



# Evaluating & Implementing ITFM Solutions

*ITFMA 2018 San Francisco*

“A lie can travel half way around the world while the truth is putting on its shoes.”

— Mark Twain

- What is an IT FM Tool going to do for us?
- Defining Actionable Transparency
- Keys to Success
  - Capabilities & Methodologies: **Ask What and How**
- Common Pitfalls
- *Q: Do we need an IT FM tool?*
- *Q: Are we ready for an IT FM tool?*

- **50%** don't realize *full* benefit - *why?*
  - ✓ Solid strategic plan, but poor tactical execution
  - ✓ Solid tactical plan, poor strategy
  - ✓ **Lack of proper due diligence**
  - ✓ Choose the wrong tool
  - ✓ Poor implementation – not aligned with *value*
- Tips for a tool selection process

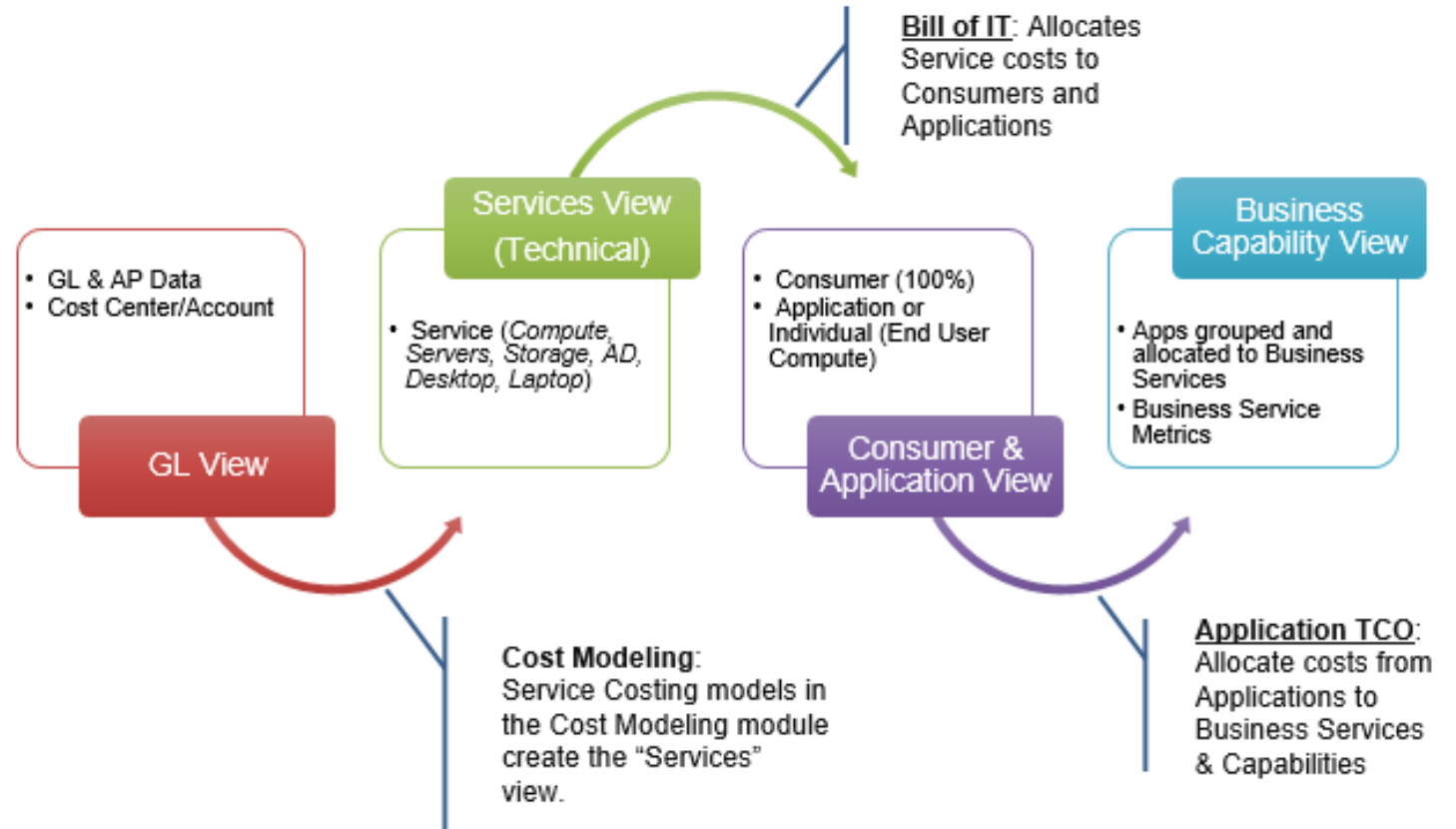
- SaaS or On-Premise Delivery
- Implementation Services
- Managed Services
  - IT Finance staff augmentation
  - Supplier resources include industry and tool experts
- IT Finance-as-a-Service (ITFaaS)
  - No tool acquisition required
  - Service provider utilizes and ITFM tool with your data

