



Technology Business Management

Greg Holmes

RVP – Presales EMEA

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About Greg Holmes

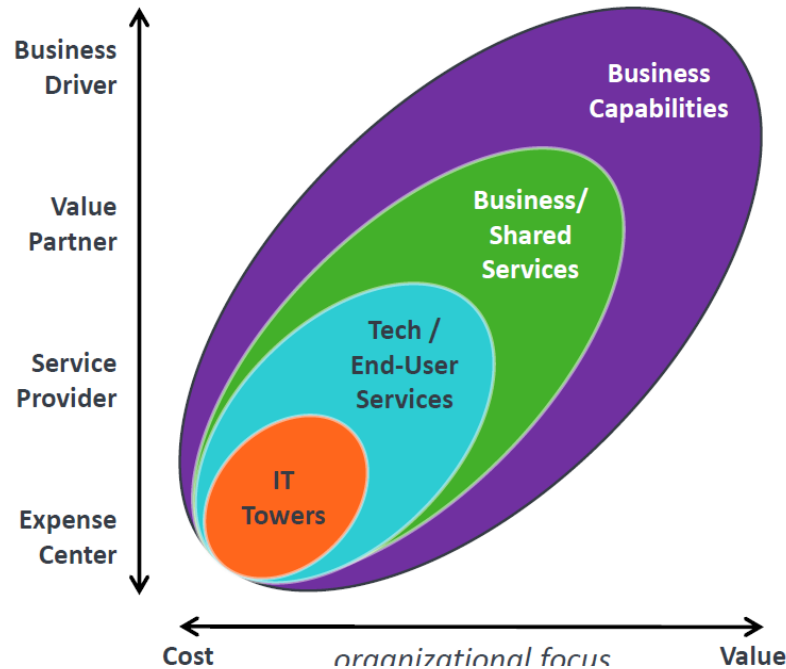
Technology Business Management, Service Management and ITAM



- Worked in Australia, USA, Europe & UK
- ITIL Qualified since V2
- First big ITAM project in 2000
- TBM Executive Certification
- Joined **Apptio** to focus on the way IT decisions are made, and enable business decisions with IT contributing

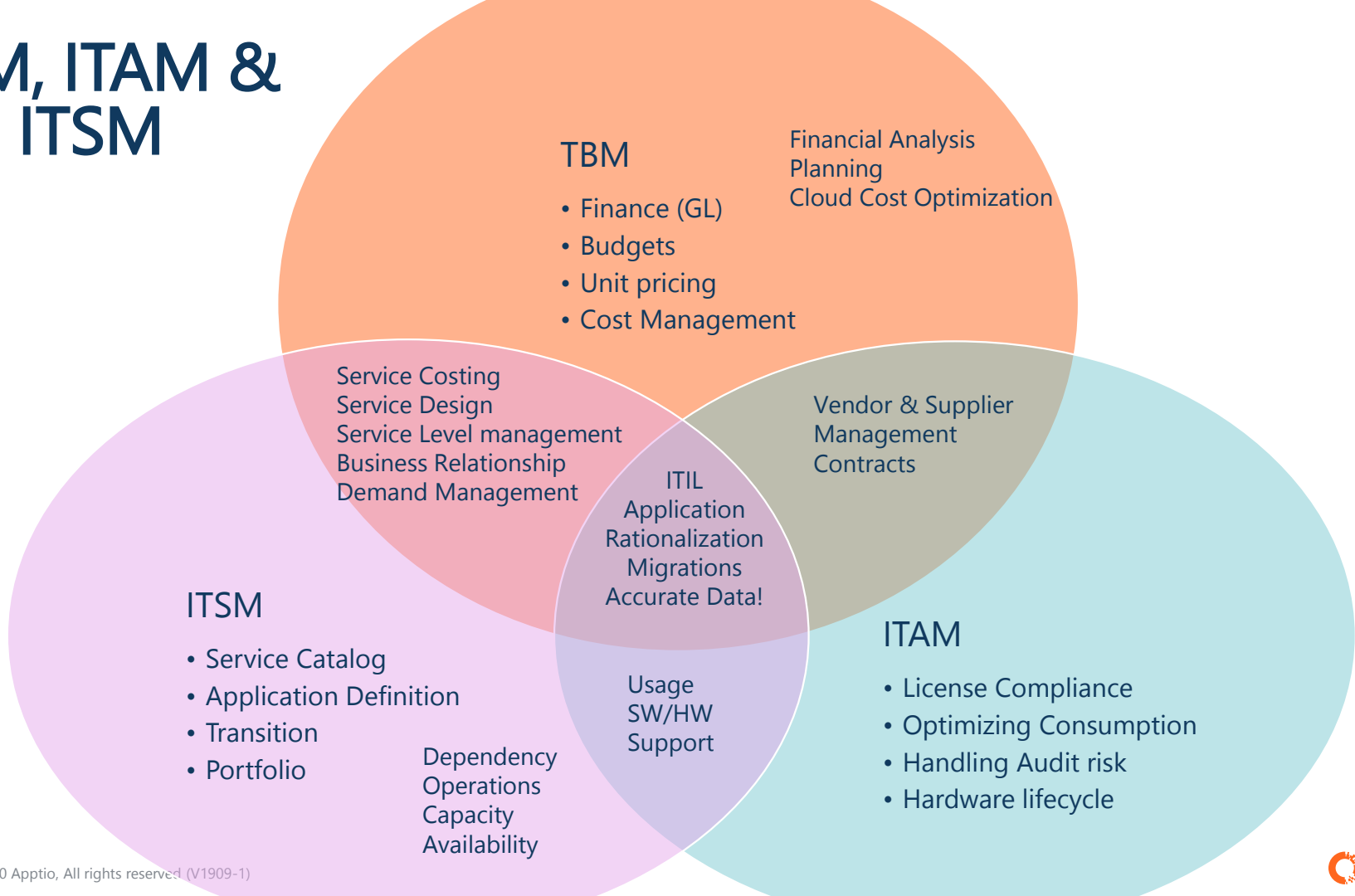
How does IT help make business decisions

