

Disruption requires IT leaders to optimize costs and improve strategic planning

A survey of 100 IT leaders shows that the global pandemic has emphasized the need to manage IT costs and plan IT budgets to adapt quickly and address business-critical priorities



72% of CIOs say the disruption caused by COVID-19 has changed their business priorities¹.



80% report pressure to reduce IT spend
50% already have reduced IT budgets
25% median budget cut across industries

Source: Bain & Company - COVID 19 Implications: Early Perspective from IT decision makers in North America, March 2020

A dramatic reduction in revenue, and reduced IT budgets, means that IT leadership has to re-plan, optimize costs, and meet post-COVID-19 business priorities without harming the long-term prospects for the organization.

Top business priority across all industries before COVID-19 disruption

Improve operational excellence



Financial services organizations prioritized

46% Optimizing Costs



Healthcare organizations prioritized

54% Operational Excellence

Top business priority across all industries through COVID-19

Optimize costs



Financial services organizations prioritized

75% Improving Operational Excellence

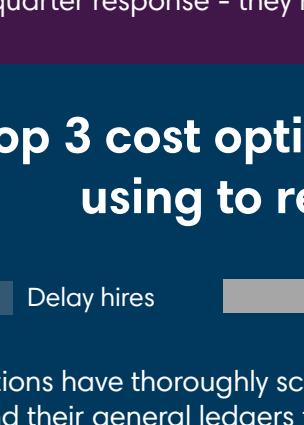


Healthcare organizations prioritized

66% Optimizing Costs

Demand for new IT capabilities

- increase
- decrease
- no change



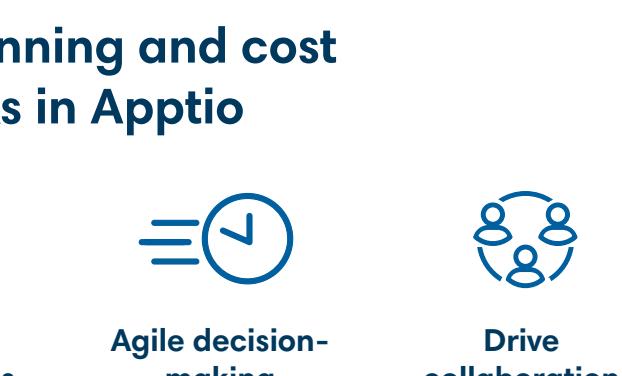
Cost reduction and reprioritization is happening at the same time that IT is being asked to deliver more.

According to our survey¹, **63% of organizations have experienced increased demand for IT capabilities**.

IT is being asked to do more with less—quickly.

70% of survey respondents in an IT Finance role reported an increase in demand for new capabilities across all industries.

However, demand for new IT capabilities varies by industry.



76% of CIOs said that the ability to rapidly re-plan was a critical capability during the COVID-19 pandemic.

And after the pandemic, **69% report this will still be a critical capability¹**.

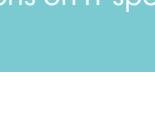
The economic trauma from COVID-19 started in Q1. Organizations cannot afford to take a quarter by quarter response – they need real-time planning and optimization strategies.

The top 3 cost optimization tactics organizations are using to respond to COVID-19 are¹:



Most organizations have thoroughly scrutinized their fiscal budgets for potential savings. Leaders are now searching beyond their general ledgers for additional opportunities to shift spend and cut costs. Comprising between 30 – 35% of all IT spend, the application portfolio is an obvious target.

Why continuous IT planning and cost optimization works in Apptio



Automated process

Leverage existing budgets to build continuous planning processes

Make better decisions

Understand business impact with data-driven insights and scenario planning

Identify Opportunities

Establish continuity to optimize costs and performance

Agile decision-making

Accelerate digital transformation through strategic investments

Drive collaboration

With IT role-based collaboration, action plans, and workflows

Before Apptio

Spreadsheet and email-based costing processes lacked portfolio visibility, defensibility and speed, driving poor stakeholder conversations with the business.

Manual costing processes ran about 9 months, providing only a partial picture of IT spend and the app portfolio. Prone to issues common in an Excel-based approach, this process resulted in a lack of confidence in IT data.

After Apptio

- Selected Apptio for cost transparency, app rationalization, and reporting
- Achieved \$17M in cost savings over 2 years
- Conducted 30 different optimization projects and initiatives
- Automated costing process now runs about a week – not months
- Improved business conversations on IT spend with real-time answers

"We've saved \$17M optimizing our IT costs with Apptio. Month long processes, now take days. In short, Apptio is one of the best decisions we've made."

Sara Scheu

Director of IT Business Management, Mansfield Clinic