- IT Planning
  - Labor Forecasting
  - HW/SW Maintenance
  - Vendor Expense Management
- Service Costing
- Benchmarking & Analytics
- Show-back, Chargeback, Cost Allocation
- Application TCO
- Project Financials
- Cloud Financials

### ITFM 101:

- ITFM is basically *allocated* views of IT spend
- Each view is generated by a separate module
- Each view provides value to key stakeholders
- **Services View:** Provides insight into technology service costs and unit rates. Enables Service managers to *drive down unit rates* and *benchmark* against outside suppliers and peers
- **Consumer View:** Provides insight into what organizational entities benefit from IT and helps the CIO demonstrate value
- **Application View:** Provides the Total Cost Ownership (TCO) of Applications and *enables application rationalization* exercises
- **Business Capability View:** Provides insight into costs to support business capabilities. Helps the CIO *align existing spend* and new IT investments more directly to business functions

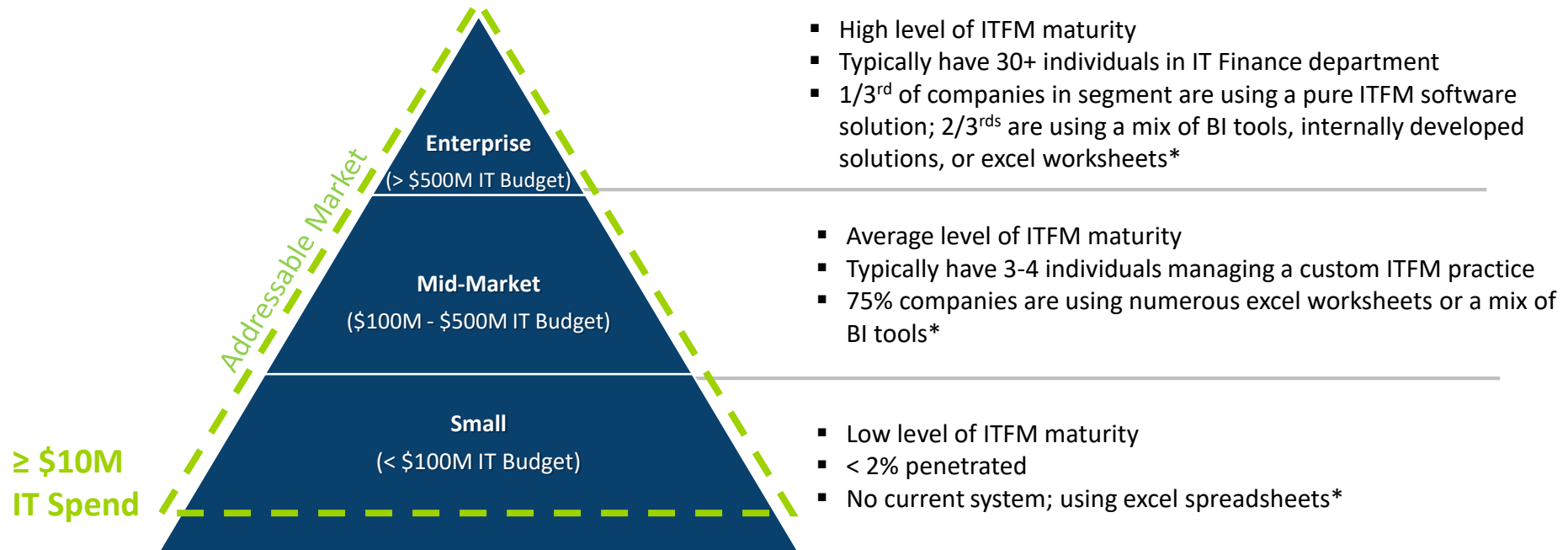
## Key IT Spend Viewpoints



The addressable market has changed dramatically. **Five years ago, only companies with a minimum of \$100M in IT spend needed ITFM systems.** Today, any organization throughout the world with **≥\$10M** of IT spend can benefit from an ITFM system.

