

Do you know the cost of your IT services ?

Successful IT departments are not only technology experts or simple service providers who respond to demand, they also provide leadership for the digitalization and competitiveness of companies. They identify opportunities to leverage technology to drive growth and innovation, while understanding and controlling spending decisions. Our challenge: to enrich operational IT management by adding a global view of IT costs and their value. Today, our achievements support IT departments in their governance and in the control of the digitalization.



Am I ready for this?

The majority of IT departments are deploying initiatives to improve IT service management, based on methodological frameworks such as ITIL or COBIT. Through the processes and associated tools that they implement, they reach a level of maturity that ensures operational control and increases the quality of the IT services delivered. Financial management (ITFM) broadens the internal operational vision of IT by integrating financial data from the company's accounting systems. This bridge between Finance and IT enables a new strategic approach by creating a platform for dialogue between general management, the different departments of the company and the IT management.

In general, there are two prerequisite questions for the implementation of ITFM management:

- Is my level of IT management maturity and the data I have at my disposal sufficient to develop a relevant financial vision of IT?
- Which financial model should be adopted to naturally allocate expenditure, salary, depreciation and investment data?

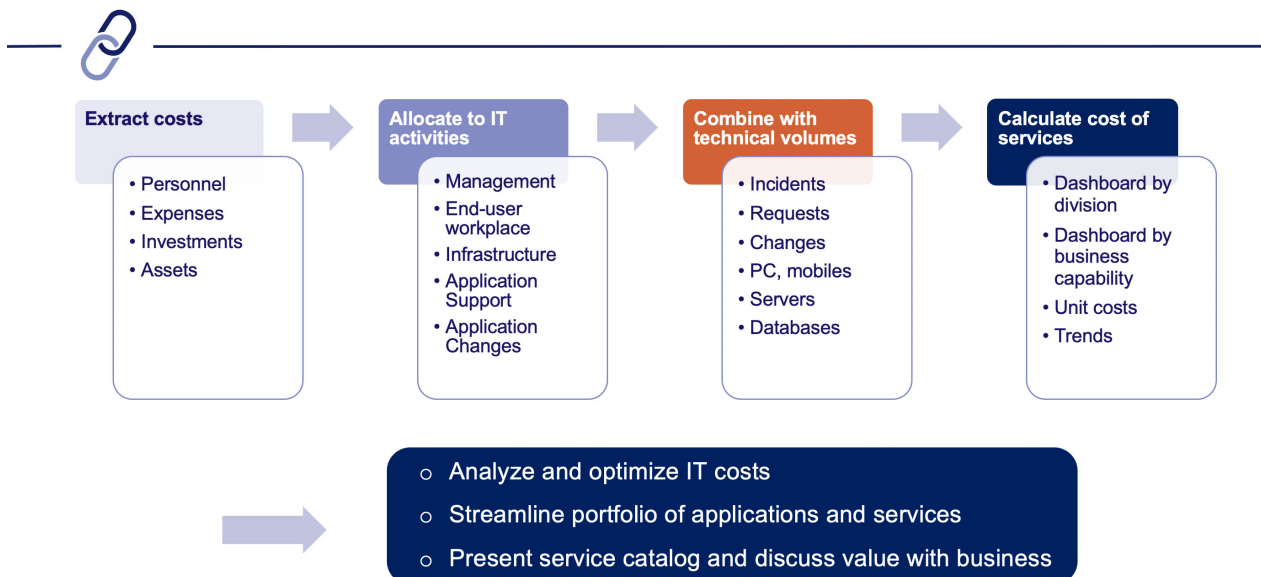


Our approach

Sponsorship of the company's executive and financial management, as well as their commitment, are essential to this type of project because it clarifies the recipients and users of the results that are obtained, i.e.: which financial results for which departments of the company. These requirements guide IT management to create a cost model based on the ABC (Activity Based Costing) methodology, selecting the key activities of IT and the services it provides to the users.

The approach is based on the analysis of financial data provided by the accounting department as well as the analysis of the CMDB's service portfolio and technical data. A judicious choice of drivers is then used to establish a link between the key activities retained from the cost model and the IT business services.

Cost calculation - How does it work?

