



Bill of IT

COMMUNICATING THE VALUE OF IT

Today, business leaders typically have limited to no visibility into their cost and consumption of IT services. As IT makes the transition into being a true service provider, it becomes imperative to provide the business units with insight into the cost, quality and value of the IT services they are consuming on a regular basis. Cost and value transparency is a key step in the service provider transition. It lays the foundation for a different relationship where both are equal partners with mutual accountability.

APPTIO BILL OF IT SOLUTION

The Apptio Bill of IT solution enables an IT chargeback or 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 provides IT finance powerful "What If" capabilities to model the impact of potential allocation, chargeback or service level changes on Business Unit bills before implementing them.

FAIR AND TRANSPARENT ALLOCATION STRATEGIES

IT uses allocations to assign costs to the business consumers of those services. Apptio supports hundreds of allocation strategies out of the box and provides granular activity based costing. Activity based costing enables IT to assign costs by identifying activities and assigning the cost of each activity to IT services. This is the basis for the most precise accounting of IT consumption possible.



Share Cost, Consumption and Quality Data with the Business

MATURING THE PROCESS OVER TIME WITH APPTIO BILL OF IT

IT Organizations vary in their process maturity and chargeback strategies. Apptio is the only vendor that supports every step and variation of the chargeback process enabling customers to start at any point based on their current maturity level and add capabilities over time.

Simple Bill of IT (PxQ)

Apptio's Bill of IT solution enables organizations who only have unit cost data to begin their chargeback process by rolling out an invoice to the business using a simple price (unit cost) x quantity (volume) Bill of IT. In today's complex and constantly changing world



of distributed shared services, new technologies like SaaS, Cloud and virtualization have made the simple Bill of IT less ideal for most organizations.

Quality of Service in the Bill of IT

Like most consumers, business units want to know what they are being charged for and what they are getting in return. Cost is an important element, but so too are service levels. Apptio's Bill of IT solution enables organizations to incorporate uptime metrics, support response times, service incident and other metrics so that they can be reported side-by-side with service costs. The Quality of Service Bill of IT can also be used to drive service level pricing policies.

IT Service Costing in the Bill of IT

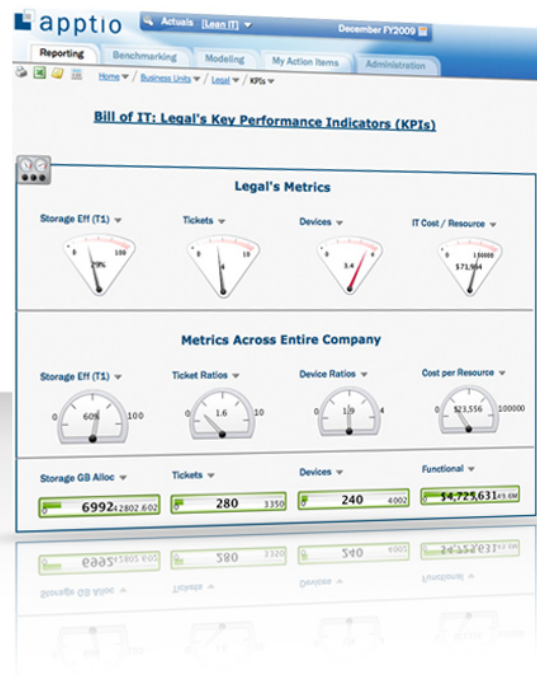
Activity based costing enables IT to assign costs by identifying activities and assigning the cost of each activity to IT services precisely. Activity based costing gives IT the ability to determine the fully loaded cost of IT services – client services, infrastructure services and applications or shared services. Including true services costs in the Bill of IT dramatically increases the actionability of the Bill by revealing the levers that can be pulled to drive costs.

Benchmarking in the Bill of IT

Benchmarking of IT services and the creation of internal benchmarks provides another element of actionability to the Bill. If device to FTE levels in the business unit are above the internal benchmark, the business executive can investigate and/or change policy to bring this in line. Any internal or external benchmark data can be included to round out the performance management aspects of the Bill.

Budgeting and Forecasting in the Bill of IT

The budget and forecast can also be incorporated into a Bill of IT. This allows the business unit to weigh in and be accountable for the budget and forecast before it's locked and as it is tuned and rolling. This process spreads accountability and fosters partnership in managing the IT spend.



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MANAGE DEMAND AND CHANGE BEHAVIOR WITH A BILL OF IT

By establishing a clear understanding of the costs of the products and services that IT offers to the business, IT can fundamentally shift their relationship with the business. With Apptio, IT organizations can provide the business with an itemized view of the services they use and the cost of those services – effectively presenting them with a “Bill of IT”. This shifts the conversation to one of demand and enables business heads to both understand and act on the levers they control which can directly impact the cost of IT.

BENEFITS

- Effective and efficient process for showback or chargeback
- Empower the business unit to proactively change business behavior
- Use pricing to drive different business behavior