

# IT Key Metrics Data 2023: Working with IT Budget and Comparison Tools

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

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

IT spending and staff benchmarks are key building blocks for mature cost management practices. Not all benchmarks are equal, therefore CIOs and IT Leaders should leverage both top-down benchmarks for business value optimization discussions, as well as bottom-up benchmarks for more targeted cost optimization efforts.

## Overview

The IT Budget and IT Key Metrics Data self-assessment comparison tools provide CIOs and their teams with the means 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.

## What It Is

### Key Findings

- Gartner research and advisory benchmarking solutions deliver multiple views of IT spending to enable effective cost management through comparisons against published metrics.
- Analyzing costs through benchmarking is the first step towards smarter spending.

### Recommendations

- Before launching any new assessments, make sure you review the available Practitioners Guides and Framework Documentation to align your data to the Gartner cost model.
- Start with a top-down approach of cost evaluation by leveraging the IT Budget tool to assess total IT spending vs. the industry and establish a baseline.

- Utilize the IT Key Metrics Data Comparison Tools for a bottom-up benchmark by technical function based on your mission-critical priorities or the largest gaps identified in the IT Budget assessment.
- Maximize value through an inquiry call with a Gartner Expert to support data validation and alignment activities as well as to review results and discuss next steps

## **Challenges faced by today's IT organizations**

IT and enterprise leaders are challenged constantly with dynamic and disruptive market conditions, wherein the organization is evolving, and technology is changing. Gartner's IT Budget and IT Key Metrics Data comparison tools enable today's IT leaders to tackle those challenges through the power of research, fact-based approach and continuous improvement. Typical challenges include but not limited to:

- Cost pressure & budgeting
- Limited view of cost baseline & mix
- Inwards thinking and lack of external visibility
- Investment opportunities & progress measurement

## **How can IT Key Metrics Data help me face those challenges?**

All enterprise changes, regardless of magnitude, require fact-based decisions regarding IT investments and costs. A critical evaluation of IT capabilities — past, present and future — is the cornerstone of delivering business value. By leveraging the IT Budget and ITKMD comparison tools you can gain some of the most important benefits needed to steer towards smarter spending.

