

TECHNOLOGY DEMAND MANAGEMENT IN FINANCIAL SERVICES: INTEGRATING IT PROCUREMENT, SPEND OPTIMIZATION, AND TECHNOLOGY INVESTMENT DECISIONS

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Abstract

Financial institutions worldwide are under increasing pressure to improve technology investments while enhancing digital transformation. Despite the fact that investment in technologies for the global banking sector is growing, technology investment and the resulting financial performance are not necessarily correlated, as research has shown time and time again. This qualitative multiple-case study examines how banks are using information technology (IT) demand management, procurement practices and spend optimization to enhance IT investment decisions. The study reviews the case studies for technology demand management, procurement transformation and spend optimisation in banking and financial services, which have been documented and published in the public domain, including the case studies published by the consultancy firms and the disclosures made by organisations. Cross-case synthesis and thematic analysis are used to create an Integrated Technology Demand Management (ITDM) framework. Results show that there are three integration mechanisms—demand gating, cost transparency, and vendor rationalization. The study highlights the critical gap of integration: although there are many institutions that have processes for demand management, these are often not linked to procurement and/or investment decision making. The ITDM framework provides a way for banking executives to make this bridge. Theoretical contribution involves the understanding of the interdependence of IT demand management in the literature and how it is related to procurement and financial governance mechanisms. Chief Information Officers (CIOs) and Chief Financial Officers (CFOs) use practical implications to drive them towards integrated demand-to-investment processes.

1. INTRODUCTION

Financial services institutions operate in an environment where they are simultaneously dealing with rising technology costs, regulatory concerns about operational resilience, competition from financial technology (fintech) startups and a customer base that expects a seamless digital experience. Global banking technology expenditure is on a trajectory of continued growth as the needs for cybersecurity, infrastructure modernization and cloud computing and artificial intelligence (AI) continue to increase (Deloitte, 2024). IT departments face a

major challenge with funding projects for new innovations, as around 70% of their budgets are dedicated to running, maintenance, and infrastructure (Wavestone, 2025). However, studies continually show that technology investments do not necessarily lead to better financial results. This pioneering study by Beccalli (2007) on a sample of 737 banks in Europe showed that there was a profitability paradox, meaning there was not a strong connection between the investment in IT and the increase in the bank's profitability; similar results were obtained by other studies in the Indian (Gupta et

al., 2018), Vietnamese (Nguyen & Luu, 2024) and Nigerian (Chukwukaelo et al., 2018) banking sectors.

This paradox has led to a greater focus on organizational processes for identifying, evaluating, prioritizing and governing the investments in technology. IT demand management is an important organizational capability, which is the systematic approach of organizations to capture, assess, prioritize, and meet IT demands in line with organizational strategy (Wongverawatanakul & Leelasantitham, 2022). Their conceptual model defines a new strategic planning mechanism, namely IT demand management, which is the combination of entrepreneurial orientation and technology orientation aimed towards optimal organizational performance, and clearly applies to banking. At the same time, there has been a greater emphasis on IT procurement optimisation and transparency of technology spend, as good procurement practices and visibility of technology spend are essential for good investments (Kraljic, 1983; Van Weele, 2018).

While there has been an increased focus on practitioners, academic literature that speaks to the integration of these three functions, namely demand management, procurement and spend optimization in banking contexts is still scattered. Previous studies have studied each dimension separately: demand management research focuses on governance processes, but not on procurement implications; studies of technology investments measure performance outcomes, but not the processes of upstream decision making (Pampurini & Quaranta, 2023); and procurement research focuses on cost reduction without further linking to strategic prioritization of demand (Cousins et al., 2008). The theoretical gap and practical challenge of this fragmentation are that banking executives don't have a framework to use for bringing together demand management, procurement and investment decisions into one governance structure.

This study aims to fill this void by qualitative multiple case studies of documented change events in the banking and financial services sector in the field of technology. The research question for this investigation is: How do financial services institutions incorporate processes for IT demand management with procurement practices and

spend optimization mechanisms for technology investment decisions? This question is then broken down into three sub-questions, namely: (a) What organizational processes and structures do banks use to manage technology demand? (b) What are the relationships between procurement and spend optimisation practices? and (c) What integration mechanisms are there between demand assessment and investment decisions?

