

Respondent name: Sample Health Care
Company name: Info-Tech
Respondant Email: healthcare@infotech.com

Executive Summary

The following table identifies how your high level financial metrics compare those of your peer group.

	Your metric value	Your quartile rank	25th Percentile	Median	75th Percentile	Number of Peers
Operational budget to revenue	2.04%	3rd	1.03%	1.99%	3.76%	40
Operational budget to staff	\$2,338	3rd	\$1,193	\$2,000	\$6,250	40
Operational budget to IT staff	\$130,342	2nd	\$91,514	\$165,517	\$205,714	40
Capital budget to revenue	2.78%	4th	0.29%	0.70%	1.23%	40
Capital budget to staff	\$3,191	4th	\$450	\$1,265	\$1,800	40
Capital budget to IT staff	\$177,869	4th	\$23,529	\$62,500	\$84,429	40

At a high level your spending levels appear to be in-line with your peers.

You should be striking a reasonable balance between spending and providing service to the business.

Review the metrics that follow in more detail to determine how you compare to your peers.

Benchmarking Goes Beyond Cost Justification/Savings

Performance Analysis

Use metrics to benchmark, analyze, and track performance. Consider your operational and capital spending versus various peer groups for improvement

Diagnostics

Metrics and benchmarking information can help diagnose problem areas early and point to areas

Decision Making

Making decisions about spending levels in a bubble is challenging — benchmarking metrics can help make the right decisions

Goal Setting

Set goals to better align spending with peer groups and right-size operational and capital budgeting with best practice IT shops

Accountability

Use benchmarking data to help management and staff understand what they are accountable for — and why

Ongoing Improvement

Good benchmarking information can form the foundation for continuous improvement in many areas - including IT spending.

Info-Tech's MeasureIT Financial Metrics Overview

This custom benchmarking report provides you with:

- Metrics to help understand how your IT budgeting levels compare to your peers
- High level comparisons of key top level metrics
- Detailed granular financial metrics
- Implications of your individual financial metrics compared to your peer group
- An action plan to help with your particular situation
- Recommended research to help you take the steps necessary to optimize spending levels

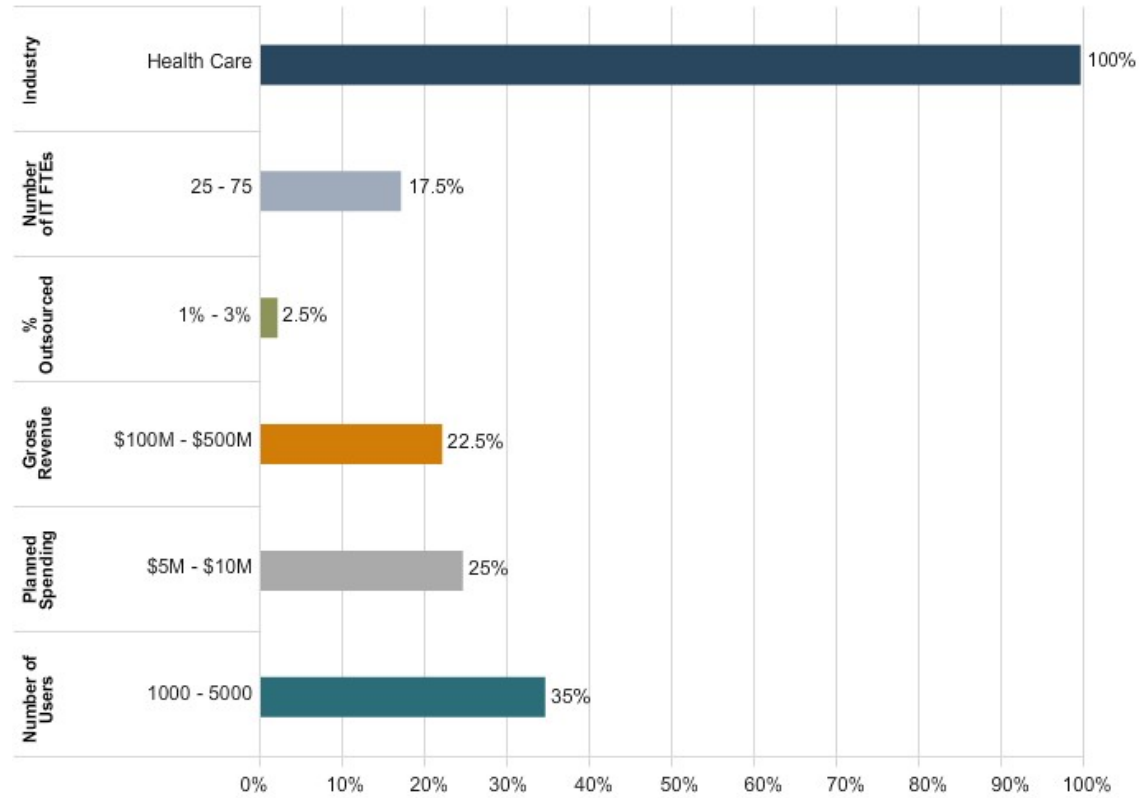
This benchmarking report is customized for you, and compares your metrics to:

- A custom peer group containing enterprises that match you as closely as possible
- Your peer group is defined by demographic information, such as industry, size (revenue and staff), complexity, growth (revenue and IT budget), and involvement in outsourcing
- In addition to comparisons with your custom peer group throughout the metrics overview, key top level metrics also compare your metrics to other organizations based on the criteria outlined above (i.e. compare your metric to all others in your industry without consideration for other variables)

Your Peer Group

Below is the composition of your peer group based on your demographic information. Your peer group is comprised of others in your industry with similar sized IT groups, number of users supported by the IT group, planned IT spending, gross revenue, and percentage of IT services that are outsourced.

