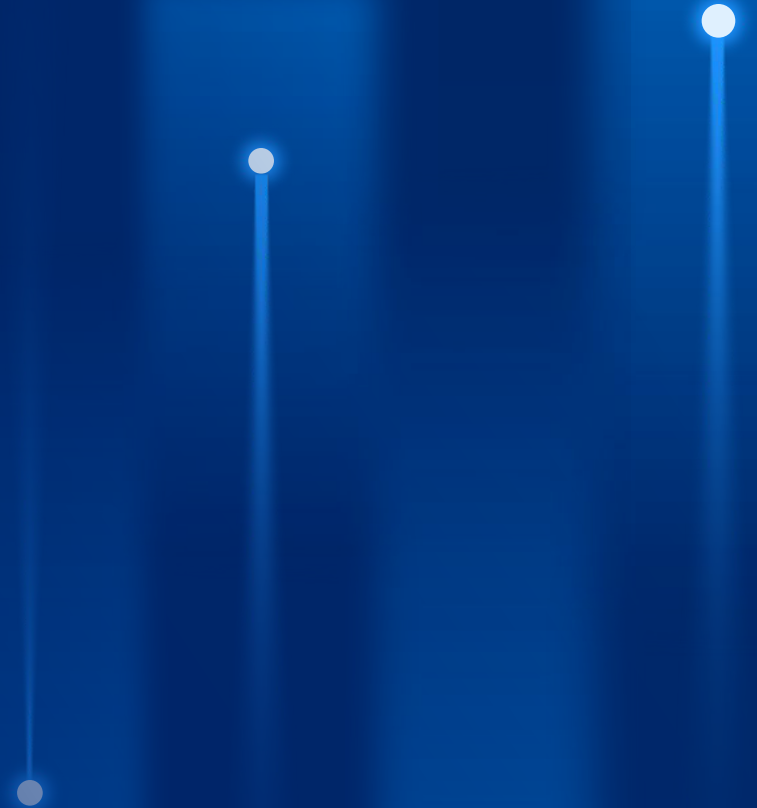


Strategic Cost Optimization for CIOs in the Age of AI

Manage costs strategically to spend smarter and scale faster.



Strategic cost management is becoming the CIO's growth lever

Dynamic consumption, rising AI costs and decentralized tech spend are breaking traditional budgeting. CIOs must manage cost as a strategic, always-on discipline to control spend, prove value and unlock growth.

Only 18% of CIOs currently rate themselves as effective at dynamic reprioritization of resources, which is a significant driver of their ability to derive business value from technology investments.

Flat budgets aren't a barrier — they're a wake-up call. Cost optimization isn't simply about cutting expenses; it's about strategically reprioritizing and reallocating resources to drive innovation and growth. The real mistake is treating cost as a one-time fix. Successful organizations make every dollar count, ensuring each investment delivers greater value, not just savings.

Gartner cost management approaches provide CIOs with a proven path forward in this volatile economy, drawing from experiences of the most successful organizations to:

- **Rapidly cut spend in emergency triage situations**
- **Systematically reduce costs**
- **Optimize enterprise performance**
- **Invest in future sources of value**



Robert Naegle
Vice President

Your roadmap to success

In today's volatile and uncertain business environment, CIOs face mounting pressure to drive operational efficiency while still enabling long-term growth, advancing digital transformation and leveraging AI to deliver meaningful cost savings.

Gartner equips CIOs with structured, evidence-based guidance to systematically reduce spend, optimize performance and reinvest in high-value capabilities — ensuring sustained competitiveness and resilience.

1. Ensure financial transparency.

2. Reduce cost.
3. Improve performance.
4. Invest in new value creation.
5. Strategically manage costs.

3 key outcomes to consider

Build a unified, accurate view of all tech spend to strengthen strategic prioritization and ensure that high-value initiatives receive the focus and resources they need to succeed.

Reveal waste, value leakage and cost drivers to unlock financial savings while maintaining service quality and enabling sustainable business growth.