The study aims at three things: (1) to gain an understanding of the organizational processes and structures, which banks use for technology demand; (2) to explore how the practices of procurement and spend optimization relate to technology demand; and (3) to put together an integrated framework that can be applied practically in banking organizations. The paper then goes on as follows. This section discusses some related literature in the fields of IT demand management, IT investment performance and IT procurement. The multiple case study design is then described in the method section. The results are presented in the form of cross-case analysis and theoretical and practical implications are discussed. Limitations and directions for future research are provided at the end of the paper.

2. LITERATURE REVIEW

2.1 IT Demand Management: Conceptual Foundations

IT demand management is the organizational processes that involve the identification, articulation, evaluation, prioritization and fulfillment of technology needs (Ward & Peppard, 2016). Wongverawatanakul and Leelasantitham (2022) designed a conceptual model, in which IT demand management acts as a strategic planning tool by combining the entrepreneurial orientation and technology orientation to enhance the organizational performance. Their survey of 50 companies reaffirmed that the role of IT demand management is to act as a decision-making tool which can be used to achieve governance and strategic alignment. Importantly, the authors clearly indicated that the model is relevant to banking applications, thereby proving its relevance in contexts of financial services.

The concept is based on the literature on IT governance, where demand management is seen as a link between business strategy and IT execution (Weill & Ross, 2004) or between business strategy

and IT value (De Haes & Van Grembergen, 2015). Literature on IT demand management was reviewed systematically and the direct relationship of IT demand management with IT governance was identified and factors and barriers in implementing IT demand management were highlighted and it was concluded that IT demand management is not a single process, but a capability building up of the organization and involves integration of project portfolio management and other key enablers (Blichfeldt & Eskerod, 2008; PMI, 2017).

Strategically, Masci (2019) directly responded to the demand of the IT sector in a banking organization that is implementing digital transformation, proposing a solution approach that involves processes, sub-processes, databases, forms, indicators and tools that allow strict control and supervision. The study highlighted the need to consider each strategic initiative for its contribution to digital transformation and level of regulatory compliance, which is critical in the financial services industry where regulatory alignment is a must (Basel Committee on Banking Supervision, 2021).

New studies have been conducted to apply the concept of demand management to improvement areas of processes. Vásquez et al. (2024) showed how demand forecasting could be systematically modeled by applying machine learning to forecast the incoming technology support demands in a banking company. All these studies indicate that, on the whole, IT demand management in the banking sector has shifted from being a passive intake to a strategic governance capability.

2.2 Technology Investment and Bank Performance

The empirical studies of the technology investment in banking institutions reveal a multifaceted picture. Beccalli (2007) has studied 737 European banks, covering the time frame 1995–2000 and concluded that there was not much correlation between total IT investment and the increase in profitability – a profitability paradox. The study uncovered key heterogeneity however: external provider investment in IT services had a positive impact on profit while hardware and software acquisition seemed to have a negative impact on performance. This finding indicates that not only how much money is put

into the process of obtaining and using technology, but how technology is obtained and used is important, which is a key premise of the current study. In its turn, the profitability paradox has been corroborated by other studies in different banking environments. Gupta et al. (2018) presented the paradox in Indian commercial banks, where it is found that the effect of investment in IT does not significantly affect the ROA of commercial banks. This was confirmed with the findings of Chukwukaelo et al. (2018) in the banking sector in Nigeria. Pampurini and Quaranta (2023) have studied the link between efficiency and high-tech investment (measured as patents) of banking groups in the Euro Area in the period 2012–2021 and concluded that, overall, a negative relation was observed. The authors warned that investments in high technology do not necessarily lead to greater efficiency and at times can come before greater efficiency.

These various pieces of literature in technology investments thus argue that the results of investments are not only a function of investment size but also of organizational abilities and context (Melville et al., 2004; Kohli & Grover, 2008). This recognition leads to the demand for the use of demand management and procurement as key mediating mechanisms that is the theoretical aspect that this study delves into using documented cases.

