

Gartner Research

# Digital-Outcome-Driven Metrics for Oil and Gas

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Initiatives: Energy and Utilities Digital Transformation and Innovation; Executive Leadership: Digital Business; Executive Leadership: Strategic Cost Optimization; IT Cost Optimization, Finance, Risk and Value

A framework of outcome-driven metrics is essential for executive leaders to reach a quantifiable value for technology investments. This presentation provides oil and gas executives with fundamental and inspirational metrics for increasing the value of IT investments and creating KPIs.

## More on This Topic

This is part of an in-depth collection of research. See the collection:

- Research Roundup for Digital-Outcome-Driven Metrics for Industries

## Creating a Framework of Outcome-Driven Metrics

The oil and gas industry is going through multiple inflection points simultaneously. It is recovering from the unprecedented demand destruction resulting from the global pandemic. And it is coping with a very intense period of business transformation from digital technologies. In addition, pressure to accelerate global decarbonization is generating new opportunities and risks that cannot be ignored. Never has it been more critical to ensure that IT spending is targeted at achieving optimal business value. Clear metrics are needed to measure the business outcomes that are driven by technology investment. Executive leaders in the oil and gas industry can use the outcome-driven metric examples in this presentation to reduce costs.

Many executives struggle to measure and articulate the quantifiable value aspects of their technology investments. In order to establish a clear “line of sight” between technology and institutional (“business”) outcomes, executives need to build a structured metrics library. In this presentation, we suggest a simple three-layered approach:

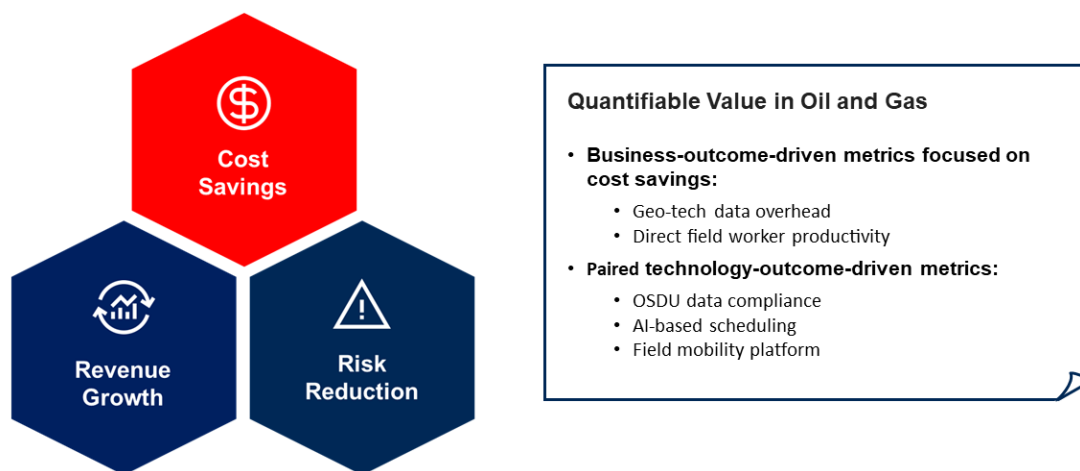
- Aggregated Business Outcomes
- Business-Outcome-Driven Metrics (BODM)
- Technology-Outcome-Driven Metrics (TODM)

This downloadable presentation has four sections:

- Section 1 contains a quantifiable value model of technology, illustrating three primary value areas of revenue growth, cost savings or risk mitigation.
- Section 2 contains a “line-of-sight” slide with foundational metric examples of BODMs and TODMs in oil and gas. Four slides explain each of the metrics in more detail.
- Section 3 contains four template slides for creating new KPIs. These can be used to start building an organization-specific metrics library.
- Section 4 contains recommendations and next steps for further oil and gas insight.

Figure 1 provides an overview of the examples that you will find in the downloadable presentation. This presentation is part of a collected effort by all Gartner industry coverage areas (see Research Roundup for Digital-Outcome-Driven Metrics for Industries). We recommend looking at other industry decks for cross-industry inspiration for metrics.

**Figure 1: Quantifiable Value in Oil and Gas**



Often CIOs measure and communicate IT performance in terms that don't resonate with executive stakeholders, such as when IT and business objectives don't align. This leaves them without a seat at the strategic decision-making table, resulting in IT budgets being challenged or driven downward, and blocking the organization from achieving its technology-enabled objectives. But CIOs can change that dynamic by using metrics that create an explicit line of sight between IT performance and the business outcomes for which their executive stakeholders are accountable (see [Use Digital-Outcome-Driven Metrics to Quantify the Business Value of Technology Investments](#)).

The downloadable presentation slides will be useful if your organization is struggling with a framework for linking business and technology outcomes. This is an essential aspect of governance for digital strategy execution.

This presentation is not an exhaustive list of quantifiable oil and gas technology metrics. Valuable outcome-driven metrics are situational and company-specific. They take time to develop. The framework and examples are a good starting point, recognizing that as you develop your metrics:

1. They will be situational to your business strategy.
2. They will align to your business and IT operating model.
3. The process will be iterative.
4. You will test their efficacy over time.
5. You will revise them regularly as priorities change.

## Recommended by the Authors

[Research Roundup for Digital-Outcome-Driven Metrics for Industries](#)

[Use Digital-Outcome-Driven Metrics to Quantify the Business Value of Technology Investments](#)

[Top 10 Trends Driving the Oil and Gas Industry in 2021](#)

[Urgent Action Needed: Energy Markets Are Changing Faster Than Energy Companies](#)

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