

TBM Best Practices

Achieving TBM Outcomes in Real Time



servicenow™

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The TBM Promise

Technology Business Management continues to drive a buzz within the public and private sector. The promise of effective and efficient communication of IT costs, clear and easy decisions for both providers and consumers of Enterprise IT services, and improved financial outcomes are a dream for many organizations. The reality is TBM can provide all of those outcomes, yet only a handful of organizations around the globe have achieved such success with their TBM implementation.

There are 5 simple reasons most organizations do not achieve their TBM goals. In all of the hype, these simple factors are so often overlooked. Achieving TBM outcomes, however, does not have to be elusive. Proven Optics brings over 25 years of IT financial management experience, including successful TBM implementations. Our proven approach ensures all of our clients understand the keys to a successful TBM implementation.

No matter where you are on your TBM journey, it is likely you understand successful TBM implementation requirements. Success requires Data, Service Definitions, and Useful and Relevant Reports. Many TBM implementations get hung up and derailed on these requirements. With 5 simple points of clarification, IT financial management projects can get back on track and deliver on TBM promise.

Stop the Data Hang Up

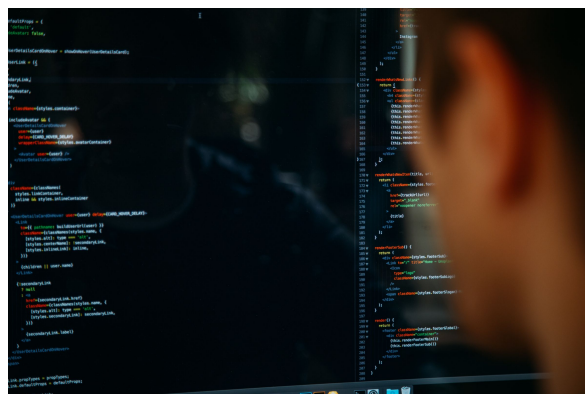
Data is the core requirement for TBM or any IT financial management model an organization attempts to implement. Data, however, can be elusive, complex, and difficult to obtain. The data itself, however, is not actually that hard. Every organization Proven Optics has worked with has had data - your organization has data, too.



The biggest data challenge is data ownership. In far too many TBM failures, the TBM team ends up acting as the data owner. Data owners lacking expertise in the subject of the data are not successful. Ever.



All successful TBM implementations have designated data owners who are experts in the subject of the data. For example, the team that configures and administers infrastructure capabilities like servers, cloud, storage, etc., own and are responsible for the data used by the TBM model related to those capabilities.



Stop the Data Hang Up

Ownership here is meant in the deepest and most complete definition of the word. Not only are data owners responsible for getting the right data, properly formatted, and updated to the TBM team on a regular basis; owners are required to defend the data sets they provide. Yes, you read that right. Data Ownership includes the ability (and willingness) to defend the data used to drive the TBM model.



Absent an expert data owner, TBM teams are left on their own to defend the data used in the model - and the result is failure. No TBM team is fully versed in all aspects of the technology delivered by their organization. As a result, when the TBM model is challenged by IT leaders, finance, and business consumers, the real experts must be available to defend the data used to deliver the model results.

Focus on Directionally Correct Not Precisely Wrong



Finance, business leaders, and IT leaders can become overly obsessed with the idea that if the data is not perfect, it is not useful. This “obsession” can trickle down and infect the TBM team and the organization as a whole. The idea that TBM requires perfect data ultimately undermines confidence and trust in the TBM practice.

Precision is the “hidden” data challenge. There is myth that only 100% accurate model outputs are useful - nothing could be farther from the truth. TBM is not a system of record and it does not need to be precise. It needs to be correct enough to enable decisions and nothing more.

So, what drives this misguided thinking? Typically, it’s fear and disappointment - the concern that TBM outputs will not support existing IT cost and delivery stories already being told. IT leaders, service owners, and project delivery teams all have a compelling story to tell about the cost and benefits of their work for the business. TBM is perceived as a threat. TBM output could undermine or contradict the story lines and that would make individuals or departments look bad.



Focus on Directionally Correct Not Precisely Wrong

Remember the Data Hang Up? The greater the engagement and participation from expert Data Owners, the less likely TBM will seem like a threat. Again, the TBM team on its own cannot overcome this challenge.

When leaders, individuals, or organizations get hung up on results being precise, they end up focusing both their time and their investment dollars on a potentially impossible task. Even worse, they make TBM into the enemy. If TBM is the enemy, it is doomed to fail.



Know the Decisions You're Trying to Enable

Many organizations embark on a TBM effort without a thought given to why. It may seem ridiculous to say, but it is very true. Organizations start the TBM effort with an idea of what they think TBM can do or based on a sales pitch or even a mandate. They never stop to ask themselves, for their very unique organization, why is TBM important? What will they get in return for the effort of standing up and building a TBM practice?