2.3 IT Procurement and Spend Optimization in Financial Services

There is limited academic literature on IT procurement and spend optimisation in banking, with the knowledge base being mainly derived from practitioner-oriented case studies and consultancy reports. Study of IT cost optimization in the financial sector has revealed a number of mechanisms: strategic initiative selection (by stopping projects with a non-measurable impact); operational efficiency improvements (process automation, application rationalization, tool pooling, software-as-a-service and cloud services – pay-per-use).

Transparency of costs is a first step enabler. Technology Business Management (TBM) offers a taxonomy that classifies technology spending into cost pools, technology resource towers, solutions, and consumers and allows traceability from the financial data to the technology consumption

(TBM Council, 2020). One of the more popular spend optimisation strategies (Kraljic, 1983) is vendor rationalisation. By simply making sure that existing software features were fully used before adding more, Dickinson Financial Corp., a \$4 billion institution, was able to cut back on its technology vendors by 10% and decrease the technology budget by 8% (Haslett, 2024).

In the banking world, software asset rationalization has proven to yield tangible benefits in terms of cost savings. The title of "Shelfware termination and licence metric normalization" was the subject of a Charles Schwab case study in which IBM entitlements were discovered to be 35-40% larger than the deployment needs, and \$6 million of unnecessary IBM costs were found and eliminated (Redress Compliance, 2024).

These cases indicate a trend towards adopting three spend optimization mechanisms – cost transparency via taxonomy, vendor rationalization and software asset rationalization. But the linkages between these mechanisms and processes of upstream demand management are not deeply explored in literature.

Literature shows a certain disintegration. Although banking has been recognized as being relevant, the focus of IT demand management research remains governance processes with no investigation of linkages with procurement/optimization of spend. Technology investment studies assume investment decisions as given, and measure performance outcomes. Procurement research reports cost optimisation results, but does not relate to strategic prioritisation of demand (Van Weele, 2018). No study has so far combined all three areas into a banking theory.

This study is an attempt to fill this gap by proposing Integrated Technology Demand Management (ITDM) framework as shown in Figure 1. It suggests that integration is needed across three areas – demand management, procurement and spend optimization to make effective technology investment decisions in banking. Integration mechanisms, which include demand gating, cost transparency and vendor rationalisation, act as bridging processes in between strategic demand prioritisation and procurement execution and financial governance.

2.4 Research Gap and Conceptual Framework

Integrated Technology Demand Management (ITDM) Framework

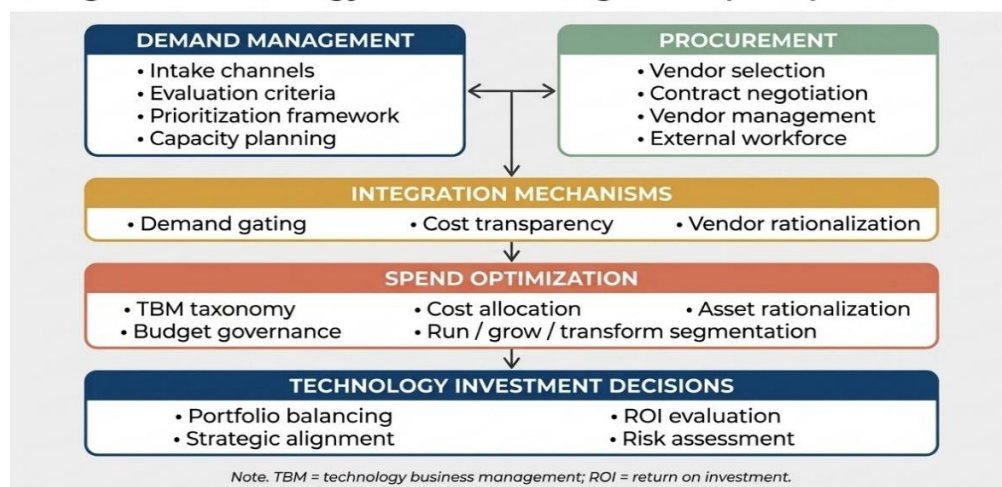


Figure 1 Integrated Technology Demand Management (ITDM) Conceptual Framework

3. METHOD

3.1 Research Design

This study utilizes a qualitative multiple-case study design which is suitable for the study of complex organizational processes in multiple contexts (Yin, 2018; Eisenhardt, 1989). This case study approach