Figure 1: Key benefits of using the Gartner self-service tools

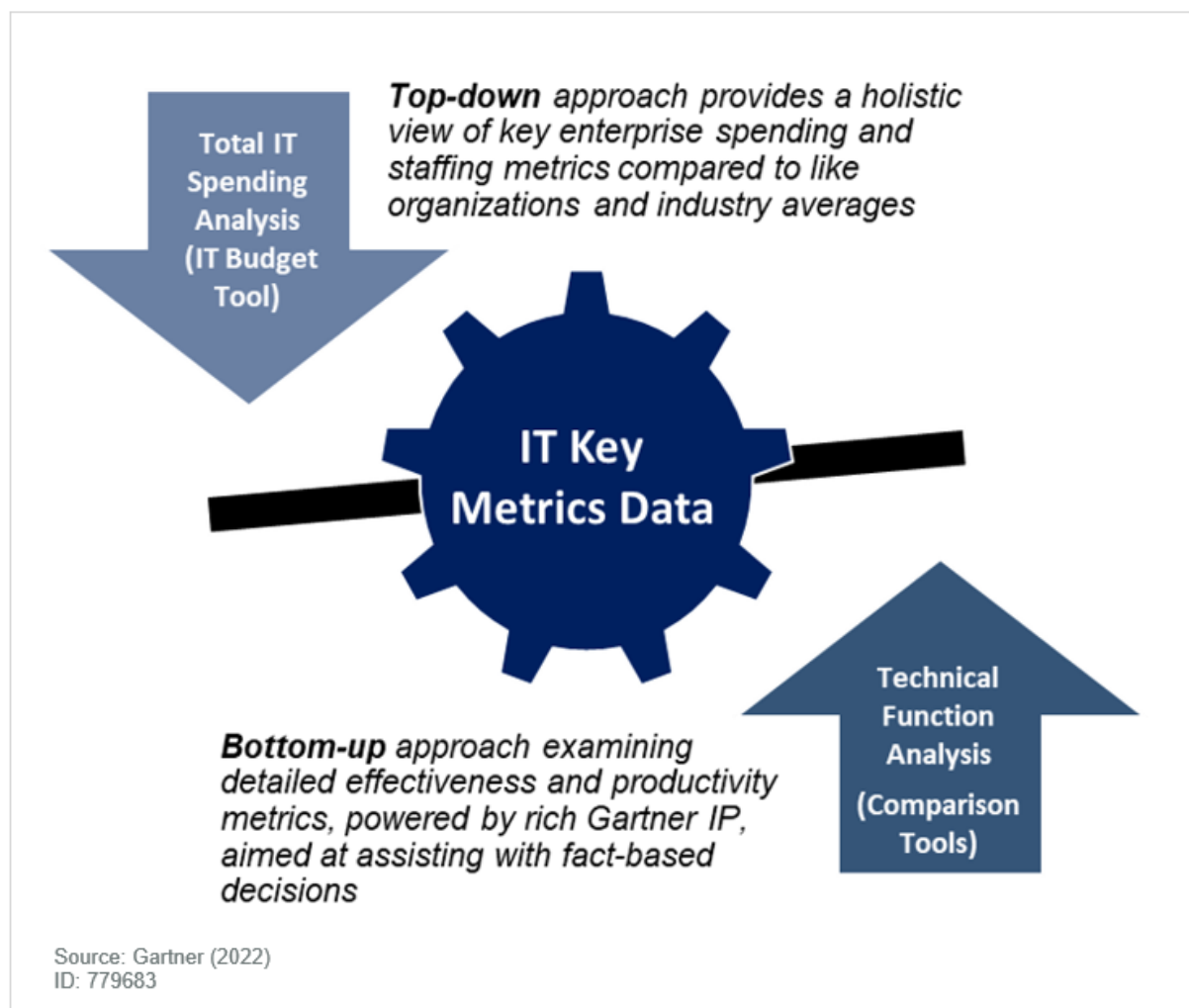


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## IT Budget and IT Key Metrics Data Benchmark Guide

Gartner's IT Key Metrics database is enriched every year with new information from organizations following the two approaches to compare their data as seen in the figure below. Typically, the Top-down approach will drive financial transparency and identify areas of opportunity for improved efficiency. On the other hand, the Bottom-up approach is best suited for organizations who already have set their targets and are looking to justify the root causes of their gaps through more technical and focused metrics.