TBM Organization Focus & Value



- IT goes from Cost focus to value focus
- More value focus, means more ability to help the business & be a business driver.
- Orgs only focused on cost, make cuts to services that impact on value.

TBM, ITAM & ITSM



The TBM Council

9,000
Members

\$1.1
Trillion

Taxonomy | Process | Practice



Ashley Pettit
SVP, IT



Atticus Tysen
SVP, CIO



Bharat Amin
VP, CIO



Bhushan Ivaturi
SVP, CIO



Carman Wenkoff
EVP, CIO



Debra Bailey
CIO



Ed McLaughlin
Pres., Ops & Tech



Eileen Baines
SVP, CIO



Gerry Imhoff
SVP, IT Services



Guillermo Diaz
CIO, IT



James LaPlaine
CTO



Phil Armstrong
EVP & Global CIO



Ralph Loura
SVP IT, CIO



Rhonda Gass
VP & CIO



Scott Spradley
CTO



Tom Murphy
CIO & VP, IT



The TBM Council + European Committee



Daniel Schmutz
COO CTO



Hillevi Agranius
CIO



Jennifer Wood
Head of Performance and
Business Management, Royal
Bank of Scotland, and UK Region
Executive



Nik Puri
SVP of IT



Caroline Cerval
Global COO Technology, Capital
Markets Division



Laurent Dublanchet
CIO



Debra Bailey
CIO



Koen Vermeulen
Managing Director, Finance,
FedEx International, and Benelux
and Nordics Region Executive





The Undisputed ITFM Market Leader

1000+

Customers

8

Patents

1000+

Employees

61

Fortune 100 Customers

18

Global Locations



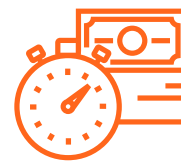
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Lack of Financial
Insights

Drivers to Improve
Efficiency

New IT Operating
Model Complexity

Insufficient
Funding and
Stalled Decision
Making

54%

of CIOs cite Improving Operational Excellence/
Efficiency as their top business priority,
according to Gartner Inc.