allows for an examination of 'how' and 'why' and is appropriate to study a phenomenon that unfolds over time and in which there are multiple organizational actors, such as the integration of demand management, procurement, and spend optimization at banks. The multiple-case design is

a replication logic design where patterns are identified that extend beyond the specific organization context in which they are found, but still provide detail of the context (Yin, 2018). This type of design is not based on grounded theory or interviews, but only on documented evidence and is therefore feasible without collecting primary data without compromising methodological rigor.

3.2 Case Selection

Using Patton's (2015) method of purposive sampling with regard to the publicly available documents, cases were selected for technology

demand management, technology procurement transformation and spend optimization in banking and financial services. The inclusion criteria were: (a) the case is about a financial or banking services organization; (b) the case describes at least one of the three domains (demand management, procurement, or spend optimization); (c) sufficient documentation exists to analyze the processes in the organizations; and (d) the case was published between 2015 and 2025. Five confirmed cases were included in the analysis that met these criteria. Case characteristics are given in Table 1.

Table 1: Case Institution Characteristics

Case	Organization	Region	Primary Phenomenon	Verified Source Basis
1	Nationwide Building Society	UK	TBM and technology-cost transparency	Raconteur (2015)
2	Charles Schwab	US	IBM licensing and software-asset optimization	Redress Compliance (2024)
3	Dickinson Financial Corp.	US	Vendor rationalization and technology-spend discipline	Haslett (2024)
4	Bank of Zhengzhou	China	Demand-management platform and centralized procurement	Bank of Zhengzhou (2023)
5	QNB Group	Qatar / international	Digital procurement and spend-management transformation	Coupa (2024); QNB (2023)

The research bases on three types of source documents:

Case Studies and Consultancy Reports. Specifics of the cases were gathered from publications and industry reports (Raconteur, Redress Compliance, FinXTech, Coupa). These documents describe the challenges and approaches to these challenges in an organization and outcomes measured.

Organizational Disclosures and Industry Reports. The other cases were extracted from the social responsibility reports and corporate governance reports of the companies (Bank of Zhengzhou and QNB Group). These are sources of information on how organizations work and what they have written about.

All documents were analysed looking for descriptions of (a) demand management processes; (b) procurement processes; (c) spend optimisation processes; (d) integration challenges and enablers; and (e) documented outcomes. To assure that relevant information was extracted systematically a document analysis framework was developed (Bowen, 2009).

3.4 Data Analysis

Data analysis was carried out using the cross-case synthesis as described by Yin (2018). The analysis process was divided into three stages namely:

1. **Within-Case Analysis.** Each case was taken individually and key processes, mechanisms and outcomes identified around demand management, procurement and spend optimisation were identified. Case summaries were developed about organizational context, organizational challenges, approach to solving these challenges and outcomes (Miles et al., 2015).

2. **Cross-Case Pattern Identification.** A comparison of the cases was conducted to look for patterns, themes and variations. The case data were analysed inductively and a coding framework developed that categorised the codes into three domains, and integration mechanisms (Braun & Clarke, 2006).

3. **Framework Development.** Categories were aggregated into the ITDM model and pattern analysis (Eisenhardt, 1989) was used to determine relationships among categories.

Analysis was aimed at uncovering mechanisms that were common to more than one case, and

thus offered some evidence of the generalizability of the framework.

3.5 Rigor and Trustworthiness

Rigor was addressed following Lincoln and Guba's (1985) trustworthiness criteria:

- **Credibility:** Triangulation of multiple sources for each case, including vendor documentation, consultancy reports, and organizational disclosures.
- **Transferability:** Thick description of case contexts allows readers to decide applicability of the case context(s).
- **Dependability:** Audit trail – everything that is analyzed is recorded, including the materials that were used.
- **Confirmability:** Peer debriefing with researchers who are knowledgeable about banking technology management confirmed the interpretative accuracy.