Figure 2: Gartner's two approaches to benchmarking

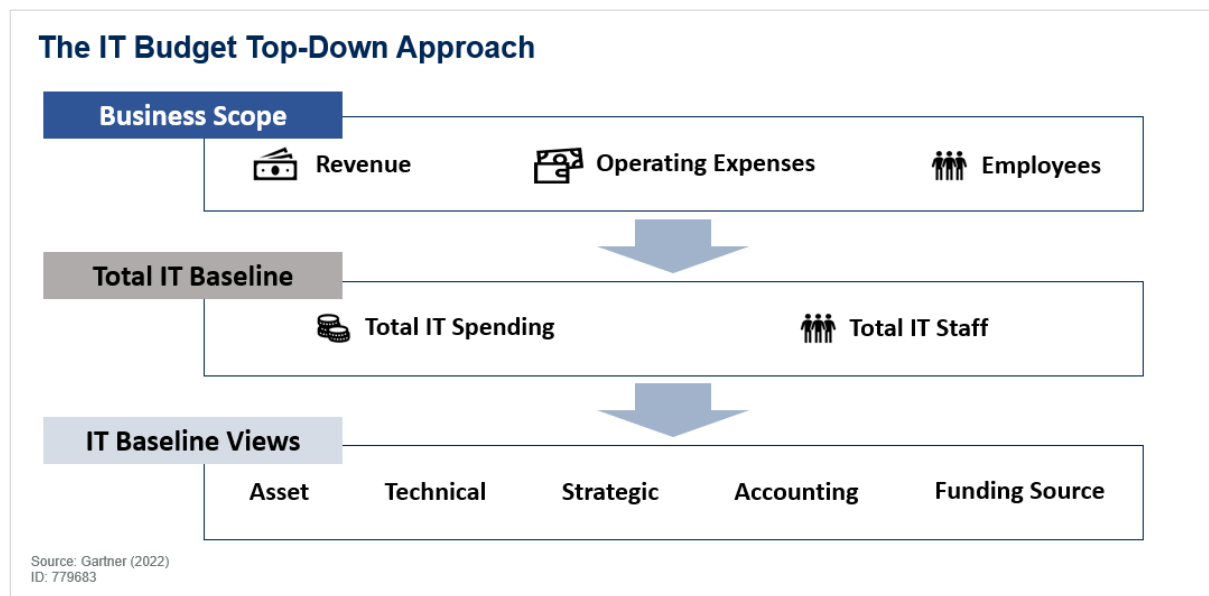


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## Top-Down Approach: Benchmark Total IT Spending and Staff vs. the Industry

Gartner recommends starting with the top-down approach using the IT Budget tool as the first step for IT budgeting and strategic business-value optimization. The tool's high-level IT spending and staff metrics are complemented by clearly defined distributions that contextualize the baseline.

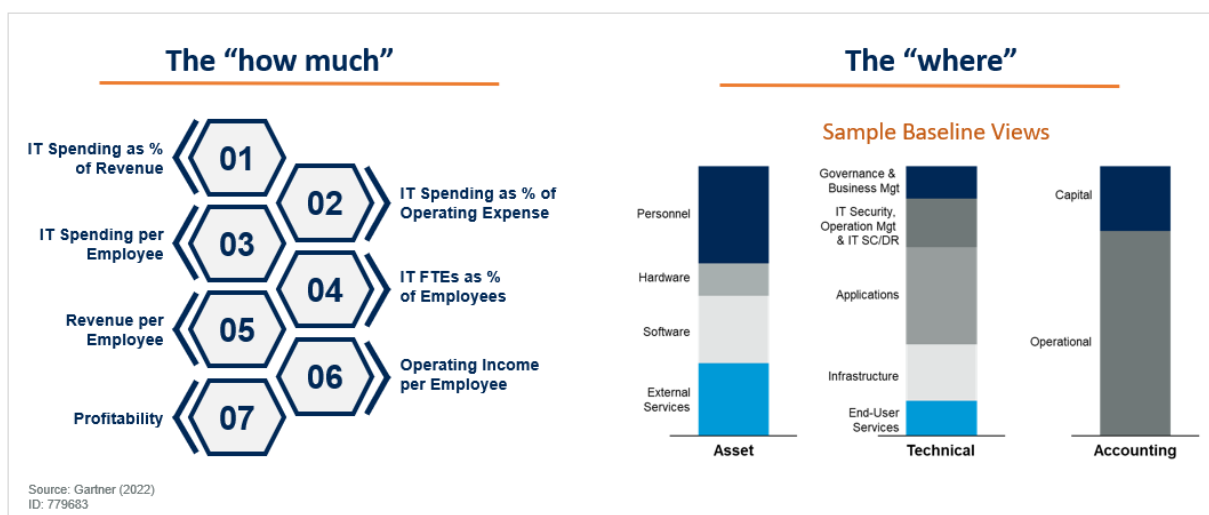
Figure 3: The IT Budget Tool's top-down approach



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The high-level metrics offer leaders a stake in the ground to determine where their IT organization is today and answer the question of how much they spend compared to others. On the other hand, the more detailed distributions give a better understanding of the organization's baseline and help determine where the optimization opportunities lie. In the figure below you can find sample metrics that answer both questions.

