

IT Key Metrics Data 2023: Overview

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Initiatives: [IT Cost Optimization](#), [Finance](#), [Risk and Value](#)

The IT Key Metrics Data (ITKMD) 2023 series analysis provides insight into IT Budget and IT Key Metrics Data comparison groups. This year's sample is representative of nearly \$14 trillion in total revenue and more than \$564 billion in total IT spend collectively from 3,994 CIOs and IT Leaders.

Analysis

Key Findings

- Gartner provides benchmark solutions either on a self-service basis through Research and Advisory or through consulting-based benchmark enabled solutions.
- Gartner benchmark solutions deliver multiple views of IT spend to enable effective cost management.
- Gartner's self-service benchmark tools and metrics deliver comparisons against published Industry Measures, Infrastructure Measures, End-User Services Measures, Applications Measures and IT Security Measures.

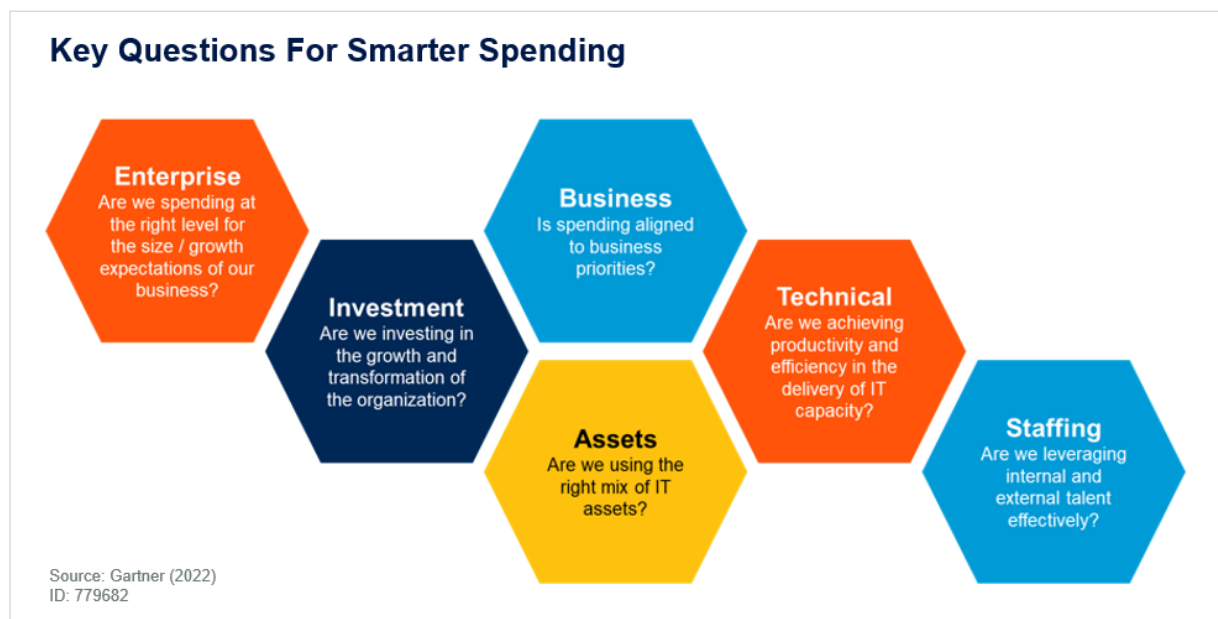
Recommendations

- A single benchmark should be considered the beginning of an ongoing measurement program. Organizations should consider investing in prescriptive or in-depth benchmarking engagements on a recurring basis to support the budget cycle, or whenever making significant, fact-based IT or business decisions.
- Use the Gartner IT Budget tool as a starting point to align and benchmark total IT spend to support fact-based decisions related to investments, planning, budgeting, ongoing operational assumptions and identification of quantitative best practices.
- These benchmarks should be considered within the creation of future-state (both short- and long-term) objectives to quantify IT planning assumptions and to better understand niche or industry competitive drivers, inhibitors, conditions and trends.

Value driven organizations use strong IT financial management practices to fund growth through smarter spending

CIOs and their teams require visibility into how they spend on IT and where business benefits are realized. Spending must regularly be examined across several dimensions to ensure efficiency and strategic alignment. To address these challenges, leading organizations benchmark across multiple cost views to answer key questions for smarter spending and better business outcomes.

Figure 1: Key Questions for Smarter Spending



Gartner

To support organizations on their journey, Gartner Benchmark Analytics provides both self-service tools and published research as well as consultant-based benchmark-enabled solutions to improve IT spending transparency.

Research-based tools and metrics

By leveraging comparison tools and research, Gartner provides CIO's and their teams with valuable comparatives to benchmark their organization vs. published IT Key Metrics Data cohorts. Benchmark results help identify where smarter spending opportunities may exist to improve cost management practices.

