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Unrealized technology value: Recognizing value opportunities across the enterprise



Background and challenges 03

Introducing unrealized technology value 04

What makes UTV distinctive 05

Exploring UTV 06

Calculating UTV (an illustration) 09

Conclusion 10

Authors 11

Background and challenges

In today's business landscape, organizations face unprecedented demand-side pressures. Competitive intensity is no longer confined to traditional peers. Digital-native entrants, ecosystem competitors, and fast-moving platform players are resetting customer expectations on speed, personalization, reliability, and price, often simultaneously. Against this backdrop, supply-side opportunities enabled by transformative technologies are reshaping the art of what's possible. Advancements in cloud computing, artificial intelligence (AI), and the Internet of Things (IoT) offer powerful new avenues for differentiation, operational efficiency, and innovation.

The convergence of these technologies has fundamentally elevated the role of IT. No longer viewed as a back-office infrastructure function, technology has evolved beyond an enabler of strategy to become the operating system of strategy. It drives strategy and sets companies apart. Enterprises that harness the full potential of modern technology may be better positioned to outpace competitors and continuously adapt to shifting market dynamics.

In today's digital-first landscape, technology leaders are expected to be architects of transformation and catalysts of growth. Enterprises that harness technology effectively, can outpace competitors on growth, cost, speed, and resilience. Yet while many organizations have increased technology investment, very few can objectively answer a fundamental question: **Is technology being used in a leading capacity across the enterprise?**

Existing dashboards track uptime, cost, and project milestones. Transformation programs report business cases. Finance tracks return on investment (ROI) at the initiative level. But no single, enterprise-level metric quantifies how much value is being left on the table due to underutilization, fragmented adoption, or operating model friction. In short, technology is everywhere, but its value is rarely measured systematically.

Some common areas where technology permeates the enterprise, but its value is still not realized:

- Transformations are tracked program by program, but benefits don't roll up cleanly.
- Data and AI initiatives show potential, yet value attribution gets trapped in pilots and small wins.
- Run/operate IT spend is scrutinized but not connected to enterprise outcomes.
- Operating model shifts (product model, agile/DevSecOps, shared platforms) are pursued, but their value is often described qualitatively and not quantified consistently.
- Legacy ways of working, fragmented operating models, and siloed metrics often obscure the business impact of technology investments.
- Board expectations rise, but connecting IT decisions to bottom-line outcomes remains elusive.

This is the gap unrealized technology value (UTV) is designed to help close.

Introducing unrealized technology value

To help organizations address this gap, Deloitte introduces the UTV score: an innovative metric designed to measure the extent to which technology is used in its leading capacity across the enterprise. UTV quantifies the gap between the value your enterprise is realizing today and the value it could realize if technology were systematically improved across the enterprise. UTV can expose unseen areas for improvement, unlocking a pathway for leaders to drive transformation with precision. By making lost potential visible and countable, UTV transforms strategy discussions from aspiration to actionable insight.

Think of UTV as the enterprise's technology value potential indicator, a single metric that:

- Synthesizes transformation programs, data/AI investments, IT spend, and operating model choices;
- Surfaces the peak-leverage value hiding in plain sight; and
- Enables prioritization with a common unit of measure that business and technology leaders can share.

UTV is intentionally designed to be **enterprise-owned**, not IT-owned, because the biggest drivers of technology value (and value leakage) sit in how the business adopts, funds, governs, and operationalizes technology, not only in the technology itself. It frames technology value as collective business value, bridging silos and aligning incentives. UTV encourages cross-functional collaboration, breaking the pattern of IT-led versus business-led technology adoption. The metric can supply executives with newfound clarity to prioritize investments, drive culture change, and measure outcomes.

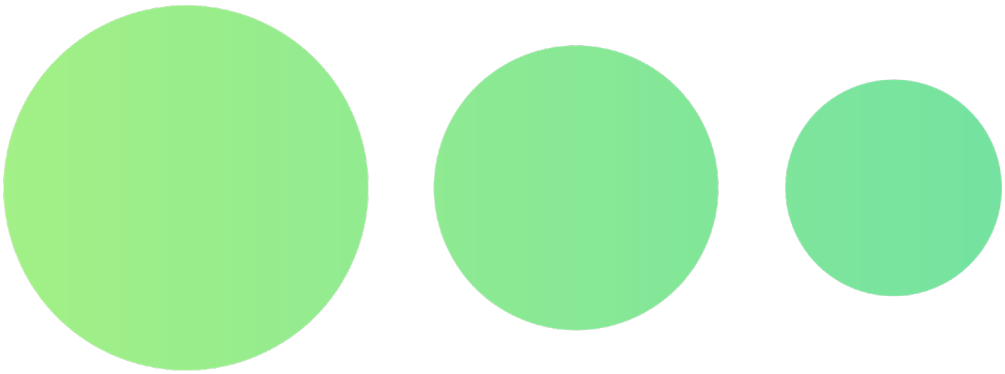


What makes UTV distinctive

To navigate the rapidly shifting technology landscape, organizations should seek to translate technology investments into quantifiable business value. However, many enterprises find their potential constrained by hidden barriers: untapped capabilities, inefficient methods, and fragmented talent strategies. Understanding and addressing these gaps is where the concept of UTV becomes indispensable.

