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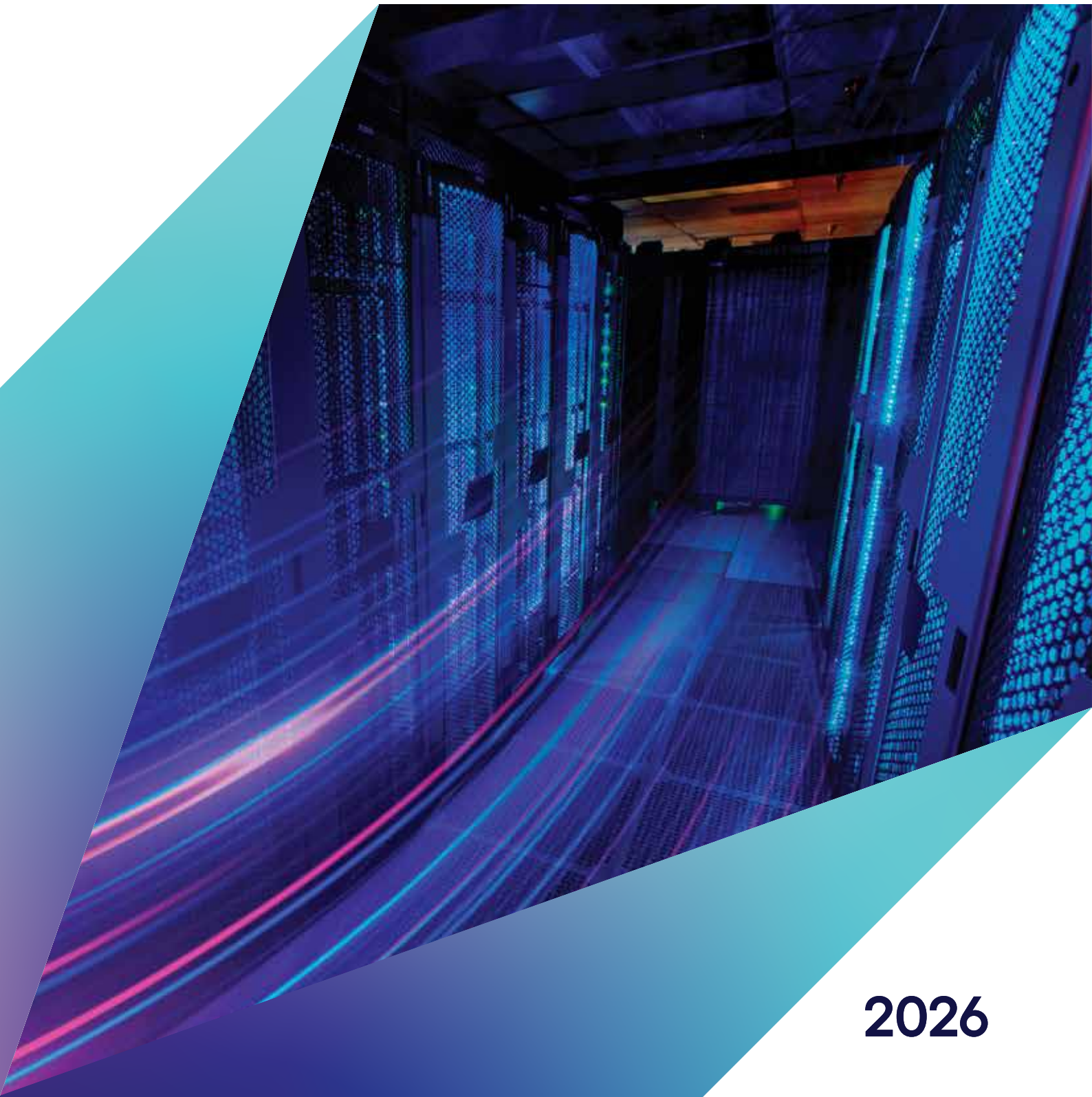
Smarter IT spend:

From cost control to cost intelligence



2026

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Enterprises are spending more on technology than ever before. But spending more is not the same as spending smarter.

Across industries, organizations are simultaneously scaling AI, cloud and cybersecurity investments. The ambition behind this spending is not cost reduction. It is revenue growth, improved customer outcomes and operational resilience. As the technology estate expands, so does the financial weight of the decisions that come with it. And with that weight comes the challenge that sits at the heart of this report: the ability to see, govern, and demonstrate the value of IT technology spend.

80%

8 in 10 organizations are investing in technology primarily to drive revenue growth. Cost management in this context is not about austerity. It is about understanding what growth investments are returning.

64%

Nearly two thirds of organizations cite rigid budgeting cycles as their biggest barrier to reallocating funds when priorities shift. Alignment on strategy is strong. The process of moving funding when strategy changes is where most organizations find themselves constrained.

12%

Only 1 in 8 organizations has a fully consolidated, enterprise-wide view of technology spend. Visibility exists across budget owners, platforms and towers but for most organizations it stops short of reconciling into a single, complete picture.

63%

Almost two thirds report fragmented data across systems and tools as their primary obstacle to stronger IT cost governance. Technology environments have grown faster than the structures built to track them, and the gap shows.

What emerges from the data is a picture of organizations that have the intent, the tools and the ambition but are navigating an increasingly complex technology landscape without a complete view of what it is costing them. As agentic AI reshapes how work is structured, automated and priced, the ability to build cost intelligence, govern technology spend with precision, and demonstrate the business value of every investment becomes an increasingly sharp and urgent priority.