Peer Group Composition



Box Plot (a.k.a. Box and Whisker) Graphs Explained

Box plot graphs are highly informative and simple to interpret. They show on the same graph:

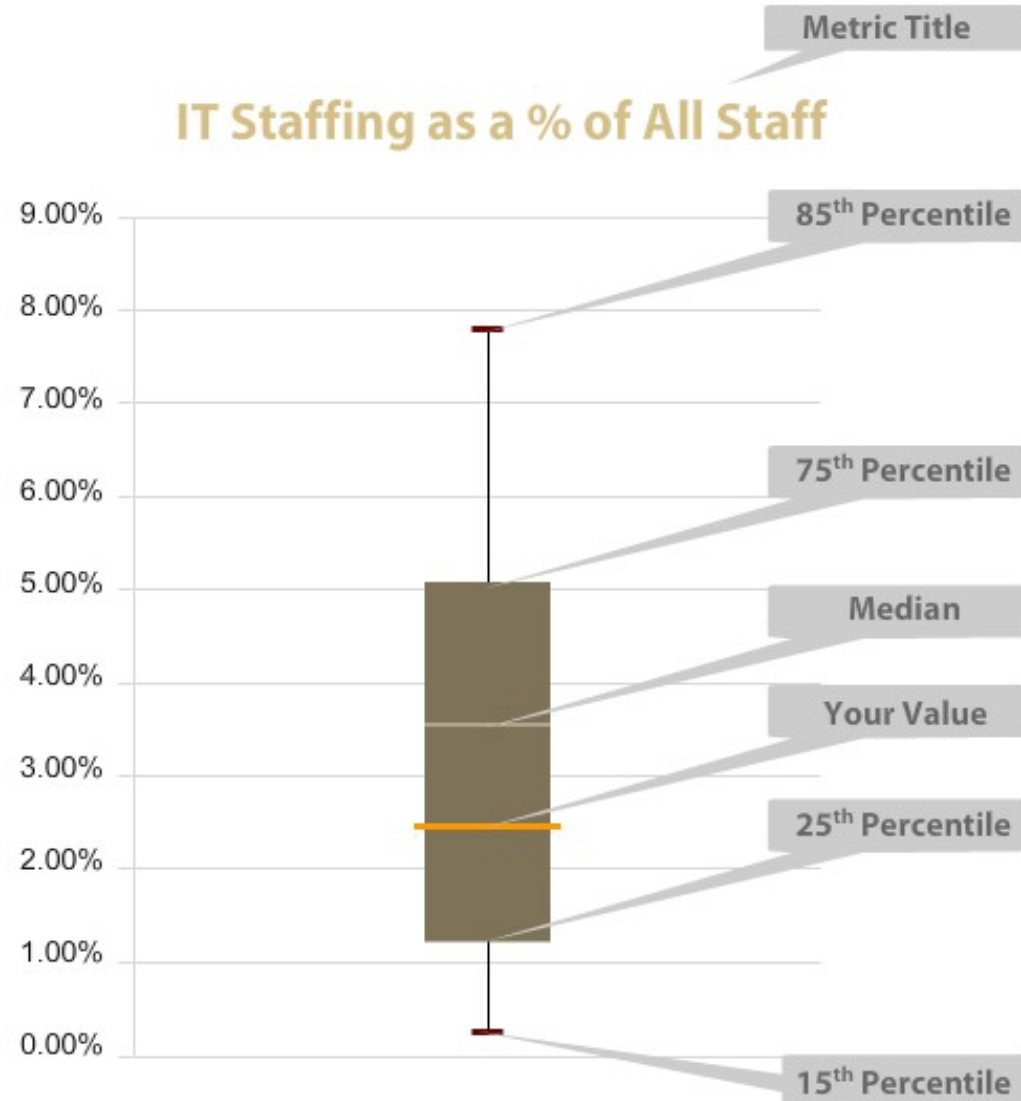
- The median of all responses
- The range of responses. You should never compare yourself to a simple median or simple average. Knowing where you fall within the range can help you determine how closely your results resemble the bulk of your peers.

Box plot elements:

- The thin white line: the median value (the value where 50% of respondents had a higher result and where 50% of the respondents had a lower result)
- The “tails”: show the range of responses from the 15th percentile (the response where only 15% of metric values were lower) to the 85th percentile (the response where only 15% of metric values were higher)
- The thick orange line – the value of your metric

Box plot interpretation:

- Inside the “box”: your metric value falls within the middle 50 percent of respondents. You can consider yourself “in-line” with your peers.
- On the “tails”: your metric value is either lower or higher than the bulk of your peers, but not unexpected – within range but on the low or high side. Keep this result in mind as you review other metrics since it might be an indicator of performance issues.
- Outside the range: your metric value is outside, either much lower or much higher than what would normally be expected. Consider carefully why your value is extreme. This is a strong indicator of potential problems.

