APPTIO®

Why IT needs its own
planning tool

In six weeks, you can be free of agonizing spreadsheet management and confident that every dollar of your IT budget is spent on the highest priority items for your business.

Your current approach is probably broken

Tools that are sufficient for financial management often fall short when applied to IT.

Most organizations struggle with using a mix of Enterprise Resource Planning (ERP) and Corporate Performance Management (CPM) tools, woven together by a bird's nest of spreadsheets and business intelligence (BI) tools.

Spreadsheets are excellent tools to manipulate data—but they aren't purpose-built for IT financial management. When ITFM is your goal, spreadsheets don't cut it. While CPM solutions make for a great corporate planning solution, they lack IT context—which you only bypass with high-touch customizations. Who has that kind of time?

IT budgets and shared technology services are much too complex to be managed this way. These approaches continuously prove to be labor-intensive, error-prone, and difficult to repeat due to the speed of which technology is delivered to the business today. Other functions like Manufacturing, Sales, and HR aren't expected to manage themselves with just spreadsheets. IT shouldn't be expected to either.

Spreadsheets aren't designed for IT financial management

Lack of version control hides errors and limits budget owner accountability.

Lack of agility makes planning a one-and-done event with no strategic value.

No collaboration or accountability with business stakeholders.

Time-intensive manual labor that compound manual errors.

Data validation goes out the window once source-system data is in a spreadsheet.

Finance-to-IT-mappings require intensive manual labor and quickly become unwieldy to manage.

Initiatives go unfunded due to lack of visibility into plan variance.

Planning blind spots drive budget "padding" and overly conservative planning.

Budgets cannot be adjusted based on changing business priorities.

CPM, ERP, and BI require time-consuming translation

CPM and ERP lack IT-specific details like labor, hardware, software, and vendors. Adding IT context to CPM slows IT financial management and prevents a timely forecast cadence.

CPM still relies on spreadsheets to conform IT budgets into a CPM framework— often with no clear alignment between business objectives and IT initiatives.

Complicated workflow leads to overly-conservative planning and budget padding.

BI tools are designed for general purpose reporting and not for IT-specific analysis (e.g., allocation best practice).

Dedicated staff are needed to maintain BI tools that are in short supply and dedicated elsewhere.

Accounts	Jan-2015	Feb-2015
6000 Expenses and 7000 Allocations		
6000 Operating Expenses		
6100 Payroll		
6110 Salary & Wages	1,653,354	1,671,463
6120 Commission	41,285	42,618
6130 Bonus	39,180	40,121
Total	**1,733,819**	**1,754,202**
6200 Taxes & Benefits	460,202	392,818
6300 Office Expenses		
6310 Training	10,000	180
6320 Equipment Rental	2,400	2,400
6330 Maintenance	1,800	1,800
6340 Telephone	2,955	3,075
6350 Legal & Professional	14,000	14,000
6360 Office Supplies	250	250
6370 Office Rent	13,023	13,023
6380 Depreciation	21,106	21,245
Total	**65,534**	**55,973**
6400 Travel & Entertainment	38,720	45,703
6500 Marketing	11,955	10,505
6999 Other Expense	4,000	3,000
Total	**2,314,230**	**2,262,200**
7000 Allocations		
7010 IT Allocation		
IT Allocation In	40,214	39,410

Figure 1: corporate budgeting is focused on the general ledger

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You can't afford to wait

Every day without the right tool you are falling short.

+ Eliminate errors & reduce manual spreadsheet wrangling

+ Stop getting surprised by overspend after it's too late

+ Don't let wasteful padding starve innovation funding

+ Break the pattern of low stakeholder buy in & lack of ownership

+ Prevent miscommunications & unspoken assumptions

+ Say goodbye to "set it & forget it" resource budgets

+ Quit suffering from analysis paralysis when circumstances change

But, in six weeks, with the right tool, you can plan confidently.

Eliminate costly manual work by moving from complex, error-prone spreadsheets across hundreds of data sources and cost centers to one place for managing spend. Dramatically reduce the time it takes to manage accurate budgets and forecasts.

+ Stop prioritizing spreadsheet wrangling over analysis

+ Prevent slow decision making putting a break on the pace of change

+ Stop drowning in governance

"It used to take weeks of agonizing excel spreadsheet management to produce a monthly forecast. Now, our budget is in one tool and we quickly produce monthly budgets and forecasts."

Peggy Rouland
IT Finance Manager
Cox Enterprises

Maximize return on IT spend with increased collaboration, accountability, and better decision making with a single source of truth for all budget owners. Regular forecast roll-ups, version management, scenario planning, and role-based workflows deliver continuous business alignment.

+ Stop getting only a fraction of your return on IT

+ Avoid making investment decisions without facts

+ Slash budget padding that locks up investment spend

HomeAway reinvested $10M of budget padding.

"IT Planning allows us to maneuver and manipulate data quickly, to identify areas to redistribute the budget, and provide budget owners with the confidence to make decisions with the data to back it up."

Jeff Blume
Technology Business Management Analyst
HomeAway

"CPM tools are built for corporate Finance. We needed a tool for the way we manage our business and run our IT budget. Now we can track new projects or initiatives that could have never been budgeted before, with individual line items, vendors, and services called out."

