



**Detailed review of effectiveness of common cost control methods**

**Support for identifying IT cost drivers in the business operations**

**Use of IT cost control methods by Nordic companies**

**Awareness of IT costs drivers in business operations**

## Business IT Cost Drivers 2007

Optimising Business Driven IT Costs

***What are the main IT cost drivers in the business operations according to Nordic companies?***

***What level of awareness is there for what drives IT costs in the business operations?***

***How effective are different cost control measures and how widely are they employed?***

Companies that do not have a thorough understanding of the IT cost drivers in the business operations become prone to create overly complex business operations. They often develop business strategies and operating models without fully taking into consideration how operations complexity will affect the IT costs in the long-term. This is often due to not having a process for measuring what drives IT costs in the business operations. Finding out what the cost drivers are is essential in order to predict how changes in the business organisation impacts IT costs and to be able to ensure accurate return on investments calculations for new ventures.

### Choosing the right cost control methods

While there are many cost control methods available, the resources of the company are not infinite and so it is impossible to implement them all. In order to make the best choice of method, it is important to make a comprehensive evaluation of what works both in general but also within the own organisation with its unique cost driver environment.

Understanding what in the business operations drives IT costs the most thus affects the choice and focus of cost control strategies. For example, a company having a very complex organisation with many different business units with little central control or coordination of activities might want to focus on implementing cost control methods such as a charge back system. This however might not yield the same benefits for a company that has highly centralised business operations where instead other cost control measures might be more effective.

Waagstein Research's report *Business IT Cost Drivers 2007* maps out Nordic companies awareness of and attitudes to IT costs drivers and cost control methods. This entails looking at what level of understanding of IT cost drivers in the business operations they have, how they rank these and what cost control measures they perceive to be the most effective as well as to what extent they use them.

## Table of Contents

<b>Executive summary</b>	<b>3</b>
<b>Evaluating business IT cost drivers</b>	<b>21</b>
<b>Methods for controlling IT costs</b>	<b>25</b>
<b>Use of cost control methods</b>	<b>37</b>
<b>Cost-saving potential</b>	<b>47</b>
<b>Perceptions and management of business IT cost drivers</b>	<b>52</b>
<b>Perceptions of IT cost control method effectiveness</b>	<b>69</b>
<b>Conclusions</b>	<b>85</b>

## About Waagstein Research

Waagstein Research is an independent research company that provides IT governance services. Our focus is on the business and financial aspects of corporate IT operations.

Our customers are large Nordic companies and organisations and our target audience is decision-makers such as IT managers, IT strategists, financial managers and controllers.

Waagstein Research's industry-specific analysis, competitive insight and strategic advice give businesses the tools they need to optimise their IT operations.

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Waagstein Research's report *Business IT Cost Drivers 2007* is designed to:

- Aid in determining the most important cost drivers by describing how important different IT costs drivers are considered to be by Nordic companies.
- Show the level of understanding in Nordic companies of what in the business operations that drives IT costs the most.
- Give an overview to what extent different cost control methods are used by Nordic companies.
- Offer support in choosing cost control method by showing how efficient Nordic companies perceive different cost control methods to be.
- Help in determining IT areas where costs savings are most likely to exist.

## Method

The survey, which is quantitative, has been carried out by means of a survey of leading decision makers such as CIOs, IT strategists, CFOs and CEOs in Nordic companies. The interviews were made in October 2006. The results from the survey is presented and analysed broken down by industry and size:

**Sectors:** *Trade, Services, Manufacturing*

**Size:** *Medium-sized (turnover 25 – 100 MEUR), Large (>100 MEUR)*

## Target Group

The report is written based on mainly the needs and requirements of the IT management of medium-sized and large 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.

## Price and delivery

The price of the report is EUR 2,190.

The report is delivered in both printed format and in a digital copy in PDF-format for free distribution within your organisation.

To order or get more information contact John Karlsson at +358-40-5545333 or e-mail [john@waagstein.se](mailto:john@waagstein.se)

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March 2007