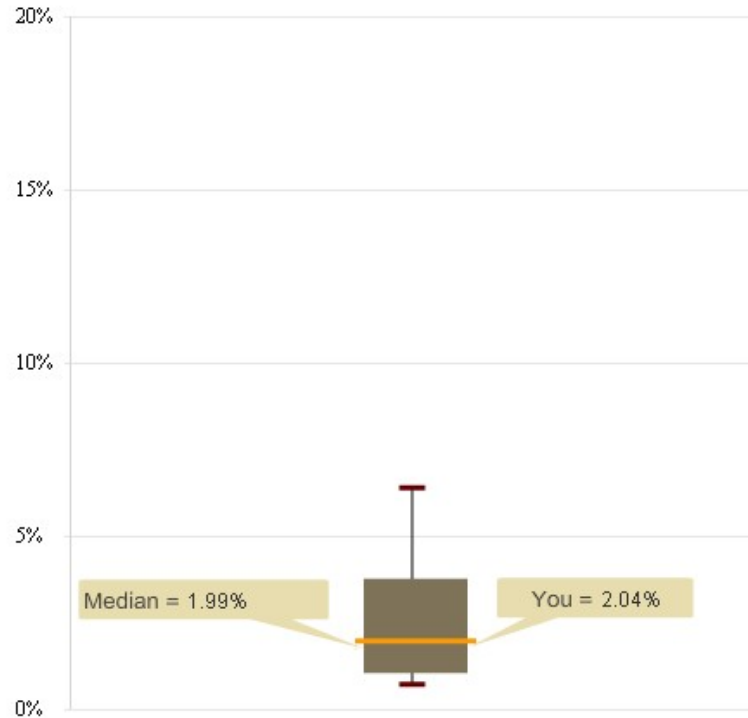


Top Level Metric - Operational Budget as a Percentage of Revenue

This chart compares the operational spending of your IT organization relative to the revenue of your composite peer group.

Generally, if your metric value is in-line with your peers (inside the "box") the relative operational spending of your IT organization is reasonable compared to your peers. If you fall on or above the upper tail, your operational spending level exceeds that of most of your peers. You should investigate why your organization is spending more than your peers. If you fall on or below the lower tail, you operational spending trails that of most of your peers. If this is the case, you should investigate whether your organization is highly efficient or whether you are under-spending.

Operational Budget as a % of Revenue



This table compares your metric value to various highs and lows: the highest median value across all industries, lowest median value across all industries, the median value of your peer group, the 85th percentile value reported in your industry and the 15th percentile reported in your industry. Please note that your industry high and low should show the 85th and 15th percentiles respectively, not the absolute high and low which will almost always be outliers.

Your Metric	Highest Industry Median	Lowest Industry Median	Peer Group Median	Your Industry High	Your Industry Low
2.04%	3.69%	0.54%	1.99%	8.57%	0.74%

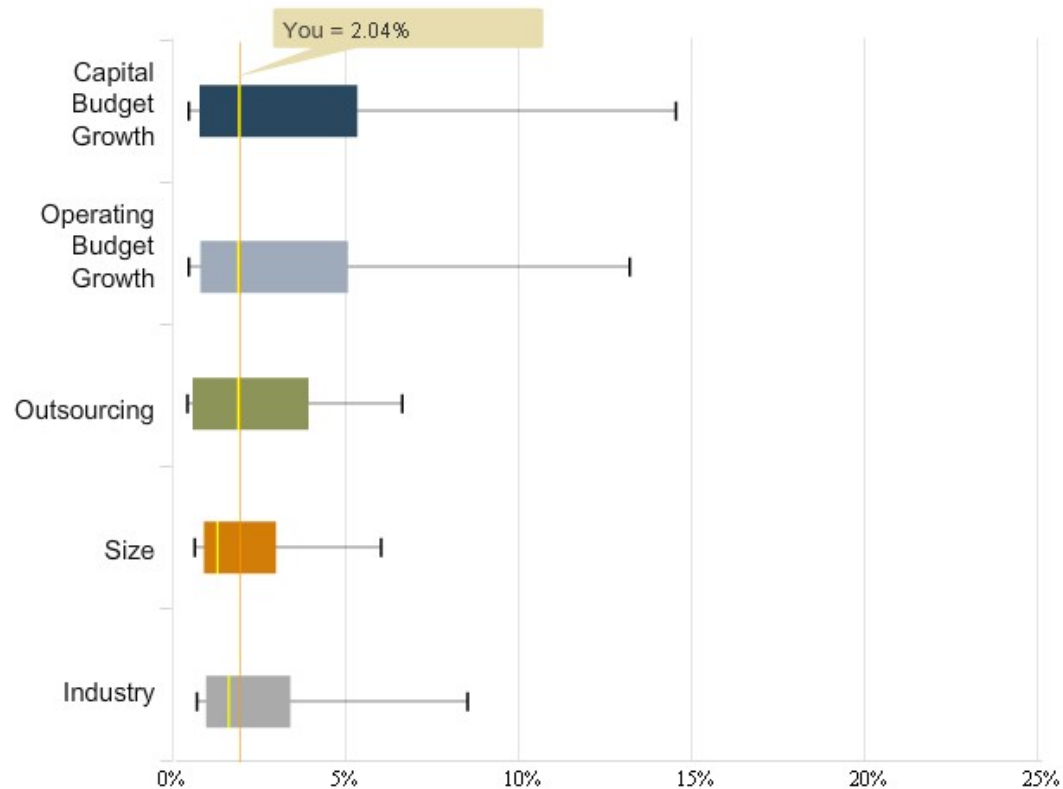
Operational Budget as a Percentage of Revenue – Different Perspectives

This chart shows your operational budget relative to revenue, and compares it to different peer groups as defined by a single demographic factor.