3.6 Limitations

The study has a few drawbacks: It was not really observed but based on reported work; there is a publication bias (successful initiatives more likely to be reported); and limited generalizability beyond the banking institutions studied (Flyvbjerg, 2006). The discussion provides an analysis of these limitations.

4. FINDINGS

Cross-case analysis identified three categories – demand gating as strategic filtering mechanism, cost transparency as a basis for integration, and vendor rationalisation as a spend optimisation approach. A supporting documentation of cases is provided for each category.

4.1 Category 1: Demand Gating

The first integration mechanism to come to light was demand gating, which consists of structured evaluation processes, where demands for technology are evaluated against strategic criteria before undergoing procurement and investment processes. The level of maturity of the demand gating was found to be different in cases.

Structured Evaluation Criteria. Case 4 (Bank of Zhengzhou) adopted a demand-management platform, which linked up the demand evaluation with the centralized procurement. The platform made the procurement process digital, with the first step being the demand evaluation. This combination increased the efficiency and eliminated risk from suppliers (Bank of Zhengzhou, 2023).

Integration with Procurement. In Case 5 (QNB Group) there was an explicit link between demand gating and procurement via a digital spend-management transformation. The bank chose to work with Coupa in order to digitize spend management, establishing a single platform to manage procurement operations. The change allowed QNB to gain a greater insight into technology expenditure, and to make informed technology procurement decisions that align to priority demands for strategic technology (Coupa, 2024; QNB, 2023).

Challenges Documented. Balancing structured demand governance and agility were issues that were documented in cases. Organizations discovered that processes for demand management needed to be calibrated based on the size of the investment, that is, lightweight governance for low investment experiments and more demanding for large strategic investments.



Note. TCO = total cost of ownership. Feedback loops and fast-track lanes for low-cost experiments operate alongside this primary flow.

Figure 2 Demand Gating Process Model

4.2 Category 2: Cost Transparency

The second category, Cost Transparency, appeared as the basic process which allows the integration of Demand Management, Procurement and Investment Decisions. Cases showed how cost visibility changes technology spend discussions from anecdotal to data-driven.

TBM Taxonomy Adoption. Case 1 (Nationwide Building Society) used TBM as a way to understand the levers for supply and demand in relation to core services. Within 12 months, the building society was looking for major savings based on facts and figures in managing software licences and suppliers (Raconteur, 2015).

The TBM taxonomy provides a classification for all types of technology expenditure from four perspectives: Cost Pools (Labor, Software, Hardware, Cloud), Technology Resource Towers (Servers, Licenses, Storage), Solutions (Applications, Platforms) and Consumers (Business Units, Functions). This structure allows

tracking the money from financial data to technology use, which is important for determining demand and for negotiating procurement (TBM Council, 2020).

Linking Cost Visibility to Procurement. Case 2 (Charles Schwab) was used to illustrate cost transparency for better procurement. Charles Schwab found \$6M in unnecessary IBM costs as a result of entitlement reconstruction and usage analysis and determined that entitlements were 35–40% bigger than actual deployment needs. The analysis indicated that there was a shelfware problem with platform migrations, system upgrades and acquisitions (Redress Compliance, 2024).

Outcomes Documented. As seen in the Charles Schwab case, cost transparency initiatives can provide tangible savings that can be achieved through a systematic approach in identifying unused or over-licensed software assets.