The findings that follow are drawn from a study that surveyed 105 senior business and technology leaders — including CIOs, CFOs and other C-suite executives — across banking and financial services, manufacturing, pharma and healthcare, and Global Capability Centres. They examine how enterprises across India are navigating the new realities of IT cost visibility and what it takes to translate technology spending into demonstrable business value through cost intelligence.

Introduction

Introduction

Technology now cuts across every core enterprise function—from customer engagement and operations to data and risk management. As a result, technology costs are no longer confined to IT budgets. They accumulate across platforms, tools and business units, making the true cost of technology harder to see and even harder to manage.

At the same time, organizations are advancing multiple technology priorities in parallel, including AI, analytics, cloud, and cybersecurity. Each adds to the breadth of the technology estate and expands the number of cost drivers in play. As digital environments scale, the financial weight of these decisions becomes more material for enterprise leadership.

Within this agenda, genAI and agentic AI stand out as both a new spend category and a potential cost-takeout lever—shifting cost management toward always-on optimization rather than periodic review—reshaping how technology spending is examined.

The focus is shifting from tracking IT expenses in isolation to understanding how costs build across systems and initiatives, and how those costs connect to business outcomes.

Without a consolidated view of technology spend, governing investments, optimizing efficiency, and sustaining financial control becomes increasingly complex.

This research turns attention to the contours of technology cost visibility as it exists today. It traces where spending is readily apparent and where it fades into the background, shaped by the ways organizations' structure, track, and interpret IT costs across platforms and initiatives. It also explores the approaches organizations use to bring more structure to technology costs, alongside the cost optimization levers being prioritized in the near term.

Taken together, these insights frame why IT cost intelligence is becoming more central to enterprise conversations—not as an accounting exercise, but to bring greater clarity to technology economics and sharpen how the value of technology initiatives is understood and communicated.

This report offers CIOs, CFOs and other business leaders a structured view of where cost intelligence stands today — and what it takes to strengthen it.

What is IT cost intelligence?

IT Cost Intelligence is the organizational capability to consolidate, interpret, and act on technology spend data across platforms, vendors, and business units — in real time and at enterprise scale. It moves beyond tracking what has been spent to understanding why costs accumulate, how they align to strategic priorities, and where optimization opportunities exist.

Unlike conventional IT cost management, which tends to operate within defined budgets and periodic reviews, cost intelligence connects financial signals to business outcomes — enabling leadership to make faster, better-informed decisions about where to sustain, redirect, or rationalize technology investment

Research methodology

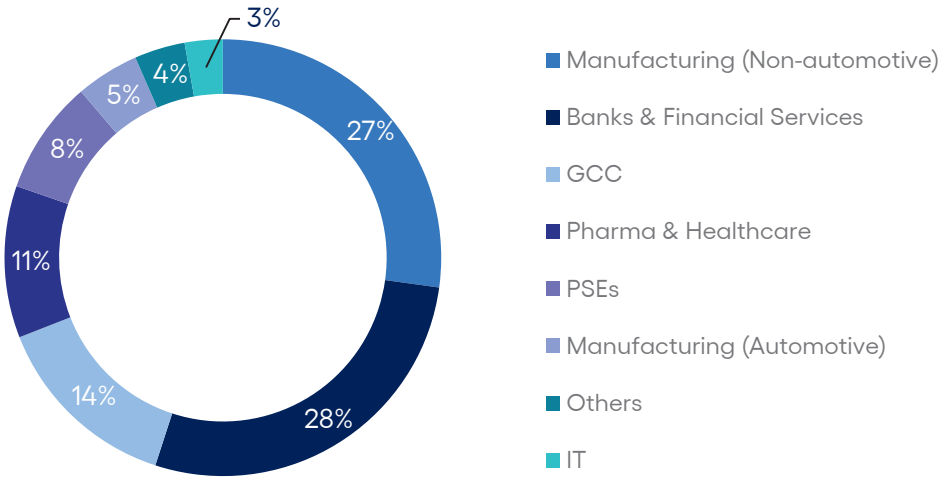
Research methodology

This report is based on a primary research study commissioned by Cognizant and explores the current state of IT cost visibility—examining how enterprises track, interpret, and govern technology spend across platforms while advancing cost optimization efforts. The study is anchored in an online survey of 105 senior business and technology leaders from organizations with annual turnover of over INR 3000 crores, capturing perspectives on IT spend visibility, governance maturity, and cost optimization practices.

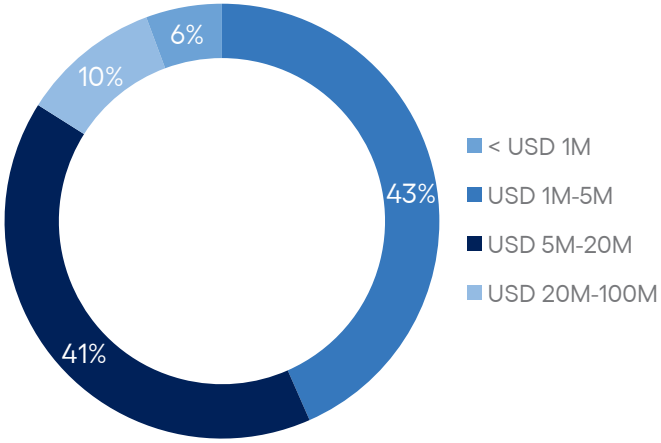
Respondents represented enterprises across multiple sectors and varying levels of annual IT spend with participation from C-suite/C-1 leadership roles as detailed in the firmographics.