You can see, at a glance, how your relative spending level compares to other organizations with similar:

- Growth in Capital Budget
- Growth in Operating Budget
- Involvement in Outsourcing
- Size based on Revenue
- Industry

Operational Budget as a % of Revenue- Peer Comparison



This table shows how your operational budget as a percentage of revenue compares to others with similar Capital and Operating Budget Growth, Outsourcing Activities, Size, and Industry.

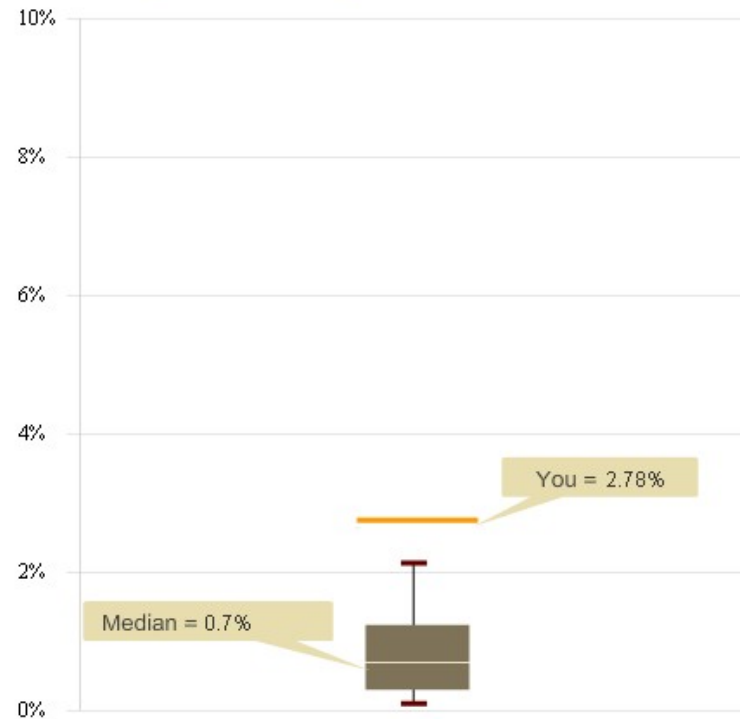
Your Metric	Capital Budget Median	Operating Budget Median	Outsourcing Median	Size Median	Industry Median
2.04%	1.96%	1.94%	1.94%	1.33%	1.67%

Top Level Metric – Capital Budget as a Percentage of Revenue

This chart compares the capital spending of your IT organization relative to the revenue of your composite peer group.

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Your Metric	Highest Industry Median	Lowest Industry Median	Peer Group Median	Your Industry High	Your Industry Low
2.78%	1.43%	0.20%	0.59%	2.18%	0.13%

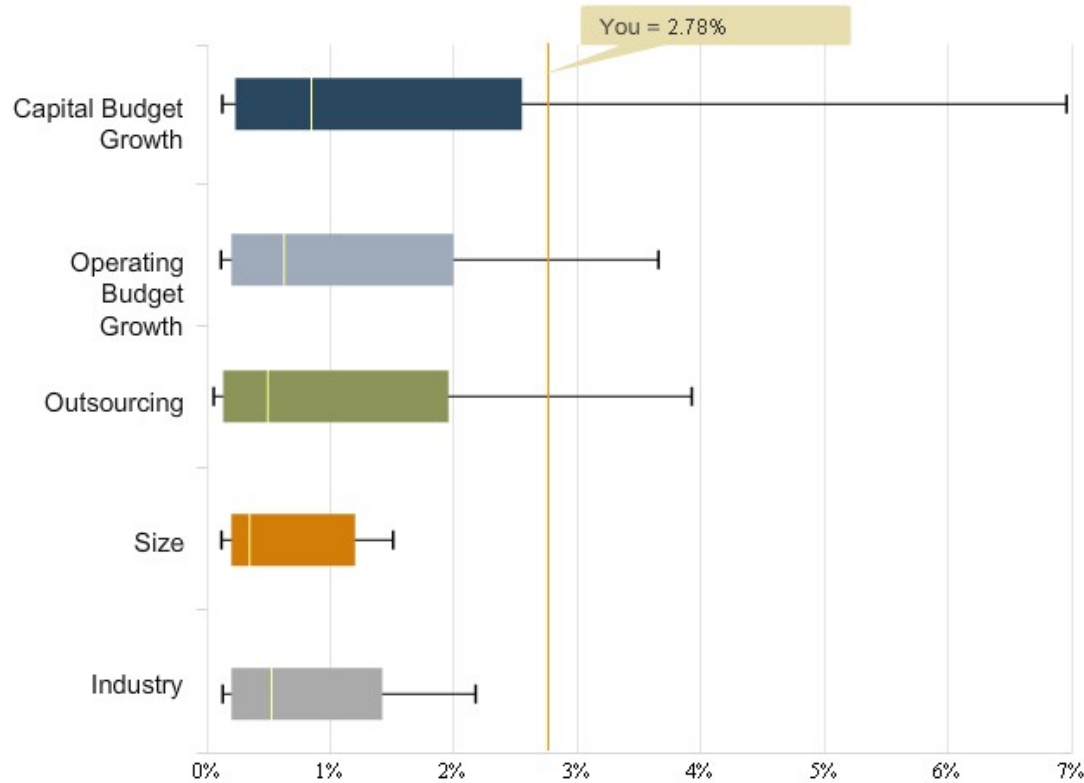
Capital Budget as a Percentage of Revenue – Different Perspectives

