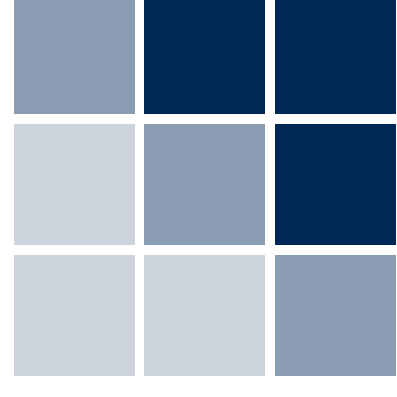


Cost Optimization Decision Framework

Make key cost decisions and strategic trade-offs — without risking your business.



The Gartner Cost Optimization Decision Framework gives leaders a more strategic, systematic approach for reducing spend and costs while maximizing business value.

→ Evaluate cost initiatives with 6 factors

Rate each initiative for the scale of its impact with the least impact = 1 and the most = 3. Then multiply that score by the weighting — which you determine based on your organization’s priorities.

Benefits and Impact

1 Potential Financial Benefit	Small	Medium	Large	Weight*
	←	Chance of improving cash or generating hard/soft savings	→	60%
2 Business Impact	Adverse	None	Positive	Weight*
	←	Impact on business operations	→	40%

Investment, Risk and Time

3 Time Requirement	Long-term or not at all	Within months	Within weeks	Weight*
	←	Time frame for savings	→	25%
4 Degree of Organizational Risk	High	Moderate	Low	Weight*
	←	Chances of staff redundancies; reengineering of processes and structures	→	25%
5 Degree of IT Technical Risk	High	Moderate	Low	Weight*
	←	Impact felt on operating system, databases, middleware and applications	→	25%
6 Investment Requirement	High	Moderate	Low/none	Weight*
	←	Degree to which the initiative requires a large upfront investment	→	25%

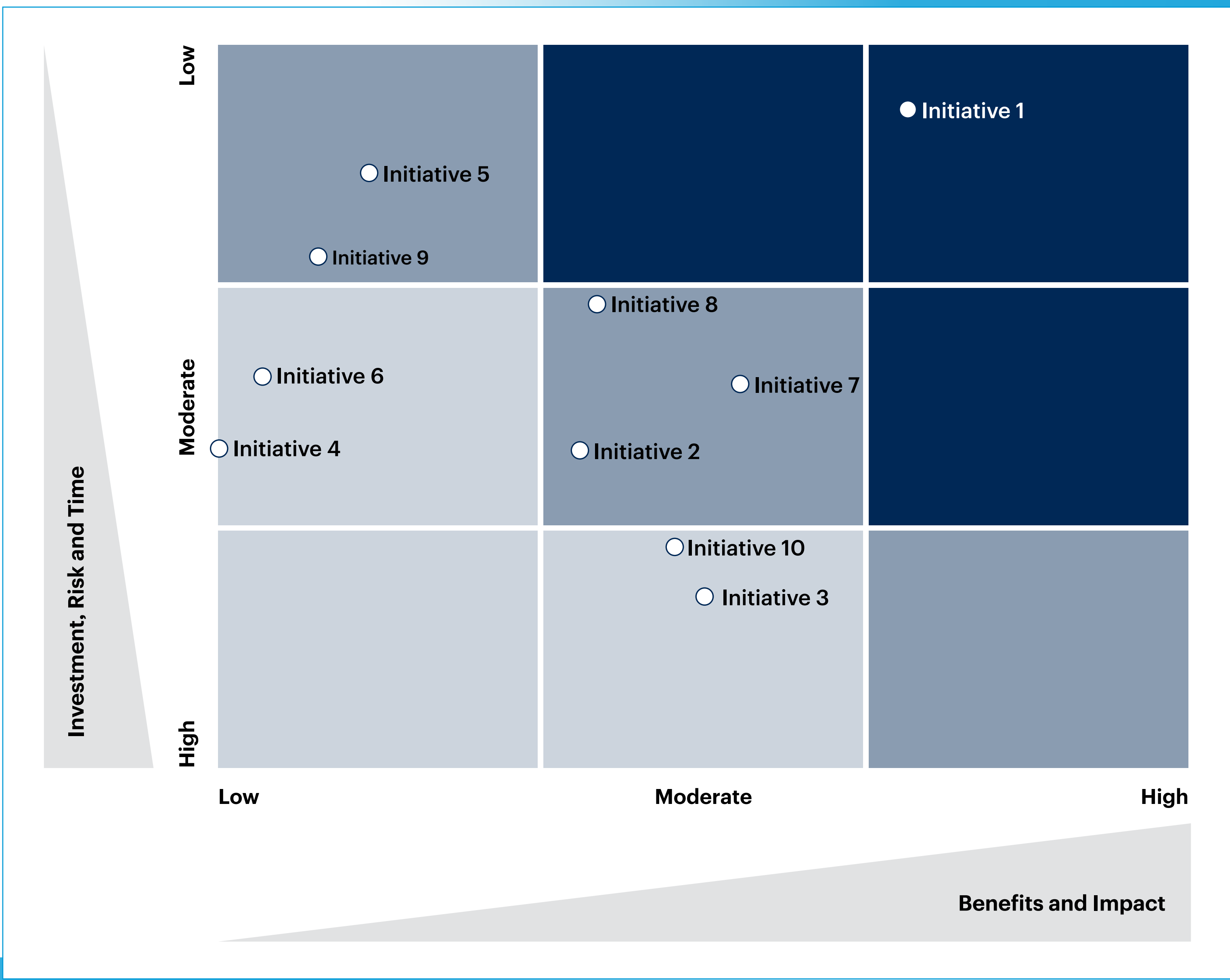
*Illustrative percentages. Total should equal 100%.

Example scoring for each of your initiatives: Initiative 1

Benefits and Impact	Score	Weighting	Weighted Score
Potential Financial Benefit	Medium = 2	60%	1.2
Business Impact	Positive = 3	40%	1.2
Total Score			2.4

→ Plot your assessment scores to prioritize initiatives

Plot your weighted score for each initiative (y axis = Benefits and Impact; x axis = Investment, Risk and Time).



Explore these additional complimentary resources and tools for IT leaders.

Tool

Gartner BuySmart™

Streamline your team’s path to better tech decisions — fueled by industry-leading Gartner insight.

[Learn More ↗](#)



Webinar

Executing in a Volatile Economy — Cost Optimization and Operational Flexibility

Get the tools and insights necessary to navigate economic challenges and drive sustainable growth.

[Watch Webinar ↗](#)



Discover all that’s available to Gartner clients.

[Get Started](#)