IT Key Metrics Data 2015: Key Outsourcing Measures: Outsourcing Profiles: by Industry

Published: 15 December 2014

Analyst(s): Linda Hall, Shreya Futela, Disha Gupta

This research contains metrics regarding Information Technology (IT) outsourcing by industry. The focus of this report is on IT spending and staffing as well as qualitative analyses around management of the sourcing process. Information provided was collected throughout 2014 from a global audience.

Key Findings

- IT Key Metrics Data serves as a directional indicator of overall spending and staffing levels, but does not reflect unique business requirements, process maturity levels or sourcing strategies, which drive IT complexity and demand.
- Complexity and demand elements should always be considered within the context of a performance evaluation as they are the most fundamental drivers of a cost profile.
- Annual IT Outsourcing investment is roughly 18% of total IT spending.
- Cost savings is one of the primary drivers for outsourcing, but too much focus on cost usually leads to dissatisfaction, because many savings are unsustainable or are never truly achieved.
- Other popular drivers for outsourcing are a focus on core business, agility, access to specialist skills or creating new competencies, and upgrading service quality. Although all are reasonable goals, these are often forsaken when the contract is negotiated primarily for lowest cost.
- Organizations must understand the sourcing objectives they need to achieve in the short term and those that will mature several years from now. Stakeholders must agree to these objectives in a formal sourcing strategy.

Recommendations

- Use this research as a source of comparative data to assist IT and enterprise leaders with fact-based decisions related to investments, planning, ongoing operational assumptions and identification of quantitative best practices.
- Establish realistic goals that will satisfy the sponsors (executives who are promoting and usually funding the outsourcing) and will serve the best interests of the organization.

- Construct the correct scope of work and proper terms and conditions to deliver long-term value, and validate it with the business executives before moving forward.

- Ensure that program management skills, risk management and demand management are in place early in the sourcing process.

- Gartner recommends that organizations include price benchmarking clauses in their outsourcing contracts. Price benchmarking clauses can help ensure that a contract remains competitive through the end of its term.

Table of Contents

Analysis..................................................................................................................................................4
Overview..............................................................................................................................................4
  IT Key Metrics Data Research Background.................................................................4
  IT Key Metrics Data Key Outsourcing Measures Overview........................................4
  Using This Research..................................................................................................................5
  Gartner IT Key Metrics Data Series..................................................................................6
  IT Key Metrics Data Source..............................................................................................7
Information Technology Outsourcing Analysis Framework...................................................7
IT Outsourcing Analysis Demographics.....................................................................................8
IT Outsource Spending as a Percent of Total IT Spending, by Industry.................................9
IT Outsourcing Dollars Managed per FTE by Industry..........................................................23
Conclusions.................................................................................................................................27
Appendix: Exploring Gartner’s Prescriptive Benchmark Analytics Capabilities....................27
  Gartner Benchmark Analytics Select Case Studies..........................................................28
Recommended Reading.................................................................................................................30

List of Tables

Table 1. ITKMD 2015 Key Outsourcing Measures: Document Index...........................................5

