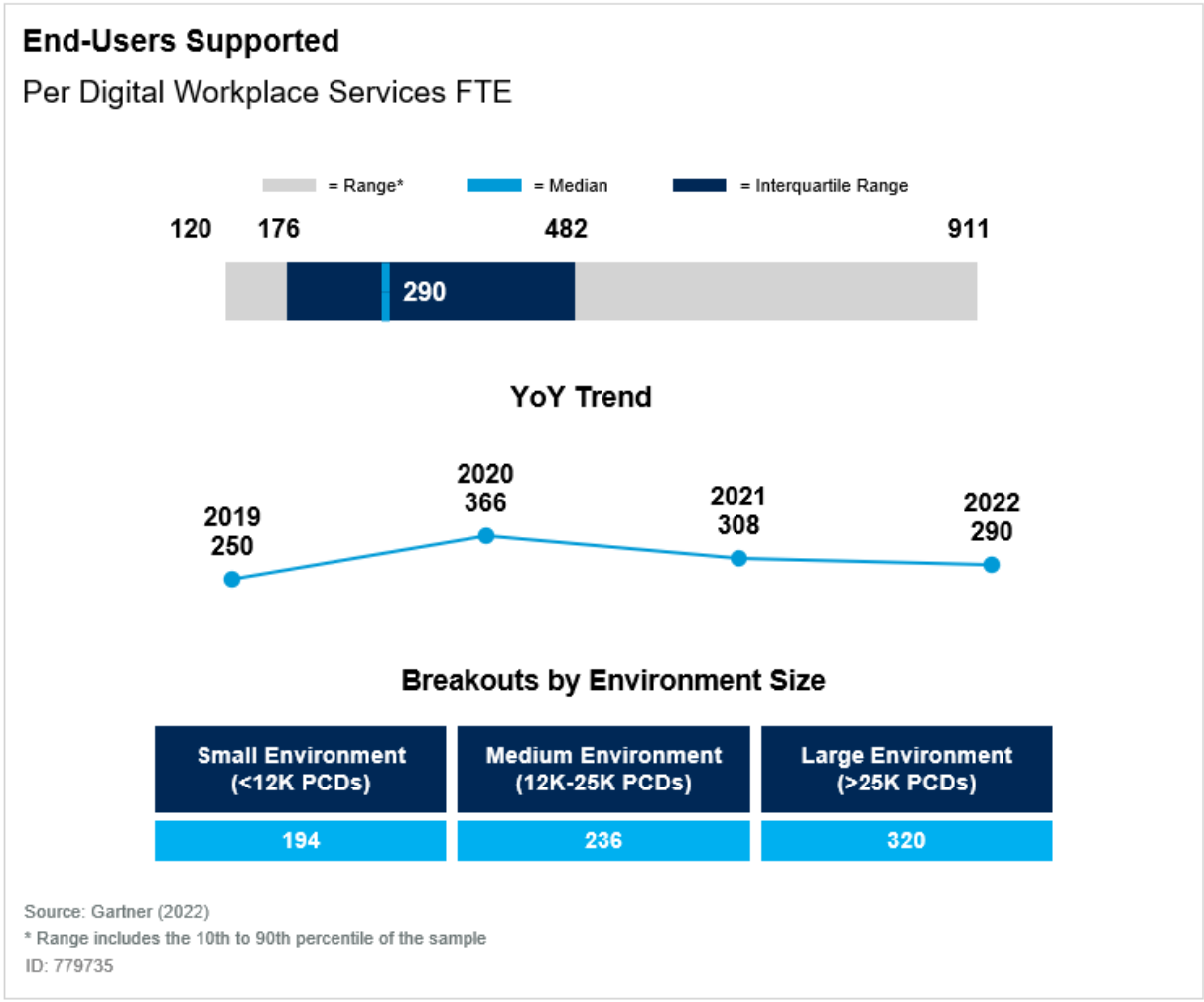


Supplemental information available in the self-service tool on the effect of smartphones on FTE productivity. Learn more

End-Users Supported per Digital Workplace Services FTE

This metric expresses the number of End-Users an Digital Workplace Services FTE is typically responsible for. This can be an indicator of the service quality a user receives due to the Digital Workplace Services' team availability and capacity.