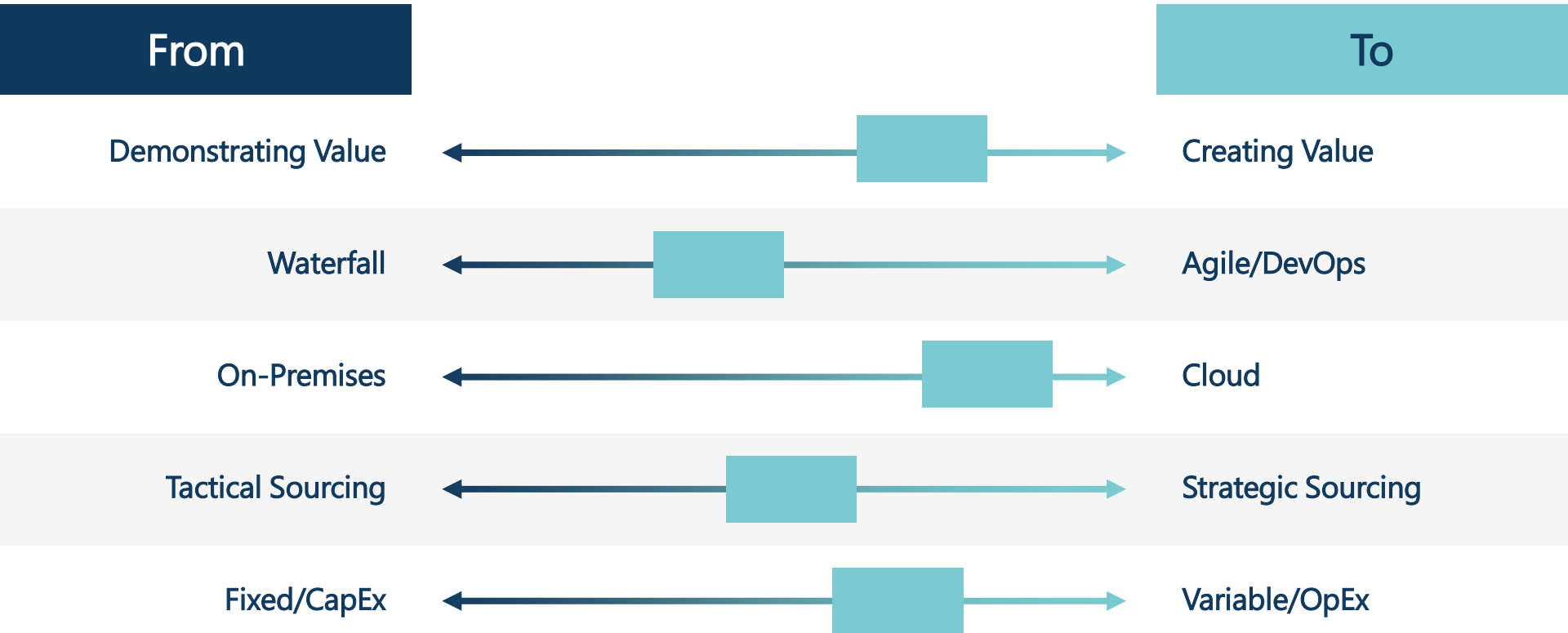
Source: The 2020 CIO Agenda: Winning in the Turns (G00407791)

44%

of organizations cite **"Insufficient Funding"** as
their most significant barrier to achieving
objectives

Technology Business Management
(TBM) provides the technology leaders with standards and validated best practices to communicate the cost, quality and value of IT investments to their business partners.

New Operating Models for IT Are Required



IT Financial Management Challenges



Budgeting & Forecasting

Managing the IT budget effectively, driving stakeholder accountability and improving budget transparency



Optimizing Costs

Identifying cost optimization opportunities, understanding the impact these choices, establishing an on-going optimization discipline



Allocating Costs

Selecting a chargeback approach, communicating costs in business terms, and exposing levers and choices to the business