List of Figures

Figure 1. Distribution of IT Outsourcing Data by Business Scale: Revenue Size........................8
Figure 2. Distribution of IT Outsourcing Data by Industry.................................................................9
Figure 3. IT Outsource Spending as a Percent of IT Spending by Industry............................................ 12
Figure 4. IT Outsource Spending as a Percent of IT Spending: Banking and Financial Services............ 13
Figure 5. IT Outsourcing Spending as a Percent of IT Spending: Chemicals........................................ 13
Figure 6. IT Outsource Spending as a Percent of IT Spending: Construction, Materials and Natural
Resources................................................................................................................................. 14
Figure 7. IT Outsource Spending as a Percent of IT Spending: Consumer Products....................... 14
Figure 8. IT Outsource Spending as a Percent of IT Spending: Education......................................... 15
Figure 9. IT Outsource Spending as a Percent of IT Spending: Energy............................................. 15
Figure 10. IT Outsource Spending as a Percent of IT Spending: Food and Beverage Processing........ 16
Figure 11. IT Outsource Spending as a Percent of IT Spending: Government: National/International... 16
Figure 12. IT Outsource Spending as a Percent of IT Spending: Government: State/Local............... 17
Figure 13. IT Outsource Spending as a Percent of IT Spending: Healthcare Providers..................... 17
Figure 14. IT Outsource Spending as a Percent of IT Spending: Industrial Electronics and Electrical
Equipment........................................................................................................................................ 18
Figure 15. IT Outsource Spending as a Percent of IT Spending: Industrial Manufacturing............... 18
Figure 16. IT Outsource Spending as a Percent of IT Spending: Insurance........................................ 19
Figure 17. IT Outsource Spending as a Percent of IT Spending: Media and Entertainment................ 19
Figure 18. IT Outsource Spending as a Percent of IT Spending: Pharmaceuticals, Life Sciences and
Medical Products......................................................................................................................... 20
Figure 19. IT Outsource Spending as a Percent of IT Spending: Professional Services.................... 20
Figure 20. IT Outsource Spending as a Percent of IT Spending: Retail and Wholesale..................... 21
Figure 21. IT Outsource Spending as a Percent of IT Spending: Software Publishing and Internet
Services............................................................................................................................................... 21
Figure 22. IT Outsource Spending as a Percent of IT Spending: Telecommunications....................... 22
Figure 23. IT Outsource Spending as a Percent of IT Spending: Transportation................................. 22
Figure 24. IT Outsource Spending as a Percent of IT Spending: Utilities............................................ 23
Figure 25. IT Outsourcing Dollars Managed per FTE: Banking and Financial Services....................... 24
Figure 26. IT Outsourcing Dollars Managed per FTE: Construction, Materials and Natural Resources... 24
Figure 27. IT Outsourcing Dollars Managed per FTE: Industrial Manufacturing............................... 25
Figure 28. IT Outsourcing Dollars Managed per FTE: Insurance....................................................... 25
Figure 29. IT Outsourcing Dollars Managed per FTE: Professional Services.................................... 26
Figure 30. IT Outsourcing Dollars Managed per FTE: Utilities.......................................................... 26
Analysis

Overview

Gartner has an established methodology for assessing cost, price and service levels within complex IT environments. This methodology is used in projects that focus on addressing near-term cost objectives, while also allowing for longer-term enhancements in scalability and innovation. Gartner draws on around 5,500 benchmarks that use this methodology which allows us to maintain the largest repository of IT spending and best practices anywhere.

This research provides an overview of the Gartner Benchmark Analytics' consensus model and high level averages from our global database of observations. The averages represent a subset of the metrics and prescriptive analysis capability available through Gartner Benchmark Analytics.

IT Key Metrics Data Research Background

The Gartner IT Key Metrics Data (ITKMD) series of reports was established in 1995 to support strategic IT investment decisions, and today the annual publication delivers more than 2,000 metrics, across 96 documents and covers 21 different industries. Allowing you to rapidly identify high-level IT spending, staffing, technology and performance trends.

In an ongoing effort to study, analyze, evolve and improve enterprise performance, Gartner drives a number of initiatives to continuously capture IT data and information from the greater Gartner client and non-client community to support the growth of the database, the industry insight and the published IT metrics series. We invite you to participate in and contribute to the study to represent your vertical industry and region. The Gartner client community provides an exemplary window into the global IT community, and, therefore, your participation is essential to this publication series.

To contribute to Gartner ITKMD research, start a survey and represent your industry and region. Surveys are available at: gartner.com/surveys.

IT Key Metrics Data Key Outsourcing Measures Overview

This research contains relevant database averages and ranges from a subset of metrics and prescriptive engagements available through Gartner Benchmark Analytics consulting-based capabilities. While database averages are indicative of enterprise IT spending levels, actual spending will vary around these averages when considering the variations of unique competitive landscapes, niche vertical industry subsectors, business scale, and IT complexity and demand, which may be justified by specific enterprise needs. These factors typically drive the context of an IT cost or performance evaluation and often dictate long-term support requirements. Ultimately, business value IT spending and staffing data should be used as a high-level directional indicator and in the creation of planning assumptions — not viewed as a prescriptive benchmark in which significant budget decisions are made.