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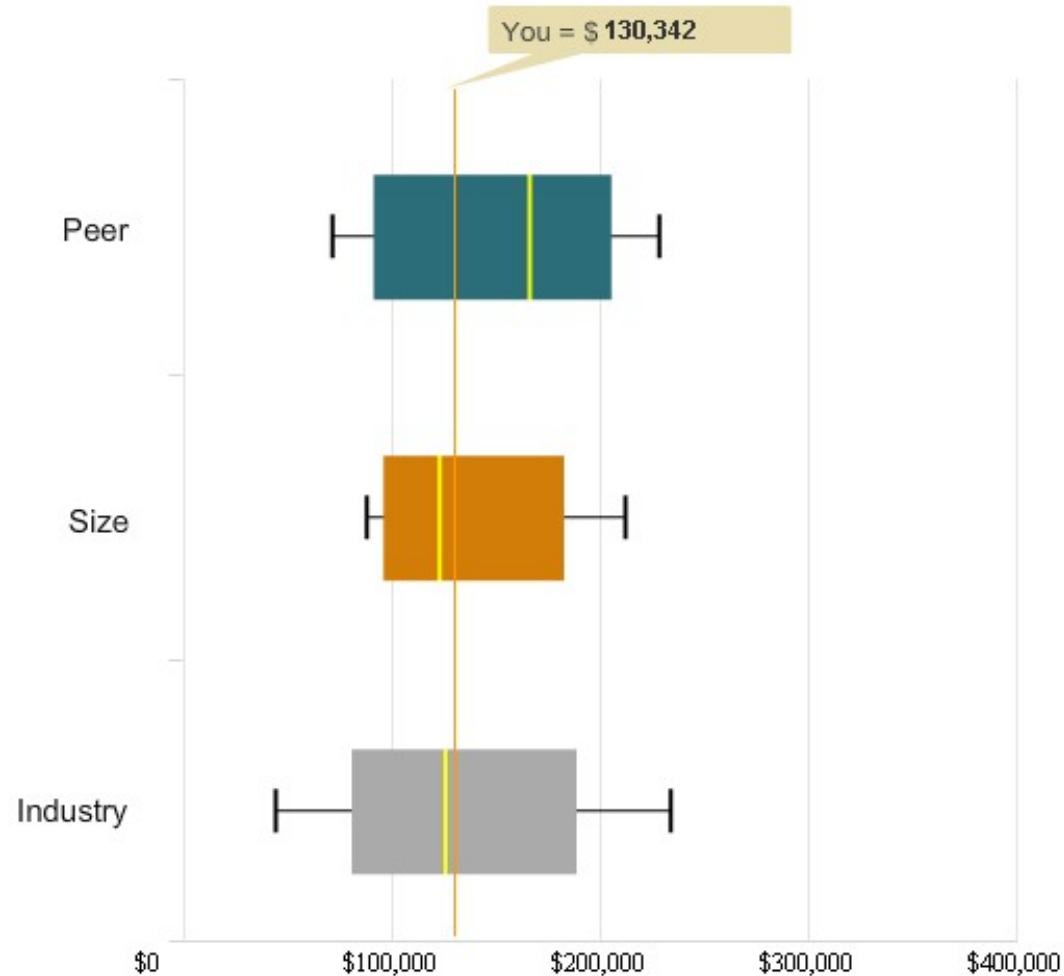
Your Metric	Capital Budget Median	Operating Budget Median	Outsourcing Median	Size Median	Industry Median
2.78%	0.85%	0.63%	0.50%	0.35%	0.53%

Second Level Metrics – Operational Budget to IT Staff

This chart compares your operational budget relative to number of IT staff and compares it to your composite peer group, to enterprises of similar size and to those in your industry .

- A metric value on or beyond the right tail suggests that operational spending relative to IT staff is higher than your peers. Consider where opportunities may exist to reduce operational spending. A metric value on or beyond the left tail, suggests that your operational spending is significantly lower than your peer group . Consider where opportunities may exist to align operational spending with your peers.

