



EXECUTIVE SUMMARY

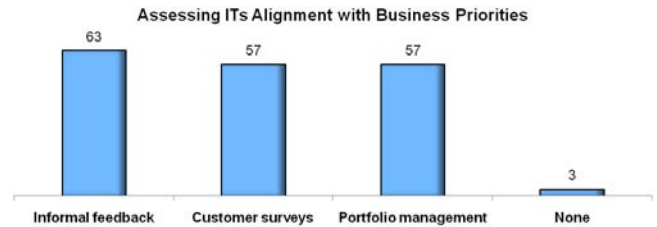
Introduction

In the current economy, companies are paying closer attention to where and how they are allocating financial resources as to maximize their ability to meet business goals. This means it is more important than ever for Senior IT Decision Makers to be able to provide accurate, transparent, up to the minute information about IT spending to key business stakeholders. This research explores how well Senior IT Decision Makers feel their organizations are doing in achieving these goals.

Key Findings

In general, respondents recognize that their business stakeholders expect a high level of accountability and transparency around IT spending. However, Senior IT Decision Makers are somewhat less confident that they have the capabilities to deliver on those expectations. Many indicate that the tools used for measuring IT spending are informal, have limited granularity, are prone to error or are lacking in automation. These shortcomings could have a negative impact on business stakeholders' willingness to invest in IT - a serious concern, given that most Senior IT Decision Makers already anticipate that the demands on IT will outpace their budget in the foreseeable future. More specifically...

43% of IT leaders still lack investment rigor with no form of portfolio management in place for aligning IT investment decisions to business priorities.

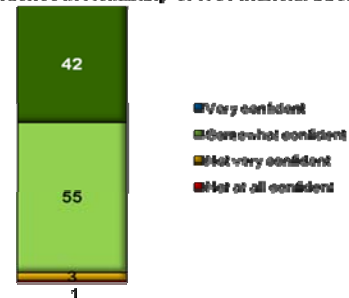


Q14: What mechanisms do you use to assess the alignment of IT investment with the business priorities of your organization? Multiple responses permitted.

97% of Senior ITDMs are confident in the consistency and reliability of collecting and communicating IT financial information

- But three quarters say they estimate actual costs of IT services with a 5-20% margin of error
 - Only 12% estimate with a margin of error of less than 5%

Confidence in Reliability of ITs Financial Information



Q31: How confident are you in the consistency and reliability of collecting and communicating financial information of the IT department across your organization?

MoE in Estimating Actual Costs

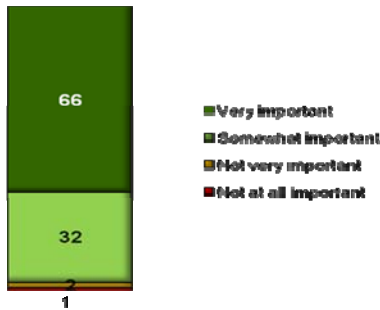
Margin of Error	Sr. ITDM
Less than +/- 5%	12
+/- 5-10%	51
+/- 11-20%	27
+/- 21-30%	9
+/- 31-40%	1
More than +/- 40%	2

Q31: What margin of error do you have in estimating the actual costs of the IT services you deliver?

66% of Senior ITDMs say IT spending transparency is “Very important” to their business stakeholders

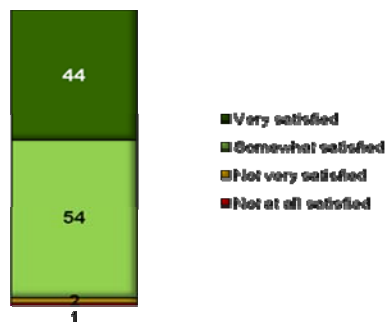
- But only 44% report that business stakeholders are “Very satisfied” with spending transparency

Importance of Transparency



Q15: How important is IT spending transparency to your organization’s business stakeholders?

Satisfaction with Level of Transparency

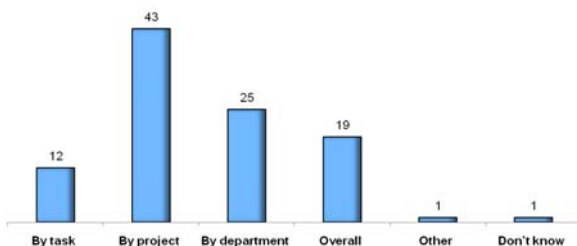


Q17: How satisfied are your business stakeholders that they are getting the level of transparency that they require?

Most respondents have project-level granularity of visibility into IT spend across CapEx and OpEx

- 19% of respondents have overall visibility, while 25% have department-level visibility

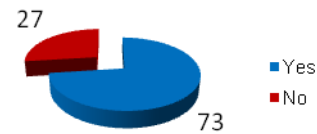
Granularity of Visibility into IT Spend



Q30: What’s the granularity of your visibility into IT spend across CapEx and OpEx?

73% of Senior ITDMs measure IT performance with a scorecard or dashboard

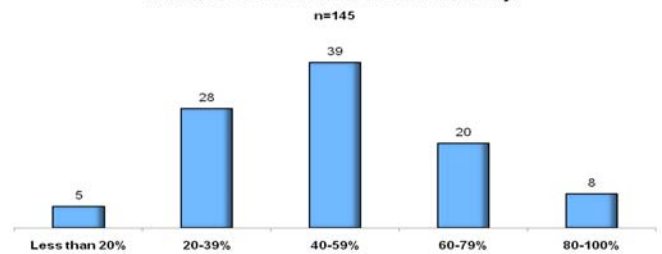
Do You Measure IT Performance with a Scorecard or Dashboard?



Q18: Do you measure the performance of the IT function with a scorecard or dashboard?

Yet among these Senior ITDMs over three-fourths can refresh less than 60% of scorecards or dashboards automatically

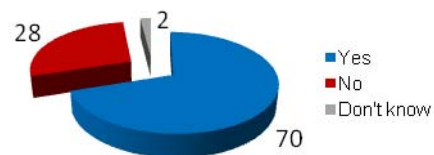
What % of Scorecard Refreshes Automatically?



Q20 IF MEASURES WITH A SCORECARD OR DASHBOARD: What percentage of the scorecard or dashboard are you able to refresh automatically (as opposed to manual data entry)?

70% of IT leaders state IT Demand will outpace budget for the foreseeable future

Will IT Demand Outpace the Budget?



Q27: Do you forecast IT demand at your organization increasing at a faster pace than your budget?

Study Methodology

PSB Research conducted 200 Internet surveys among Senior IT Decision Makers in North America (U.S. and Canada), Western Europe (U.K., France and Germany), Asia-Pacific & Japan (Australia, Japan, China, Singapore and India), Latin America (Brazil and Mexico), Eastern Europe & the Middle East (Russia and the United Arab Emirates). For the purposes of this research, Senior ITDMs were defined as having final or significant decision-making authority for IT overall and more specifically with their company’s or a major department’s servers and infrastructure. Interviews were conducted May 8 - 13, 2009