

Tech Talk
GSA IT
Cost Transparency
(Technology Business Management)

Cost Transparency and ITs Value

**Nowadays
people know
the price of
everything
and the value
of nothing.**

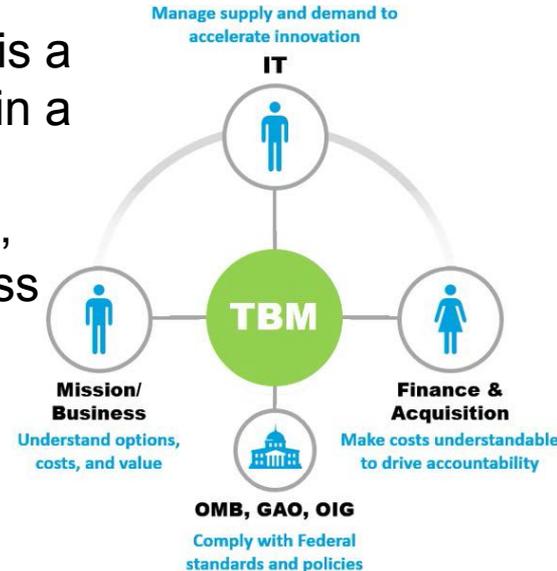
OSCAR WILDE

What is CT and TBM?



Cost Transparency (CT): helps provide understanding and communicates the cost and consumption of IT resources.

Technology Business Management (TBM) - is a methodology that enables IT to be understood in a business framework. The framework of TBM defines the disciplines of creating transparency, delivering value for the money, shaping business demand, and governing for value.



Goals & Benefits

Immediate Short-Term Goals

- More effective way to communicate to customers and stakeholders
 - Clear & repeatable process to show IT costs to customers
- Monitoring environment
 - Show efficiencies and inefficiencies to help drive IT behavior

Long-Term Goals

- Provide a “Bill of IT” based on a business unit’s consumption - i.e.) Rate x Volume

Utilizing a phased approach, TBM can help GSA’s businesses:

- Understand IT cost drivers in business terms.
- Relate IT’s services to the businesses’ missions.
- Understand how consumption of IT’s services impacts IT costs
- Engage IT in fact-based trade-off discussions so the businesses can choose a level of consumption based on their needs and budget.