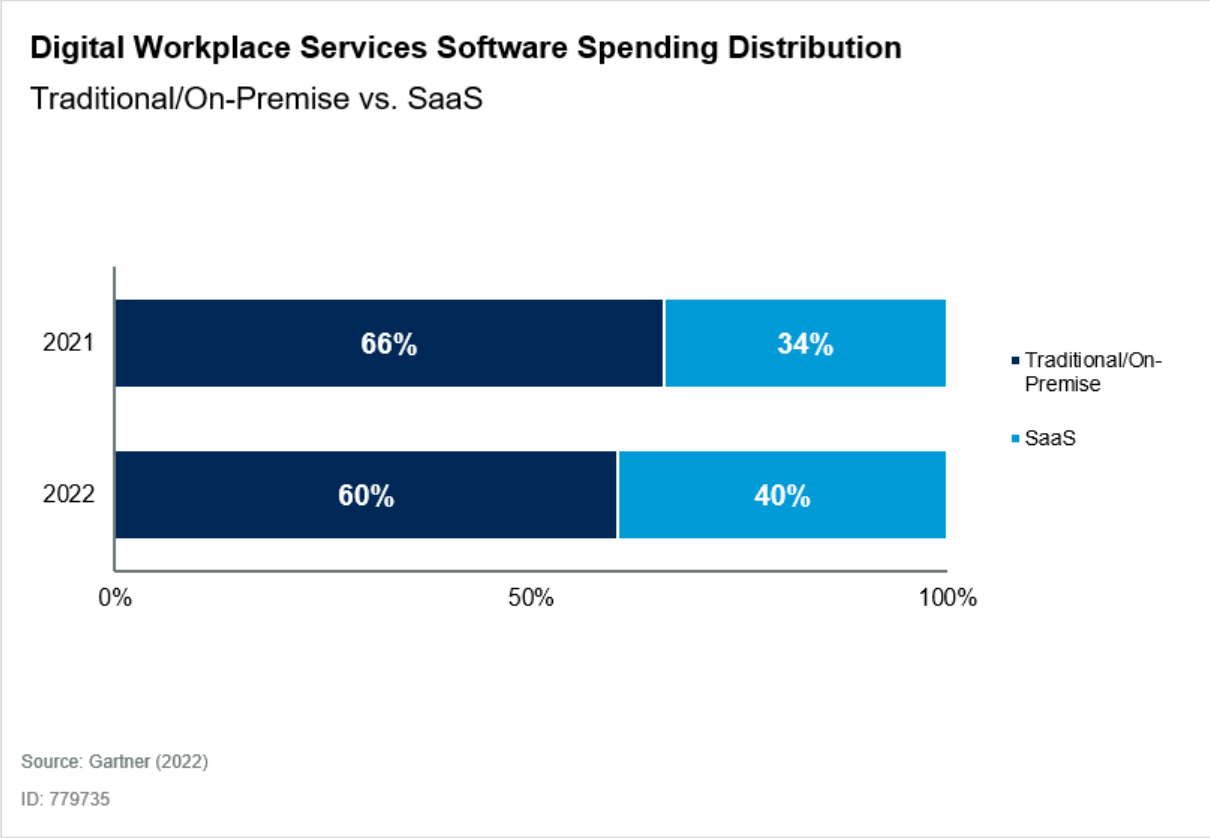
Figure 13: End-Users Supported per Digital Workplace Services FTE



Software Spending Distribution: On-Premise Versus SaaS

This metric provides additional visibility in the software-related spending by distinguishing spending for traditional/ perpetual licenses from spending for Software as a Service (SaaS).

Figure 14: Software Spending Distribution: On-Premise Versus Software as a Service



Supplemental information available in the self-service tool on the activities covered by Managed Service Contracts as part of Traditional Outsourcing. Learn more

Conclusion

A successful IT performance measurement program communicates metrics that are important to a target audience. **Kick-Start Your IT Value Story With Metrics That Matter** provides additional insight into overall performance management beyond spending and staff.

