



# Apptio TBM Solution Suite

Manage the Business of Technology

## THE BUSINESS PRESSURE TO TRANSFORM IT

The economics of IT are changing. Today's IT Leaders have to do much more than manage technology. They must transform their organization and run IT as the business critical organization that it has become. The shift to shared services models, accelerated by technologies like cloud computing, virtualization and SaaS has made it more complex for IT to manage the cost, utilization and performance of IT Services needed to make and communicate sound business decisions.

## TECHNOLOGY BUSINESS MANAGEMENT

To meet these demands head on and successfully transform IT into a well managed, world class service provider IT leaders must engage the business in the decisions that drive the cost and value of IT beyond traditional technology delivery. With such a significant part of company spend going towards IT, CEOs, CFOs and Business Unit leaders are demanding IT clearly communicate the value of IT or continue to be seen as a cost center and commodity that is not core to the business.

A comprehensive Technology Business Management (TBM) solution achieves just that. It provides IT leaders with the solutions they need to create a world-class IT Service Provider organization by reducing cost, increasing the quality, performance and value of IT Services to better align IT with the priorities of the business. TBM enables IT leaders to move beyond managing their organizations via complex spreadsheets, rigid BI tools, assets management systems, ad-hoc reports and dashboards with blinking lights.



Manage the Cost, Quality and Value of Your IT Service Portfolio

## Technology Business Management enables IT to manage the business of technology by:

- Achieving transparency into the TCO of IT Services of products analogous to cost of goods sold at the product and portfolio level
- Identifying cost reduction opportunities and quantifying the financial impact (ROI) of IT investments to make better more informed decisions based on real time information
- Delivering a Bill of IT and effectively communicating the value IT brings the business to manage demand, drive accountability, change business behavior and partner closer with the business



- Driving real time, continuous planning, budgeting and forecasting processes to enable IT to be more agile in a changing business climate
- Managing the Utilization, Performance and Quality of IT Services to enable cost-quality trade-offs and to drive up return on IT assets

## APPTIO TBM SOLUTIONS

Apptio is the leading provider of on-demand IT Cost Transparency and Technology Business Management solutions. Apptio enables IT executives to run IT more like a business with a suite of five purpose built applications each bringing financial and performance management principles to IT. The solutions include Service Costing, Bill of IT, IT Benchmarking, Service Quality and Utilization and Budgeting & Forecasting.

### Service Costing

Apptio's IT Service Costing solution enables IT to get deep visibility into the fully loaded cost of their client services, infrastructure services, applications and the total IT services portfolio to quantify the financial impact (ROI) of business decisions targeted at lowering costs or adding new capability. Robust activity based costing is designed to arrive at highly precise total costs. The solution also supports calculation of unit rates and provides integrated reporting to allow users to easily track and trend costs over time.

### This allows customers to answer key questions like:

- Client Services: What is the TCO of a laptop vs. a desktop? Which hardware brands are most cost effective? What is the TCO of extending upgrade cycles weighing support and maintenance vs. capital spend?
- Shared Services: Which OS/hardware combinations have the lowest TCO in the data center? What is the financial impact of moving Tier 1 support to a low cost geography? What is the TCO of Tier 1 vs. Tier 2 vs. Tier 3 storage? What cost saving can be obtained by moving archived storage to Amazon?
- Datacenter/Facilities: What would the power and cooling savings be from adopting blades across the datacenter? When would the company break even against the expense?
- Business Services: Which applications are the most expensive? Which applications have application support as the top cost driver? Do we have the right service level cost investment per application? What are the cost savings of moving email to the cloud?

### Bill of IT

The Apptio Bill of IT solution enables an IT charge-back and showback process by delivering a summarized report to the business on the cost, quality and value of the IT Services each business unit consumes. The Bill of IT, like a cell phone bill, details the services being consumed and the cost of those services in a language the business understands. The Bill of IT also allows finance to run allocation "What If's" to quantify the impact of changes to allocation methodologies, chargeback policy or service level demand on Business Unit bills. "What If" analysis enables finance to simulate the impact allocation changes will have on the Bill of IT before implementing them.

- Define and manage allocation strategies that govern the distribution of IT costs to Business Units and Customers
- Publish a Bill of IT to business units (BU) based on the fully-loaded, true cost of IT services, including labor, facilities, overhead and the lifetime cost of hardware and software
- Provide a foundation for proactively managing IT demand by engaging the business around the cost, usage and value of each IT service provided relative to business priorities
- Quantify the impact of changes to allocation methodologies, chargeback policy or service level demand with powerful What If analysis



### Service Quality and Utilization

Apptio's Service Quality and Utilization solution enables IT organizations to measure and track key metrics on quality of service and utilization of their IT services. Calculating and reporting on service levels helps IT communicate to the business units the quality of services delivered and service levels can also be used to tier pricing of otherwise similar services. Operational metrics around usage and utilization of IT services provides IT insight into capacity needs, helps identify underutilized services that are targets for consolidation, and actual usage data can be used to drive true consumption based chargeback.

- Analyzes the quality of IT services and the corresponding cost necessary to deliver those service levels to drive rationalization or pricing differences across the IT portfolio
- Tracks and analyzes utilization information to drive up the return on IT assets
- Combines utilization data with total server cost data to identify high cost, low utilization targets for consolidation or virtualization
- Combines analysis of service level and service utilization by business unit to drive more accurate allocation or chargeback of IT costs

Every Apptio customer has an existing systems management implementation to provide service-level monitoring within IT. However, the ability to see that data side by side with IT service costs and delivered in a Bill of IT has been game changing to measure the internal ROI technology decisions and accelerating the value of Bill of IT to the end consumer.

### IT Benchmarking

Apptio's IT Benchmarking solution offers an integrated, cost effective and long-term approach to benchmarking that supports continuous cost and performance improvement. Industry cost and performance metrics are provided side-by-side with internal benchmarks that are calculated for you.

Apptio's benchmark data is gathered from over 3400 companies across more than twenty major industry segments and is updated on a regular basis. It spans high level financial benchmarks, granular infrastructure and support unit cost metrics, and common IT service cost metrics. It also provides benchmarks per IT function and type.

- Compare high level and unit cost metrics to industry benchmarks to identify areas for performance improvement and cost reduction
- Move beyond point in time exercises to track internal costs and performance metrics against industry benchmarks over time and continually monitor IT performance
- Report and track on internal and external metrics side by side in a rich, interactive reporting environment that can be used to communicate broadly across IT and with the business units
- Leverage the growing volume of real time cost and performance data uniquely available via Apptio's On Demand service

### Budgeting and Forecasting

It is estimated that 6-11% of the annual IT Budget is wasted on the budgeting process when it is executed manually in excel. Apptio's Budgeting and Forecasting solution enables IT to bridge the gap between the General Ledger view of costs required by corporate finance and the services view IT needs to effectively run their business. The centralized solution allows individual budget owners to directly enter line-item budgets in a spreadsheet-like interface and to update rolling forecasts that are both aggregated into a central IT budget model. Allocation strategies can be managed to apply budget to the appropriate IT services providing a view of future spend at the service, portfolio and BU bill level. In addition, reconciliation is supported and integrated financial reporting is provided to track budgets vs. actuals vs. Forecast vs. Outlook over time at both the GL and IT service level.