Firmographics

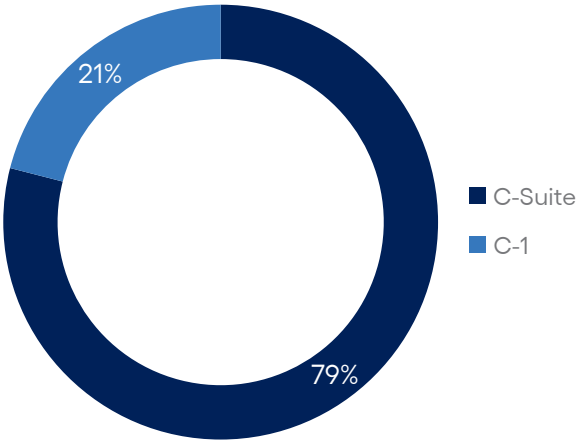
Sectors covered



Organization's level of annual IT spending



Leadership mix



Research findings

Rising tech spend is universal - but governance is not

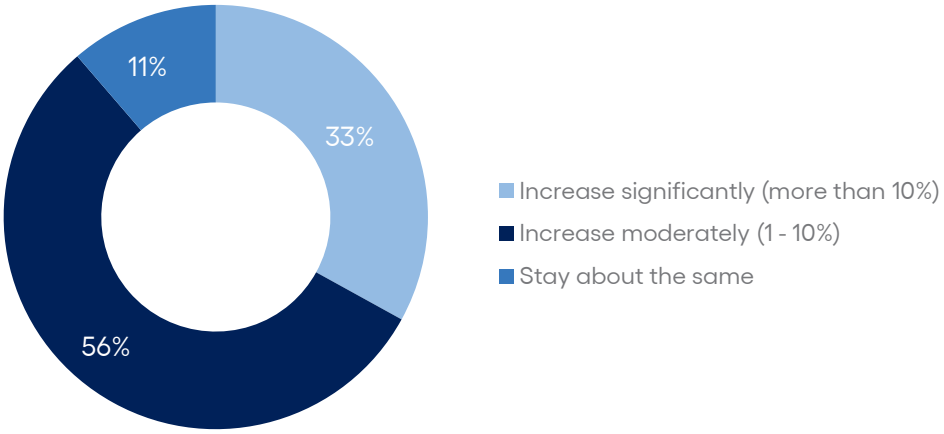
Across industries, the near-term direction of technology investment is clear: spending is set to rise. What differs is not the direction of travel but the pace at which industries are moving. Organizations from the manufacturing industry are accelerating investments more decisively, while others, including BFSI and GCCs, appear to be scaling more steadily.

As technology investments scale, the composition of spend begins to shift. Tech spend becomes dispersed across a wider set of platforms, vendors, and initiatives.

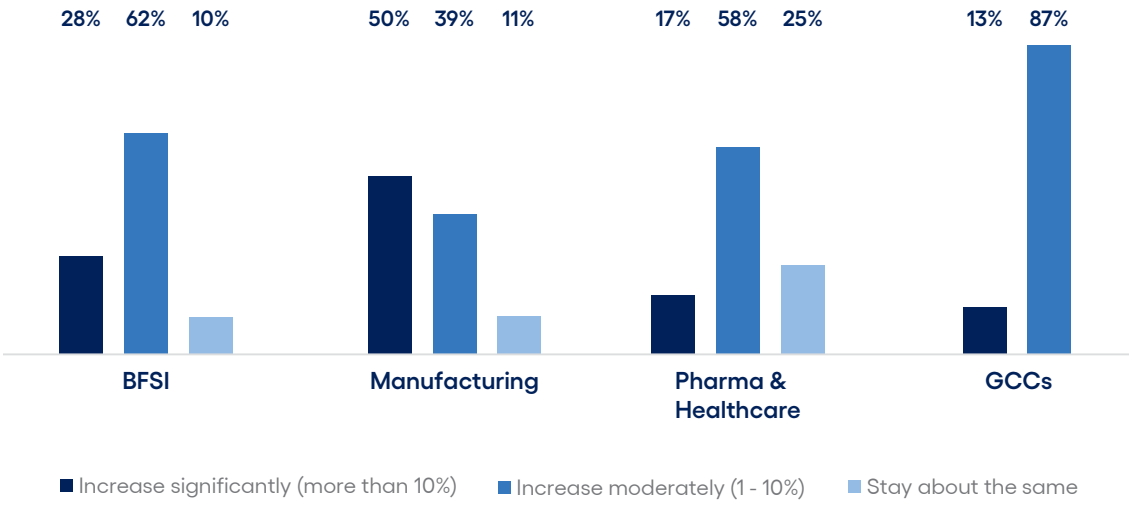
This dispersion elevates the importance of visibility and control — shifting the challenge from deciding whether to invest to understanding how expanding technology spend accumulates, aligns to priorities, and remains governable.

As technology spend increases at different speeds across industries, the CIO's challenge shifts from managing growth to ensuring expanding spend remains visible, aligned and controllable. Without stronger oversight, rising investments across platforms and initiatives risk becoming fragmented, harder to govern, and slower to redirect as priorities evolve.

Change in tech spending (overall, next 12 months)



Industry-wise tech spending change (next 12 months)



Rising spend means more platforms, more vendors, more cost drivers, and an increasingly complex web of costs to account for.

The next 12 months have a clear tech agenda. AI, cloud and cybersecurity lead the way.

Our research indicates that, with the technology footprint expanding, near-term priorities are increasingly centered around AI-driven automation, cloud platforms and cybersecurity. While initial AI footprints expanded infrastructure costs, the deployment of autonomous agents is now emerging as a primary lever for structural IT cost reduction.

