

ITBudget: Frequently Asked Questions



Q: What is ITBudget?

A: ITBudget is an online IT spending and staffing comparison tool, designed to support CIOs and IT leaders in maintaining, managing and communicating enterprise-level IT budgets in a structured framework. The process is as follows.

Overall goal: Align spending with business services through incremental steps

Step 1	Step 2	Step 3
IT Asset View	IT Functional Resource View	Business Services View
Personal: – Salaries/Benefits – Staff Augmentation – Travel and Entertainment Hardware: – Purchases/Lease/Rental – Maintenance Software: – Purchases/Lease/Rental – Maintenance External IT Services: – Consulting – Outsourcing Telecommunications – Data Communications – Voice Communications Supplies Facilities	Window, OS Instance Unix and Linux Server Mainframe MPS Storage Terabytes Voice and Data Network Port, Device or User End-User Computing End-User Device IT Service Desk Agent-Supported Contact Application Development and Support Allocated IT Management, Finance and Administration Allocated	Business Transformation Automated Sales/Customer Service Automated Product Development Automated Billing Automated Operations/Manufacturing Automated Human Capital Management Automated Finance Reporting IT Provisioning/Workplace Services – For example: Workspace Services Desktop Support; Phone Services; Email
Total IT Budget		

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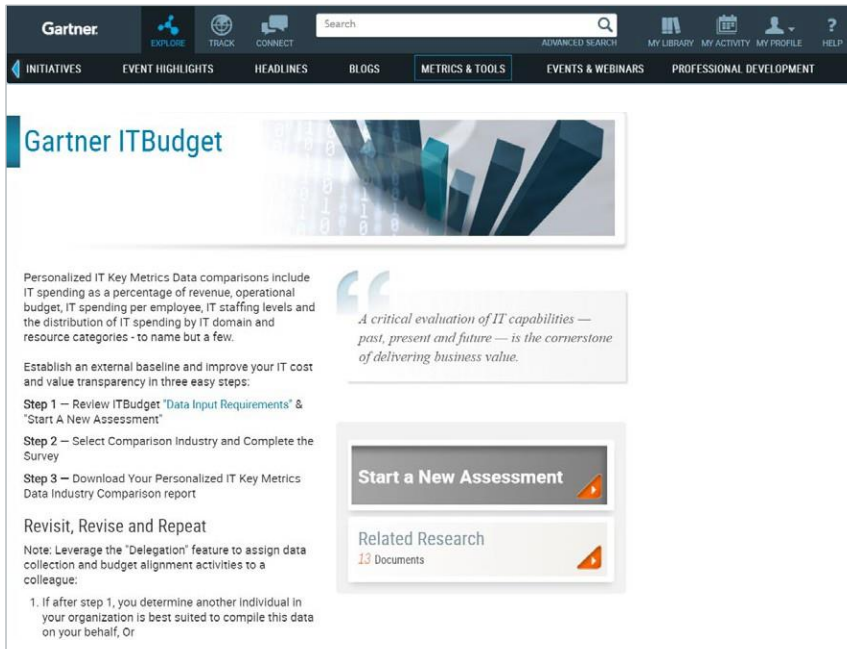
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Q: How do I access the ITBudget tool?

A: To start a new assessment from the link at gartner.com, select “Explore,” “Metrics & Tools,” “ITBudget” and then click on [“Start new assessment.”](#) (for clients only)



Personalized IT Key Metrics Data comparisons include IT spending as a percentage of revenue, operational budget, IT spending per employee, IT staffing levels and the distribution of IT spending by IT domain and resource categories - to name but a few.

Establish an external baseline and improve your IT cost and value transparency in three easy steps:

Step 1 – Review ITBudget “Data Input Requirements” & “Start A New Assessment”

Step 2 – Select Comparison Industry and Complete the Survey

Step 3 – Download Your Personalized IT Key Metrics Data Industry Comparison report

Revisit, Revise and Repeat

Note: Leverage the “Delegation” feature to assign data collection and budget alignment activities to a colleague:

1. If after step 1, you determine another individual in your organization is best suited to compile this data on your behalf, Or

“A critical evaluation of IT capabilities — past, present and future — is the cornerstone of delivering business value.”

Start a New Assessment

Related Research
13 Documents

Q: How does creating an ITBudget benefit my organization?

A: Gartner ITBudget assessments help IT organizations compare their key IT metrics against other organizations by one of 21 vertical industries. CIOs and IT leaders use ITBudget to:

- Assess IT budget and enterprise IT key metrics against Gartner IT Key Metrics Data industry measures from like organizations
- Determine if current/planned expenditures are aligned to business goals — i.e., run, grow, transform — and adjust if appropriate
- Identify cost optimization opportunities and establish IT supply-side goals and targets
- Measure progress to support recurring budgeting and planning workshops/exercises
- Map the IT budget into a services-based portfolio view of spending to support business needs

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Q: How long does it take to generate an ITBudget assessment?

