

IT Expenditure Analysis Report

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1. Introduction

This report analyzes organizational IT expenditure using structured financial data capturing actual, forecast, and planned spending across regions, business areas, IT domains, and cost elements. The aim is to evaluate spending distribution, assess alignment between planning and execution, and derive insights relevant to IT financial governance and strategic decision-making. To support the analysis, summary tables and dashboard visualizations derived from the Excel dataset are incorporated.

2. Data Overview and Scope

The dataset comprises 81,610 records representing monthly IT expenditure across multiple global regions and organizational units. Spending is classified by IT area, IT sub-area, and detailed cost elements. Three financial perspectives—actual, forecast, and plan—are provided, reflecting different stages of the budgeting and execution lifecycle.

Table 1 presents an overview of total IT expenditure by financial measure.

Table 1: Total IT Expenditure by Financial Measure

Financial Measure	Total Spend (Millions)
Actual	555.7
Forecast	890.5
Planned	900.4

The data indicates strong alignment between planned and forecasted values, while actual expenditure remains significantly lower, suggesting execution timing effects or deferred spending.

3. Overall IT Spending Patterns

At an aggregate level, IT spending demonstrates disciplined financial planning. Planned expenditure slightly exceeds forecasted values, indicating conservative adjustments rather than fundamental re-planning. Actual spend trails both measures, highlighting a gap between approved investment and realized execution.

This relationship is critical for understanding financial performance and serves as the foundation for further regional and functional analysis.

	YTD Actual \$555.7M	Plan v Actual Var. YTD \$55.6M ▼10%		Full Year Forecast \$890.5M	Full Year Plan v Forecast \$9.9M ▼1%
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Figure 1: Year-to-date and full-year IT expenditure performance indicators

4. Regional Distribution of IT Expenditure

IT expenditure is not evenly distributed across regions. Mature markets account for the majority of spend, while emerging regions show lower actuals but higher planned growth.

Table 2 summarizes IT expenditure by region.

Table 2: IT Expenditure by Region (Millions)

Region	Actual	Forecast	Plan
Europe	High	Very High	Very High
North America	High	High	High
Australia & New Zealand	Medium	Medium	Medium
Africa & Asia (excl. ANZ)	Low	Medium	Medium
Latin America	Low	Low-Med	Medium

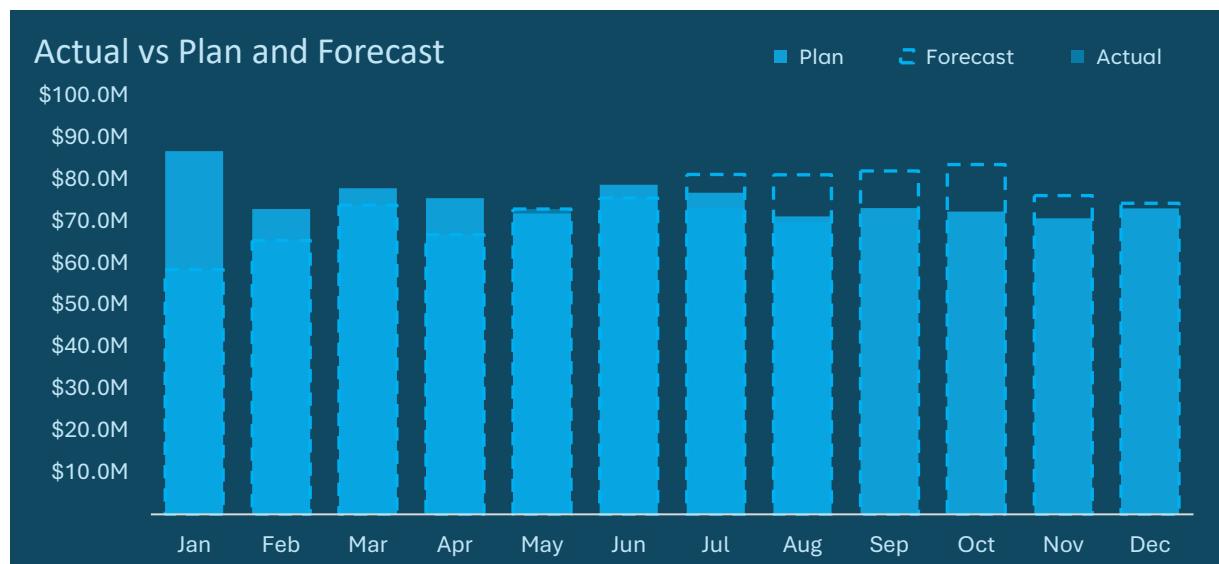


Figure 2: Monthly comparison of actual, planned, and forecast IT expenditure

Europe dominates total IT expenditure across all financial measures, indicating its role as a central hub for enterprise IT services. Regions such as Africa, Asia, and Latin America show significant differences between actual and planned spend, suggesting future expansion or delayed execution.