Each of these areas carries distinct cost implications, but genAI and agentic AI introduce a particularly complex cost value equation. In the near term, organizations are investing in advisory support, proofs of concept, and readiness assessments of their business and technology landscape—data quality, security, target architecture; and operating model—to determine where co-pilots and agents can be deployed responsibly.

These efforts often extend beyond application adoption, bringing incremental costs in model access, platform tooling, integration, guardrails; and change management, as well as demand for AI engineering and product talent.

At the same time, genAI enabled automation and agentic workflows are increasingly being positioned as key IT cost levers, reducing effort in application operations, testing, service desk and knowledge work, accelerating modernization and improving how work is routed across people, platforms and suppliers. This raises a new governance requirement; organizations need clearer visibility into end to end AI costs (usage, platforms, integration, controls) and a disciplined mechanism to track whether productivity gains translate into run cost takeout or simply fund additional demand.

In parallel, cloud environments shift spending toward distributed, consumption based services, while cybersecurity demands sustained investment as digital exposure widens. As these priorities progress together, they expand both the scale and complexity of enterprise tech costs, reinforcing the importance of consolidated visibility and disciplined cost governance.

Technology priorities for the next 12 months

#1 Investing in AI-driven automation & analytics

#2 Investing in cloud computing/cloud migration

#3 Strengthening cybersecurity & mitigating new cyber risks

#4 Investing in IoT for real-time data insights

#5 Improving IT cost optimization & efficiency

Tech investments: Business outcomes targeted

80% of organizations are investing in technology primarily to drive revenue growth, not to cut costs. Cost intelligence is about growth accountability — not austerity.

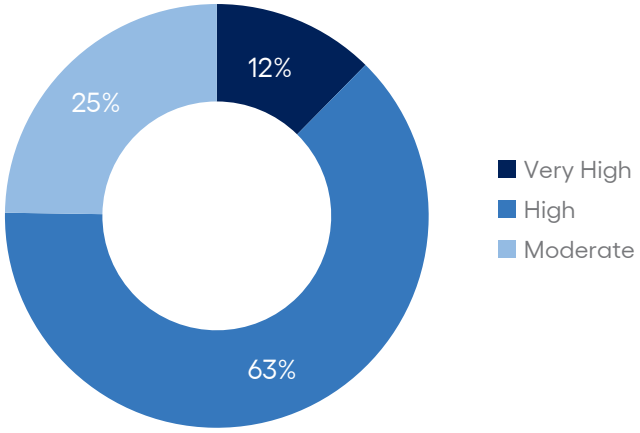
The 12% problem: Most organizations have visibility, very few have consolidation

As technology estates expand across platforms and priorities, the demands on visibility and control intensify. Organizations generally have a strong line of sight into IT spend, with responses clustering in the "high" range. What stands out is that "very high" visibility is not yet the dominant state, indicating that top-tier, end-to-end oversight is still limited relative to broad functional visibility.

The gap is between knowing and unifying. Visibility can exist across budget owners, towers and finance views; consolidation is the point where those views reconcile into one version of total spend—consistent across run/change, vendors; and allocation. That consolidation threshold appears to be the less common endpoint.

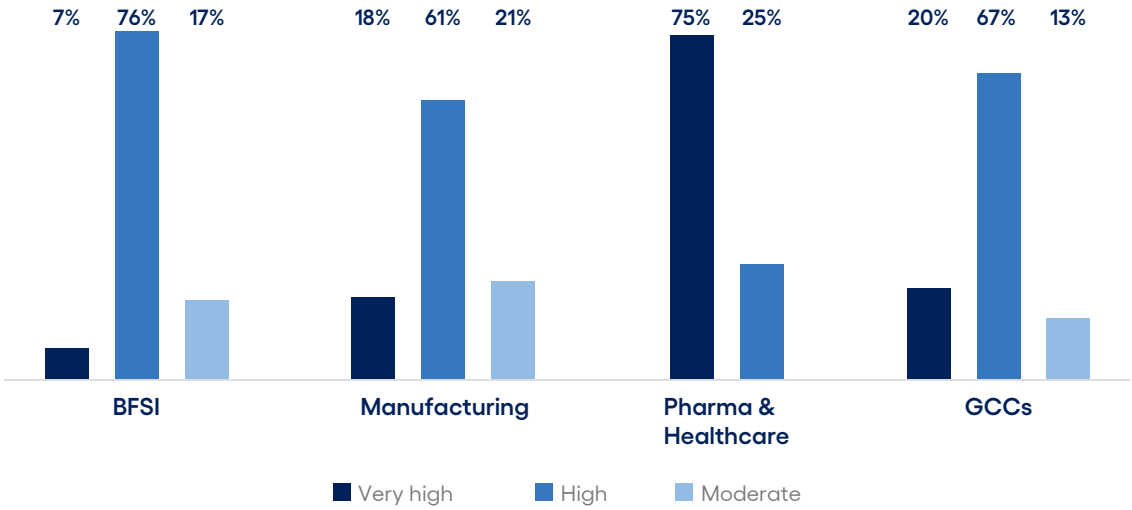
Industry cuts reinforce the same pattern with nuance. Most sectors sit firmly in "high," but the step-up into "very high" varies by industry—more evident in GCCs and manufacturing, and thinner in BFSI; pharma and healthcare concentrates in "high/moderate" with little movement into the top tier. The differentiator is not whether spend is visible, but whether it is consolidated enterprise wide.

Organizations' visibility into total IT spends



Visibility exists in pockets. Consolidation is what turns pockets into a portfolio view. Only 1 in 8 organizations has crossed that threshold.

Organizations' visibility into total IT spends (Industry-wise)



The gap between cost visibility and cost consolidation is where IT cost governance most often breaks down.