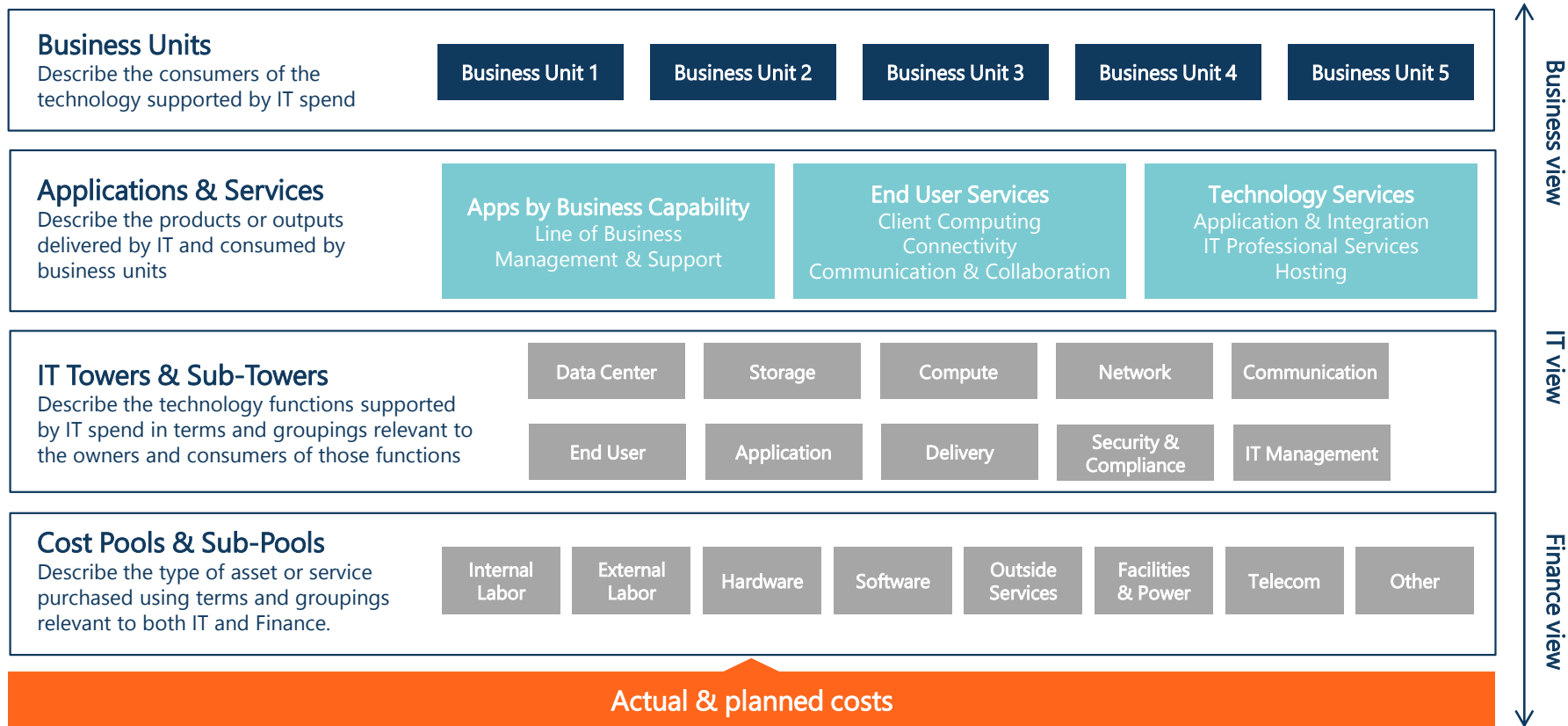
Investment Planning

Adjusting the mix of project and product portfolios, tracking investment value by teams, tracking forecasting and adjusting capacity as needed

Gartner predicts that by 2024, 70% of successful CIOs will have a dedicated ITFM system or tool to help clarify and analyze total IT spend.

Source: Gartner – 7 Factors Drive IT Financial Management Tool Success (G00393530)

ATUM: The Standard IT Cost Model



ATUM: The Standard IT Cost Model



The Standard Model for IT Costs

Unified Model® (ATUM®)



1. Data: What to gather



Guide you to data from existing sources
Integrate appropriate source data columns
Align format to standard

BUSINESS UNITS

Business unit list
Headcount by department

APPLICATIONS

Top 20 application list

PROJECTS

Project details
Time tracking

FIXED ASSETS

Fixed asset depreciation schedule

CLOUD

AWS and Azure billing logs

LABOR

Available labor details (role, location)

FINANCIALS

General ledger (OpEx)
Capital expenditures (CapEx)
Budget (OpEx and CapEx)
Cost center hierarchy
Chart of accounts

2. Taxonomy: How to organize

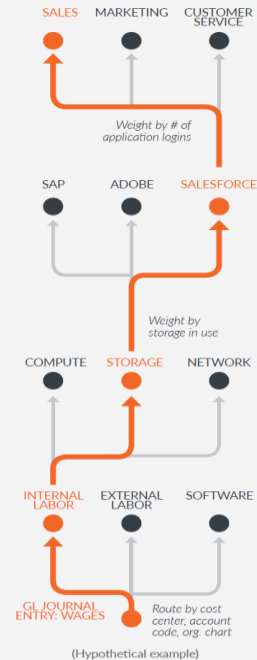
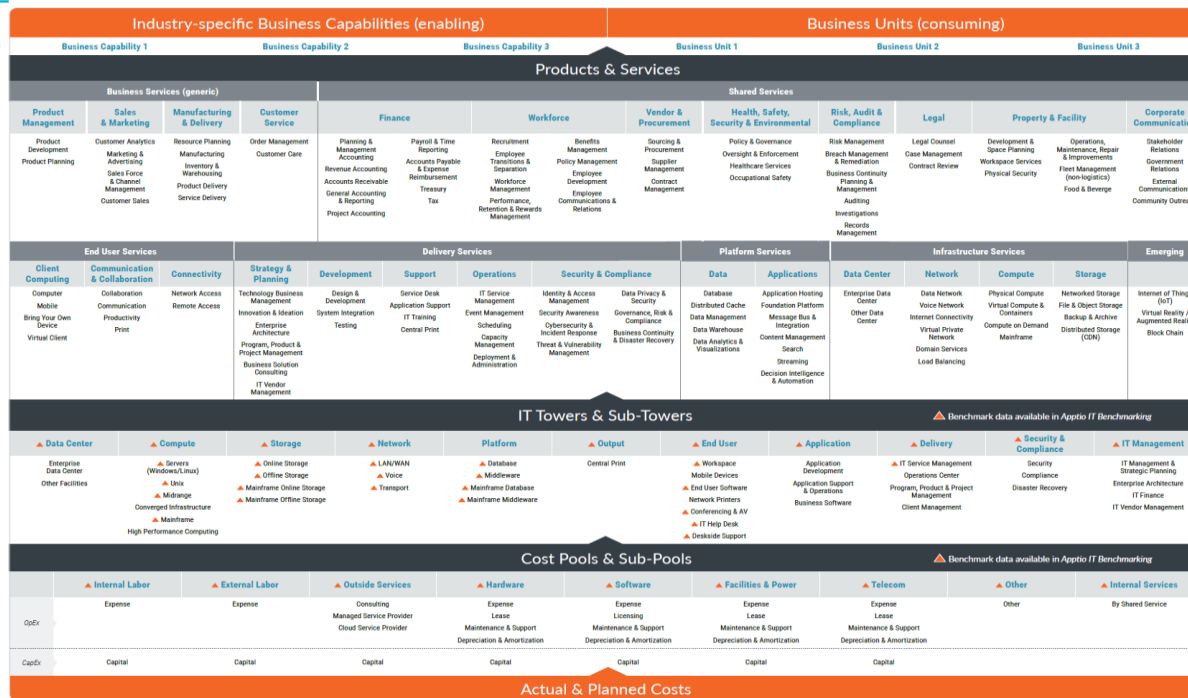