[IT Key Metrics Data](#) (ITKMD) offers a macro level look at Gartner consulting's global database of IT performance indicators included in the IT Budget and IT Key Metrics Data comparison tools.

IT Key Metrics Data is broken down into the following categories:

- **Industry Measures.** Enterprise-level total IT spending and staff metrics across 21 vertical industries. Metrics based on enterprise size in terms of annual revenue are also provided.
- **Infrastructure Measures.** Focused unit cost, productivity and technical measures for IT Infrastructure including Windows Server, Linux x86, UNIX, Mainframe, Storage and Network environments.
- **End-User Services Measures.** Focused unit cost, productivity and performance measures for Digital Workplace Services and IT Service Desk.
- **Applications Measures.** Focused IT Applications spending efficiency and staff ratios spread across Application Development and Support categories.
- **IT Security Measures.** Focused IT Security cost efficiency and staff benchmarks, across industries & across years. Key cost and support distributions as well as metrics based on industry segments are also included.

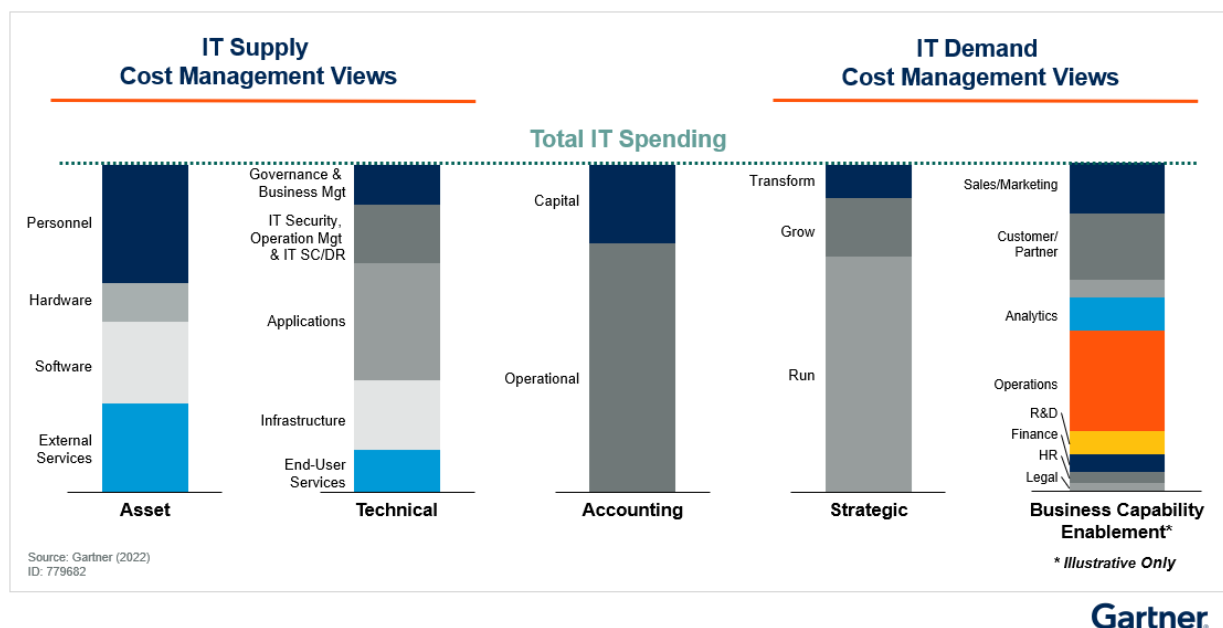
IT Key Metrics Data Background

The Gartner ITKMD series of reports was established in 1995 to support strategic IT investment decisions. Today the annual publication leverages more than 3,000 data points and covers 21 different industries, all of which are integrated into self-service comparison tools allowing you to rapidly benchmark against a plethora of IT spending and staff efficiency metrics and performance trends. Information for ITKMD is continuously collected worldwide via direct fact-finding in our consulting engagements, through surveys of the Gartner community and at Gartner events. Financial information, such as revenue and operating income, is also collected from secondary research sources, such as annual reports and public databases.

Framework Overview

Gartner believes that optimal IT cost management is derived through spending transparency and the examination of an organization's baseline from multiple perspectives. To achieve that, all information is structured and collected based on a standardized framework that provides comparability as well as a comprehensive view from an IT Supply as well as Business Demand. IT Supply views are required for fundamental cost management activities related to IT cost optimization whereas IT Demand views are required for management activities related to business (or value) optimization. More details can be found in the respective framework documents.

Figure 2: Framework Overview



Using IT Budget and Self-Service Comparison Tools

Self-service comparison tools were designed to help IT and enterprise leaders compare IT investment levels (operational and capital expenses) with standard industry categories (revenue, operating expense, and total employees). The industry-specific spending profiles represent data collected directly from CIOs, CTOs, IT leaders and practitioners with respect to their organization's IT investment levels and future IT budgets.

