

# About Gartner Cost Optimization Tools

Created for Gartner University Games

# Gartner cost optimization tools

Gartner's cost optimization tools are composed of:

- IT Key Metrics data and the ITBudget tool
- Contract review service

# Gartner IT metrics and benchmarking

- Gartner has assembled the world's largest database of IT metrics.
- We deliver unbiased comparisons of an organization's IT performance relative to peer organizations and to those considered best in class.
- We delve deeply into each IT functional area to provide (by role) unit costs, productivity, service-level achievement, process maturity and staffing measures, which we then aggregate into a comprehensive and holistic view.

# Why is benchmarking important?

- Many IT optimization efforts fail due to an inability to recognize the importance of a holistic approach.
  - Ideas are often evaluated only on their cost-saving potential, with insufficient insight into customer, competitive and operational factors or the organization's ability to execute.
  - Analytics are often too narrow and short-sighted, capturing comparisons to static benchmarks without regard to the broader market context of supply and demand.

**Our benchmarks are a starting point in helping IT organizations identify and assess IT performance against peer organizations.**

# We help organizations address key questions, target opportunities and gain insight into strategic challenges

## Internal Operations



**Identify current state and where your best opportunities are for future improvement**

Can you prove that you are delivering value for money?

Does your IT spending drive value and performance?

Can you sustain your baseline costs and where to improve?

## Market Perspective



**Understand if you have competitive service contracts**

Are you able to make valid comparisons to similar contracts?

Do you have market insights required to support contract renegotiations?

Can you measure the performance and price of your service provider?

# How Gartner help organizations

Gartner helps organizations:

- Identify key opportunities for IT services improvement and competitive advantage
- Communicate results within the IT organization and out to business units
- Help define continuous IT performance improvement initiatives
- Prepare for the annual budgeting cycle with reliable industry spending data

# Gartner IT Key Metrics and ITBudget Tool

IT Key Metrics is the world's largest database of staffing and IT budgets. It addresses three universal benchmark analytics:

- ITBudget
- IT cost optimization
- Business value of IT

# Gartner IT Key Metrics and ITBudget Tool

IT Key Metrics has over 90 individual reports and represents over 7,000 data points captured from more than 80 countries across 21 vertical industries.

Gartner's ITBudget tool enables clients to compare their IT metrics to others in their industry, as well as CIO enterprise-level spending. The tool provides:

- A benchmark against other IT organizations so clients can understand how their IT and staffing investments compare against their peers across key functions
- Analysis of current and future expenditures
- The ability to compare the size and distribution of IT spend to industry averages
- Objective facts and hard data to support cross-functional communication, collaboration and planning

# How does the Gartner ITBudget Tool help?

Gartner ITBudget gives clients insight into how their spending compares on a variety of important measures, including:

- IT spending per employee and as a percentage of enterprise revenue and operating expenses
- Levels of operational expenditures versus capital expenditures
- Percentage of the IT budget devoted to running, growing and transforming the business
- IT spending by technology domain — e.g., data centers, IT help desk, finance and administration
- Hardware, software and human capital expense ratios
- Allocation of human capital expenses — e.g., internal versus external, and by technology domain

# Contract negotiation

Also included in Gartner's cost optimization tools is our contract review service:

- Contracts and proposals are more complex than ever, with new pricing, licensing models, maintenance options and audit clauses introduced every day.
- Our analysts review thousands of hardware, software, services, and telecom contracts and proposals each year, and we identify hard-dollar savings in 75% of the contracts we review.
- Many review inquiries lead to multimillion-dollar savings.