Align costs to common terminology
Automate categorization via mapping rules
Customize or extend where needed

3. Model: How to calculate



Pre-defined allocation rules
Apportion costs to consuming elements
Weight costs via operational data



Cost Transparency

SAAS SOFTWARE
TO MANAGE COST
& COMMUNICATE
VALUE OF IT

Proactively manage IT spend to budget
Make informed staffing decisions
Understand infrastructure costs & trends
Prioritize public cloud decisions
Align project resources to business priorities
Manage your app portfolio for business value
Drive shared accountability with the business

Apptio transforms the way IT runs its business & makes decisions.

GET STARTED IN
10 WEEKS
with a prioritized subset of the TBM Taxonomy

Visit [Apptio.com/ATUM](https://apptio.com/ATUM) to learn & order more

TBM Council Endorsed



How does Forrester calculate Apptio's ROI?

8x ROI
8mo. BREAK-EVEN

Assumptions:
\$50M Annual Operating budget
65% Run-the-Business spend
35% Grow and Transform spend



IT Financial Management

Automate annual & multi-year budgeting workflow
Proactively manage IT spend-to-budget variance
Accurately forecast future IT spend in minutes
Delegate accountability to IT cost center owners
Transparently communicate parameters & targets
Drive ongoing alignment to business priorities
Analyze, decide, & adjust budgets with ease

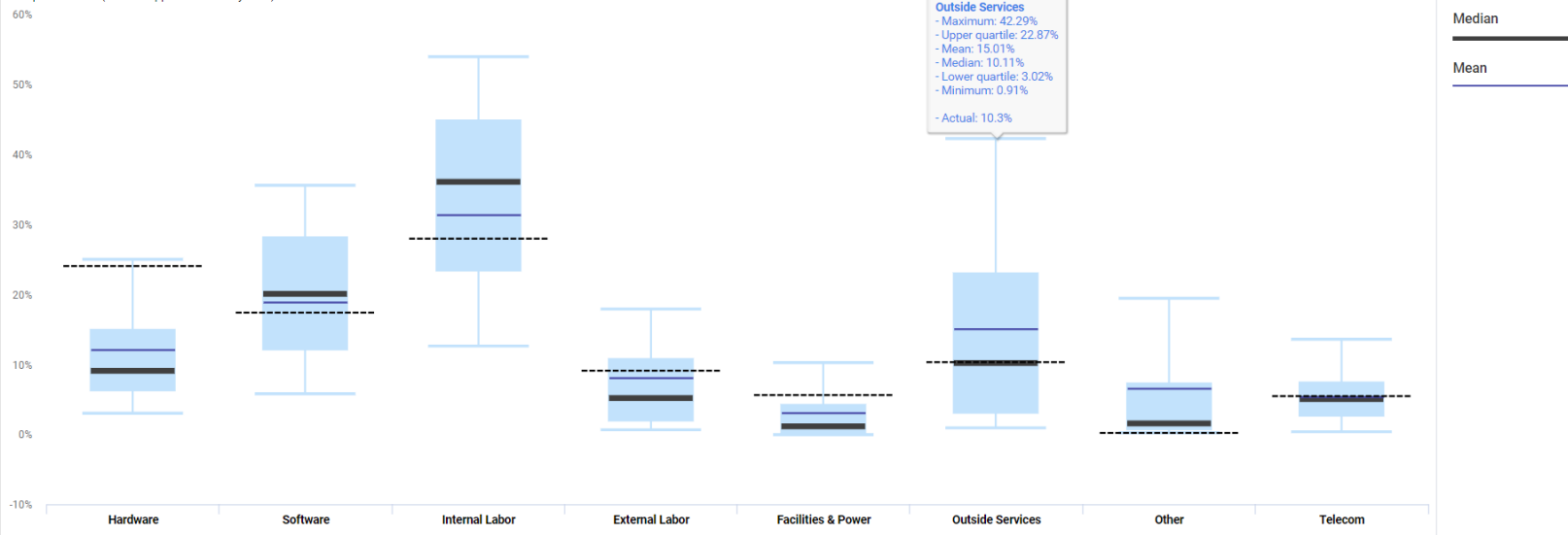
Company Info, Instance Configuration, and Cost Data