Figure 4: IT Budget Tool sample metrics



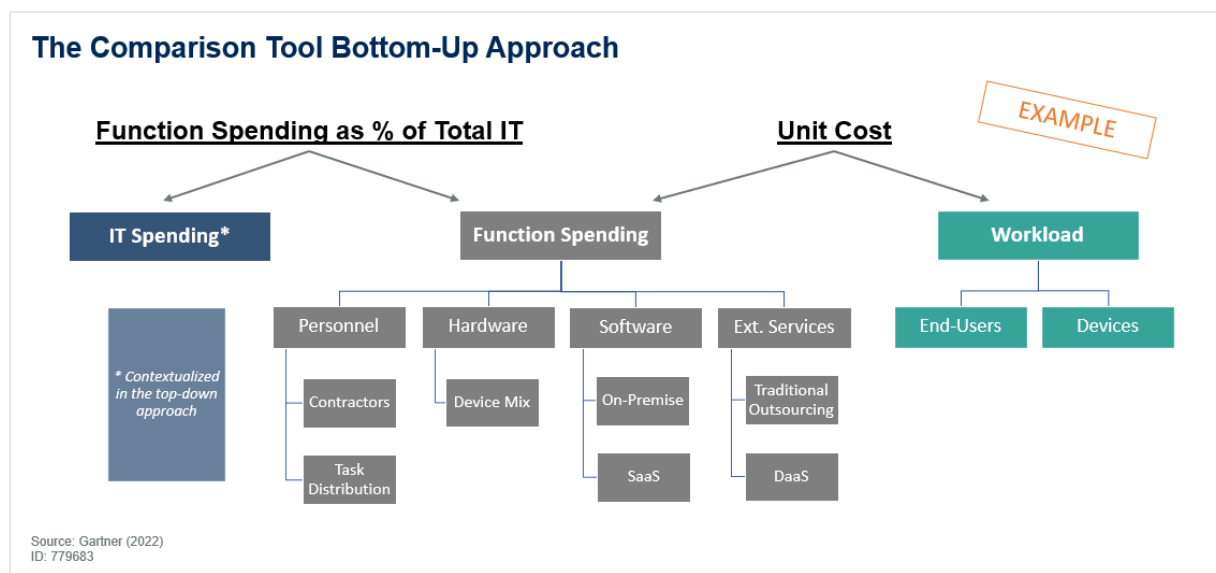
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Gartner advises organizations to recalibrate benchmarks each year to update cost views vs. the industry for structured cost and value optimization programs.

## Bottom-up Approach: Focused benchmark of a single technical function

While the top-down approach is a great way to answer the questions of “how much” and “where”, IT leaders are often faced with the question of “why” IT costs what it does. This question is often asked through the use of relative spending (technical area spending as % of total IT) or on a unit cost basis. To answer that, IT leaders need to understand what are the cost drivers within each technical area and whether that spending is appropriate for the respective workload or user base. To that end, the bottom-up is the best-suited approach. It examines in depth the spending assets within the assessed technical area and also reviews the workload from a supply (devices, contacts etc) and demand (end-users) perspective where applicable.

