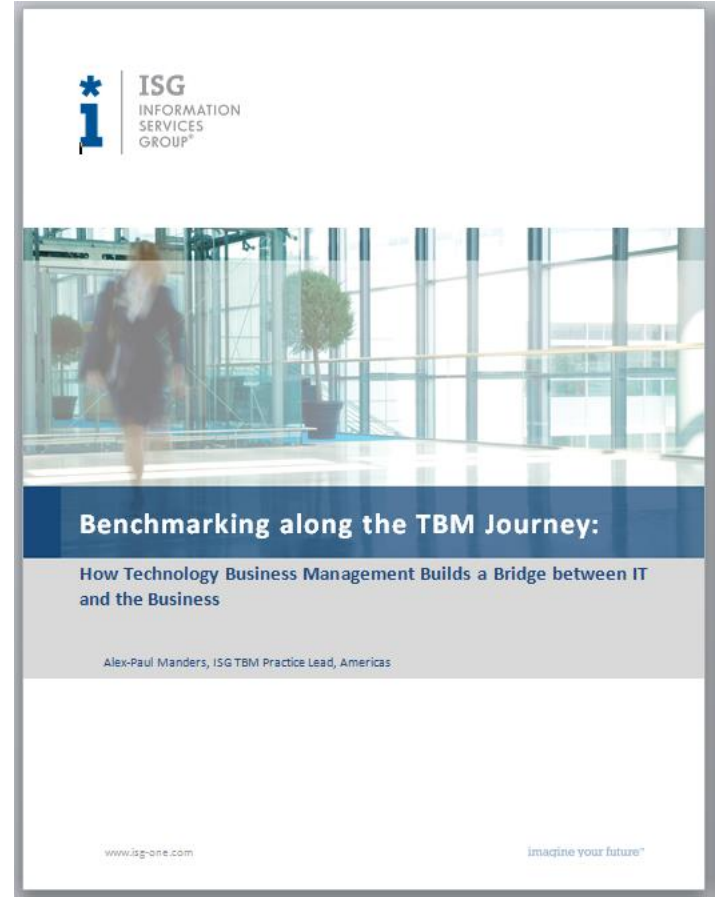# The Value of Benchmarking in TBM

Alex-Paul Manders, ISG TBM Practice Lead for the Americas

TBMC15 Thursday, October 29, 2015

Session Topic

▶ IT benchmarking along the TBM Journey provides quicker time to value, and with the right approach, you can fund your TBM Journey.

▶ ISG and Apptio are partnered to provide effective benchmarking based on cost transparency, market comparisons and insights.

▶ Join ISG, Apptio and clients who have leveraged benchmarking in TBM to discuss how benchmarking can drive value to your TBM journey.

ISG INFORMATION SERVICES GROUP®

Benchmarking along the TBM Journey:

How Technology Business Management Builds a Bridge between IT and the Business

Alex-Paul Manders, ISG TBM Practice Lead, Americas

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TBM Delivery Team

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ISG Benchmarking/Assess Services Experience

ISG Assess Services defines and sizes the opportunity for both short- and longer-term sustainable improvements in the area of costs, productivity, quality, and other key areas in all supporting processes of global enterprises

5,791

total engagements for

1,275

unique clients

94% of our engagements are with **repeat clients**

63% of our clients are in the **G-2000**

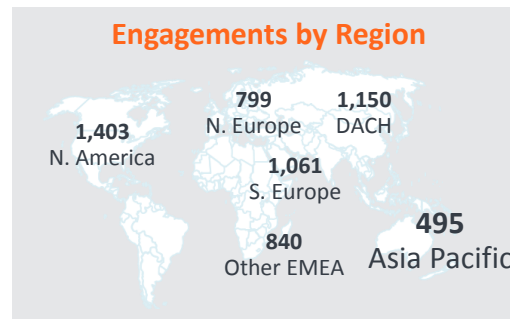Information as of March 2014

Competency Domains*

▶ **ITO engagements include**

▶ DC Infrastructure	2,818
▶ EUC Infrastructure	4,705
▶ MNS Infrastructure	1,536
▶ ADM	1,332
▶ Cloud Computing	15

▶ **BPO engagements include**

▶ HRO	297
▶ F&A	91
▶ Insurance Services	22
▶ Investment Management and Banking	30
▶ CRM	45
▶ LPO	38
▶ Procurement	55
▶ Other	205

*Some engagements included in more than one domain

Engagements by Region

Region	Engagements
N. America	1,403
N. Europe	799
DACH	1,150
S. Europe	1,061
Other EMEA	840
Asia Pacific	495