James LaPlaine
former CIO of AOL

Drive better business results and fund new initiatives with proactive spend and forecast management. Ensure that every dollar in the plan is spent on the highest impact areas.

+ Avoid spend on low-priority items

+ Reduce RTB spend to drive growth through innovation

+ Avoid misalignment between long-range IT goals and corporate strategic plans

Micron Technologies tracked CapEx annual budget to within 1%.

"Now IT leadership has visibility throughout the year and they know exactly if they're falling behind, if they're ahead of schedule, etc. It really evens out the peaks and valleys."

Chrys Warren
Director, TBM Office
Micron

Reduce risk with proactive variance management, weekly or monthly forecasting, and multi-year planning for contracts and subscriptions. Budget owners quickly revise budgets and forecasts when they are confident in the under-the-hood mechanics of the process (e.g., version control, statuses, and multi-level approvals).

+ Blunt ineffective variance analysis

+ Stop getting surprised by overspend after it's too late

+ Prevent "haircut" cost takeout

Caesars Entertainment reduced its budget variance by 45%.

"When you can walk in and show the CFO where our costs are rising and what the levers are, he's better informed to make decisions."

John Dermody
VP of Business Management
Caesars Entertainment

Raise IT's brand with the business through multi-year plans, significantly reduced variances, agile budgeting and forecasting cycles, and the ability to quickly make trade-offs and find funds for unplanned initiatives.

+ Shut down the "Department of No"

+ Stop being defined by month-end close

+ Eliminate the "black box"

"Initially, we invested in Apptio IT Planning for the huge time savings we knew we'd achieve. But it has also changed the conversations we're having with the business and fostered better, more collaborative relationships with budget owners."

Stephanie Rendon,
Director of Finance
CHRISTUS Health

Return on Apptio Investment Example[1]

8x ROI **8mo.** BREAKEVEN

Assumptions:

$50M Annual Operating budget

65% Run-the-Business spend

35% Grow and Transform spend

FORRESTER®

Total Economic Impact™ (TEI™) certified[2]

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1. Example based on purchase of Apptio Cost
2. Transparency All Modules or Apptio IT Financial Management Foundation packages and respective implementation services. Apptio commissioned Forrester to review the Apptio ROI model in June 2017 using its proprietary Total Economic Impact™ methodology. Forrester deems that the Apptio ROI model conforms to the TEI fundamentals and principles of a sound business case. The intent is for Apptio to guide prospects through the questionnaire to solicit inputs specific to your business and technology environment. Apptio is not permitted to change the calculations or equations. Forrester believes that this analysis is representative of what companies may achieve with Apptio services based on the inputs provided and any assumptions made. Forrester does not endorse Apptio or its offerings.

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Apptio IT Financial Management Foundation is the only product that offers collaborative budgeting, forecasting, variance analysis, and multi-year planning purpose-built for IT.

By making informed decisions, reducing risk to the business, and spending smarter to eliminate padding, you'll create confidence that every dollar of the IT budget is spent on the highest priority items for your business.

Apptio IT Financial Management Foundation connects to existing ERP, GL, and chart of accounts solutions such as SAP Financials, Oracle Financials, and NetSuite. Apptio does this via a powerful, purpose-built IT cost modeling engine, which organizes disparate data and applies industry standard cost allocation rules to provide comprehensive views of fully-burdened costs in terms the business understands.

Let's talk. Visit **apptio.com/get-started** today.
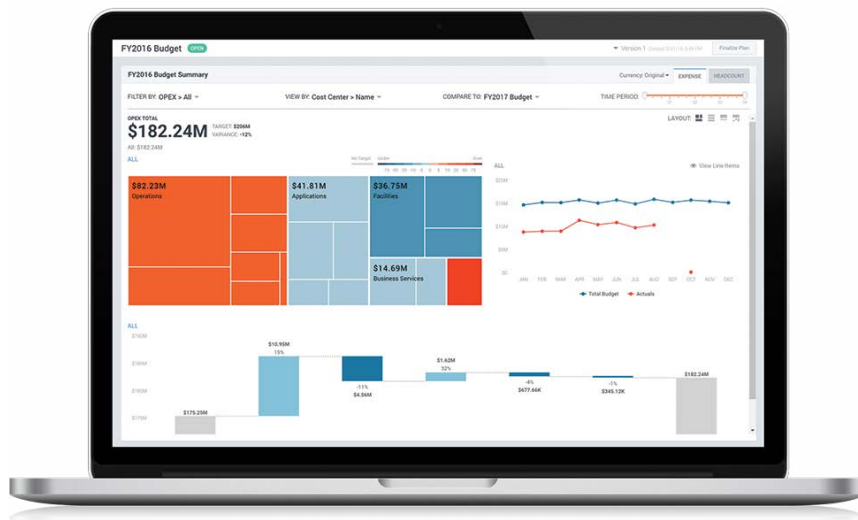
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IT Financial Management
Foundation

Get Started

Apptio (NASDAQ: APTI) is the business management system of record for hybrid IT. Hundreds of customers choose Apptio's cloud-based applications to manage, plan and optimize their technology investments across on-premises and cloud platforms. With Apptio, IT leaders become strategic partners to the business by demonstrating the value of IT investments and shifting technology investments from running the business to accelerating digital innovation. Get started today by contacting us at **apptio.com/get-started**.