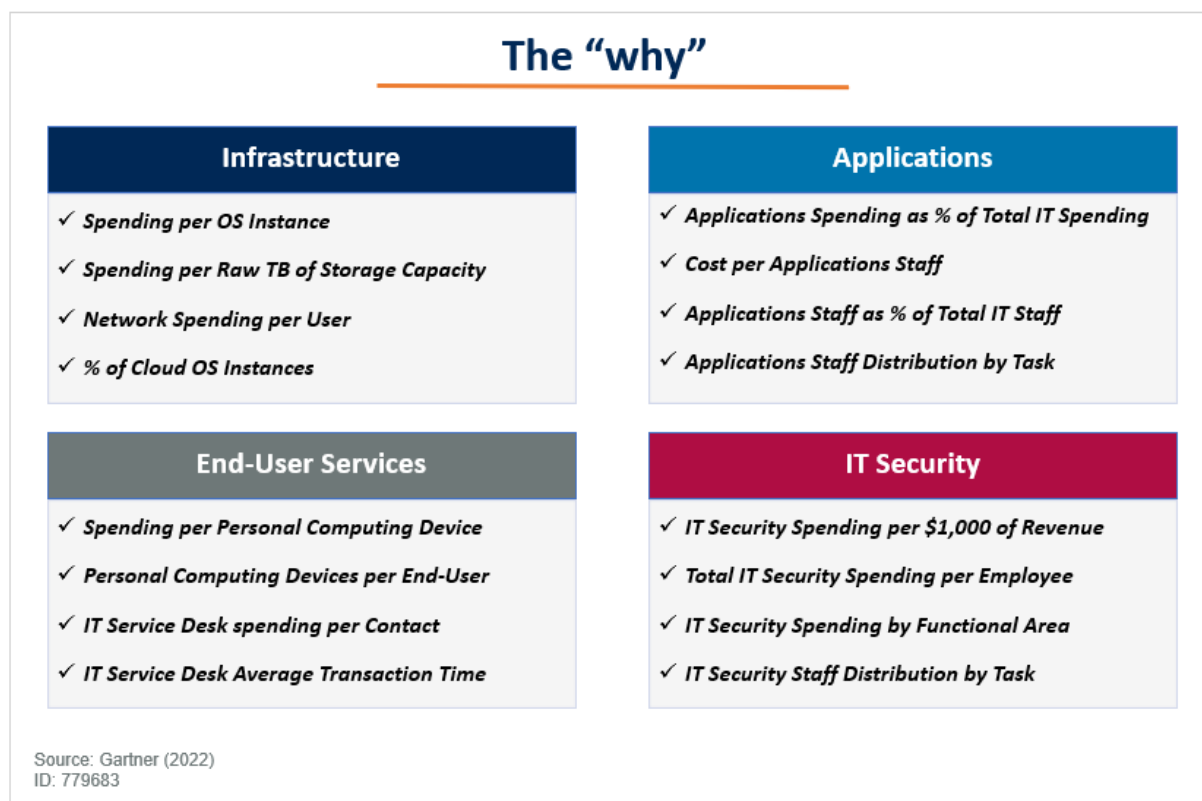
**Figure 5: The comparison tools bottom-up approach**



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In the figure below, you can find sample metrics for each of the available technical functions. Please keep in mind that this is not a comprehensive list and that the full list of available metrics for each technical function can be found in the [IT Key Metrics Data 2023: Index of Published Documents and Metrics](#)