For detailed information and metrics specific to each of the ITKMD Key Outsourcing Measures documents, see Table 1 or review "IT Key Metrics Data 2015: Index of Published Documents and Metrics" for a comprehensive list of all available IT Key Metrics Data 2015 research.
Table 1. ITKMD 2015 Key Outsourcing Measures: Document Index

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Current Year RN#</th>
<th>Multiyear RN#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outsourcing Profiles: Overview</td>
<td>G00266089</td>
<td>G00266092</td>
</tr>
<tr>
<td>Outsourcing Profiles: by Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outsourcing Profiles: by Region</td>
<td>G00266090</td>
<td></td>
</tr>
</tbody>
</table>

Source: Gartner IT Key Metrics Data (December 2014)

Using This Research

This research was commissioned to help IT and enterprise leaders compare IT investment levels (operational and capital expenses) with standard industry categories. As with any published data, many potential interpretations and analyses exist. The dataset represents a mix of organizations of different sizes and vertical industry segmentations.

The industry-specific spending profiles published here represent key metrics data collected directly from CIOs, CTOs, IT leaders and practitioners with respect to their organization’s IT investment levels and future IT budgets. Most IT organizations follow an annual IT budgeting process and adjust their budgets based on changing economic and business conditions. In many organizations, IT spending levels are reviewed and revised on a quarterly or even monthly basis. Therefore, published IT spending benchmarks represent a "snapshot in time," and do not necessarily indicate what enterprises will or have ultimately spent on IT in the coming year or in the past.

Although the published figures represent what Gartner calls a "stalking horse" (that is, a position resulting from analysis of data that represents trends and results), each organization should assess its own situation carefully, and should not arbitrarily change to conform to published results (which do not necessarily represent best practices). For example, without the context of business service level/quality requirements and satisfaction levels, the metric of IT outsourcing spending as a percentage of IT spending does not, by itself, provide valid comparative information that should be used to allocate IT or business resources. Moreover, IT spending statistics alone do not measure IT effectiveness and are not a gauge of successful IT organizations. They simply provide an indicative view of global investment levels for the market in general.

Many organizations include price benchmarking clauses in their outsourcing contracts. Price benchmarking clauses can help ensure that a contract remains competitive through the end of its term.

The objective behind a price benchmark approach is to “normalize” similar sourcing scenarios to the service offering under assessment. Each marketplace sample is fully profiled, then examined across a series of pricing driver “filters,” representing those service elements, features, and terms most critical to the determination of price.

These filters should include
Scope of Offering: The services that are actually included or excluded in any given contract. For example a desktop outsourcing contract may or may not include LAN services and/or email. A mainframe contract can include or exclude disaster recovery.

Scale: The size of the contract in workload terms. For example the measure of scale in a help desk contract is either the call volume or number of users. Smaller contracts can often gain the greatest cost benefit relative to what an individual service recipient can achieve because of the economies of scale of the outsourcer. They are however more expensive on a unit price basis than larger contracts.

Geographic Distribution: The number of locations being serviced in the contract. Fewer locations tend to result in lower prices in the marketplace.

Service-Level Commitments: Commitments made by the vendor relating to areas such as service availability, turnaround time, quality, or customer satisfaction.

Terms and Conditions: The major characteristic here is the length of the contract. Contracts of shorter length will incur a slight additional charge and longer contracts typically provide lower prices.

Geographical Location: The exact location of a delivered service. This may have an effect of the service price if the location is imposed by the user.

Gartner recommends that organizations consider an investment in such customized or in-depth benchmarking engagements to support the budget cycle, significant IT or enterprise changes, or whenever making significant IT-cost-based decisions. The information published in this research can be used during the time periods between prescriptive or consulting-led benchmark engagements.

To explore Gartner's consulting-based prescriptive benchmark analytics capabilities and case studies, see the Appendix.

Gartner IT Key Metrics Data Series

Depending on your subscription level for Gartner services, some clients have access to the Gartner ITKMD publication series from gartner.com, select "Explore," "Metrics & Tools," and "IT Key Metrics Data."