Again, it may seem ridiculous to say, but early on in many TBM efforts, the answer to “Why?” is commonly naïve and shallow. Those answering the question have limited experience in a TBM world so they may not have the insight to know better. That is okay as long as the TBM leaders, IT leaders, and business leaders agree TBM is a journey and part of that journey is learning what TBM means to the organization.

Far too often, however, the TBM team delivers their first model outputs and the response of their sponsors is “*So what?*” “So what?” is a true TBM killer. All the time, effort, and dollars spent to get TBM stood up and it’s, well, just boring and not at all insightful.

Know the Decisions You're Trying to Enable

Successful TBM implementations identify early on exactly what decisions they are trying to enable and for whom. Identifying this outcome narrowly and early reinforces the idea of the TBM journey and gives the organization a chance to mature its TBM skills.

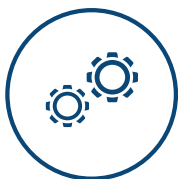
Most TBM implementations start with infrastructure costs. Clearly stated early on, TBM will initially focus on answering specific infrastructure questions that define the outcome clearly. Sample infrastructure questions might include:



1 | What does it cost to stand up and operate a server, a database, or a gigabyte of storage?



2 | Who uses the most and the least infrastructure in the organization?



3 | What applications cost the most per user?

Know the Decisions You're Trying to Enable

Answering those questions might be interesting, but not necessarily useful. The reality is the organization likely already has some inclination about the answers to these questions. The real TBM value comes from not only answering the questions but identifying the decisions available (or not available!) as a result of having these answers.