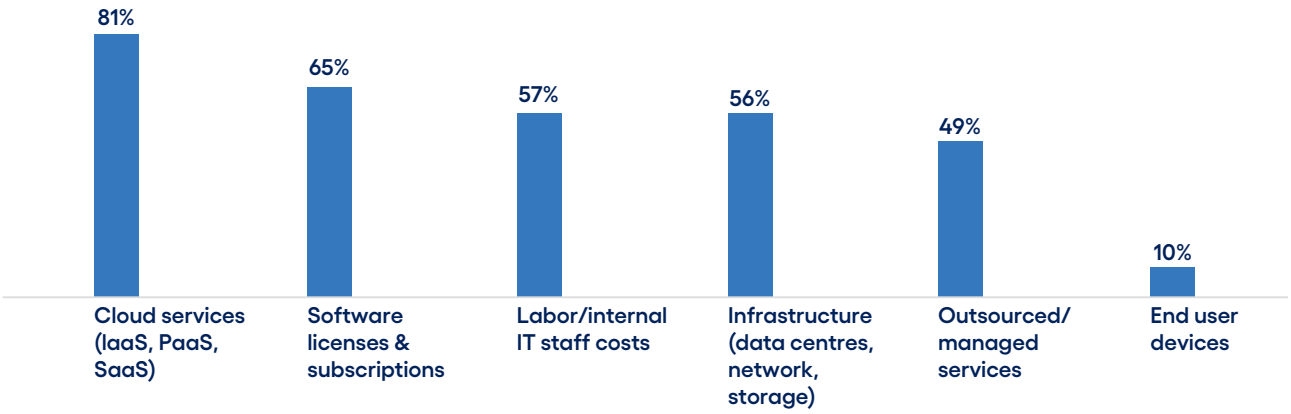
Cost visibility remains strongest in centralized domains, not across the full technology footprint

Visibility into IT spending is not evenly distributed across the technology landscape. Organizations tend to have a clearer line of sight where costs are centralized, standardized and invoice-driven—such as cloud services and software. As spend shifts toward more distributed, lifecycle-driven areas like infrastructure, labor and end-user environments, visibility becomes harder to maintain.

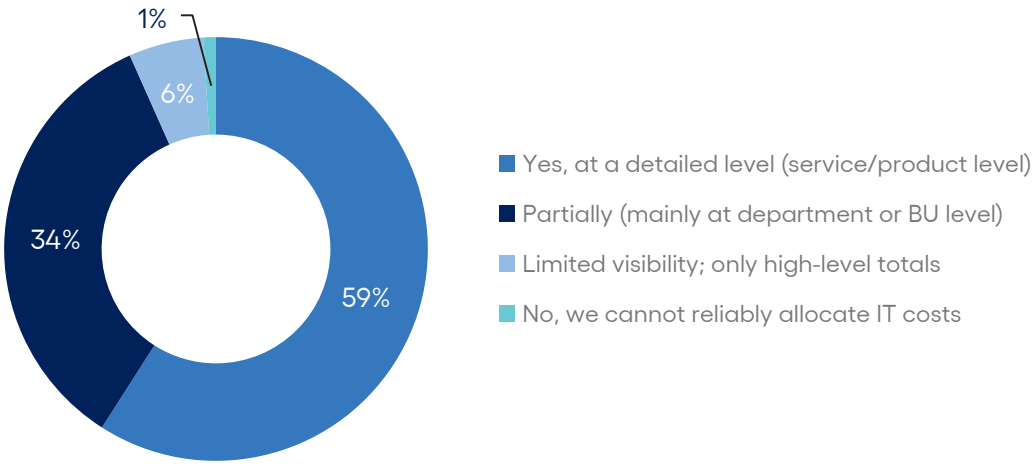
This unevenness reflects the layered nature of modern technology environments. As new platforms, tools and infrastructure accumulate over time, technology costs often sit across multiple teams and budget owners, making it harder to maintain a consolidated view.

A similar pattern emerges in cost allocation. While 59% of the organizations report the ability to attribute tech spending at a detailed service or product level, a notable share still relies on broader allocations across business units or departments.

Most visible and well-tracked cost categories



Ability to accurately allocate IT costs to specific business units, products or services



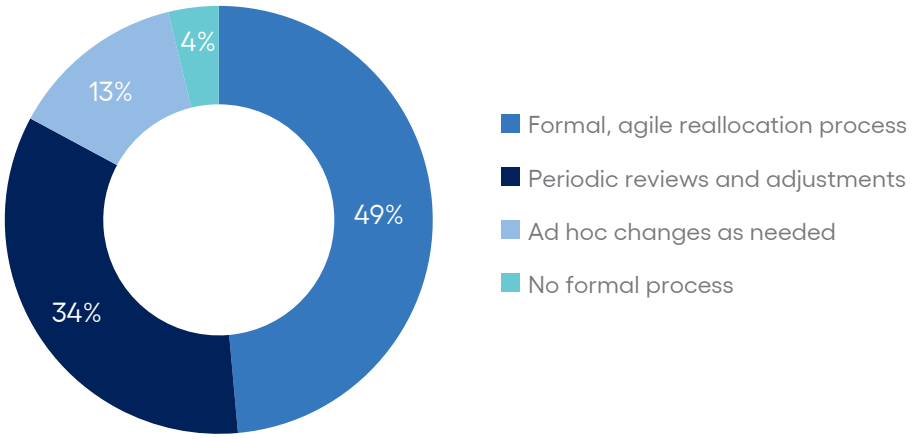
Strategic alignment is strong: Reallocation agility lags when priorities shift

The fragmentation in visibility carries forward into how easily organizations can move funding when priorities change. Most organizations report strong alignment between IT spend and enterprise priorities. This alignment is largely anchored in annual planning cycles that connect budgets to strategy. The stress test arrives mid-cycle, when priorities shift due to market changes, regulatory needs, cyber events, or new technology opportunities.