ITKMD is part of the Gartner Benchmark Analytics range of solutions and offers a macro level look at Gartner's global database of comprehensive cost and performance measures. ITKMD provides you with immediate access to authoritative data on IT staffing and investment levels, as well as key technology cost and performance metrics. These metrics enable improved budget and investment decisions with regard to the changing environments of business and IT.

The ITKMD annual publication series contains more than 2,000 IT metrics published by way of 96 Gartner Benchmark Analytics research notes. In addition to the key IT financial metrics in this research, a variety of IT staffing and productivity metrics are available in the areas listed below. Some reports show vertical industry tendencies, while others tend to be cross-industry perspectives. Many of the metrics show averages by revenue scale or size of IT infrastructure.
environment supported (e.g., number of server operating system instances, number of installed MIPS, number of personal computing devices).

These key metrics reports are broadly defined by five key areas of the IT portfolio:

- **Key Industry Measures.** Enterprise-level total IT spending and staffing metrics across 21 vertical industries, including current-year and multiyear averages. Metrics based on enterprise size in terms of annual revenues are often provided.

- **Key Infrastructure Measures.** IT functional area-specific unit cost, productivity and performance measures for the IT infrastructure environments, including current-year and multiyear averages for the mainframe, Windows server, Linux x86 server, Unix server, storage, end-user computing, IT service desk, data and voice network environments. Metrics by workload size are often provided.

- **Key Applications Measures.** Application development and application support spending and staffing metrics, project measures, life cycle phases, productivity and quality measures (current year and multiyear).

- **Key IT Security Measures.** Enterprise-level total spending and staffing measures by industry and region.

- **Key Outsourcing Measures.** Enterprise-level total spending and staffing measures by industry and region.

For a complete outline of all related published research in the series, see "IT Key Metrics Data 2015: Index of Published Documents and Metrics."

**IT Key Metrics Data Source**

Information for ITKMD is continuously collected worldwide via direct fact-finding in our many benchmarking and consulting engagements, through surveys of the Gartner community and at Gartner events, in addition to surveys of non-Gartner-based communities. Financial information, such as revenue and operating income, is also collected from secondary research sources, such as annual reports and public databases.

**Information Technology Outsourcing Analysis Framework**

The scope of the Information Technology (IT) Outsourcing environment analysis is a high-level view of the costs associated to provisioning and management of all IT outsourced services within an enterprise.

IT Outsourcing is defined as:

- Any situation where the full operational responsibility for a particular set of IT services is completely handed over to an external service provider. This includes third party services for maintenance, as well as voice and data transmission services.

- Costs include fees for third party and outsource contracts.
IT Outsourcing Analysis Demographics

To offer some high level insight into the data used for analysis, we have outlined the distribution of the data by revenue size (Figure 1) and industry (Figure 2).

Figure 1. Distribution of IT Outsourcing Data by Business Scale: Revenue Size

Source: Gartner IT Key Metrics Data (December 2014)
Figure 2. Distribution of IT Outsourcing Data by Industry

IT Outsource Spending as a Percent of Total IT Spending, by Industry

IT outsource spending as a percent of total IT (Figure 3) is helpful in understanding the relative level of IT investment (and support) which is outsourced to a third party from a total IT portfolio perspective.

Gartner has defined "total IT spending" as the following:

"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. It is calculated on an annualized 'cash flow view'
basis, and, therefore, contains capital spending and operational expenses, but not depreciation or amortization."

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), 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, including power/heat management and raised floor, 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) and standard computing equipment used in devices for factory automation, and tablet PCs used by healthcare professionals.

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 organizations’ 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.

- Depreciation or amortization expenses, which could lead to double counting from an accounting perspective.
- 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.