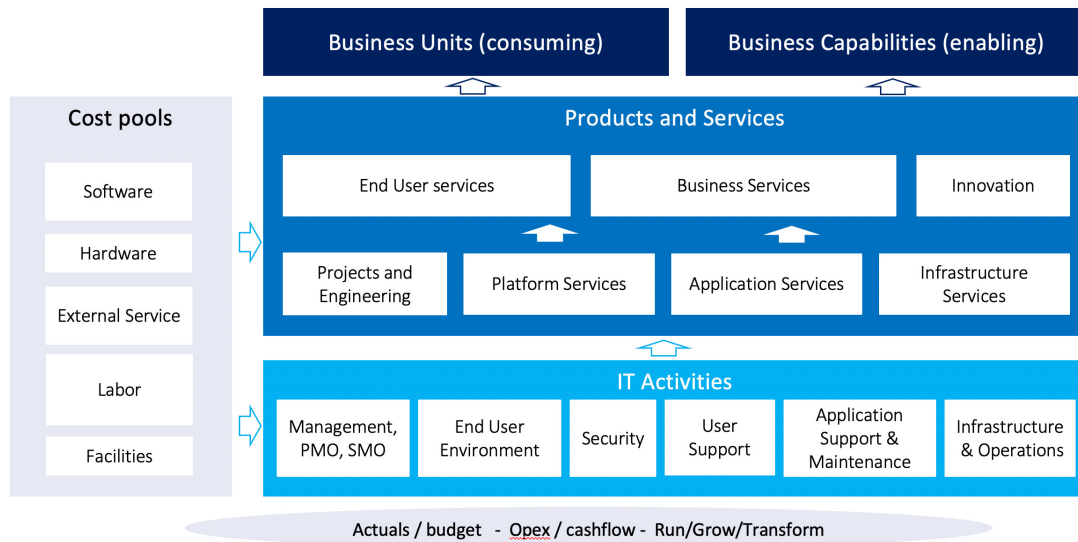


Our approach distinguishes 2 phases:

Phase 1 is used to specify the objectives to be achieved, analyze the technical and financial data and develop an initial allocation model. The actions carried out are as follows:

- Definition of IT activities
- Establishment or review of the service portfolio
- Reviews of technical data and choice of indicators

Typical IT Cost Model used for allocations



In phase 2 the cost model is refined and validated, then the financial data from the accounting department is analyzed and prepared. Then the model is implemented and executed. Finally, the results are presented and discussed. During this phase, the following tasks are carried out:

- Finalization of the cost allocation model
- Implementation in a tool - Excel, ServiceNow or other
- Construction of reports and first analyses



Immediate benefits

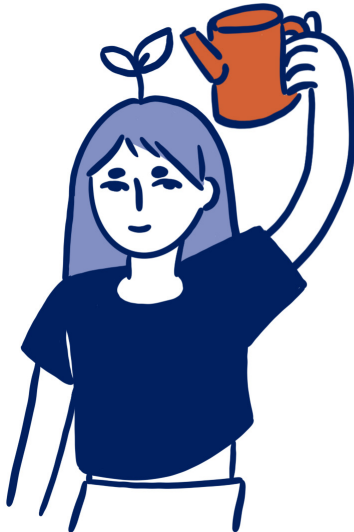
The experience we have gained over the last few years has shown that a pragmatic, flexible and personalized approach gives relevant results from the very first analysis. These are presented in the form of reports or interactive dashboards that allow to elaborate recommendations for the improvement and the evolution of IT.

By demonstrating that they control and monitor their finances, IT management gains credibility and trust from the departments of the company they serve. The analyses they produce then become an essential support in the company's strategic decision-making, performance analysis and IT financial planning.

Many benefits arise from this ability to provide, analyze and interpret the true costs of IT both at the macroscopic and at the most granular level. In terms of IT business management, ITFM allows targeting high value-added services and aligning IT projects with innovation needs, and thus taking control of digitalization. In financial terms, it facilitates budget planning and justification, expense tracking, performance analysis and benchmarking, which are useful notably when deciding whether or not to outsource a service. Finally, in terms of operational management, ITFM assists teams to manage the life cycle of assets, to avoid the costs of obsolescence and to eliminate hidden costs and duplication.

A governance tool

Our experience shows that the implementation of an IT cost allocation model has become imperative for CIOs. This tool helps to maintain the competitiveness of the company by improving the operational and financial governance of IT. It helps to make strategic decisions by presenting a common vision of IT costs and their value.



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