How we calculate metrics for each Cost Pool

Mean ☒ Show Archetypes ☐

Cost Pool Breakdown of IT OpEx

Sample Size: 103 (Source: Apptio Community Data)

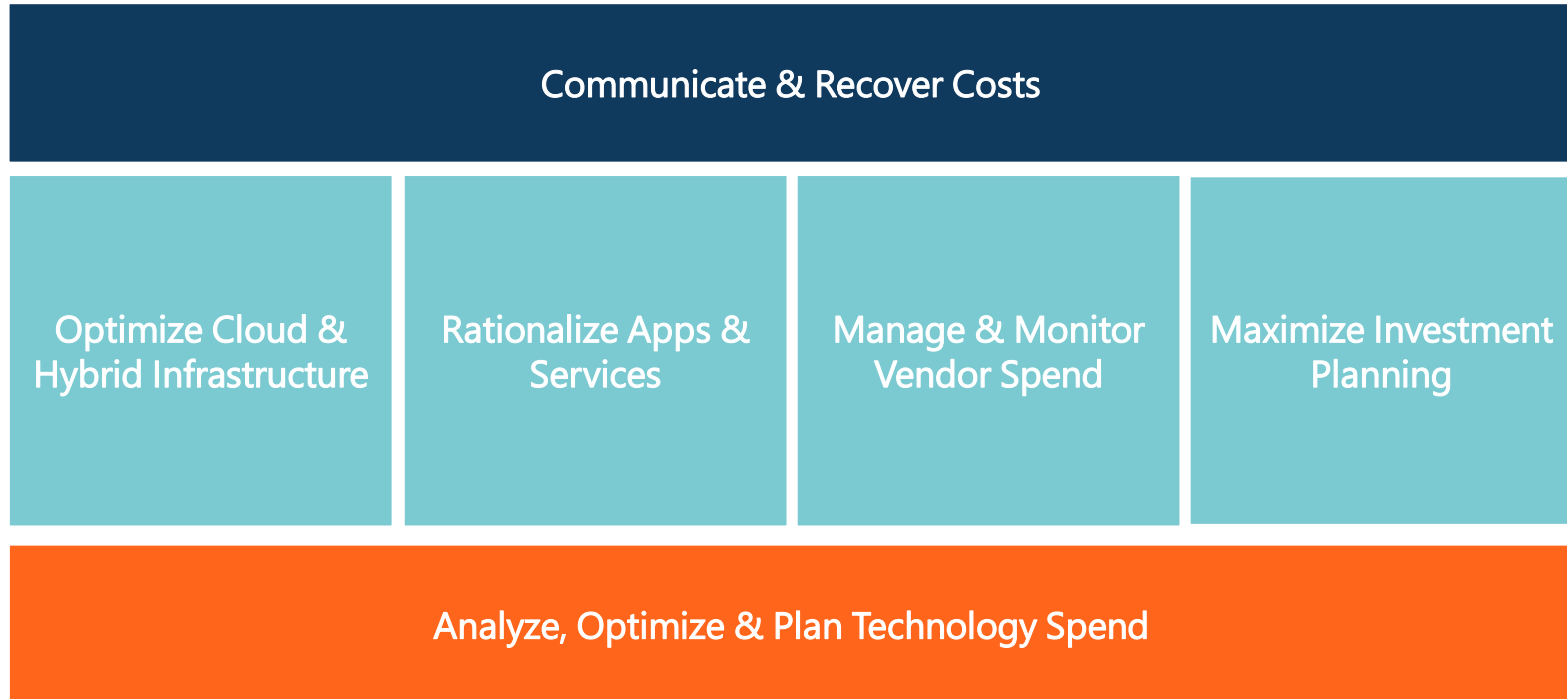


		Hardware		Software		Internal Labor		External Labor		Facilities & Power		Outside Services		Other		Telecom	
Actual		24.03%		17.38%		27.94%		9.08%		5.6%		10.3%		0.19%		5.45%	
Median	Delta	9.1%	-14.93%	20.07%	2.69%	36.02%	8.08%	5.1%	-3.98%	1.2%	-4.4%	10.11%	-0.19%	1.61%	1.42%	4.98%	-0.47%
Mean	Delta	12.03%	-12%	18.82%	1.44%	31.3%	3.36%	8.02%	-1.06%	3.02%	-2.58%	15.01%	4.71%	6.5%	6.31%	5.3%	-0.15%

Financial
Management
Compare to
Cost Pool &
Tower
Benchmarks

Compare to
other Apptio
customers
using the
same
standard of
taxonomy
(ATUM™)

New IT Operating Model Requirements



Apps & Services

Rationalize Applications & Services

70% of application rationalization initiatives are triggered by business transformation.