Enterprises have a wide variety of sourcing strategies which drives the range of this metric. Factors such as level of risk, past investment, and organizational culture also play important roles. This metric should be considered within the context of the overall IT sourcing and vendor management strategy. In other words, as the technology environment plays greater role in mission-critical business processes, so will the need to mitigate risk by maintaining and managing a secure technology environment.
Figure 3. IT Outsource Spending as a Percent of IT Spending by Industry

Source: Gartner IT Key Metrics Data (December 2014)
Figure 4. IT Outsource Spending as a Percent of IT Spending: Banking and Financial Services

Source: Gartner IT Key Metrics Data (December 2014)

Figure 5. IT Outsourcing Spending as a Percent of IT Spending: Chemicals

Source: Gartner IT Key Metrics Data (December 2014)
Figure 6. IT Outsource Spending as a Percent of IT Spending: Construction, Materials and Natural Resources

0% 10% 20% 30% 40% 50% 60%
= Range = Average = Middle Quartiles

Source: Gartner IT Key Metrics Data (December 2014)

Figure 7. IT Outsource Spending as a Percent of IT Spending: Consumer Products

0% 10% 20% 30% 40% 50% 60% 70% 80%
= Range = Average = Middle Quartiles

Source: Gartner IT Key Metrics Data (December 2014)
Figure 8. IT Outsource Spending as a Percent of IT Spending: Education

Source: Gartner IT Key Metrics Data (December 2014)

Figure 9. IT Outsource Spending as a Percent of IT Spending: Energy

Source: Gartner IT Key Metrics Data (December 2014)
Figure 10. IT Outsource Spending as a Percent of IT Spending: Food and Beverage Processing

Source: Gartner IT Key Metrics Data (December 2014)

Figure 11. IT Outsource Spending as a Percent of IT Spending: Government: National/International

Source: Gartner IT Key Metrics Data (December 2014)
Figure 12. IT Outsource Spending as a Percent of IT Spending: Government: State/Local

Source: Gartner IT Key Metrics Data (December 2014)

Figure 13. IT Outsource Spending as a Percent of IT Spending: Healthcare Providers

Source: Gartner IT Key Metrics Data (December 2014)
Figure 14. IT Outsource Spending as a Percent of IT Spending: Industrial Electronics and Electrical Equipment

Source: Gartner IT Key Metrics Data (December 2014)

Figure 15. IT Outsource Spending as a Percent of IT Spending: Industrial Manufacturing

Source: Gartner IT Key Metrics Data (December 2014)
Figure 16. IT Outsource Spending as a Percent of IT Spending: Insurance

Source: Gartner IT Key Metrics Data (December 2014)

Figure 17. IT Outsource Spending as a Percent of IT Spending: Media and Entertainment

Source: Gartner IT Key Metrics Data (December 2014)
Figure 18. IT Outsource Spending as a Percent of IT Spending: Pharmaceuticals, Life Sciences and Medical Products

Figure 19. IT Outsource Spending as a Percent of IT Spending: Professional Services

Source: Gartner IT Key Metrics Data (December 2014)
Figure 20. IT Outsource Spending as a Percent of IT Spending: Retail and Wholesale

![Graph showing IT Outsource Spending as a Percent of IT Spending for Retail and Wholesale. The graph indicates that the average percentage is 18%, with a range from 0% to 60%.]

Source: Gartner IT Key Metrics Data (December 2014)

Figure 21. IT Outsource Spending as a Percent of IT Spending: Software Publishing and Internet Services

![Graph showing IT Outsource Spending as a Percent of IT Spending for Software Publishing and Internet Services. The graph indicates that the average percentage is 14%, with a range from 0% to 45%.]

Source: Gartner IT Key Metrics Data (December 2014)
Figure 22. IT Outsource Spending as a Percent of IT Spending: Telecommunications

Source: Gartner IT Key Metrics Data (December 2014)

Figure 23. IT Outsource Spending as a Percent of IT Spending: Transportation

Source: Gartner IT Key Metrics Data (December 2014)
IT Outsourcing Dollars Managed per FTE by Industry

IT outsourcing dollars managed per FTE helps to evaluate the level of workload supported by the vendor management support staff in terms of contracted outsourced dollars spent. All companies who outsource require internal resources to manage their contracts.

IT vendor management FTE is defined as:

- IT full-time equivalents responsible for the development and ongoing management of tasks such as vendor selection, negotiation, terms and conditions, service levels, points of contact, rules of engagement, problem resolution, escalation, and discount structures are some of the key functions that must be performed by internal IT staff responsible for managing the contract.