Create real-time signals for smarter decisions, enabling timely adjustments, preventing overspend before it occurs and ensuring more effective resource allocation.

Key questions your CIO peers are asking Gartner

Gartner clients can click to explore answers

How do we ensure visibility and manage cloud/AI consumption from exceeding budgets, while raising efficiency and making gains stick?

[Explore Answer ↗](#)

How do we reallocate savings into digital/AI bets with business value evidence the board respects (cost, value and risk)?

[Explore Answer ↗](#)

How do we get a unified, decision-ready view of all enterprisewide technology spend – including the stealth costs outside the CIO’s budget?

[Explore Answer ↗](#)

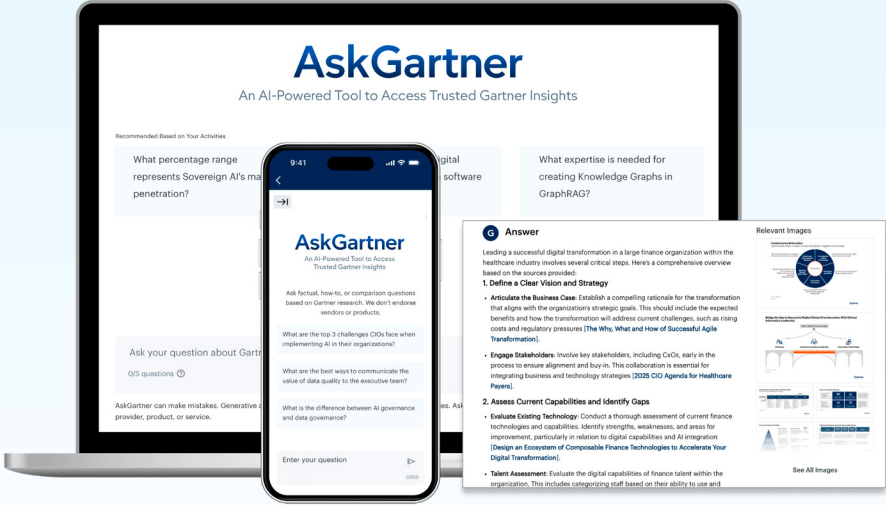
How do we surgically and systematically cut waste without undermining capability or just shifting costs elsewhere?

[Explore Answer ↗](#)

How do we build a durable, always-on strategic cost management discipline across IT and the business, so every dollar is owned, governed and value-tracked?

[Explore Answer ↗](#)

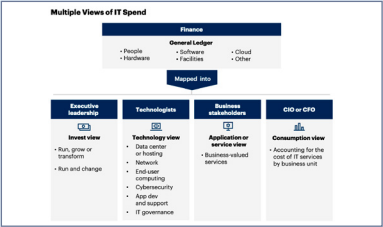
Get fast, expert-backed answers with AskGartner.



[Learn More](#)

Gartner tools and resources to turn your priorities into plans and actions

Enable financial transparency



Webinar: 5 Foundational IT Financial Management Elements for CIO Success ↗

Reduce cost

Opportunity	Will this impact business critical activities?	What is the IT service impact?	2024 IT cost saved	Annualized net IT cost savings	Realized by (date)	IT cost savings potential
Change helpdesk shift patterns and processes	Yes	• First contact ticket resolution will fall by an estimated 20% • Customer issues will take longer to resolve	\$0.3M	\$0.21M	Q3-24	Low
Cancel project nova	Yes	• Planned automation of key workflows will be postponed or cancelled	\$3.7M	\$0.4M Ongoing run cost	Ongoing	High

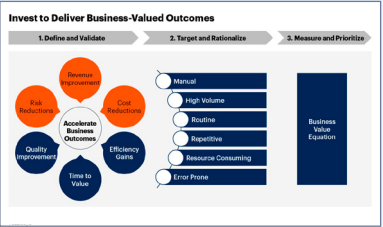
Article: 10 Rules for Rapid IT Cost Cuts ↗