A formal, agile reallocation process is not yet the default. Many organizations rely on periodic reviews or ad-hoc adjustments, approaches that can lag the pace at which priorities change. The barriers are structural and well understood; rigid budgeting cycles and organizational resistance are most prominent, reinforced by limited real-time cost data and less consistent executive support.

As a result, the challenge is less about defining priorities and more about moving funding quickly and cleanly once priorities shift—with decision speed shaped by process rigidity, internal alignment and the availability of timely cost information.

Processes in place to re-align IT spend in response to shifting business needs or market disruptions



Key barriers to reallocating IT resources quickly when business priorities change

64%
Rigid budgeting cycles

51%
Organizational resistance

31%
Lack of real - time data

25%
Limited executive support

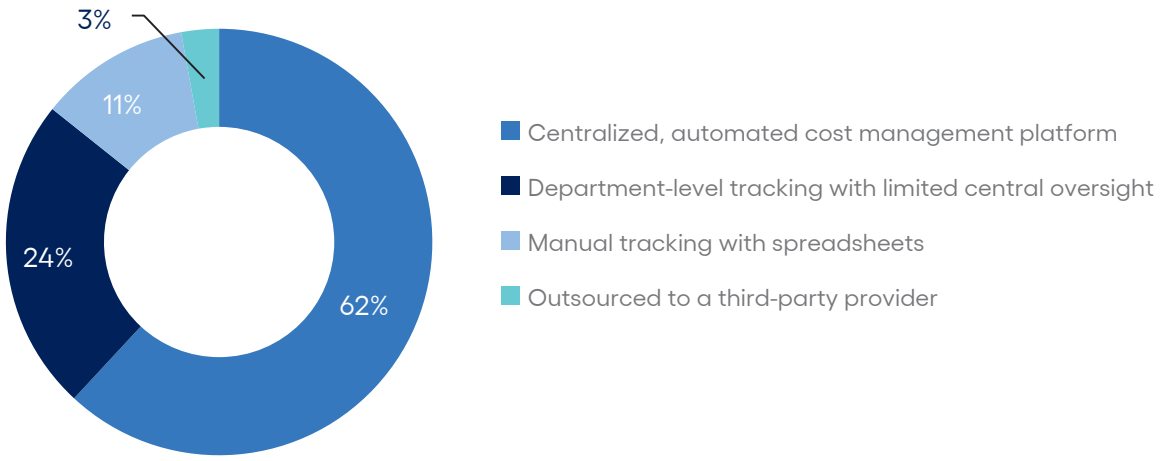
The story in the data: Tools are in place, governance is still catching up

Most organizations have moved beyond ad-hoc tracking and are now anchored in centralized, automated cost management platforms. The older modes—department-only tracking, spreadsheets or outsourcing—still exist, but they sit behind the dominant pattern; cost tracking is increasingly being treated as an enterprise capability rather than a local exercise.

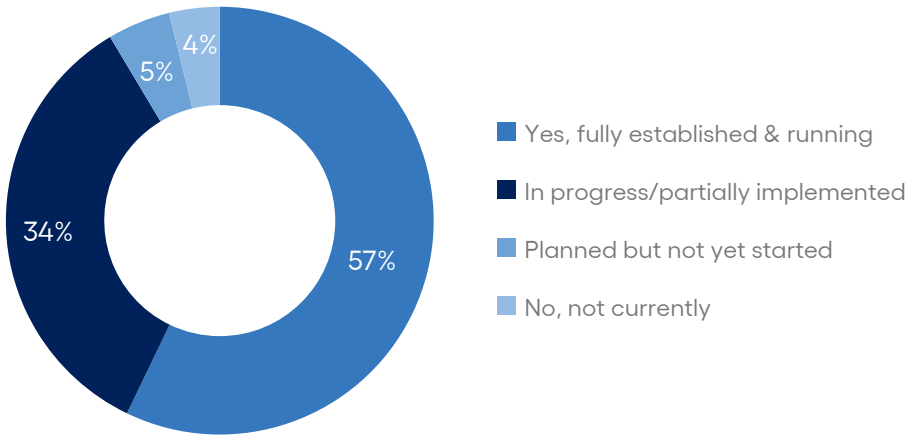
Where the picture becomes more nuanced is in how this visibility is used. Maturity indicators such as FinOps and TBM show a divide between organizations that have established repeatable practices and those still embedding them. Many now have the data needed to understand costs, but fewer have fully translated that insight into consistent decision-making rhythms that operate across the technology portfolio.

Viewed through an IT cost intelligence lens, this highlights a market in transition. The focus is no longer on whether cost management matters, but on how reliably cost signals inform funding decisions as priorities evolve. Visibility creates the foundation; the challenge ahead lies in ensuring that insight flows into everyday choices about where to sustain investment, where to optimize, and where to redirect spend as conditions change.

How does your organization currently track and manage IT costs across business units and functions?



Does your organization have a formal IT cost optimization or FinOps/TBM program?



Cost optimization is being pursued through multiple, concurrent levers

Cost visibility and reallocation agility set the context—but the next question is what organizations are doing with that visibility to actively shape outcomes. Our research shows a shift toward multi-lever cost action, not single-track optimization: consumption controls sit alongside portfolio clean-up, commercial tightening and efficiency measures.