While this measure helps to understand contract dollars spent, it does not address the complexity of the IT service contracts.
Figure 25. IT Outsourcing Dollars Managed per FTE: Banking and Financial Services

Source: Gartner IT Key Metrics Data (December 2014)

Figure 26. IT Outsourcing Dollars Managed per FTE: Construction, Materials and Natural Resources

Source: Gartner IT Key Metrics Data (December 2014)
Figure 27. IT Outsourcing Dollars Managed per FTE: Industrial Manufacturing

Source: Gartner IT Key Metrics Data (December 2014)

Figure 28. IT Outsourcing Dollars Managed per FTE: Insurance

Source: Gartner IT Key Metrics Data (December 2014)
Figure 29. IT Outsourcing Dollars Managed per FTE: Professional Services

Source: Gartner IT Key Metrics Data (December 2014)

Figure 30. IT Outsourcing Dollars Managed per FTE: Utilities

Source: Gartner IT Key Metrics Data (December 2014)
Conclusions

The metrics and benchmarks we have identified here provide a high-level view of current trends in IT outsourcing spending and staffing levels as well as the average market profile in terms of maturity and satisfaction levels. These can be used to assist in planning exercises with IT management as well as in setting targets in key technology areas. They provide generic context as well as an industry standard framework to monitor and evaluate investment and sourcing strategy.

It is important to understand that the published averages are not targets, and decisions of “good” or “bad” performance should not be based on these metrics. They are indicative reference points from which to view current investment and resource levels to help identify differences that could merit further analysis. By understanding the complexity and demand factors driving your environments cost structure; you will be more able to articulate why your organization is higher or lower than these metrics in terms of service quality, workload quantity and the associated cost to meet business requirements.

IT Key Metrics Data is a Gartner Benchmark Analytics solution that delivers indicative IT metrics in a published format as directional insight for IT organizations. This solution represents a subset of the metrics and prescriptive benchmark analysis capability that is available through Gartner Benchmark Analytics. For ongoing and more targeted analyses, Gartner Benchmark Analytics provide clients with in-depth, personalized benchmarking and customized assessments. These prescriptive, client-focused engagements are structured to identify technology performance strengths, to prioritize opportunities for IT and business optimization, and to assist in communicating IT’s role in creating business value through strategy enablement and process improvement.

Appendix: Exploring Gartner’s Prescriptive Benchmark Analytics Capabilities

Gartner’s consulting-based benchmark analytics capabilities deliver unbiased comparisons of IT performance relative to unique client-specific peer organizations and those considered best in class. Benchmarks can help you assess your IT organization’s performance to ensure delivery of cost-effective and efficient IT services, and identify opportunities for improving performance.

Gartner Consulting led benchmarks are individually configured, project-specific benchmarks that help support such IT challenges as growth planning, charging for IT services, budget validation, mergers and acquisitions, end-user satisfaction, application rationalization, or the support of outsourced service contract evaluation. Benchmarking offers a stake in the ground, to determine where an enterprise is today, and a future road map, which shows where opportunities lie.

Gartner Benchmarking can help you:

- Plan your IT budget with relevant facts and metrics to justify your IT spending and staffing costs.
- Identify opportunities for cost optimization and investment prioritization.
- Use data to improve dialogue and align with business units and the board.
Select the right mix of insourcing and outsourcing at fair-market prices and service levels available today.

Gartner Benchmark Analytics Select Case Studies

Sourcing and Vendor Relationship Benchmarks

Sourcing and vendor relationship benchmarks provide an accurate answer to the question, "Is this a good market price for the services being provided?" Learn more at Gartner Consulting’s Benchmarking: For Your IT Challenges — Sourcing and Vendor Relationships.

Market Assessment Benchmarking Case Studies

- Organization Implements Third-Party Benchmark Clause
- Organization Wants to Execute a Global Consolidation Strategy
- Organization Accelerates Business Growth

IT Service Catalog Benchmarking Case Study

- Organization Assesses IT Service Catalog Rates to Validate Current Competitiveness

Cloud as a Service Benchmarking Case Studies

- Organization Looks to Procure Cloud Email
- Organization Evaluates Backup as a Service
- Organization Requires Third-Party Assessment of Storage as a Service Offering
- Organization Desires Unified Communications as a Service Contract Evaluation

CIO and IT Executive Benchmarks

CIO and IT executive benchmarks evaluate performance from two perspectives: a cost and maturity assessment of critical IT competencies and IT business value. Learn more at Gartner Consulting: For Your IT Role.