Figure 6: Comparison Tools Sample Metrics



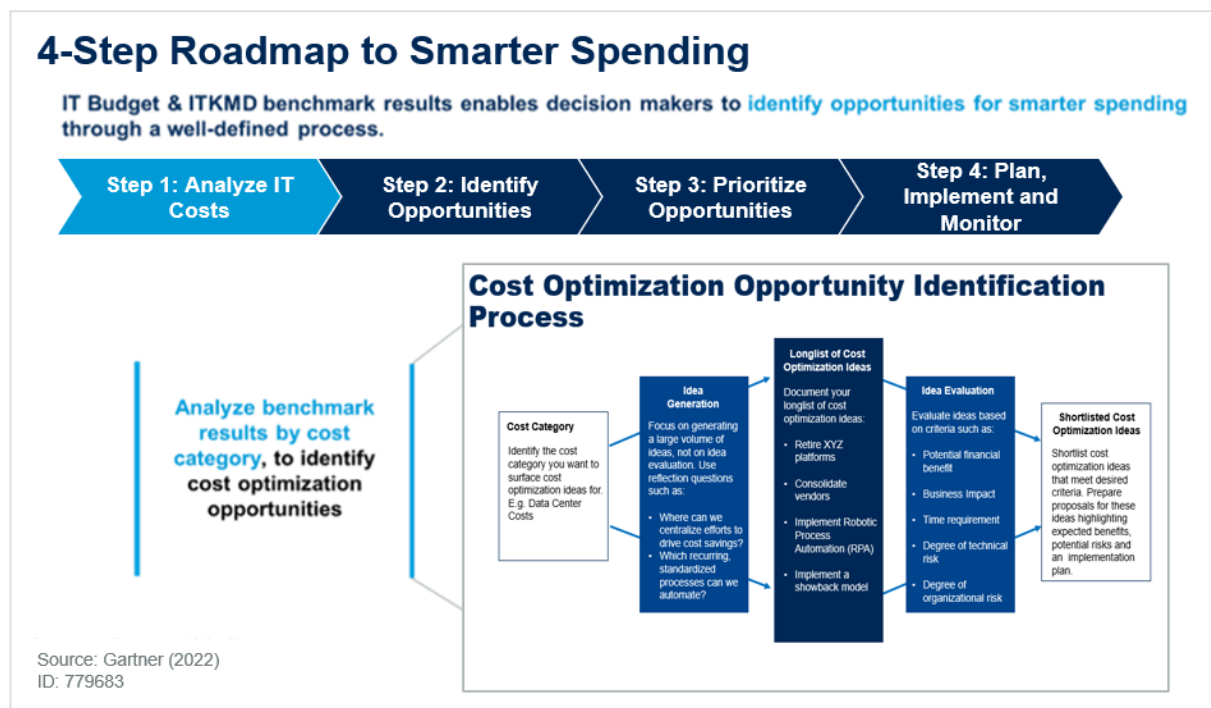
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You can take up any of the focused online assessments, available under “IT Key Metrics Data Comparison Tools” series. The completion process is similar to the top-down approach and each tool has embedded its dedicated support documentation.

#### Next Steps: Identify opportunities to improve cost management and shift toward smarter spending

Regardless of the selected approach to benchmarking, it is important for IT leaders to keep in mind that cost optimization is an ongoing discipline and not a point in time. As seen in the figure below, benchmarking is only the first step towards smarter spending and developing a continuous improvement culture & mindset will be critical in the success of your organization.

Figure 7: 4-Step Roadmap to Smarter Spending



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## Conclusions

IT Key Metrics Data is a Gartner Benchmark Analytics solution that delivers indicative IT metrics in a published format as directional insight for IT organizations. This solution is further enhanced by the leverage of different comparison tools that can provide valuable information to IT leaders and ensure that their information is compared in a consistent manner to the industry standards.

To learn more about [Gartner Benchmark Analytics](#) contact your account executive or schedule an [inquiry](#).

## Recommended by the Authors

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

[“IT Key Metrics Data 2023: Industry Measures – IT Budget Practitioners Guide to Establish a Baseline”](#)

[“IT Key Metrics Data 2023: Infrastructure Measures – Practitioners Guide to Establish a Baseline”](#)



"IT Key Metrics Data 2023: End-User Services Measures — Practitioners Guide to Establish a Baseline"

"IT Key Metrics Data 2023: Applications Measures — Practitioners Guide to Establish a Baseline"

"IT Key Metrics Data 2023: IT Security Measures — Practitioners Guide to Establish a Baseline"

"Create a Culture of Smart Spending"

"Tell an IT Value Story That Matters to Business Leadership"

"Key Concepts in IT Financial Management: Budgeting, Transparency, Allocation and Funding"

## Document Revision History

IT Key Metrics Data 2022: Working with IT Budget and Comparison Tools - 16 December 2021

IT Key Metrics Data 2021: Working with IT Budget and Comparison Tools - 18 December 2020

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