TBM Framework - Adopted by over 300 Organizations

RETAIL



FINANCIAL SERVICES



TRANSPORT / LOGISTICS



INSURANCE



HIGH TECH



INTERNET & DIGITAL



MANUFACTURING



MEDIA & ENTERTAINMENT



PUBLIC / EDUCATION



CONSUMER GOODS



HEALTH / LIFE SCIENCE



AEROSPACE



TRAVEL / HOSPITALITY

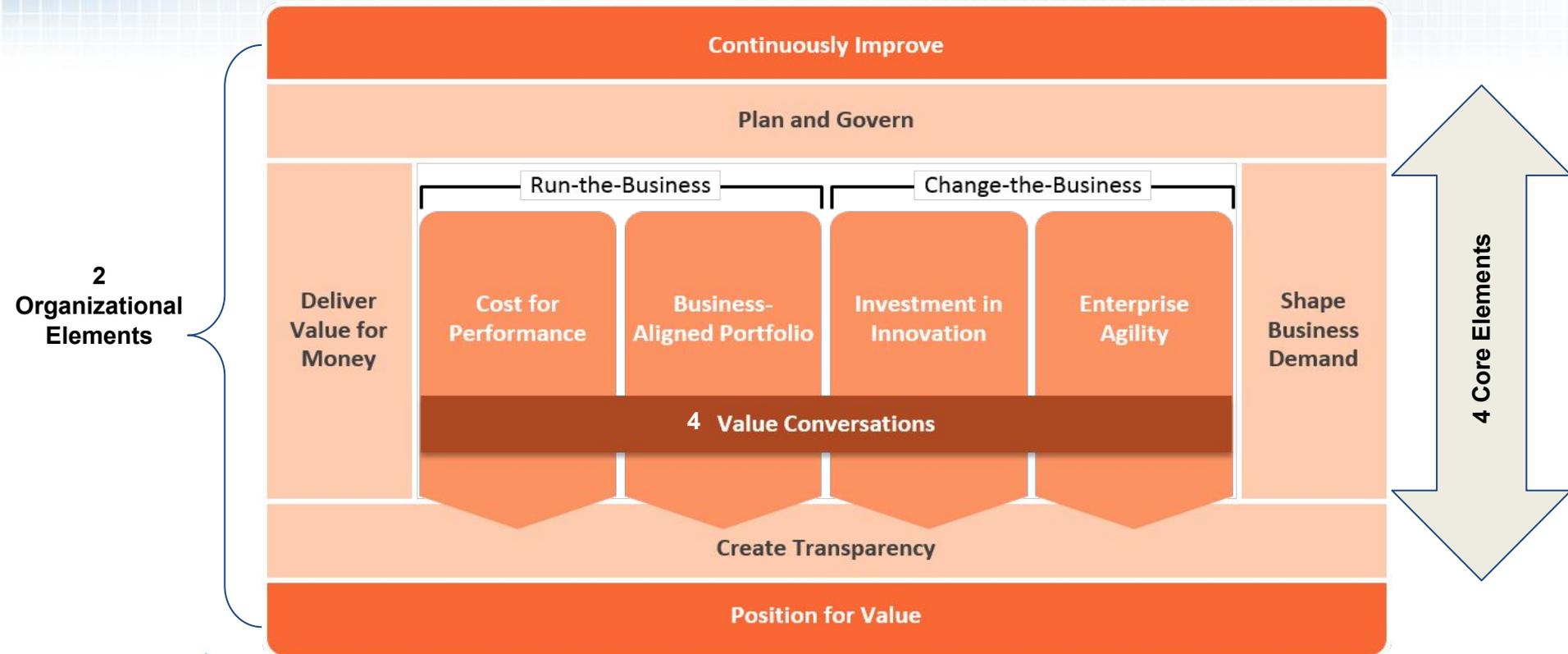


ENERGY

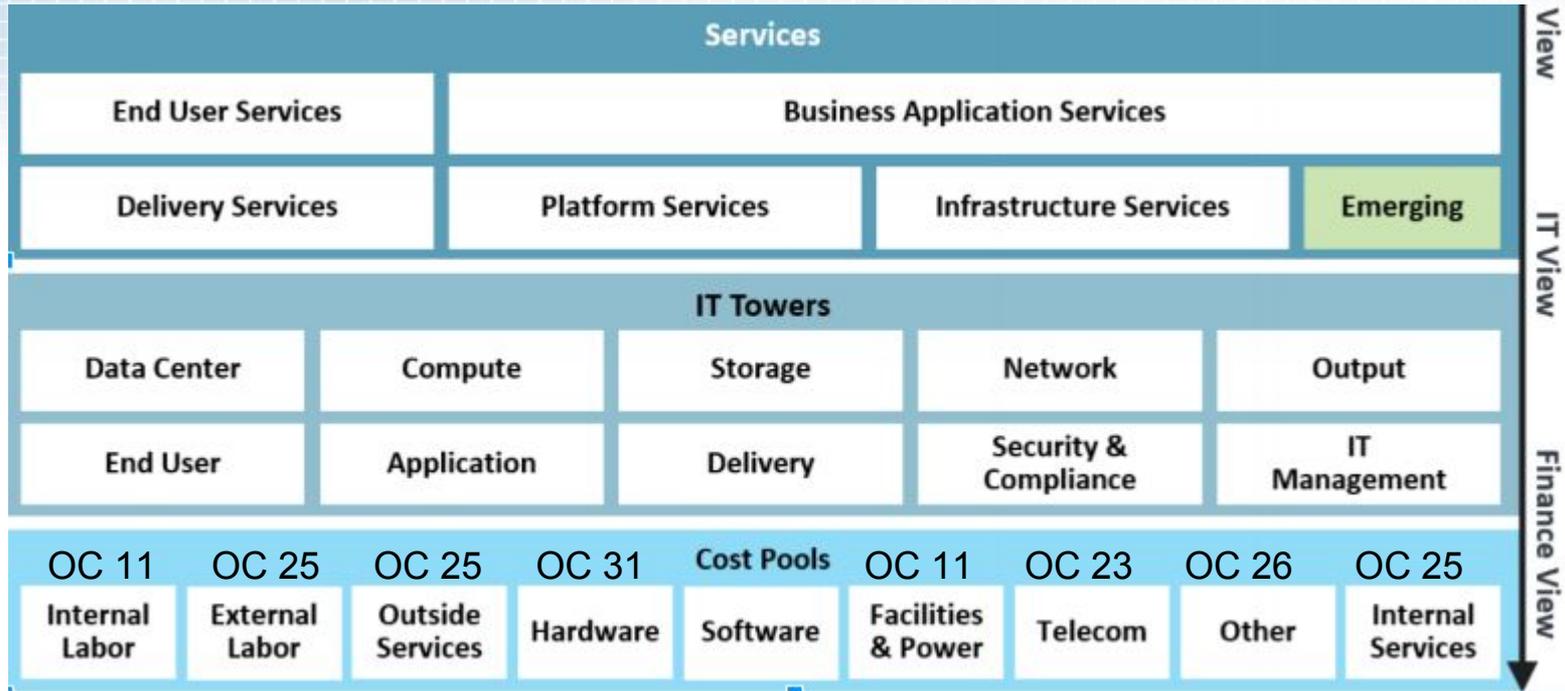


TBM Framework Elements

Goal: Optimize Run the Business and Change the Business



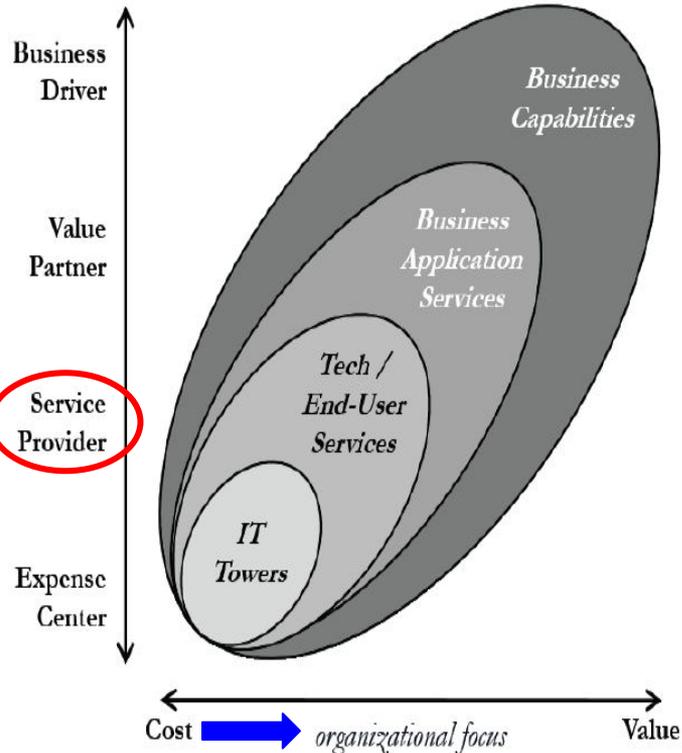
TBM Taxonomy



Splits up GL by object class and routes the dollars into appropriate Cost Pools

GSA TBM Archetype: Next Phase

Move from cost focus towards value focus



Archetype	Service Provider
Business Value	Value is based on the quality of services and their impact on the organization Business partners more easily balance the cost of IT with its value
Service Portfolio	Services are well defined, costed, priced, and advertised through a catalog
Business Alignment	Service owners and BRMs exist and work to balance costs, service levels, risk - BRMs help partners understand technology choices, levels of consumption, and impact to cost allocations
Creating Transparency	Tech leaders know the TCO of services, including TCO per unit Asset owners know how assets are consumed by providing services Service owners know how services are consumed by partners and cost
Delivering Value for Money	Tech leaders monitor the unit costs of their services and towers - benchmark costs & cost ratios regularly to identify variances and set targets for improving cost for performance and measure attainment
Shaping Business Demand	Business partners are allocated costs based on consumption of services using rates (prices) and receive a bill of IT w/consumption details Business partners are incentivized to balance consumption/service value
Planning and Governing for Value	The budget is often set based on the amount of services to be delivered and consumed by the business, after considering headwinds and tailwinds Some top-down pressures on the overall budget may exist, but they are weighed against service and project funding needs

Tools of TBM



**COST
TRANSPARENCY**

Total Cost of
Projects, Apps,
Infrastructure, and
Services



**IT
BENCHMARKING**

Up-to-date KPIs
Benchmarked by
Peer Industry



**BUSINESS
INSIGHTS**

Detailed Utilization
and Cost Analytics
for Optimization



BILL OF IT

Automated Show-
back or Charge-back

 **Reports, Dashboards, Real-time Analytics**



DEMO