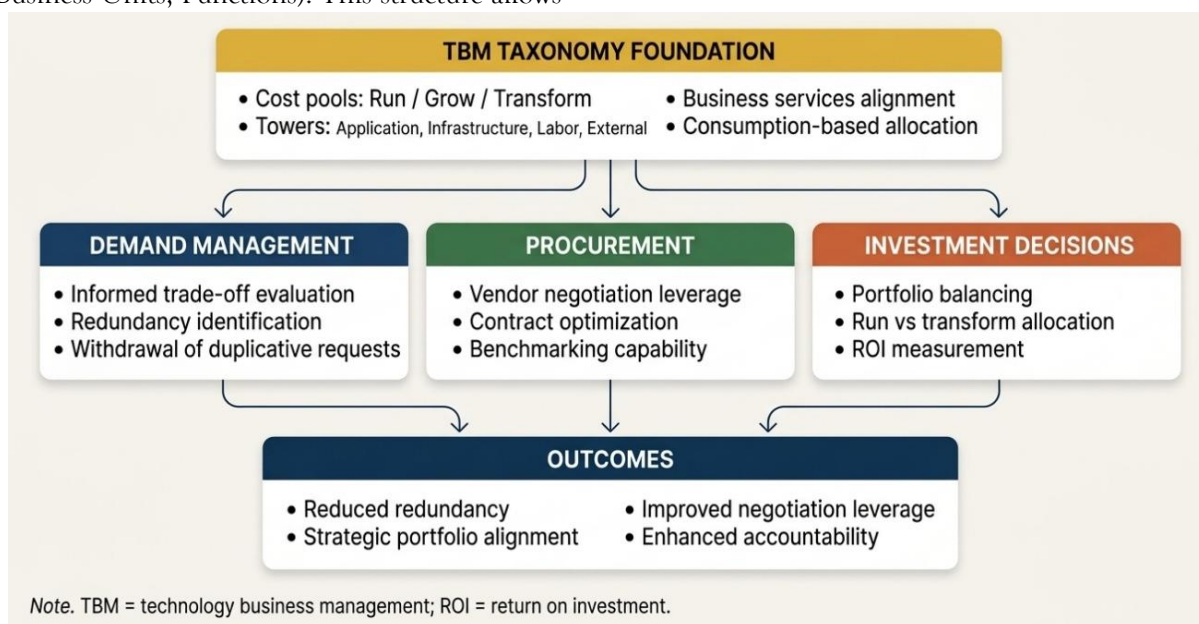


Figure 3 Cost Transparency as Integration Mechanism

4.3 Category 3: Vendor Rationalization

The third category, vendor rationalization, is the area of procurement where it provides its contribution for integrated technology demand management. Significant vendor reduction efforts, software asset rationalization and strategic vendor

relationship management were all documented as cases.

Vendor Consolidation. Case 3 (Dickinson Financial Corp.) reported that systematic use of vendor count reduction via systematic vendor utilization verification and feature enablement reduced its 300 vendors to 270. The institution found duplicate capabilities across the business units and terminated the secondary vendors with primary tools offering the same capabilities. Dickinson Financial was able to enable all

functionality of their current software without having to purchase new tools and was able to reduce vendors by 10% and their overall technology budget by 8% (Haslett, 2024).

Case 5 (QNB Group) underwent a complete revamp of its procurement by implementing digital procurement spend-management. The transformation helped them achieve centralized procurement processes, gain better visibility and control over technology expenses (Coupa, 2024).

Software Asset Rationalization. Case 2 (Charles Schwab) showed systematic discovery and disposal of shelfware (software under license and/or support yet not deployed or utilized). The analysis revealed that over the years, IBM had invested in

technology, made a number of acquisitions and evolved its platforms in a way that had resulted in a vast IBM estate where the lack of visibility of costs had allowed waste to build up over time. Through shelfware termination and licence metric normalization, the organization achieved \$6 million in savings (Redress Compliance, 2024).

Integration with Demand Management. Case 4 (Bank of Zhengzhou) was a combination of vendor rationalisation and demand management via a centralized procurement platform. The bank's demand-management platform was linked to the performance data of suppliers and helped to evaluate the demand situation, which facilitated more intelligent procurement.

Table 2: Vendor Rationalization Outcomes Across Cases

Case	Institution Type	Initial State	Outcome	Mechanism
3	Community bank	300 software vendors	10% vendor reduction, 8% budget reduction	Feature enablement and utilization verification
2	Investment bank	35-40% entitlement excess	\$6M savings	Shelfware elimination, metric normalization

Note. Savings figures are as reported in source documentation.

4.4 The ITDM Framework: Relationships Among Categories

This combination of the three categories is the Integrated Technology Demand Management framework: demand gating, cost transparency and vendor rationalisation. There are two-way relationships between categories, which mutually reinforce each other. An integrated demand gating process provides information for demand transparency initiatives, which in turn supports more comprehensive demand assessment and enhanced negotiations with vendors; vendor rationalization helps decrease the number of vendors that demand management needs to deal with.

