



Budgeting and Forecasting

"The budgeting process at most companies has to be the most ineffective practice in management. It sucks the energy, time, fun and big dreams out of an organization. It hides opportunity and stunts growth." – Jack Welch, Former Chairman and CEO of General Electric

Among many IT organizations, the consensus view is that the cost of budgeting—in terms of time and resources—is far greater than the value it creates. And the primary culprit is the inefficient, spreadsheet-based budgeting, forecasting, and reporting models still used by most IT teams.

In today's competitive and changing business environment, continuous planning is more important than ever. In addition, the move by IT organizations to become a true service provider requires them to not only plan budgets at a GL level, but to be able to see how forward-looking spend lines up to the services portfolio that IT is delivering.

APPTIO BUDGETING AND FORECASTING SOLUTION

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.



Manage Variances In Real-Time

Intuitive Spreadsheet-like interface

Individual IT department or service managers can create and maintain financial plans across labor, expenses, and capital expenditures directly in Apptio. Forms are easily customized to adapt to the specific processes of each IT organization and all input is fed to a central budget model for the entire IT organization, or a pre-defined subset.



Real Time View into Budget Variances

Apptio's Budgeting and Forecasting solution leverages the interactive reporting generated from the IT cost model. Actual financial results can be automatically uploaded from your GL into Apptio, enabling users to track actual costs vs the baseline budget and current plan in near real-time. By running the GL actuals feed through the same IT cost model, Apptio can alert users of service costs or budgets that are close to exceeding targets. Users can flag unexpected variances with "request for action notices" to ensure that the relevant service owners are driving to resolution.

Rolling Forecasts

On an ongoing basis, users can log into Apptio and manage their rolling forecast as expenditure timing and levels change. To further collaboration between IT managers and Finance, integrated notes can be used to add memos, explanatory information and spreadsheet-like comments.

Allocation of Budget to IT Services

When budgets are entered at the line item level, end users can, in real-time, allocate those costs to IT services captured within Apptio. This enables IT to view a roll up of the budget not just by GL cost center but also by IT services. Services-based budgeting is a key part of aligning IT spend to critical business services and priorities.

Integrated into the Bill of IT

The service-based view of budget can be seamlessly incorporated into the Bill of IT being delivered to business units. This extends transparency beyond cost and consumption data and provides the business unit a way to dialogue and shape IT budgets before they are locked.



Intuitive spreadsheet-like Interface

Automated Integration with the GL

IT Budgeting and Forecasting input can be automatically uploaded from your GL into Apptio, enabling users to track actual costs vs. the baseline budget and current plan in near real-time.

BUDGETING AND FORECASTING BENEFITS

- Dramatically reduces budgeting and forecasting cycle times
- Aligns future IT spend to IT services and priorities
- Provides very precise variance data so IT and business leaders can react rapidly to budget over or underruns
- Delivers more complete and frequent forecasts, including rolling forecasts
- Enhances collaboration with, and ownership by, department and IT service managers