Operational Budget to IT Staff

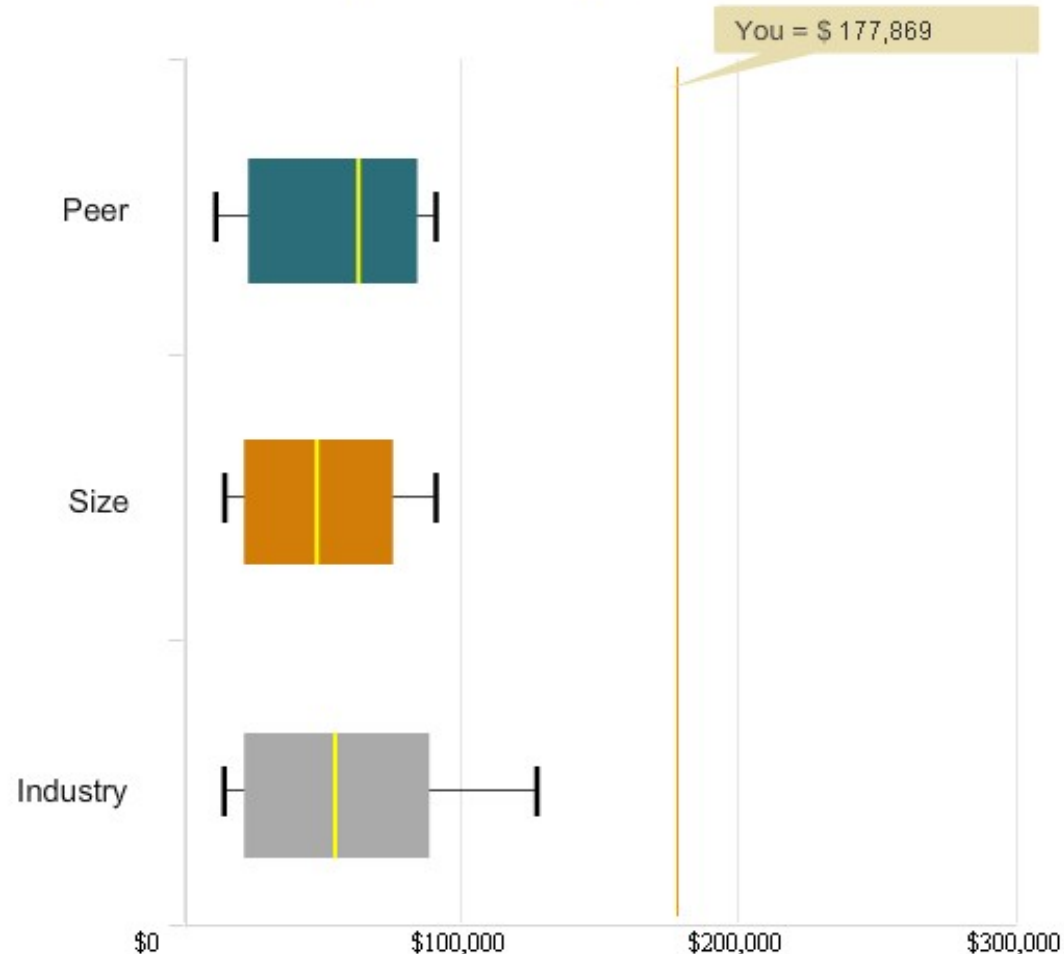


Second Level Metrics – Capital Budget to IT Staff

This chart shows your capital budget relative to number of IT staff and compares it to your composite peer group, to enterprises of similar size and to those in your industry.

