



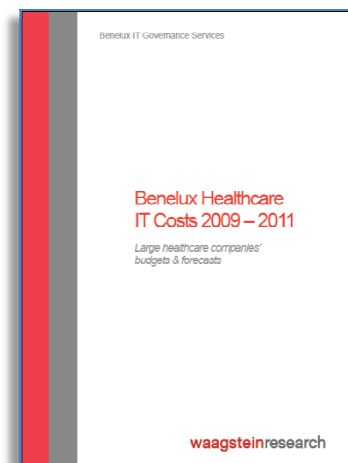
Benelux Healthcare IT Costs

Large healthcare companies' budgets & forecasts 2009-2011

Benelux Healthcare IT Costs - Large healthcare companies' budgets & forecasts maps out both current IT costs in Benelux healthcare companies as well as the trends. In the report the IT costs levels as well as the allocation of spending is described and analysed. Both the allocation on IT resources (hardware, software, staff etc.) and on IT functions (infrastructure, ERP etc.) is presented. Furthermore, Benelux healthcare companies' perception of the potential for cost-savings in different IT function areas is reported.

The report is designed to show:

- **Current and forecasted IT costs** for Benelux healthcare companies in general as well as hospitals in particular.
- Share of IT costs spent on **outsourcing**.
- **Allocation of IT costs on resources** that are invested in the IT operations such as hardware and staff.
- Share of IT costs spent on new **development**.
- **Allocation of IT costs on functions** that are obtained from the invested resources such as IT infrastructure and ERP systems.
- Benelux healthcare companies' estimations on **the potential for cost-savings** in different IT function areas.
- **Comparative information on IT costs** for Benelux companies outside the healthcare sector.



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Report excerpt:

Mapping out IT spending by large Benelux healthcare companies

The economic recession has squeezed many companies in the Benelux healthcare sector between the pressures of reducing costs and an unchanged or even higher level of demand for their services. It is clear that information technology could have an important role in solving this dilemma. While there are many signs that the end of the economic recession is in sight, it is still far from apparent how fast the economy will recover and how strong the rebound will be. Also, the risk that the economy will start to go into reverse again is still present. In light of this, it is interesting to look at the current state of IT spending in Benelux healthcare companies' and how the spending is expected to develop during the next two years.

Changes in Key Figures

It is important to keep in mind that IT cost key ratios change not just because IT costs change, but also because turnover, number of employees etc. change. What might seemingly look like a reduction in IT costs might actually be an increase for example because turnover increases faster than IT spending. It is therefore valuable to examine what share of Benelux healthcare companies expect their IT costs, turnover, number of employees, users and PCs will increase, decrease or remain the same. It is also useful to know what the average change will be.

IT Cost Key Ratios

In order to show as comprehensive a picture as possible of the IT cost situation of Benelux healthcare companies several different key ratios are used in this report:

- IT costs per internal IT user
- IT costs per PC
- IT costs per employee
- IT costs as a share of turnover

IT Resources Costs

This chapter reports total IT costs and not merely IT budgets. Total IT costs are made up of those IT costs that are included in the IT budget as well as those belonging to the budgets of other departments.

IT resources:

- Hardware
- Software
- Internal staff
- External services
- Data communications
- Facilities
- Outsourcing

IT functions:

- IT Infrastructure
- ERP system
- Other systems

IT processes:

