Establishing a structured framework of outcome-driven metrics is essential for executive leaders to create KPIs that reach a quantifiable mission value for technology investments. In this presentation, we provide both fundamental and inspirational metrics for increasing the value of IT investments.

More on This Topic
This is part of an in-depth collection of research. See the collection:

- Research Roundup for Digital-Outcome-Driven Metrics for Industries

Retail Digital-Outcome-Driven Metrics Overview
Retail executives can use the outcome-driven metric examples in this presentation to increase operating margins in retail unified commerce.

Many executives struggle to measure and articulate the quantifiable value aspects of their technology investments. In order to establish a clear “line of sight” between technology and institutional (“business”) outcomes, executives need to build a structured metrics library. In this presentation, we suggest a simple three-layered approach:

- Aggregated Business Outcomes
- Business-Outcome-Driven Metrics (BODM)
- Technology-Outcome-Driven Metrics (TODM)

This downloadable presentation has four sections:
Section 1 contains a quantifiable value model of technology, illustrating three primary value areas of revenue growth, cost savings or risk mitigation.

Section 2 contains a line-of-sight slide with three foundational example BODM and TODM pairs in unified retail commerce execution.

Section 3 contains the templates to the slides used in this presentation. These can be used to start building an organization-specific metrics library.

Section 4 contains recommendations and next steps for further retail insight.

Figure 1 provides an overview of the examples that you will find in the downloadable presentation. This presentation is part of a collected effort by all Gartner industry coverage areas (see Research Roundup for Digital-Outcome-Driven Metrics for Industries). We recommend looking at other industry decks for cross-industry inspiration for metrics.

**Figure 1: Quantifiable Value in Retail**

![Quantifiable Value in Retail](image)

**Quantifiable Value in Retail**
- **Aggregated business outcome:**
  - Cost savings, value and revenue growth

- **Business-outcome-driven metrics focused on cost savings, value and revenue growth:**
  - Inventory turnover rate
  - Associate turnover rate
  - Order fulfillment rate

- **Paired technology-outcome-driven metrics:**
  - Automated demand forecasting ratio
  - Retail digital workplace ratio
  - Order picking accuracy percentage

Source: Gartner
Often CIOs measure and communicate IT performance in terms that don't resonate with executive stakeholders, such as when IT and business objectives don't align. This leaves them without a seat at the strategic decision-making table, resulting in IT budgets being challenged or driven downward and blocking the organization from achieving its technology-enabled objectives. But CIOs can change that dynamic by using metrics that create an explicit line of sight between IT performance and the business outcomes for which their executive stakeholders are accountable (see Use Digital Business Key Performance Indicators to Gain Control of Retail Transformation).

The downloadable presentation slides will be useful if you are struggling with a framework for linking business and technology outcomes to which your business partners and you can be held accountable. This is an essential aspect of governance as you and your business partners realign to execute on your digital strategy.

This presentation is not an exhaustive list of quantifiable retail technology metrics. Valuable outcome-driven metrics are situational and company-specific. They take time to develop. The framework and examples are a good starting point, recognizing that as you develop your metrics:

1. They will be situational to your business strategy.
2. They will align to your business and IT operating model.
3. The process will be iterative.
4. You will test their efficacy over time.
5. You will revise them regularly as priorities change.

**Recommended by the Authors**

Research Roundup for Digital-Outcome-Driven Metrics for Industries

Use Digital-Outcome-Driven Metrics to Quantify the Business Value of Technology Investments
Evidence

Gartner interacts regularly with global large retailers. Their observations, challenges and successes form the primary source data for this research. Additional evidence was obtained from vendors in this space, industry inquiries, previous Gartner research, public sources and direct experience.
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