CIO Benchmarking Case Studies

- CIO Wants to Move IT to a Process-Focused Delivery Model
- CIO Wants to Obtain a Better Understanding of IT Performance
- Organization Establishes a Baseline and Looks to the Future
- Organization Evaluates IT’s Ability to Support the Dean’s Vision
CIO Balancing Increased Demand With Flat Resources

**IT Budget Benchmarking Case Studies**
- Organization Ensures Industry Competitiveness
- Organization Assesses Merger and Acquisition Activity Implications on IT Spend

**Consortium Benchmarking Case Studies**
- Organizations Share Best Practices

**Infrastructure and Operations Benchmarks**
Infrastructure and operations benchmarks create a starting point in the process of helping IT organizations identify and assess all IT performance levels. Learn more at Gartner Consulting’s Benchmarking: *For Your IT Challenges — Infrastructure and Operations*.

**Infrastructure and Operations Benchmarking Case Studies**
- Organization Assesses IT Performance to Ensure Effectiveness and Competitiveness
- Organization Benchmarks IT Costs to Ensure Ongoing Cost-Effectiveness and Consistency With Industry
- Organization Undergoes Cost-Optimization Assessment
- Organization Creates a Foundation for Continual Improvement

**Enterprise Computing Benchmarking Case Study**
- Organization Benchmarks Data Center Costs to Ensure Cost-Effectiveness

**End-User Computing Benchmarking Case Study**
- Organization Creates Foundational Components for Increased Transparency of Services to End Users

**Applications Benchmarks**
Applications benchmarks are the starting point in the process to help IT organizations identify and assess application development and support performance levels. Learn more at Gartner Consulting’s Benchmarking: *For Your IT Challenges — Applications*.

**Application Development and Support Benchmarking Case Studies**
- Organization Ensures Competitiveness and Quality
Organization Maintains a Foundation for Continual Improvement
Organization Manages Stakeholders and Identifies Performance Improvement
Organization Creates a Foundation for Continual Improvement

**SAP Benchmarking Case Study**

- Agency Ensures Delivery of Cost-Effective SAP Services

**End-User Satisfaction Benchmarks**

IT customer satisfaction benchmarks establish a baseline for customer satisfaction and create a road map that helps prioritize efforts to increase these levels. Learn more at Gartner Consulting’s Benchmarking: For Your IT Challenges — IT Customer Satisfaction.

**IT Customer Satisfaction Benchmarking Case Study**

- Organization Undergoes an Assessment of End-User Satisfaction
- Agency Assesses End-User Satisfaction

**IT Business Effectiveness Benchmarks**

IT business effectiveness benchmarks establish a baseline for IT’s effectiveness in meeting business needs and identify opportunities to better align the IT organization with the enterprise for maximum results. Learn more at Gartner Consulting’s Benchmarking: For Your IT Challenges — IT Business Effectiveness.

**Business Effectiveness Benchmarking Case Study**

- Agency Undergoes an Assessment of Business Effectiveness

More information on Gartner Benchmark Analytics can be obtained by contacting your account executive, or by email: benchmarkinginfo@gartner.com.

**Recommended Reading**

- Demand Management Is Pivotal to Cloud Cost Control
- IT Services Sourcing Reform Will Prepare the Organization for Bimodal IT and Digital Business
- Predicts 2014: Business and IT Services Are Facing the End of Outsourcing as We Know It
- Magic Quadrant for End-User Outsourcing Services, North America
- Implement Three Key Infrastructure Outsourcing Levers to Enable Digital Business
Organizations Must Link Innovation With Pricing in Outsourcing Deals or It Won't Happen

Evidence

- This research contains relevant database averages and ranges from a subset of metrics and prescriptive engagements available through Gartner Benchmark Analytics consulting-based capabilities.
- Employee, income and revenue data is based on the most recently completed fiscal year.
- Calculations were made using worldwide observations.