Cloud actions stand out as the most immediate levers, while application rationalization and vendor consolidation point to longer-horizon cost resets that reduce duplication and lock in savings structurally. Automation plays a supporting role—treated as a meaningful contributor, but not the sole engine of cost reduction—reinforcing that cost optimization is being approached as a balanced mix of quick controls and durable resets, rather than a one-time exercise.

Cost optimization levers actively used

70%
Rightsizing cloud resources & eliminating idle workloads

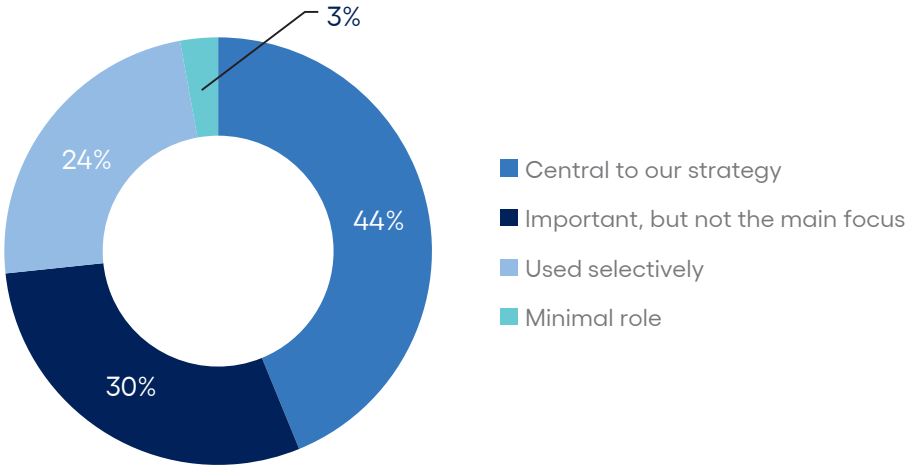
60%
Negotiating or consolidating vendor contracts & licenses

62%
Moving workloads to more cost - effective platforms

47%
Automating manual processes to reduce labor effort

60%
Rationalizing applications (removing duplicates / low usage tools)

Role of automation in IT cost optimization.



From FTEs to "Digital Tech Equivalents" (DTEs) – The evolution of Global Capability Centers (GCCs)

The new North Star is “digital tech equivalent” (DTE) - a metric combining one human handling with their autonomous agentic stack. The 40/60 ratio:strategic centers are now modeling teams where 40% human experts manage 60% "agentic units," slashing structural costs while maintaining 100% output velocity.

The performance framework: New-age metrics

Traditional SLAs are obsolete. We now measure the friction and finesse of autonomous systems:

1. Operational efficiency

- Autonomous resolution rate (ARR): % of workflows completed start-to-finish without human touch.
- Time-to-verify (TTV): The "latency" of human approval. High TTV identifies "friction-heavy" agents.
- Implicit rejection rate: Frequency of human reversals/redo of agent outputs; a quality and rework signal.

2. Financial and strategic impact

- Cost per goal achieved: Replaces "cost per ticket." Measures total compute + human spend to reach a business outcome.
- Run-cost takeout vs. demand funding: Disciplined tracking to ensure productivity gains lower the bottom line rather than just absorbing "work volume."

3. Reliability and governance

To prevent "cost-leakage" through autonomous errors, we employ real-time technical governance:

Metric	Focus	Financial impact
Plan adherence	Execution sequence and logic	Prevents "looping" errors that spike compute costs.
Tool selection accuracy	Efficient model selection	Optimizes model usage costs (e.g., using a small model vs. a large one).
Defiance rate	Guardrail hits	Successfully blocks high-risk/high-cost actions. Mitigates financial and security exposure.
Argument hallucination rate	Function accuracy	Reduces rework and compute waste.

The GCC agentic team structure:

Leading GCCs have been restructured into a three-pillar architecture to balance speed with safety:

- The AI foundry (the hub): Central engineering engine. Manages shared infrastructure, agent architecture and MLOps.
- Agent pods (the spokes): Domain-specific teams (finance, supply chain, HR). They build agents tailored to local business outcomes.
- The trust & safety tower (the shield): The "command center" managing risk, AI ethics, and real-time cost governance.

The transition to an agentic-first GCC model isn't just a technology upgrade—it's a structural IT cost-takeout strategy. By decoupling output from headcount, organizations are realizing a 25%-40% reduction in long-term operational spend while increasing the "velocity of value."

While this agentic first GCC model illustrates what mature, AI enabled cost governance can look like in practice, it also highlights how far most organizations still need to travel. For many enterprises, the challenge is not ambition or intent—but the fragmented conditions under which technology cost data is generated and governed.