A key discovery is that of an 'integration gap,' in that in many institutions there are demand management processes in place, but they are typically divorced from procurement and investment decisions. Demand management, procurement and finance functions working separately means that organisations are missing opportunities for value in linkages between these functions. Technology budget can be utilized for activities not necessarily strategically approved, but instead, are a result of independent decisions.

The integration gap is the core practical impact of the ITDM framework: it offers a structured way of linking demand evaluation, delivery of the procurement process and financial governance so that they form a coherent decision-making process.

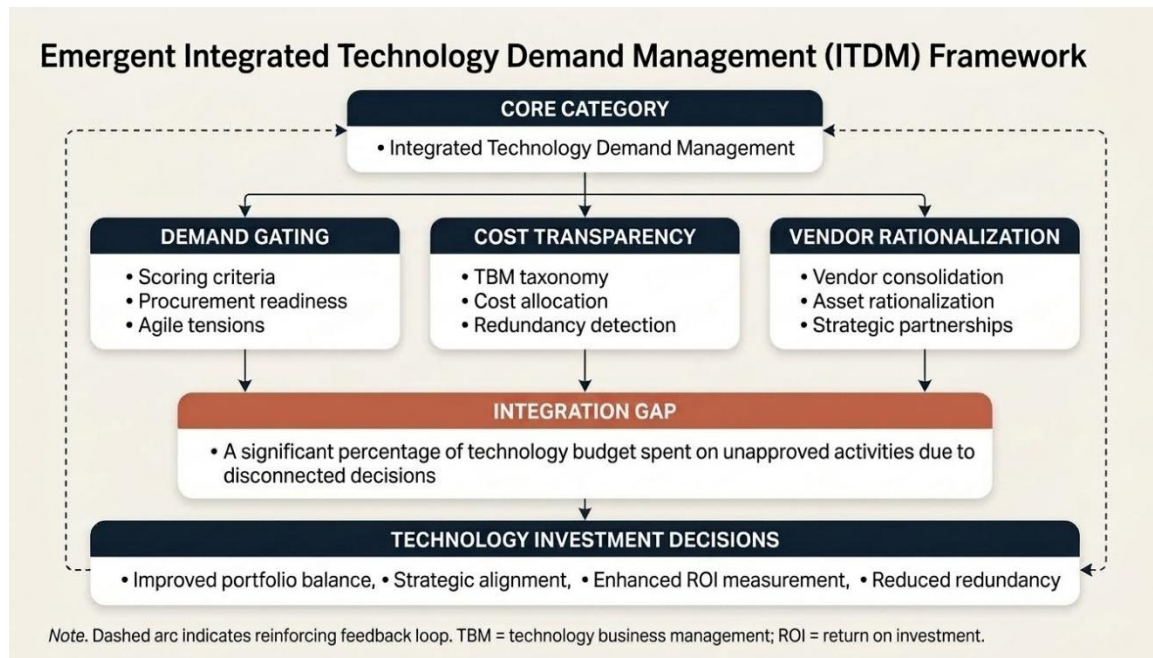


Figure 4 Emergent ITDM Framework from Grounded Theory Analysis

Note. TBM = technology business management; ROI = return on investment. Arrows indicate bidirectional reinforcing relationships among categories.

5. DISCUSSION

5.1 Theoretical Implications

This article contributes to the literature on technology management in financial services in three ways, theoretically. It first incorporates demand management theory into the field of IT, showing the inter-dependency of IT demand management with procurement and financial governance mechanisms. Previous studies have identified demand management as a process that is mainly related to governance for the collection and prioritisation of technology demands (Wongverawatanakul & Leelasantitham, 2022; Masci, 2019). This study shows that, in addition to the existing dimensions, integration with the dimensions of procurement strategy and cost transparency mechanisms is required to be able to carry out an effective demand management. Second, the study makes a contribution to the literature on technology investment, as it has identified organizational processes that mediate the technology investment-performance link. The results of this study regarding integration gap, which is partly responsible for the profitability paradox in the banking sector reported by Beccalli

(2007), Pampurini and Quaranta (2023) and Gupta et al. (2018), can be attributed to the following reasons. If demand management, procurement and spend optimization are separate practices, investments in technology may be less than optimal even if each one of the practices is well designed. One way in which investment and performance might be linked is through integration mechanisms as suggested by the ITDM framework (Melville et al., 2004; Kohli & Grover, 2008).