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The Value of Benchmarking in TBM

Ongoing automated comparisons of IT costs against peers enables:

OPTIMIZE

Identify cost optimization targets

- ▶ Utilize unit cost metrics for IT support and infrastructure
- ▶ Deliver confident peer comparisons

JUSTIFY

Justify IT spend

- ▶ Plan with relevant facts and metrics
- ▶ Migrate legacy systems
- ▶ Justify IT spend and staffing costs

IMPROVE

Improve IT performance

- ▶ Support governance initiatives
- ▶ Stimulate continuous improvement
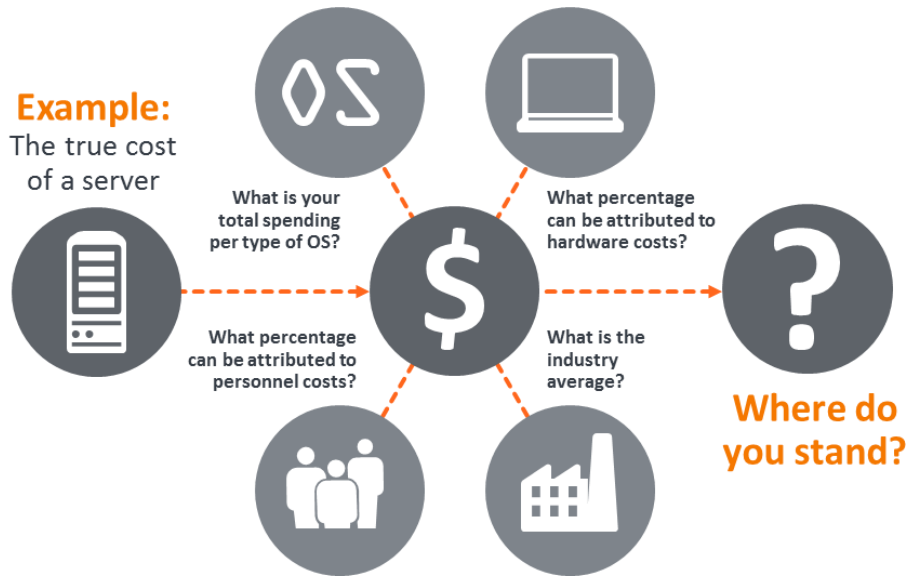- ▶ Create actionable goals based on credible targets

DEMONSTRATE

Demonstrate value

- ▶ Demonstrate the value of IT services
- ▶ Improve dialogue and alignment with business users based on data

APPTIO

Why you should benchmark in TBM

Example:
The true cost of a server

What is your total spending per type of OS?

What percentage can be attributed to hardware costs?

What percentage can be attributed to personnel costs?

What is the industry average?

Where do you stand?