**Market Segmentation by IT Budget**

**Overview of Segment**





## □ Effective Transparency

- ✓ IT Finance output that becomes an effective part of the every day life of the manager

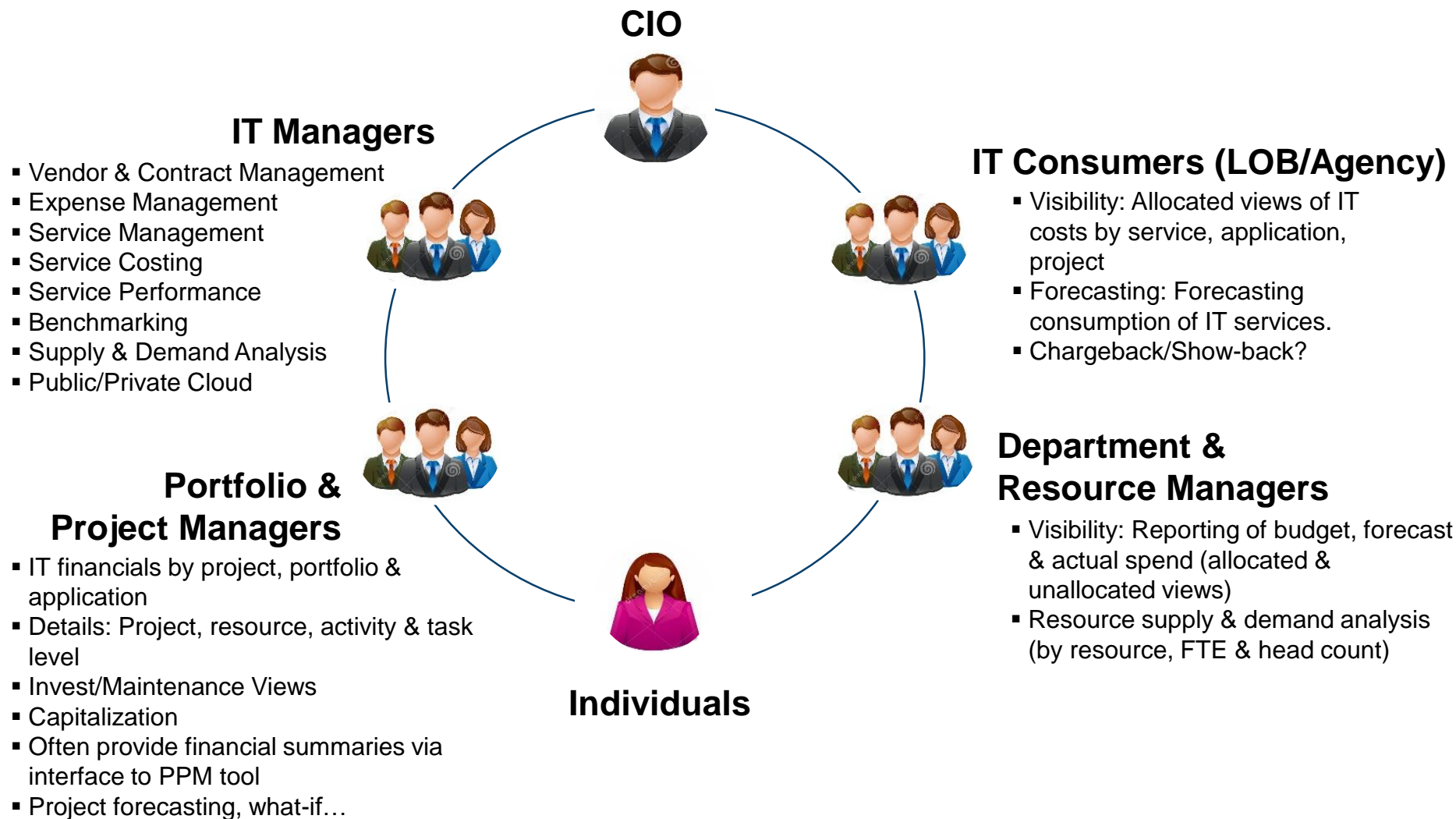
## □ Accountability

- ✓ Workflow approval
- ✓ Variance tracking

## □ Actionable: The *Right Data* in the *Right Place*

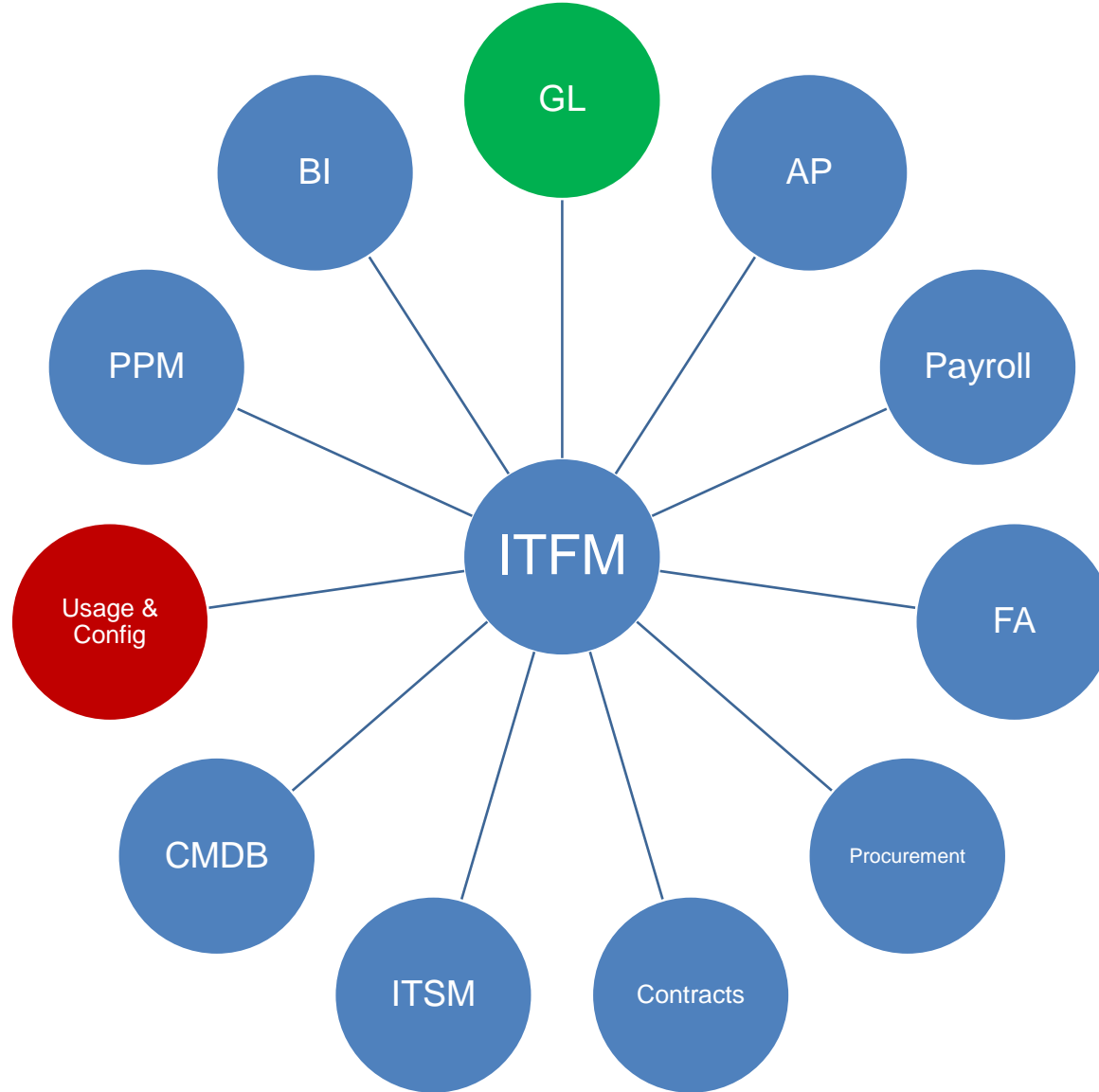
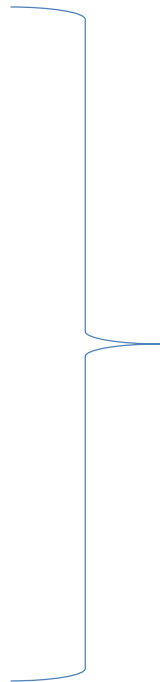
- ✓ **Deliver** the data to the correct manager
- ✓ Ensure they can and do **understand** the data & processes
- ✓ Make sure they know their **options**

A quality ITFM solution provides visibility into IT costs at all levels of an organization, and currently delivers actionable data to **key decision makers**.