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Capital Budget to IT Staff

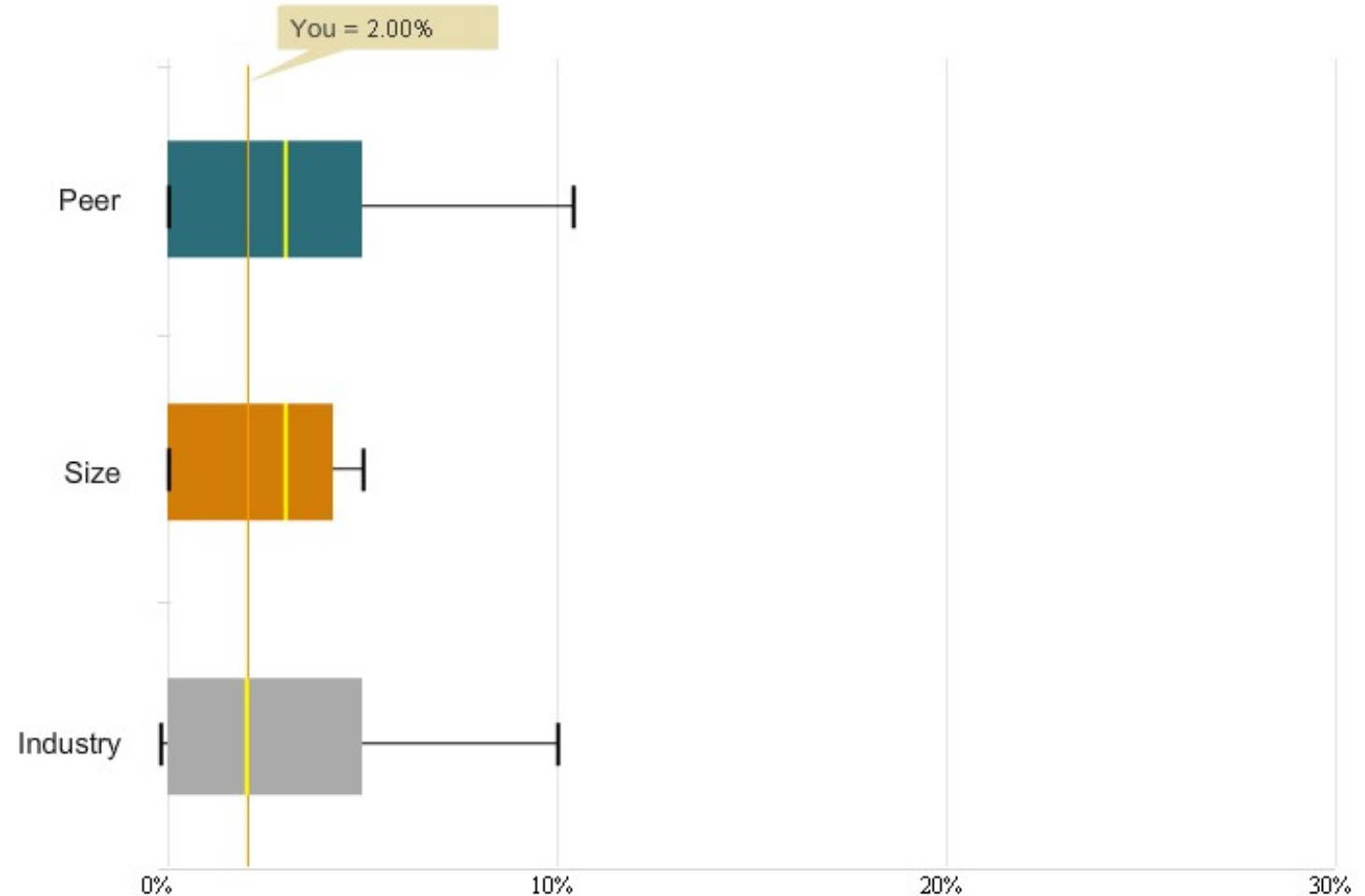


Second Level Metrics – Operational Budget Growth

This chart compares how changes in your operational budget growth levels compare with your composite peer group, within enterprises of similar size and the same industry.

- A metric value on or beyond the right tail suggests that you have experienced greater growth than most of your peers. Consider the rationale for this growth and whether, given company performance and economic conditions, this level of growth can be justified. A metric value on or beyond the left tail, suggests that you have experienced slower growth or greater contraction than most of your peers. Consider the drivers motivating your slow growth or contraction to determine if this pace is appropriate given company performance and strategic objectives.