Many organizations already use metrics like ROI, total cost of ownership (TCO), technology debt, delivery velocity, cloud unit economics, or maturity assessments. What's missing is not more key performance indicators (KPIs). It is a unifying enterprise signal that synthesizes these fragmented indicators into a single view of value extraction. UTV is not another point-in-time metric; it is a portfolio-level synthesizer that can make those measures comparable and decision-ready. UTV differs from common market approaches in four ways:

- **From scorecards to a single enterprise signal**
  Rather than adding another dashboard, UTV consolidates value leakage into a common metric that can be observed over time and decomposed to root causes.
- **From program accounting to enterprise value reality**
  UTV bridges program value (business cases for a transformation) with enterprise value (what actually lands in run-rate outcomes, capacity, and performance).
- **From IT spend scrutiny to value extraction discipline**
  Deloitte research shows many executives still find it difficult to quantify the benefits of individual technology investments. UTV directly addresses this by treating value as an enterprise extraction challenge, not an IT cost challenge.
- **From operating model rhetoric to measurable performance**
  UTV helps make operating model choices measurable (e.g., product model adoption, platform reuse, DevSecOps throughput, decision rights, talent deployment) by quantifying the value left behind when methods and behaviors lag versus technology capability.



Exploring UTV

In this section, we'll unpack UTV through five foundational questions, each designed to clarify a crucial dimension of technology value. These questions can guide you through how UTV is measured, where unrealized value sources may lie, why UTV matters beyond a standard IT scorecard, how it links to top-line financial results, and what common misconceptions can obscure real progress. Together, this framework offers a broad lens for business and technology leaders seeking to unlock the advantage that modern technology can enable.

Q1: What is UTV and how is it measured?

UTV measures the gap between the current value an organization is extracting from its technology and the potential it could realize from technology. The metric is calculated as:

- **UTV = Potential technology value – Actual realized value**
- Potential technology value reflects an enhanced enterprise state where foundational technology, data, security, and platforms can be fully leveraged, and operating model friction is minimized.
- Actual realized value reflects what is truly landing in outcomes like run-rate cost improvements, revenue uplift, working capital benefits, risk reduction, speed-to-market, and productivity.
- UTV can be decomposed across three pillars: assets (hardware, software, platforms), methods (processes, adoption), and people (skills, adoption, culture). The sum of these gaps represents the total UTV.

Q2: What are the main sources of UTV, and how do they impact business outcomes?

UTV arises when **enterprise technology capability outpaces enterprise adoption and execution** creating silent underperformance across the portfolio.

UTV arises from three core dimensions:

Assets: Examples include underutilized cloud infrastructure, shelfware software licenses, underused AI models or data platforms, and outdated hardware that increase costs and restrict agility.

Methods: Inefficiencies may result when agile, automation, or AI-enabled tools are adopted in silos, or when digital and AI-driven processes are implemented but not integrated end to end.

People: Unrealized value creeps in when key talent spends time on low-value tasks, when upskilling in areas like AI lags, or when business users aren't encouraged to leverage new technologies, including AI.

Each source of UTV can erode competitive advantage in one of three ways:

1. **Higher structural cost** (run/operate becomes expensive)
2. **Slower growth** (time-to-market and innovation capacity decline)
3. **Higher risk** (security, resilience, regulatory exposure)

Q3: Is UTV simply another IT scorecard for the CIO? How is it different?

No, UTV is not just an IT operations metric. Unlike traditional KPIs that focus on uptime, cost, or delivery, UTV serves as a broad, enterprise-wide value lens. It is designed to help bridge the gap between IT and business, encouraging leaders from each function to collaborate toward enhancing business value from technology investments. While the CIO may champion UTV, its effectiveness hinges on engagement from business, operations, and leadership teams collectively.

UTV gives CEOs, CFOs, and COOs a way to ask:

- Are we funding the right portfolio, run versus grow versus transform, based on measurable leakage?
- Are we scaling data/AI value, or accumulating pilot debt?
- Are operating model changes increasing throughput and adoption?

Q4: How does UTV connect to what matters, like earnings per share or shareholder value?

UTV translates directly into core financial outcomes. Underutilized or misapplied technology can result in avoidable expenses, lost revenue, and eroded margins. By quantifying and closing the UTV gap, organizations can unlock new sources of growth and profitability by improving metrics such as earnings per share (EPS) and market valuation. Investors and executives increasingly seek objective ways to tell a digital value realization story, and UTV can provide a clear, quantitative anchor for that narrative. Leaders who deploy UTV are positioned to not only improve technology ROI, but may potentially enhance their credibility in markets hungry for measurable digital impact.