5. IT Functional Area Analysis

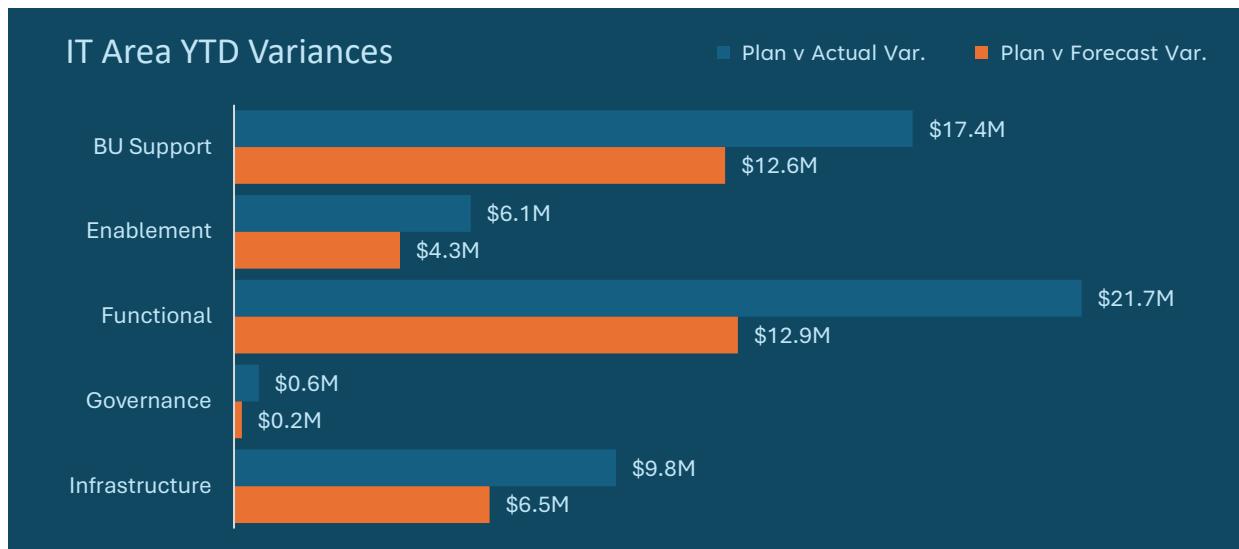


Figure 3: Year-to-date IT expenditure variances by IT functional area

Spending by IT area reveals the organization's operational priorities. Business Unit Support and Functional IT represent the largest shares of expenditure, underscoring IT's role in sustaining core business processes. Infrastructure remains a major cost driver, reflecting ongoing investment in platforms and enterprise systems.

Table 3 provides a high-level summary of spending by IT area.

Table 3: IT Expenditure by IT Area (Relative Contribution)

IT Area	Spending Significance
BU Support	Very High
Functional IT	Very High
Infrastructure	High
Enablement	Medium
Governance	Low–Medium

Enablement and Governance show a higher proportion of planned and forecast spend relative to actuals, indicating initiatives that are approved but not yet fully executed.