- Development
- Other

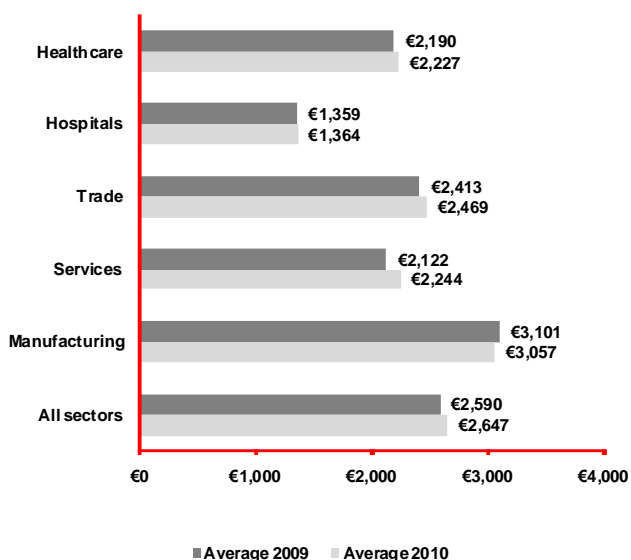
Method

This report is based on data collected in the fourth quarter of 2009 from surveys of 28 companies in the healthcare sector (18 hospitals and 10 other healthcare companies) as well as for reference 100 large (300 or more employees) Benelux companies in other industries. The average number of employees of the companies interviewed in the healthcare sector is 1,308 (median 725) while the average number of employees among the hospitals in particular is 1,163 (median 750).

The survey respondents are all leading decision makers with solid knowledge of their respective companies' IT spending. In the majority of the cases these are IT managers or CIOs but in some cases other persons such as CFOs and CEOs have also been interviewed.

The results from the survey are presented and analysed broken down by sector:

Healthcare (hospitals + other healthcare companies), **Hospitals, Trade, Services and Manufacturing.**



Average IT costs per employee 2009/2010: Sector comparison

Answering your key questions:

How will the recent economic development influence Benelux healthcare companies' IT spending plans?

How does your IT cost level compare to other large Benelux healthcare companies?

What differences are there in the allocation of IT resources?

How much do other large healthcare companies spend on IT development?

What is the cost of IT functions such as infrastructure, ERP and web?

Where are cost-savings most likely to exist according to Benelux healthcare companies?

Table of Contents

1	Introduction	7
1.1	Purpose	7
1.2	Method	7
1.3	General definitions	8
1.4	Using the report	9
2	Changes in key figures	10
2.1	Changes in key figures 2009-2010	10
2.2	Changes in IT costs 2010-2011	13
3	IT cost key ratios	14
3.1	IT costs per internal IT user	15
3.2	IT costs per PC	17
3.3	IT costs per employee	19
3.4	IT costs in relation to turnover	21
4	IT resources costs	23
4.1	IT resources definitions	24
4.2	Outsourcing costs as a share of total IT costs	25
4.3	Distribution of IT costs on IT resources	27
5	IT development costs	35
5.1	IT development costs definitions	35
5.2	IT development cost share	36
6	IT functions costs	38
6.1	Definition of IT functions costs	38
6.2	Distribution of IT costs on IT functions	39
6.3	IT functions costs per internal IT user	46
7	Cost-saving potential	52
8	Conclusions	55

Cont. Table of Figures

Fig. 4 11	Software costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	30
Fig. 4 12	Software costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	30
Fig. 4 13	IT staff costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	31
Fig. 4 14	IT staff costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	31
Fig. 4 15	External services costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	32
Fig. 4 16	External services costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	32
Fig. 4 17	Data communications costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	33
Fig. 4 18	Data communications costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	33
Fig. 4 19	Facilities costs as a share of total IT costs 2009: All Healthcare/Hospitals (means & percentiles)	34
Fig. 4 20	Facilities costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	34
Fig. 5 1	Average development costs as a share of total IT costs 2009/2010: Sector comparison	36
Fig. 5 2	Development costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	37
Fig. 5 3	Development costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	37
Fig. 6 1	Allocation of IT costs on IT functions 2009: Healthcare/Hospitals (means)	39
Fig. 6 2	Allocation of IT costs on IT functions 2009: Sector comparison (means)	39
Fig. 6 3	IT infrastructure costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	40
Fig. 6 4	IT infrastructure costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	40
Fig. 6 5	Information security costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	41
Fig. 6 6	Information security costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	41
Fig. 6 7	Web costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	42
Fig. 6 8	Web costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	42
Fig. 6 9	ERP system costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	43
Fig. 6 10	ERP system costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	43
Fig. 6 11	Industry-specific system costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	44
Fig. 6 12	Industry-specific system costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	44
Fig. 6 13	Other business and administrative system costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	45
Fig. 6 14	Other business and administrative system costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	45
Fig. 6 15	IT infrastructure costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	46
Fig. 6 16	IT infrastructure costs per internal IT user 2009: Sector comparison (means & percentiles)	46
Fig. 6 17	Information security costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	47
Fig. 6 18	Information security costs per internal IT user 2009: Sector comparison (means & percentiles)	47
Fig. 6 19	Web costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	48
Fig. 6 20	Web costs per internal IT user 2009: Sector comparison (means & percentiles)	48
Fig. 6 21	ERP system costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	49
Fig. 6 22	ERP system costs per internal IT user 2009: Sector comparison (means & percentiles)	49
Fig. 6 23	Industry-specific system costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	50
Fig. 6 24	Industry-specific system costs per internal IT user 2009: Sector comparison (means & percentiles)	50
Fig. 6 25	Other business and administrative system costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	51
Fig. 6 26	Other business and administrative system costs per internal IT user 2009: Sector comparison (means & percentiles)	51
Fig. 7 1	IT function area with biggest cost saving potential: Healthcare (% of companies)	52
Fig. 7 2	IT function area with biggest cost saving potential: Hospitals (% of companies)	53
Fig. 7 3	IT function area with biggest cost saving potential: All sectors (% of companies)	53
Fig. 7 4	Average and median size of cost saving potential in IT function area with biggest cost saving potential (% in relation to current costs): All sectors	54