The State of Portfolio Management



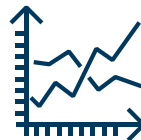
Understanding Cost

77% of CIOs have trouble articulating true app costs



Rationalize Portfolio

Difficult to know which apps to keep vs. divest



Cloud/SaaS Transition

41% of organizations lack cloud strategy alignment between business & IT



Invest for Growth

62% of organizations want to self-fund digital transformation

Rationalized 50% of Services



“We have aligned Apptio to our enterprise strategy and improved cost transparency. Within 15 months, the IT team has established complete end-to-end ownership of services with clear visibility into costs.”

Gopiana Natarhan
CFO Global Business Services

Goal

Reduce IT costs to the benchmark of 1.8% of revenues to help the organization attain the goal of 20% operating margin

How

Replaced a homegrown system that only allocated 30% of IT costs back to the business

Rationalized the service catalog from 4,000 services to 2,000

Results

Reduced IT costs from 40% above the benchmark to within 10%

Accelerated cloud migration decision to save \$50M two years ahead of schedule

Value for Every Role



CIO

Accelerate Decision
Making



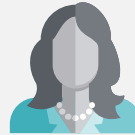
Cloud Leaders

Eliminate Cloud
Waste



IT Finance

Reduce Budget
Variance



App Leaders

Reduce
Application TCO



Portfolio
Managers

Improve Value Realization



Business Relationship
Manager

Expose Levers and Tradeoffs



Action Plans

Insights (1)

Custom Reports

Apptio Value Explorer

Bill of IT

Cost Transparency

ITFM

Saas Management

IT Planning

Support

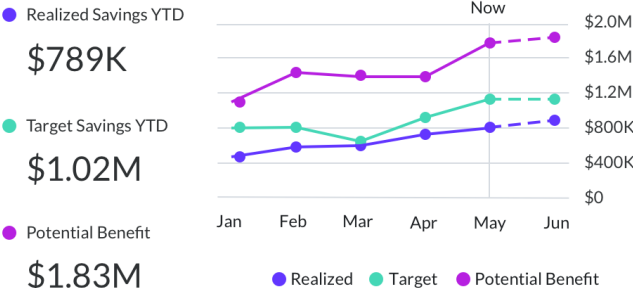
Settings

cgrigson@apptio.com

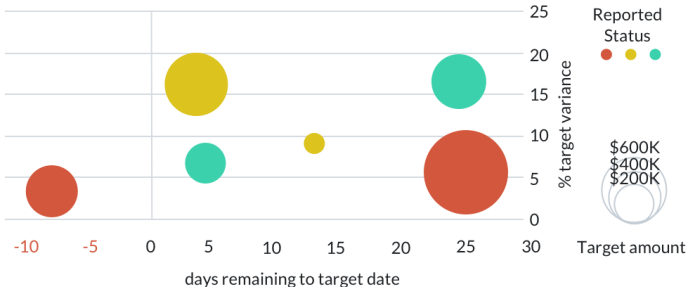
Server
Aspire

Action Plans

Realized and Target Savings Year-to-Date



Action Plans status next 30 days



Action Plans

Blocked

Critical

Owned by Me

...

	Name	Status	Progress	Target Date	Target	Realized Savings	Priority	
<input type="checkbox"/>	Action Plan - Unknown Account Co...	●	Closed	03/14/19	\$1,974,400	\$325,400	Critical	...
<input type="checkbox"/>	Investigate Closed Projects Spendi...	●	In Progress	12/01/19	\$1,930,200	\$435,382	High	...
<input type="checkbox"/>	Investigate Hidden Vendor Spendi...	●	In Progress	09/01/19	\$1,924,330	\$239,444	Medium	...
<input type="checkbox"/>	My Action Plan	●	Cancelled	05/12/19	\$100,000	0	Low	...
<input type="checkbox"/>	Reduce Spending	●	Blocked	11/28/19	\$345,100	0	High	...