A: Depending on an organization's IT financial maturity, ITBudget assessments can be completed in as little as 20 minutes, or may take well over an hour, depending on the availability of data.

For organizations that have not gone through this exercise, it is suggested they complete a first assessment in 90 minutes or less using best estimates. They should then work to identify where to focus for more accurate representations based on data visibility and accuracy from the first iteration.

Q: How many ITBudget assessments can I create?

A: You can create up to 50 assessments to track and update figures over time with more accurate representations, to run "what if" scenarios or to create assessments for different areas (business units, divisions, agencies) of your organization.

Q: Can I stop the survey without losing my answers?

A: Yes, you can save your responses at any time. When you are ready to continue, click "continue survey" and you will pick up where you left off.

Q: Can I skip questions I think do not apply to me?

A: No, all questions must be answered.

Q: Can I reuse my data inputs from a previous assessment?

A: In most cases the answer is yes. To copy an assessment in its entirety, navigate to the My Assessment page and simply click on the "Copy" link next to the assessment you plan to reuse.

To copy data from a previous year's comparison, identify the target comparison report from the "My Assessments" page on gartner.com/ITbudget. Select "Upgrade to the latest version." This will prepopulate all data points entered in the previous year. The user can then work through those modifications and add current year estimates.

Q: Can I delegate the organization questions to someone else?

A: Yes, many CIOs and IT leaders leverage the "Delegation" feature to email data collection and financial alignment activities to a colleague to complete on their behalf. The delegation feature can also be used to drive a common measurement reporting structure by delegating assessments to independent divisions, agencies or business units in support of coordinated budgeting, planning and communication exercises.

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Q: Can I delegate any of the surveys to someone who is not a Gartner seatholder?

A: Yes, but only Gartner seatholders are able to download the ITBudget assessment report.

Q: Can I delegate to more than one person at once?

A: Yes, but only if they are different assessments. If you have delegated a survey to one person in your organization, and decide you want to delegate it to someone else instead, just click on “Unassign” next to the survey on the “My Assessments” page and delegate the survey again.

Q: What do I need to get started?

A: Data requirements for the ITBudget tool include an understanding of your total organizational scale in terms of top-line revenue, total operating expense to support revenue and the total company employee head count. Enterprise-level total IT budget and staffing figures are also required. Typically, individuals in a CIO/leadership role and/or an IT finance role would have access to the level of detail required. Additional insight may need to come from IT functional area leadership.

For a complete outline of the question set, please review the “ITBudget: Data Input Requirements” document from the link in the right sidebar on the [Gartner ITBudget home page](#).

Q: What do I get when completing an assessment?

A: You will receive a report in PDF form comparing your organization’s IT metrics to the industry you choose. Metrics include upper and lower quartiles, in addition to averages for high-level measures such as IT spending — as a % of revenue, — as a % of operating expense, — per employee, as well as IT full-time equivalents as a % of employees. Additionally, various comparisons by strategic-based, asset-based and IT functional-based spending categories are also included. A sample ITBudget assessment can be downloaded from the link in the right sidebar on the [Gartner ITBudget home page](#).

Q: Is the PDF report generated from ITBudget counted against my entitlements?

A: No.

Q: How is total IT spend/budget defined?

A: Total IT Spending/Budget Definition

Note: IT budget data is captured in three categories (IT Capital Investment, IT Operational Expense, and IT Depreciation and Amortization) as per the following definition.

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For the purpose of this research, Gartner has defined “total IT spending” as:

- The best estimate of total spending at the end of the 12-month budget period for IT to support the enterprise. IT spending/budget can come from anywhere in the enterprise that incurs IT costs, and it is not limited to the IT organization. It includes estimates by enterprises on decentralized IT spending and/or “shadow” IT.

What the IT spending/budget includes, from a resource or cost perspective:

- Hardware, software, personnel (including contractors, travel, benefits and training), outsourcing (external IT services like consulting, system integration, data and voice transmission, software as a service, infrastructure as a service, platform as a service), disaster recovery and occupancy costs associated with supporting IT within the enterprise. Costs also include all taxes (except value-added tax where it is recovered or refunded to the organization).
 - Note: Occupancy costs include fully burdened costs for the facilities being used by the IT staff supporting the enterprise. Some examples include office space, furniture, electricity, maintenance, property taxes, security and office supplies. Occupancy costs for space dedicated to IT functions, such as the data center, such as power/heat management and raised floor or slab using overhead cable trays, etc., are also included.

What the IT spending/budget includes, from an IT functional area or activity perspective:

- The data center (for example, mainframes, servers and storage), end-user computing devices (for example, desktops, laptops, tablets, thin clients and smartphones), voice and data networks (including, but not limited to, voice and data transmissions, fixed and mobile telephony, and internet access services), IT service desk and applications (for example, development and maintenance).
- IT support functions, such as the office of the CIO; supervisory management; finance and administrative costs, such as purchasing; asset management; process management; and marketing of IT services.
- Dedicated data processing equipment used in operations, production and engineering environments — examples are computer-aided design/computer-aided manufacturing (CAD/CAM), standard computing equipment used in devices for factory automation and tablet PCs used by healthcare professionals.