6. Cost Structure and Labor Orientation

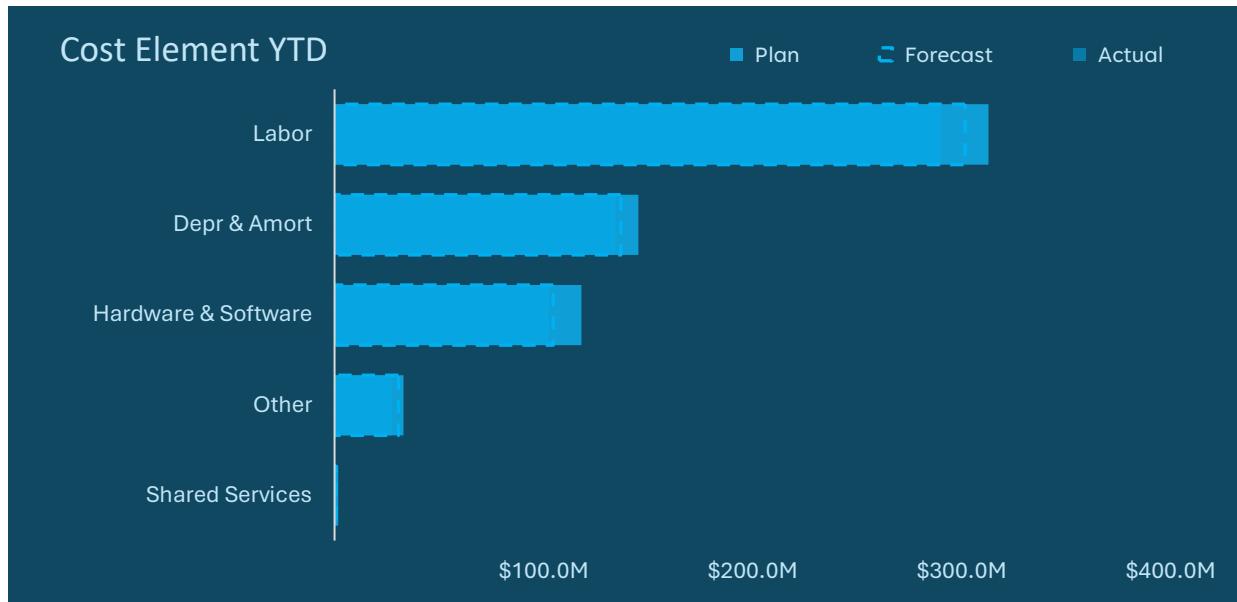


Figure 4: IT expenditure by cost element category, year-to-date

The IT cost base is predominantly labor-driven, with salaries, wages, and shared service allocations accounting for a significant share of expenditure. This suggests a people-intensive operating model that prioritizes internal capability over outsourced or consumption-based services.

Table 4 summarizes major cost element categories.

Table 4: IT Cost Structure Overview

Cost Category	Characteristics
Salaries & Wages	Largest cost component
Shared Services & Allocations	Centralized cost recovery
Operational Expenses	Supporting activities
Other / Miscellaneous	Minor share

A labor-heavy structure increases sensitivity to workforce availability and wage inflation, reinforcing the importance of accurate workforce planning.

7. Plan, Forecast, and Actual Alignment

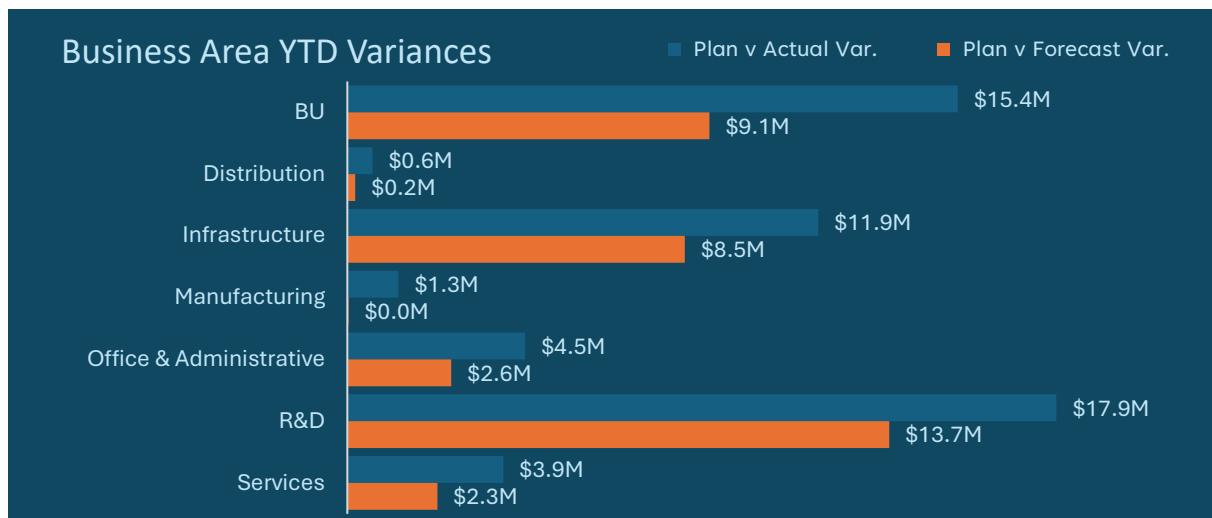


Figure 6: Business-area-level IT expenditure variances and cumulative trends

The consistency between planned and forecast expenditure reflects strong financial governance and active re-forecasting practices. Forecasts appear to refine plans rather than replace them, indicating stability in strategic priorities.

However, the persistent gap between actual spend and both forecast and plan points to execution challenges. These may include delayed project delivery, procurement lead times, or reprioritization of initiatives during the year.

8. Strategic Implications

The analysis indicates that the organization demonstrates mature IT financial planning but faces challenges in converting approved budgets into realized outcomes. Spending concentration in mature regions reflects centralized control, while higher planned growth in emerging regions suggests strategic expansion intent. The labor-intensive cost structure emphasizes the need for productivity and capacity management.

Addressing execution gaps will be critical to ensuring that IT investments deliver measurable value rather than remaining notional allocations within the plan.

9. Conclusion

This report finds that IT expenditure planning within the organization is robust and well-aligned with forecast expectations. Nonetheless, actual spending consistently lags behind approved budgets, highlighting the need for stronger execution oversight. By enhancing delivery governance, improving cost transparency, and monitoring regional and functional variances, the organization can better align IT spending with strategic objectives and operational outcomes.