Thirdly, the study adopts the case study approach to the technology demand management in banking. This study results in an ITDM framework that is rich in theory and is based on documented organizational experience to inform future research and organizational practice.

5.2 Practical Implications

The study has a number of implications for banking executives. First, organisations should not only look at their demand management maturity, but also the maturity in integration too. The ITDM framework is designed to be a structured evaluation of the relationship among the demand, procurement and finance functions.

Organizations should evaluate if there is a procurement readiness assessment as part of demand evaluation, cost transparency when making demand trade-off decisions and vendor rationalization aligned to strategic demand priorities.

Second, the results indicate that cost transparency is the base enabler to integration. A lack of granular technology cost visibility means that demand evaluation is not complete to be able to make trade-off decisions; procurement negotiation does not have the leverage of full spend visibility; and investment decisions do not have the data to make portfolio balancing decisions. Adopting TBM taxonomy, though difficult to put in practice, seems to be a requirement for developed ITDM (TBM Council, 2020).

Third, there is a need to explicitly plan for integration. The gap in the integration that was identified in this study implies that having demand management, procurement and finance functions are not enough. Explicit integration mechanisms such as joint demand/procurement review processes, cost transparency requirements for demand assessment and procurement strategy assessment at the demand gate should be developed to join the functions together and make them work as a system instead of isolated systems.

5.3 Limitations

There are some caveats that should be taken into consideration. Firstly, the study is based on documented sources not through direct observation or interview. Case documentation can contain a lot of detail about the processes and results of the organization, but can miss out on failed initiatives or internal issues that organizations would not wish to report. There is a problem of publication bias towards successful projects (Flyvbjerg, 2006). Secondly, the sample is diverse with regard to geography and size of the institution, but may not fully span the banking institutions. There is an under-representation of smaller community banks and credit unions. Third, the study is cross-sectional, representing a snapshot in time of what was occurring in the organizations' processes. This would require longitudinal studies in order to gain insight into integration processes. Fourth, the multiple-case study method is well-suited to the theory development but not to give quantitative estimates

of the relationship between integration and performance results.

5.4 Future Research Directions

The limitations of the study can be tackled in four ways in future research. First, quantitative validation of the ITDM framework by survey methodology would allow testing to see whether there is a relationship between the integration maturity and technology investment performance. Second, comparative studies on regulatory contexts would have indicated how the integration mechanisms are being influenced by regulatory context. Third, expanding the framework to smaller banking institutions and/or non-banking financial services settings would improve the framework's generalizability. Fourth, to better understand the evolution of integration capabilities, longitudinal case studies of organizations as they move from fragmented to integrated demand management should be studied.

6. CONCLUSION

This research examined the state of integration of the processes in IT demand management within financial services institutions in relation to procurement processes and spend optimization processes to enhance technology investment decisions. Qualitative multiple case study analysis of the five documented cases resulted in the creation of the Integrated Technology Demand Management framework that consists of three integration mechanisms: demand gating, cost transparency, and vendor rationalization. Among the findings the study uncovered is a major integration gap – the misalignment between demand management, procurement, and investment decision making – which can be extremely costly for institutions in terms of sub-optimal technology investments.

The theoretical contributions consist of embedding IT demand management in the literature of IT demand management and IT procurement and showing how it is interdependent with procurement and financial governance and extending the literature on technology investment by identifying the organizational integration as a mediator between the investment-performance relationship. Practical implications suggest principles for

guiding banking executives to create integrated demand-to-investment processes; cost transparency is the base for integrated processes. The ITDM framework can be used as a basis for both research and application in the growing critical area of technology demand management in the financial services industry. In an era of digital transformation under a cloud of cost pressures and regulatory oversight, the capacity to link the demands evaluation, the procurement process and financial governance in a unified decision-making process could make the difference between a successful and unsuccessful banking institution.

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