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What the IT spending/budget does not include:

- Costs for technology or services that are resold. Examples include salaries for developers involved in building commercially packaged software or IT-skilled employees who provide services for the organization's external clients.
- Operational technology that is:
 - Equipment built or purchased for non-data-processing purposes, but which has computerized components. Examples include robotic manufacturing machines, automated teller machines, specialized point-of-sale devices, scanners, blood pressure monitors, and sensors on a supervisory control and data acquisition (SCADA) system.
 - Appliance-like or proprietary data-processing equipment that has a single (typically industry vertical) purpose and cannot be used for other general purposes. A typical example is a computer that can only control the flow of electricity through the power grid. Since it cannot be repurposed, it is not included in our model. Note that other systems that gather data from this type of computer and can be used for other purposes would not be considered operational technology and, therefore, would be in scope of our model.
- Internal "cross charges" and corporate allocations related to large, significant and/or unusual one-time expenses, such as reductions in workforce, redundancy, relocations, retirement, human resources and chairperson's salary.
- Business data subscriptions and services (such as Bloomberg), even if they are managed by the IT organization.
- Business process outsourcing services (BPO) where organizations outsource entire business functions such as payroll or benefits management. This includes cases where the BPO vendor provides access to software, and also guarantees that the outcomes of their services will meet business requirements, such as tax and withholding regulations. Note: Where a vendor provides software as a service and only guarantees that the software will perform as specified, then this is in scope of the IT spending/budget. Traditional outsourcing of IT functions, for example servers and email, are also still within scope of IT spending/budget.

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Q: What is an IT service portfolio?

A: IT budgets must be presented using categories that make it easy for business executives to link IT expenses with business needs. How else can they judge the level of spending needed? The answer is what Gartner calls the service-based view of the IT budget. The service-based view does not replace the asset-based view, it complements it. The reason to make this distinction of purpose is that most organizations stop with the asset view. This is understandable, because the asset view is all that is required by the finance department, but the asset view does not address the second purpose. Although optional, IT leaders must develop the service-based view so that business executives can gauge the level of spending against business needs. For more information, see ITBudget tool related research.

Q: How can I obtain a customized peer group specific to my industry for comparison?

A: Custom focus group comparisons and slices of the data are not available through research services. Gartner delivers custom peer comparisons for a fee through our extended Benchmark Analytics capabilities. Gartner Benchmark Analytics is the benchmarking capability within Gartner Consulting. By using our rigorous methodology and industry experience, we will compare client results with those of peer organizations in order to identify relative performance, gaps in services and recommendations for improvement across a broad range of IT services.

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Gartner's comparative measurement solutions align with your mission-critical priorities

Internal Operations		Market Perspective	
IT & Business Leader Budget Baseline	Cost control is a must-have for any enterprise. Leadership is increasingly focused on value creation via employee productivity, customer retention and competitive advantage.	Market Baseline Price	Understanding the competitive market price ranges for service provides valuable insight into efficiencies and cost reduction considerations, enabling IT to demonstrate value to the business.
New CIO Baseline	New CIOs need a baseline to work from to understand what they have inherited, where they should focus their efforts first and how they can measure the impact of their strategy.	Contract Price Competitiveness	Demonstrating the price competitiveness of a provider's contract against comparable peers allows you to achieve the best value and efficiencies from an outsourced investment.
Applications Cost, Staffing & Productivity	Comparatively assessing the productivity and cost-efficiency of applications enables you to demonstrate the value of IT spending and to prioritize future application spending.	Service Catalog Rates	In defining and reviewing service catalogues it is key to understand if chargeback unit prices are aligned to the market and/or other internal providers in order to make informed decisions around cost efficiencies.
Infrastructure Cost & Staffing Efficiency	Understanding and comparing performance and support of IT network, storage and infrastructure allows you to present IT value to the business and cost optimization opportunities.	Market Baseline Cloud	The complexity of most cloud pricing models means it is crucial to understand the market maturity of these solutions and if each offering is commercially competitive.
Security Risk, Maturity & Spend	Allows you to measure and compare your security budgets and execution effectiveness to determine the investments and initiatives required to achieve an acceptable and achievable level of risk tolerance.		
Customer Satisfaction	Measuring IT's efficiency and effectiveness by evaluating end-user satisfaction with IT services informs the prioritization of efforts and limited resources to improve future satisfaction levels.	Business Effectiveness	Demonstrating IT's effectiveness in supporting the execution of the business's mission-critical priorities helps to better align the IT organization with the enterprise to optimize value and results.