Improve performance

Benefits	Costs, Time and Risks
Low Potential to minimally improve cash flow or generate low-cost savings	Low Potential to moderately increase costs or generate low-cost savings
Medium The initiative will have an adverse impact on business operations	Medium The initiative will have either a positive or negative impact on business operations
High Potential to significantly improve cash flow and generate mid-to-high savings	High The initiative will have a positive impact on business operations
Very High Potential to significantly improve cash flow and generate high savings	Very High The initiative will have a positive impact on business operations

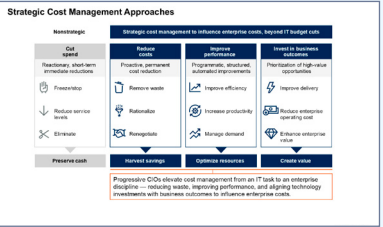
Tool: IT Budget & Efficiency Benchmark ↗

Invest in new value creation



Webinar: Make Cost Optimization Strategic, Proactive and Programmatic ↗

Strategically manage costs



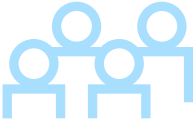
Article: 4 Steps to Create a Strong CIO-CFO Partnership ↗

Engage with Gartner

- Benchmarking and diagnostics (IT Budget & Efficiency Benchmark, IT Score, IT Key Metrics Data) to reveal gaps and guide priorities
- Guidance to validate your strategy, surface high-value levers and avoid common pitfalls
- Support to align stakeholders, strengthen governance and overcome organizational barriers

Expected outcomes

- Clear visibility into IT spend and cost drivers
- Prioritized actions that maximize savings and value
- Sustainable, always-on strategic cost management discipline and governance
- Capacity to fund strategic digital and AI initiatives



Who needs to be involved?

The most successful organizations establish cross-functional collaboration for their strategic cost initiatives. We have outlined the recommended functions to involve and their roles to ensure the best success in hitting the milestones.

CIO/head of technology
 Leads IT stewardship, architects the cost-optimization roadmap and drives alignment between IT priorities and business outcomes.

CFO/finance leaders
 Partner on financial transparency, benchmarking, target-setting, chargeback/showback approaches and enterprise IT financial plans; co-own enterprise technology spend outside the IT budget.

CEO and board/executive team sponsors
 Provide strategic sponsorship and assurance to the board, and endorse multiyear cost-optimization roadmaps and governance that balance short-term cuts with long-term value.

Heads of infrastructure and operations and team
 Participate in defining operating-model-aligned optimization (e.g., I&O, service delivery, platform teams) and in executing supply-side efficiency and asset rationalization actions.

Head of enterprise architecture and team
 Ensure optimization choices fit the architecture, assess integration and scope trade-offs and guide platform rationalization.

Procurement/sourcing and vendor management leaders
 Lead contract renegotiation, vendor consolidation, pricing model analysis and renewal planning (including long-lead negotiation plans).

Risk, compliance or security leadership (as appropriate)
 Review impacts of cost decisions on compliance, security and operational risk when evaluating trade-offs.

Client Story

ČSOB Drives IT Efficiency While Optimizing Costs

Mission-critical priority

Ludek Slegr, CIO, ČSOB, sought support from Gartner to optimize IT infrastructure. They needed to embrace agility and digitalization, aligning their operations with strategic initiatives. They also wanted to address human-oriented topics such as hybrid work.



How ČSOB leveraged Gartner resources

Gartner provided the client with the expert guidance and valuable insights needed to conduct research and analysis for technological growth and increasing organizational flexibility.



Mission accomplished

By leveraging Gartner expertise, ČSOB achieved significant savings by optimizing licensing models and adopting more efficient support structures. They also refined their organizational design to embrace agile ways of working, operate systems more effectively, and execute business strategies with greater precision.

[Watch the full story ↗](#)



Address your other mission-critical priorities



Accelerate AI enterprise value realization at scale

Only **20%** of AI initiatives currently deliver ROI and only **2%** deliver disruptive value (return on future or ROF).



Manage costs strategically to spend smarter and scale faster

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Build the human-AI workforce

45% more business value is driven by future-resilient talent strategies, yet only **36%** of CIOs are effective at building them.