Table of Figures

Fig. 2 1	Expected change in key company Fig.s 2009-2010	9
Fig. 2 1	Expected change in key company Fig.s 2009-2010: Healthcare	10
Fig. 2 2	Expected change in key company Fig.s 2009-2010: Hospitals	11
Fig. 2 3	Expected change in key company Fig.s 2009-2010: All sectors	12
Fig. 2 4	Expected change in IT costs 2010-2011: Healthcare/Hospitals	13
Fig. 3 1	Average IT costs per internal IT user 2009/2010: Sector comparison	15
Fig. 3 2	IT costs per internal IT user 2009: Healthcare/Hospitals (means & percentiles)	16
Fig. 3 3	IT costs per internal IT user 2009: Sector comparison (means & percentiles)	16
Fig. 3 4	Average IT costs per PC 2009/2010: Sector comparison	17
Fig. 3 5	IT costs per PC 2009: Healthcare/Hospitals (means & percentiles)	18
Fig. 3 6	IT costs per PC 2009: Sector comparison (means & percentiles)	18
Fig. 3 7	Average IT costs per employee 2009/2010: Sector comparison	19
Fig. 3 8	IT costs per employee 2009: Healthcare/Hospitals (means & percentiles)	20
Fig. 3 9	IT costs per employee 2009: Sector comparison (means & percentiles)	20
Fig. 3 10	Average IT costs in relation to turnover 2009/2010: Sector comparison	21
Fig. 3 11	IT costs in relation to turnover 2009: Healthcare/Hospitals (means & percentiles)	22
Fig. 3 12	IT costs per internal IT user 2009: Sector comparison (means & percentiles)	22
Fig. 4 1	Waagstein Research IT Benchmark Model – IT Resources	23
Fig. 4 2	Allocation of outsourcing costs on internal IT resources	24
Fig. 4 3	Outsourcing costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	25
Fig. 4 4	Outsourcing costs as a share of total IT costs 2009: All sectors (mean & percentiles)	26
Fig. 4 5	Outsourcing costs as a share of total IT costs 2009/2010: Sector comparison (means)	26
Fig. 4 6	Outsourcing costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	27
Fig. 4 7	Allocation of IT costs on IT resources 2009: Healthcare/Hospitals (means)	27
Fig. 4 8	Allocation of IT costs on IT resources 2009: Sector comparison (means)	28
Fig. 4 9	Hardware costs as a share of total IT costs 2009: Healthcare/Hospitals (means & percentiles)	29
Fig. 4 10	Hardware costs as a share of total IT costs 2009: Sector comparison (means & percentiles)	29

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Benelux Healthcare IT Costs – Large healthcare companies' budgets & forecasts 2009-2011 is written based on mainly the needs and requirements of the IT management of large Benelux healthcare companies. The target group of the report is primarily: CIO/IT managers, CFOs, Controllers, IT strategists, Consultants and CEOs. The report will however also be interesting for vendors of IT products and services in order to better understand their customers.

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