UTV translates technology execution reality into financial performance. (From technology investment to impact | Deloitte Insights)

- When technology spending rises (Deloitte estimates show technology spend as a share of revenue increasing over time), even small value leakage rates can become financially material.
- When leaders cannot quantify value at the investment level (Deloitte research shows six in 10 executives say it's difficult), technology budgets face scrutiny and value creation slows.

Closing UTV can improve shareholder value several ways:

1. **Margin expansion** (run/operate becomes expensive)
2. **Revenue uplift** (faster product launches, improved customer experiences, better use of data/AI)
3. **Lower risk cost** (fewer incidents, better resilience, reduced regulatory exposure)

In other words, UTV serves as a bridge between technology activity and the financial language leaders should report: **growth, profitability, and risk-adjusted returns.**

Q5: What are common misconceptions or pitfalls when applying UTV?

A key misconception is to equate UTV solely with visible failures such as technology debt or system outages. In reality, significant unrealized value often comes from subtle, invisible gaps like mediocre cloud adoption, partially adopted agile methods, or latent skills in your workforce. These gaps may not immediately appear as business challenges, yet they steadily restrict future growth and agility. Organizations should guard against making UTV a tool for blame, and instead use it to create transparency, focus, and a shared vision for improvement.

- **Misconception 1: UTV is just technology debt.**
  Technology debt is one contributor. UTV is broader, capturing adoption shortfalls, operating model friction, and misaligned measurement that can suppress returns even when technology works.
- **Misconception 2: UTV is about faulting teams.**
  UTV should be treated as an enterprise improvement lens. Deloitte market research indicates measurement misalignment can put up to 20% of returns at risk (AI, cyber, and cloud KPIs | Deloitte Insights). UTV exists to help reduce that systemic risk, not assign fault.
- **Misconception 3: UTV is a technology metric.**
  Making UTV purely a finance exercise or purely a technology exercise would be a value-limiting exercise. It should be a joint metric with a shared operating cadence (portfolio governance + adoption enablement + outcome measurement).

Calculating UTV (an illustration)

- **UTV score = Potential technology value – Actual realized value**
  - Potential technology value = Ideal state (no leakage across assets, methods, people)
  - Actual realized value = Current benefits achieved (ROI, revenue, cost savings, agility, etc.)
- **UTV (total) = UTV (Assets) + UTV (Methods) + UTV (People)**

Illustrative example: (all components are normalized to annualized dollar impact regardless of value type: cost, revenue, or opportunity cost)

Asset example: Cloud infrastructure

- Organization spends $35M/year maintaining legacy systems
- Industry benchmark shows enhanced cloud adoption could reduce costs up to $15M/year
- **UTV (Assets) = ($35M – $15M) = $20M**

Method example: Agile adoption

- Current time-to-market for new products = 12 months
- Industry benchmark for agile orgs = 6 months
- Lost revenue opportunity estimated at $40M/year due to delay
- **UTV (Methods) = $40M**

People example: Technology workforce talent sourced

- 80% of technology workforce is in-house and situated in high-cost locations
- Opportunity to design a global talent model delivering services 24/7 while gaining faster access to talent with typical location arbitrage advantages
- Estimated impact = $20M/year in missed opportunities
- **UTV (People) = $20M**

TOTAL UTV = $20M + $40M + $20M = $80M/year

Conclusion

UTV is more than a metric. It's an enterprise-scale value discipline and a call to action for executives striving to capture, measure, and multiply the value of technology across the enterprise. By illuminating the hidden gap, UTV enables leaders to move from cautious investment to confident, insight-driven transformation. In an era where technology is the difference maker, UTV can make value creation visible, measurable, and achievable.

Getting started with UTV begins with strong alignment between the CIO, CFO, and business leadership on what constitutes realized versus unrealized value and how it will be measured. Organizations should establish UTV as a shared enterprise metric (owned jointly by finance and technology) to confirm credibility, consistency, and linkage to financial outcomes. A quarterly cadence at minimum is recommended, embedding UTV into existing portfolio and performance reviews alongside capital allocation, run-grow-transform decisions, and earnings discussions. Early efforts should focus on a limited set of high-impact areas such as cloud economics, data and AI scaling, or operating model throughput, to build confidence and demonstrate relevance quickly. As maturity increases, UTV can be promoted across assets, methods, and people to pinpoint root causes of value leakage and inform targeted interventions. Over time, this disciplined, repeatable approach transforms UTV from a diagnostic into a management system, one that can continuously convert technology investment into measurable enterprise value.

Authors

Subodh Chitre
LPP - Principal
Deloitte Consulting LLP
suchitre@deloitte.com

Tarun Sharma
LPP - Principal
Deloitte Consulting LLP
tasharma@deloitte.com

Deloitte.

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