Secure growth in the age of AI through cybersecurity

77% of CIOs rate security and risk-related factors as top challenges to successfully implementing autonomous technologies at scale in their enterprise.



Modernize enterprise platforms to enhance agility and performance

Only **54% (1 in 2)** of CIOs rate their IT organization as effective at equipping their enterprise with the required platforms and tools needed. investments.



Redesign IT operating model for effectiveness in turbulent times

Only **24%** of CIOs report they have been highly effective at establishing an IT operating model that flexes with changing business needs.



Architect the next-generation enterprise for a tech-intensive future

Only **31%** of CIOs rate themselves as effective at fostering ongoing enterprise-wide, technology-enabled innovation.

Gartner BuySmart™

Streamline your team’s path to better technology buying decisions

Fueled by industry-leading Gartner insights, workflows and experts



Insights

Access the best of Gartner, all in one place — exclusive insights on hundreds of technology markets like IT service management platforms, access management and contract life cycle management, top-ranked vendors, customizable requirements and more.



Evaluate

Centralize your team evaluations on a single platform. Send questionnaires to vendors and score with your team to feel confident in your decision.



Shortlist

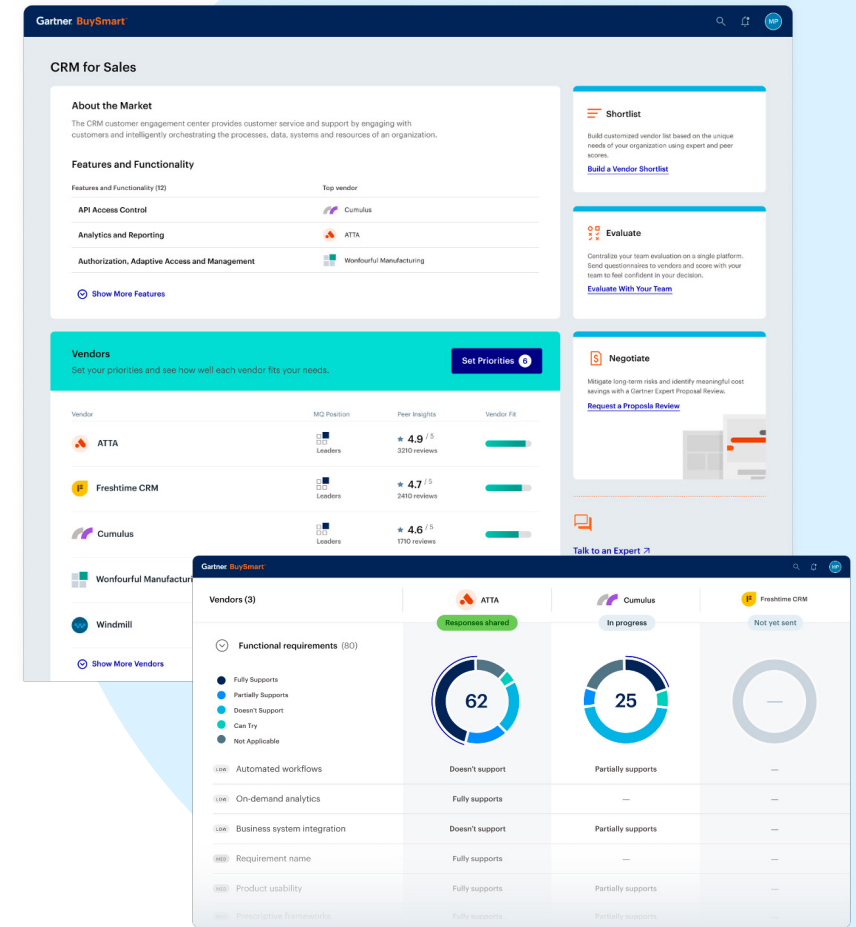
Build customized vendor lists based on your organization’s unique needs using peer and expert scores.



Negotiate

Mitigate long-term risks and identify meaningful cost savings with a Gartner Expert Proposal Review.

[View BuySmart Demo](#)



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