By quantifying spending relative to a defined framework, IT leaders can determine relevant cost drivers through understanding:

1. Top level efficiency and productivity metrics
2. Variances below the top level of spending
3. The relation of one metric to another

4. Environmental factors within the organization

Recommended by the Authors

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

"Adapt the IT Operating Model to Deliver Indispensable Digital Workplace Services"

"Innovation Insight for the Digital Employee Experience"

"Predicts 2022: Cloud-Powered Workplace Technology Enables the Distributed Enterprise"

"Segment IT Services by Employee Lifestyles, Not Just Work Styles"

"Top Strategic Technology Trends for 2023"

About This Research

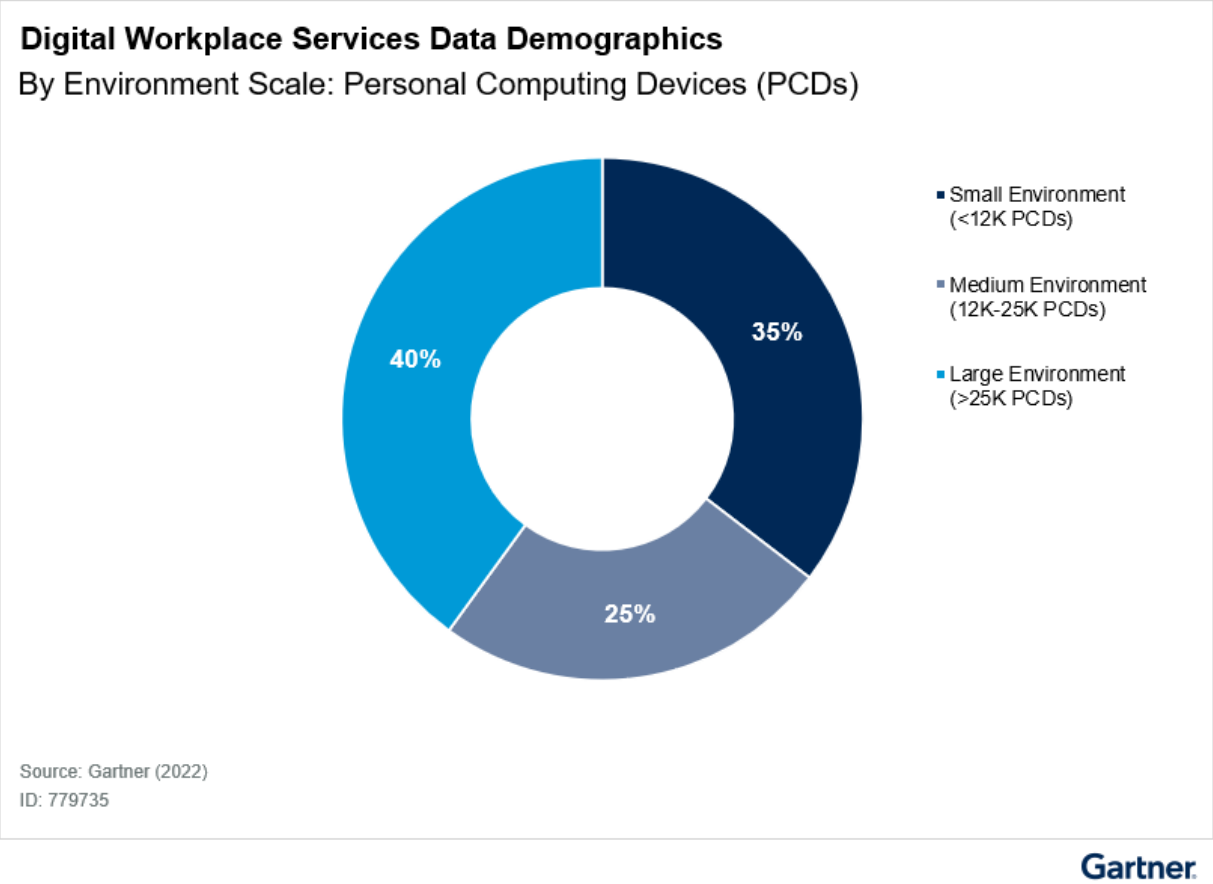
This research contains relevant database averages, medians and ranges from a subset of metrics and prescriptive engagements available through Gartner Benchmark Analytics consulting-based capabilities.

Calculations were made using worldwide observations.

Demographics

To offer some insight into the characteristics of the Digital Workplace Services analysis data, the figure below outlines the distribution of the Digital Workplace Services analysis data between the "Small," "Medium" and "Large" environments as defined in the legend.

Figure 15: Digital Workplace Services Data Distribution: By Environment Size



Document Revision History

IT Key Metrics Data 2022: End-User Services Measures — Digital Workplace Services Analysis - 16 December 2021

IT Key Metrics Data 2021: End-User Support Measures — End-User Device and Print Management Analysis - 18 December 2020