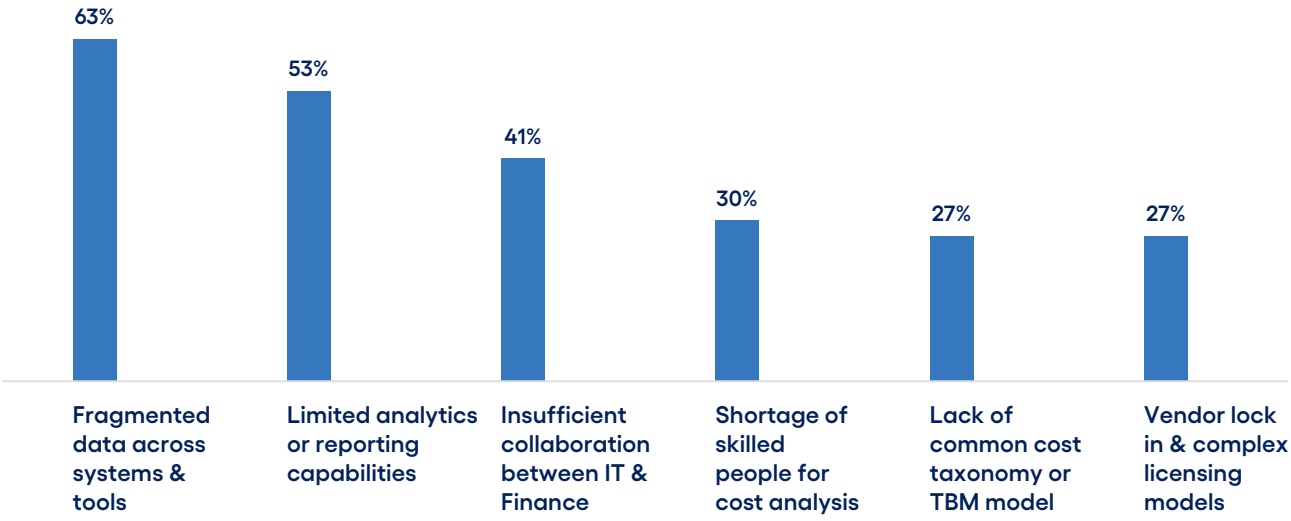
Fragmentation #1 barrier for IT cost intelligence

Across organizations, the ambition to strengthen IT cost intelligence is evident. What holds progress back is not a lack of interest or investment, but the conditions under which cost data is produced and consumed. Technology environments remain fragmented, with spend signals distributed across systems, tools and vendors—making it difficult to form a coherent, enterprise-wide view of costs.

As complexity grows, gaps in analytics capability, operating alignment, and talent become more pronounced.

Limited collaboration between IT and finance, inconsistent cost structures and dependence on vendor-defined models weaken the ability to translate raw spend data into decision-ready insight. The result is not an absence of data, but an abundance of disconnected signals—where cost visibility exists in pockets, yet cost intelligence struggles to take shape at scale.

Biggest obstacles to achieving better IT cost intelligence



Industry snapshots: Where constraints intensify

Fragmented data is a universal constraint, but other cost intelligence challenges vary in intensity by sector. The snapshots below highlight where tech and business leaders may need to tailor focus based on operating model, governance and vendor landscape.

BFSI

Top friction points (share of organizations):

62% Fragmented data across systems and tools	**55%** Limited analytics or reporting capabilities	**41%** Insufficient collaboration between IT and finance

Manufacturing

Top friction points (share of organizations):

69% Fragmented data across systems and tools	**62%** Insufficient collaboration between IT and finance	**52%** Limited analytics or reporting capabilities

Pharma and healthcare

Top friction points (share of organizations):

67% Fragmented data across systems and tools	**67%** Limited analytics or reporting capabilities	**50%** Vendor lock-in and complex licensing models

GCCs

Top friction points (share of organizations):

67% Fragmented data across systems and tools	**67%** Limited analytics or reporting capabilities	**40%** Lack of common cost taxonomy or TBM model

Quick compare: Spend acceleration and consolidated visibility

Industry	Spend increase >10% (next 12 months)	Very high visibility (fully consolidated)
BFSI	28%	7%
Manufacturing	50%	18%
Pharma and healthcare	17%	0%
GCCs	13%	20%

The road ahead

The shift from periodic reviews to always-on IT cost intelligence

The transition from periodic reviews to always-on cost intelligence represents a fundamental shift in IT operating models. By weaving agentic and generative AI into the fabric of governance, Indian enterprises and GCCs are moving away from the "sticker shock" of monthly cloud bills toward a self-healing, fiscally aware infrastructure.

Summary of the paradigm shift:

Key feature	Traditional governance	Agentic-led governance
Cadence	Periodic (monthly/quarterly)	Continuous (real-time)
Action	Manual intervention	Autonomous remediation
Insight	Descriptive (what happened?)	Prescriptive & narrative (why & how to fix)
Focus	Historical reporting	Predictive optimization

Recommendations for IT and finance leadership

To successfully implement this "always-on" model, organizations should prioritize the following strategic actions:

- **Implement "human-in-the-loop" (HITL) guardrails:** Agentic AI can autonomously right size resources, establish threshold-based approvals for high-impact changes. This builds trust between the AI agents and the platform engineering teams.
- **Regular focus on portfolio optimization:** Apply structural levers for durable resets: application portfolio rationalization, software licensing optimization and vendor/commercial renegotiation.
- **Bridge the language gap with genAI:** Use generative AI to create "persona-based narratives." Finance teams need to hear about "budget variance," while engineering teams need to hear about "over-provisioned clusters." GenAI should act as the automated translator between these two worlds.
- **Evolve FinOps into AI-augmented FinOps:** Move beyond simple tagging and dashboards. Invest in agentic workflows that don't just flag a cost spike but investigate the root cause (e.g., a specific code deployment or a misconfigured load balancer) and suggest a fix immediately.
- **Prioritize data hygiene for cost signals:** AI is only as good as the metadata it consumes. Ensure that cloud resource tagging, application ownership records and vendor contract data are clean and accessible to the AI agents.
- **Culture of accountability:** Use the "always-on" intelligence to decentralize cost responsibility. When developers receive real-time, plain-language feedback on the cost implications of their architectural choices, they move from being "cost consumers" to "cost owners."

The shift ahead

The integration of agentic and generative AI is no longer a luxury for scale; it is a necessity for managing the complexity of modern IT estates. Organizations that embrace this shift will reduce cost leakage by an estimated 15%-25% while freeing up their governance teams to focus on high-value strategic planning rather than manual data reconciliation.

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