Operational Budget Growth

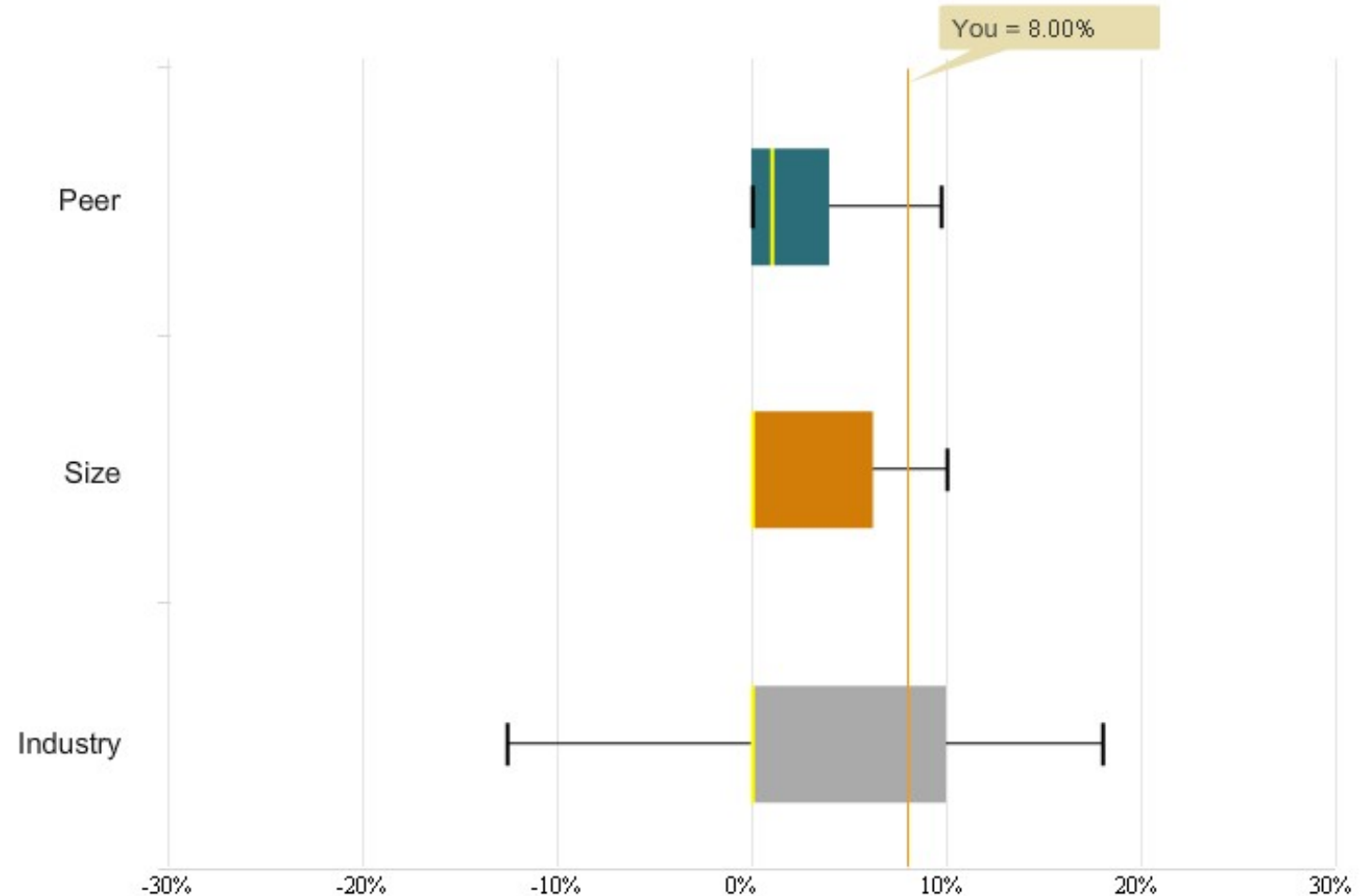


Second Level Metrics – Capital Budget Growth

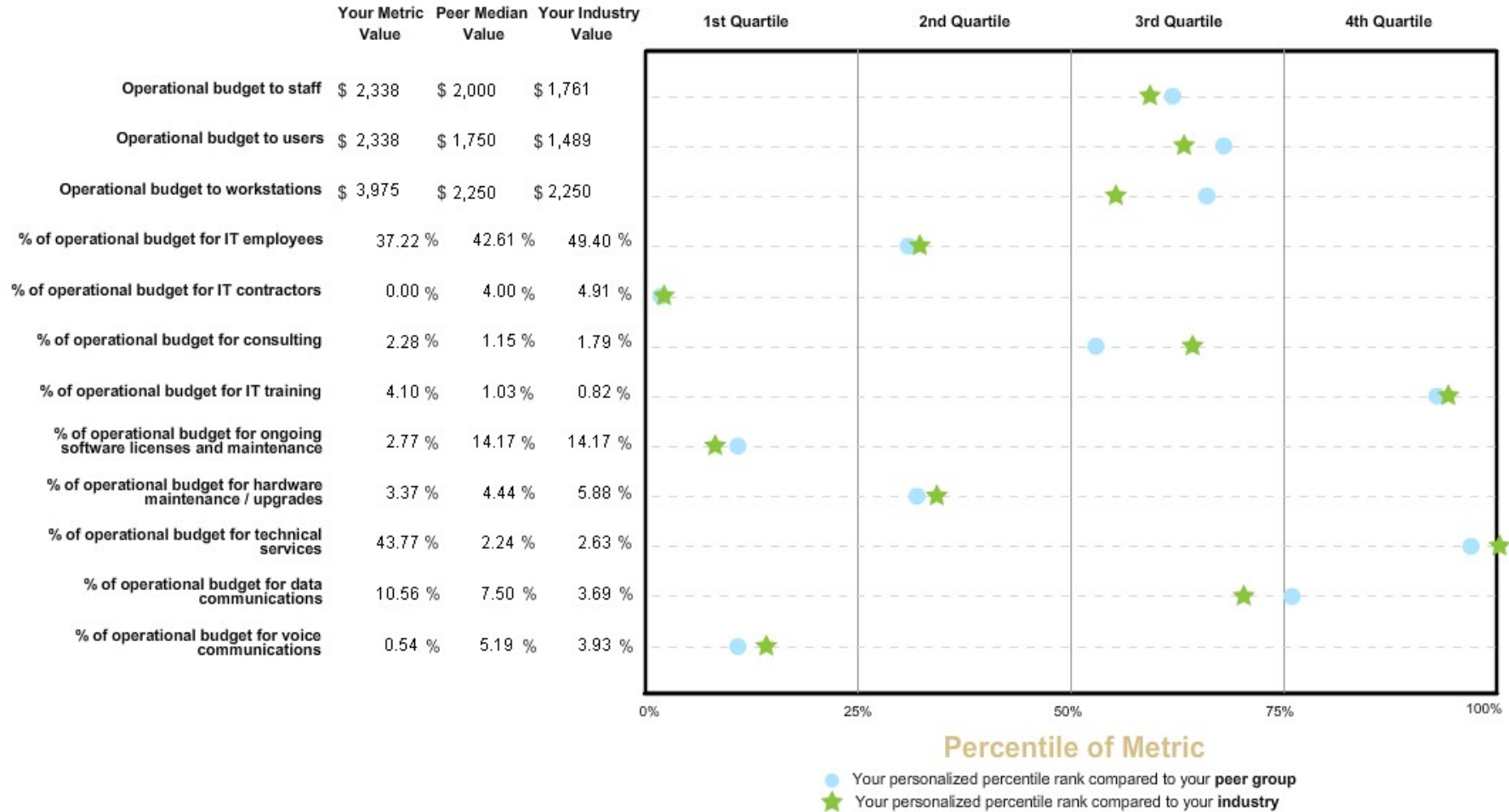
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Capital Budget Growth



Detailed Financial Metrics – Operational Budgeting



Detailed Financial Metrics – Capital Budgeting