Before

30 Days to Answer Questions

Increasing Run Costs

Cloud Spend Overrun

Bloated Portfolios

15% Variance to Plan

Cost Cutting Exercises



After

Immediate Answers to Questions

Shift 3-5% of Run Cost to Growth

Reduce Cloud Costs by 20%

Lean Portfolios

< 1% Variance

Continuous Cost Optimization

IT Spending by Functional Area Cross-Industry Averages	2017	2018
IT Spending: Operational Expenses	4.5%	4.6%
IT Spending: Revenue	3.6%	3.5%
IT Spending: Per Employees	\$13,368	\$13,028
IT Spending: Total Employees	5.0%	\$5.2%*

Investment	
Run	71%
Grow	19%
Transform	10%

IT FTEs	
In-House	71%
Contractors	19%

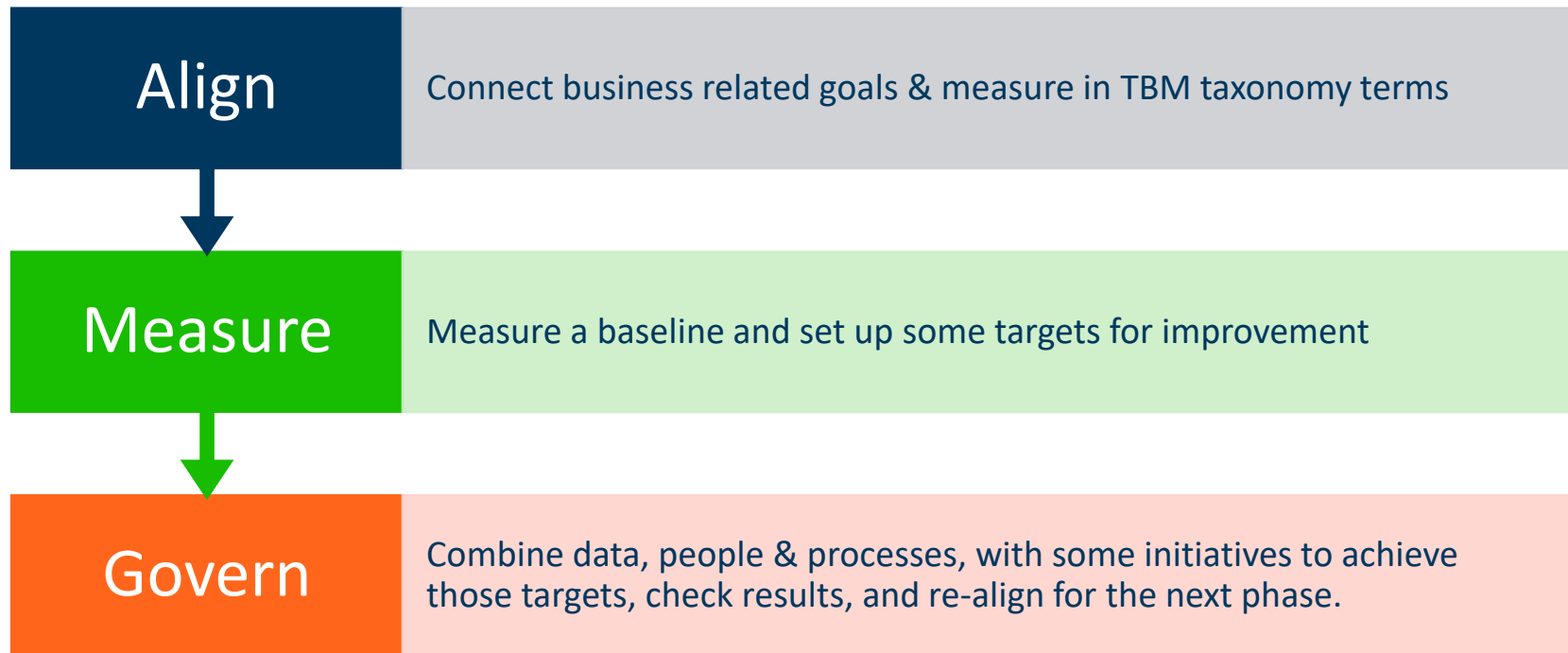
OpEx vs. CapEx	
In-House	71%
Contractors	19%

Asset Category	
Hardware	14%
Software	22%
Labor	37%
Outsourcing	22%
Public Cloud	5%

Functional Area	
Apps Development	19%
Apps Support	21%
Data Center	20%
End-User Computing	11%
IT Service Desk	6%
Voice/Data Network	13%
IT Management, Finance, Administration	10%

Cross Industry
**IT Spending by
Functional Area**
Source: Gartner

How to use Technology Business Management?





Find out more?

Join the community

tbmcouncil.org

finops.org

Learn how to apply TBM

Come to the TBM Conference

Join a course and get certified

apptio.com/emerge

[How to operate IT with a
business mindset](#)

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CONFERENCE

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Read what organizations have to say about their experience with Apptio [here](#)