For example, knowing it costs \$1,500/month to stand up and operate a server opens the discussion and the decision about how alternative server offerings might benefit the organization. In other words, how can the organization effectively evaluate a cloud service adoption strategy. Identifying a meaningful set of decisions for the TBM output to support delivers very effectively on the TBM promise.

```

//fires the appear event when appropriate
var check = function() {
    //is the element hidden?
    if (!t.is(':visible')) {
        //it became hidden
        t.appeared = false;
        return;
    }

    //is the element inside the visible window?
    var a = w.scrollLeft();
    var b = w.scrollTop();
    var o = t.offset();
    var x = o.left;
    var y = o.top;

    var ax = settings.accX;
    var ay = settings.accY;
    var th = t.height();
    var wh = w.height();
    var tw = t.width();
    var ww = w.width();

    if (y + th + ay >= b &&
        y <= b + wh + ay &&
        x + tw + ax >= a &&
        x <= a + ww + ax) {

        //trigger the custom event
        if (!t.appeared) t.trigger('appear', settings.data);
    } else {
        //it scrolled out of view
        t.appeared = false;
    }
};

//create a modified fn with some additional logic
var modifiedFn = function() {
    //mark the element as visible
    t.appeared = true;

    //is this supposed to happen only once?
    if (settings.one) {
        //remove the check
        w.unbind('scroll', check);
        var i = $.inArray(check, $.fn.appear.checks);
        if (i >= 0) $.fn.appear.checks.splice(i, 1);
    }

    //trigger the original fn
    fn.apply(this, arguments);

    //bind the modified fn to the element
    $.one('appear', settings.data, modifiedFn);
};

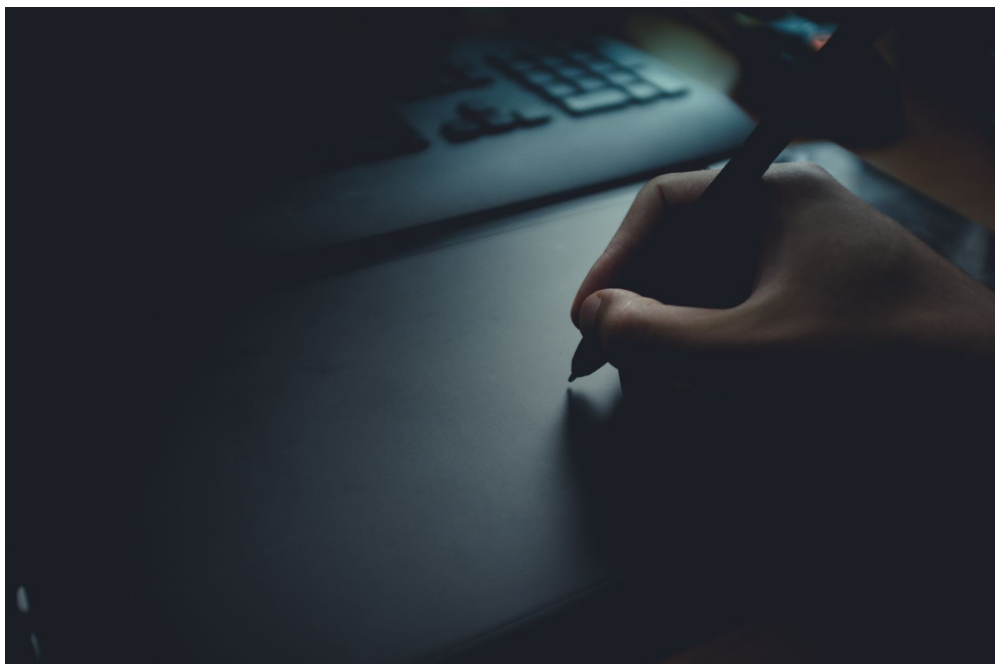
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Create Service Definitions that Reflect the Organization

The IT financial management practice has existed since the late 1970s. TBM is a recent incarnation of many of the ITFM practices. TBM took the extra step of clarifying both a standard model and standard service definitions, leveraging a framework like TBM helps organizations accelerate their ITFM maturity.

With that being said, TBM is just a framework. Too many TBM teams assume that the framework can be adopted “as is” and used effectively within their organization. The reality, as most discover, is something different.

Effective and successful TBM implementations ALWAYS alter the TBM framework to better align the implemented model to the unique way their individual organizations operate. This includes combining services, ignoring or eliminating services, expanding services, and creating new services. The framework is a guide, it is not rule (and even if it were, I would break it anyway).



Create Service Definitions that Reflect the Organization

Here are some easy ways to identify what to modify.

Combine or Delete a Service

- Cannot identify unique dollars for a service
- Cannot identify unique consumption for a service
- Service not provided by the organization



Expand a Service into Multiple Services

- Organization delivers multiple variations or offerings
- Service is a significant part of the organization expense
- Service is complex and has multiple decision levers

Define a New Service

- Service does not easily fit into any of the defined services on the framework
- Service is delivered in a unique fashion
- Services as defined are not intuitive to service consumers

TBM teams that ensure the services that show up in their model are relevant and meaningful to the organization they support will always enjoy greater success with their TBM practice.

Automate Properly

Every successful TBM practice is automated. The data processing, the model and allocations, the reporting, the workflow, everything has to be automated.

Automation is required because the TBM processes must be executed regularly, produce predictable outcomes, and publish consistent reports.

Automation creates sustainable, repeatable, and scalable TBM processes.

Sustainable, repeatable, scalable TBM processes are credible. This is psychological as much as it is anything. If you have ever been audited, you know the key to passing an audit review is NOT having the correct output. It is having the correct governance practices, the proper controls in place, and using those practices and controls consistently. TBM automation ensures governance and controls are in place and followed. As a result, the outputs of the process are credible, even if they are not accurate. (To improve accuracy, focus on Data Hang Ups and Directionally Correct).

Credibility matters because only when the TBM output is credible is it decisionable. When TBM output is used to make decisions, the TBM promise has been successfully delivered.

Properly automating your TBM practice is absolutely critical to TBM success. There are numerous TBM automation tools on the market and we, of course, suggest the Proven Optics Applications delivered on the NOW Platform from ServiceNow!

Automate Properly

Here are some tips to help you think about how to successfully automate TBM.

Easy to Implement and Easy to Maintain - Remember once the tool is implemented, your TBM practice and your organization's TBM maturity will continue to evolve. Make sure your tool is easy to update and change, because you will need to update and change.

Easy to Get Data In and Out - Data is the life blood of your TBM practice. Make certain your automation tool respects that by making it very easy to get in and out of the tool. When getting data out, make sure it comes out in a readily usable format.

Beware Bells and Whistles - (Ok, Proven Optics sales and marketing team, close your eyes!) Bells and whistles are great, and they make for cool demos. In reality, most successful TBM implementations rely on core capabilities, like allocation and cost modeling and simple reports and dashboards. Most TBM implementations NEVER use the bells and whistles touted by numerous automation software providers. The biggest issue with bells and whistles is they require the organization and its leaders to have enormous trust in the software. Remember, to be decisionable, the system must be credible. Trust is earned through credibility. Bells and whistles are fine AFTER credibility has been demonstrated. So, do not pay for what you are not going to use!

A Thoughtful Conclusion

A successful TBM practice delivers enormous benefits to an organization. It can save millions of dollars in IT costs, it can drive improved IT strategies, and it can close the gap between the business and the IT teams that support it. TBM can deliver on the TBM promise.

Hopefully identifying these 5 simple reasons many organizations never achieve their TBM goals helps you better plan and deliver your TBM program.



About Proven Optics

Proven Optics is a software and services company that focuses on one thing: Financial Management. We help clients in both IT and Finance organizations implement financial management toolsets on SaaS platforms that leverage our 20+ years of Practitioner experience and 100+ Commercial & Public Sector implementations. Our solutions enable financial management modernization to provide IT & Finance leaders with the necessary analytics and insights to make better business decisions.