- Develop & Socialize a Roadmap
  - ✓ Both *strategic & tactical*
  - ✓ Co-operatively develop and execute
  - ✓ *Vendor* contributes - **capabilities, domain knowledge, methodologies, best practices**
  - ✓ *You* contribute - **critical institutional knowledge** (people, business, operations, history & future, data, and more)
  - ✓ Socialize the plan
  - ✓ Acquire buy-in, rather than force cooperation
  - ✓ Establish a steering committee

Mainframe	Midrange
Server	Storage
Time Tracking (Labor)	Application Directory
Security	Asset Management
HR	Other



## □ Data & Process Preparation

- ✓ The IT Finance Data Set: Completing the Alphabet
- ✓ Identify required data
- ✓ Ownership of source data – *Assign data source owners to manage data quality, completeness, and delivery*
- ✓ Data & process improvements are often a by-product of an IT FM implementation

Interface Type	Features	Common Use
High Control	<ul style="list-style-type: none"> <li>• Staging Table (Preliminary)</li> <li>• Control File/Verify Balance</li> <li>• Control &amp; Error Reporting</li> <li>• Version Control (Raw Data &amp; Table)</li> <li>• Data Transformation Rules</li> <li>• Data Validation Rules</li> <li>• Audit Trail</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Systems: GL, AP, Payroll, Procurement, EPM (Hyperion Planning)</li> </ul>
Medium Control	<ul style="list-style-type: none"> <li>• Staging Table (Import)</li> <li>• Version Control (Raw Data &amp; Table)</li> <li>• Data Transformation Rules</li> <li>• Data Validation Rules</li> <li>• Audit Trail</li> </ul>	<ul style="list-style-type: none"> <li>• Utilization Metrics</li> <li>• Configuration Data (CMDB, ITAM, ITSM)</li> <li>• Organizational Hierarchies &amp; Roll-ups</li> <li>• Identity Management (AD, HR)</li> </ul>
Low Control	<ul style="list-style-type: none"> <li>• Imports Direct to Target Table</li> <li>• Audit Trail</li> </ul>	

- Contributors – Key People
  - ✓ Project Sponsor(s) - Gain Executive (both CIO-level and Finance Executive level) commitment
  - ✓ Finance and IT need to partner
  - ✓ High Quality PM - Assign a Project Manager to ensure regular communications and status updates on risk areas
  - ✓ IT Finance
  - ✓ Consumers of IT Finance Output
  - ✓ Data Source Owners



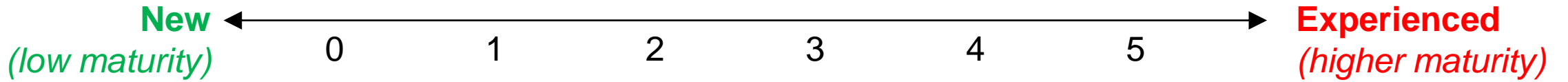
Simplicity	Complexity
Easier to digest; more actionable	Accuracy often drives complexity up; lack of accuracy can damage credibility
Easier to maintain & repeat	Poor data quality can drive complexity
Management gravitates toward simplicity	Accountants gravitate toward complexity



## □ Manage Scope

- ✓ Don't boil the ocean in phase 1
- ✓ Start with something directionally correct & refine and evolve
- ✓ Iterative process (*stick to the strategic and tactical roadmap*)
- ✓ Why **strategic and tactical plan misalignment** occurs and how to manage it

- Application TCO
  - ✓ Take Top 5-10%
  - ✓ Limit collection of Application attributes (tiers, owners, etc.)
  - ✓ Limit mapping of infrastructure and labor



If <i>new</i> to IT FM, you often seek...	If <i>experienced</i> with IT FM, you often seek...
Rapid gain in capabilities; perhaps using OOTB solutions and standardized processes	Gain in efficiencies; automation and streamlining of existing processes
Positioned to expand and mature...	Expanding capabilities; grow functionality
Require a larger amount of assistance from your vendor/partner	Process improvements; escape unnecessary complexities; you know what you do well and what you don't

## □ Criteria

- ✓ Capability (Data Integration, Calculation, Automation, Reporting & Analysis)
- ✓ Domain Knowledge – Experience, Methodology, and **Depth**
- ✓ Flexibility
- ✓ Ability to scale (size and functional extensibility)
- ✓ Easy to perform analysis
- ✓ Cost

## □ Evaluation & Selection Process

- ✓ Heavy engagement: Get face-to-face; discuss experience, methods, approach, etc.
- ✓ Talk to references...*don't speed date!*
- ✓ Find a partner you can lean on...it's a long term relationship
- ✓ Demonstrations
- ✓ **Proof of Concept (POC)** or "Day in the Life"
- ✓ Learn about implementation teams (Vendor & IT) structure & process – *What is your engagement going to be like...*

## Q&A

- *Q: Do we need an IT FM tool?*
- *Q: Are we ready for an IT FM tool?*