Due to the different needs and mission-critical priorities of each organization, Gartner's variety of tools offers different approaches and solutions so that IT organizations can reap maximum value for their effort. For IT leaders looking for a holistic view of their key enterprise efficiency metrics compared to similar organizations and cross-industry averages, a top-down approach is best suited by using the IT Budget tool. While this is a great starting point, there are also focused comparison tools aimed at specialists who are striving to justify already identified gaps through examining detailed effectiveness and productivity metrics. This is known as a bottom-up approach.

The external comparatives found in the tools represent a mix of organizations of different sizes and vertical industry segmentations and form what Gartner calls a "stalking horse" (that is, a position resulting from analysis of data that represents trends and results). Each organization should assess its own situation carefully, and should not arbitrarily change to conform to the published results.

Consultant-based benchmark enabled solutions

While the published industry-specific spending metrics provide a high-level overview of spending priorities, many organizations feel the need to further evaluate their organization as compared to their niche competitive landscape when benchmarking. Many firms decide that a formal benchmarking exercise — one that is highly customized and prescriptive for the individual firm — is a natural follow-on to using the results presented in this research and in Gartner ITKMD publications. In such exercises, companies can be more assured that they are getting an "apples to apples" benchmark with a more refined peer group, and that the benchmark takes into consideration any variations in complexity such as the elements of industry, enterprise size, platforms, applications and other key variables.

Gartner recommends that organizations consider an investment in such in-depth benchmarking engagements to support the budget cycle, navigate through significant IT or enterprise change, or make significant IT cost-based decisions. Consulting-based solutions are delivered by experienced partners and practitioners within a defined period.

Gartner Consulting delivers value through three channels:

1. **Strategic Consulting** — We help create a roadmap to success for clients' mission-critical priorities with our industry-specific best practices.
2. **Benchmark Analytics** — Fueled by market-leading data and actionable insights delivered by our specialist practitioners, clients can make fact-based decisions.

3. **Contract Optimization** – We help clients select the right products and services and achieve optimized best pricing and terms.

Figure 3: Gartner Consulting's Solution Areas



Gartner

Gartner Consulting is an extension of Gartner Research, helping clients translate insights into actions to achieve superior performance and build organizational capabilities. To explore Gartner's consulting based prescriptive benchmark analytics capabilities, see the [Gartner Benchmark Analytics](#).

Conclusions

ITKMD is a Gartner Benchmark Analytics solution that delivers indicative IT metrics in a published format as directional insight for IT organizations. This solution represents a subset of the metrics and prescriptive capabilities that is available through Gartner Benchmark Analytics. For ongoing and more targeted analyses, Gartner Benchmark Analytics provides clients with in-depth, personalized benchmarking and customized assessments. These client-focused engagements are structured to identify technology performance strengths, to prioritize opportunities for IT and business optimization, and to assist in communicating IT's role in creating business value.

Recommended by the Authors

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

["IT Key Metrics Data 2023: Working with IT Budget and Comparison Tools"](#)

[“IT Key Metrics Data 2023: Industry Measures – Framework Definitions”](#)

[“Create a Culture of Smart Spending”](#)

[“Cost Optimization for Value Realization”](#)

Notes

Points of Clarification

Most IT organizations follow an annual IT budgeting process and adjust their budgets based on changing economic and business conditions. In many organizations, IT spending levels are reviewed and revised on a quarterly or even monthly basis. Therefore, published IT spending benchmarks represent a “snapshot in time”, and do not necessarily indicate what enterprises will or have ultimately spent on IT in the coming year or in the past.

As information for ITKMD is compiled by Gartner from multiple sources, the data collected each year may have a different distribution of organization sizes (revenue/business operating expenses/employees), and geographies. While we do group similar companies within each of the individual industry categories, there is always some diversity in businesses represented. For this reason, there may be minor or significant fluctuations in metrics from year to year.

The IT Key Metrics Data research looks at IT spending from a “cash flow” view, in that IT spending is defined as “the total of the IT operating budget (excluding depreciation and amortization), plus IT capital expenditure for the current year.” This approach allows for better comparability without the effect of widely varying amortization rules.

Although Gartner publishes worldwide vertical-industry-specific IT spending and staff metrics, ITKMD does not publish metrics by vertical industries within key geographic regions. Previous research has shown that spending patterns are broadly similar by vertical market across regions. Gartner does however provide prescriptive benchmarking services versus unique peer groups by industry subsector and/or marketplace through the Gartner Consulting capabilities for a fee.

To learn more about [Gartner Benchmark Analytics](#) contact your account executive or [email](#) us.

Document Revision History

[IT Key Metrics Data 2022: Overview - 16 December 2021](#)

[IT Key Metrics Data 2021: Overview - 18 December 2020](#)

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