▶ **Refine your data** – data improvement opportunities

▶ **Recognize savings** opportunities to fund your TBM Journey

▶ **Integrate TBM** within the broader enterprise strategy

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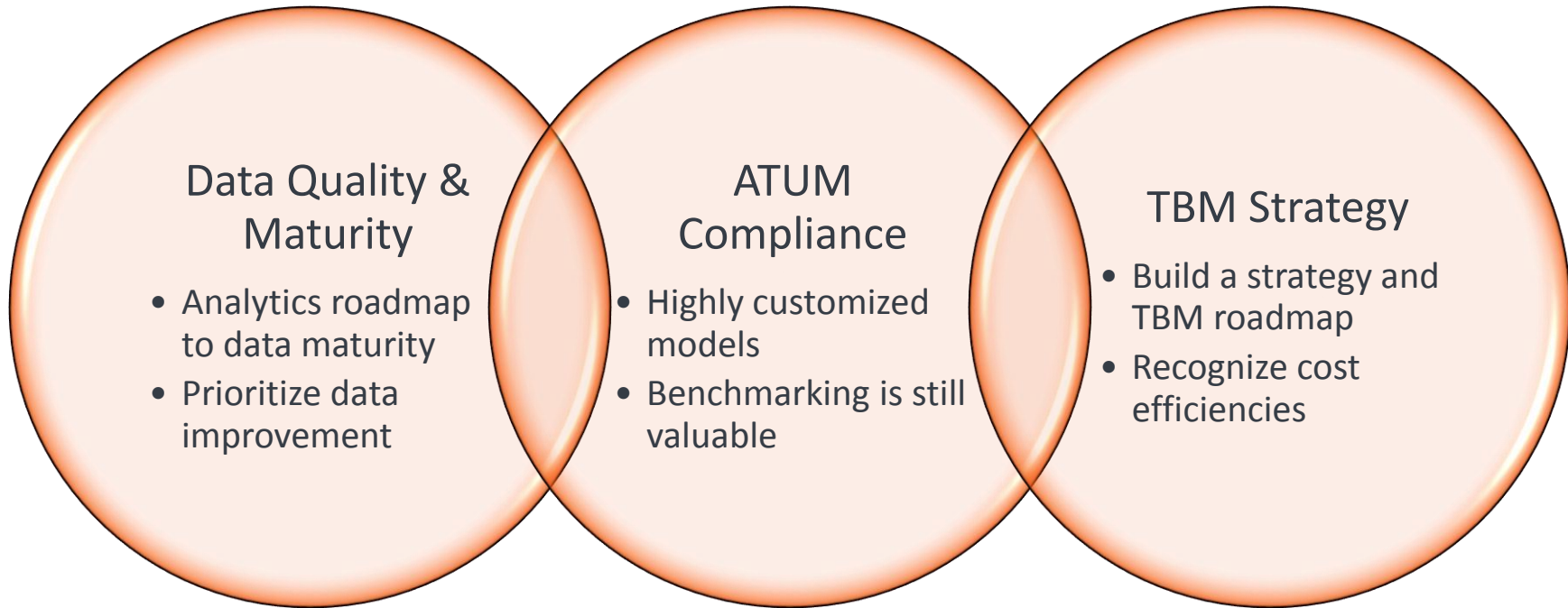
Strategic Approach to TBM Performance Management
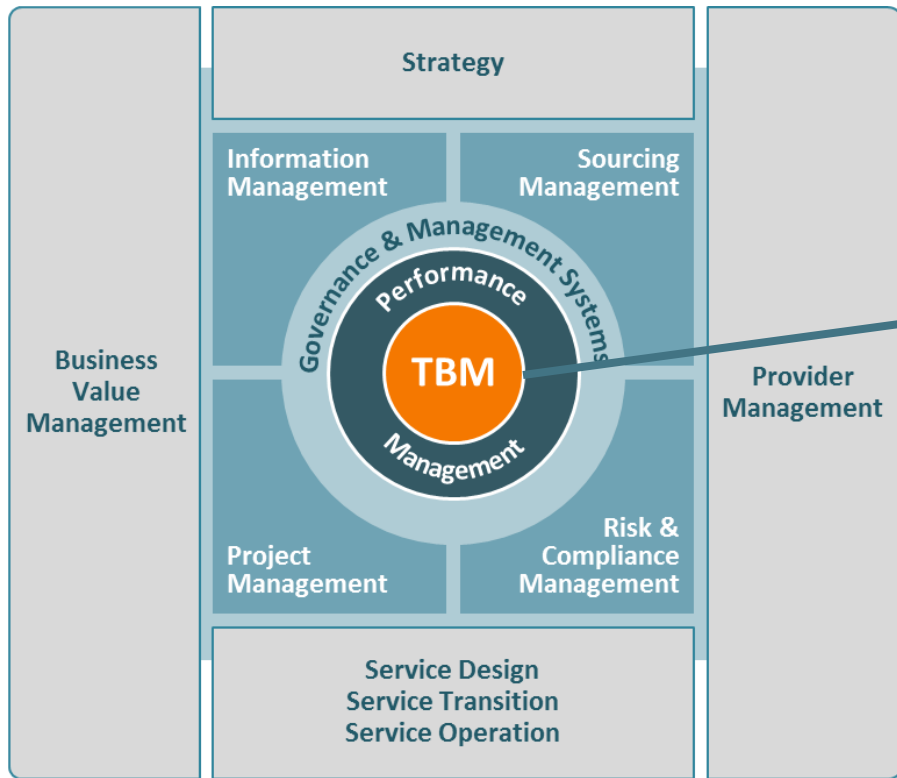
Primary TBM Processes:

- Cost Modeling
- **Benchmarking Management**
- Financial Analysis
- Consumption Management
- Financial Planning
- Demand Forecasting

Discussion – Benefits of Benchmarking in TBM

Data Quality & Maturity

- Analytics roadmap to data maturity
- Prioritize data improvement

ATUM Compliance

- Highly customized models
- Benchmarking is still valuable

TBM Strategy

- Build a strategy and TBM roadmap
- Recognize cost efficiencies

Thank you!

Please contact me with additional questions that you may have regarding ISG Services, and TBM Strategy, Benchmarking or Market Insights.

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Thank you!

Please enjoy a 30 minute break to check out, grab your luggage, and have a snack.

Closing session begins at 11:45am.

Archetypes of Adoption: Driving TBM Practices to Business Impact