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Six habits of TBM success

2016 Global Technology Business Management (TBM) Proficiency Assessment Report

CIO Advisory

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TBM Proficiency as aligned to CIO imperatives

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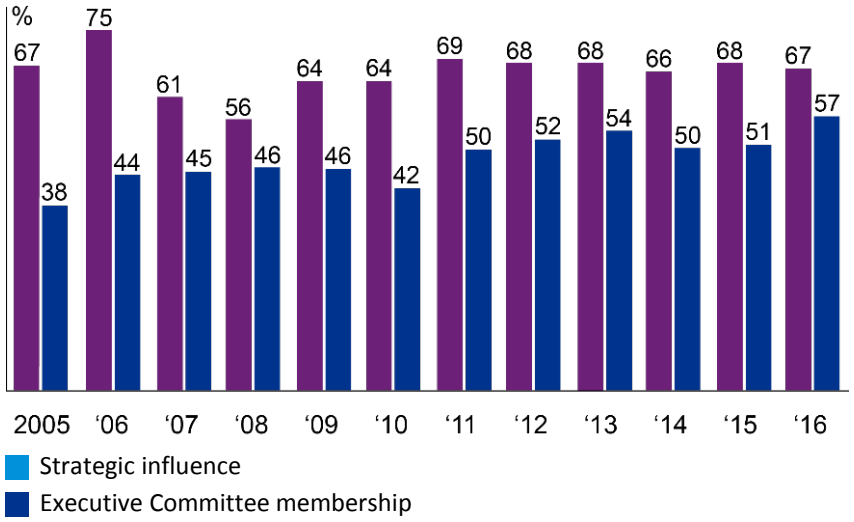
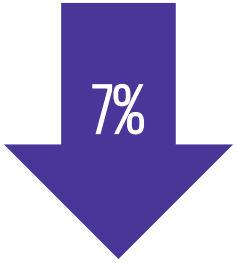
Source: 2016 Harvey Nash / KPMG CIO Survey

Influence, revenue, and the problem with Finance

CIOs' **strategic influence** expected to continue **growing** as executive board participation surges

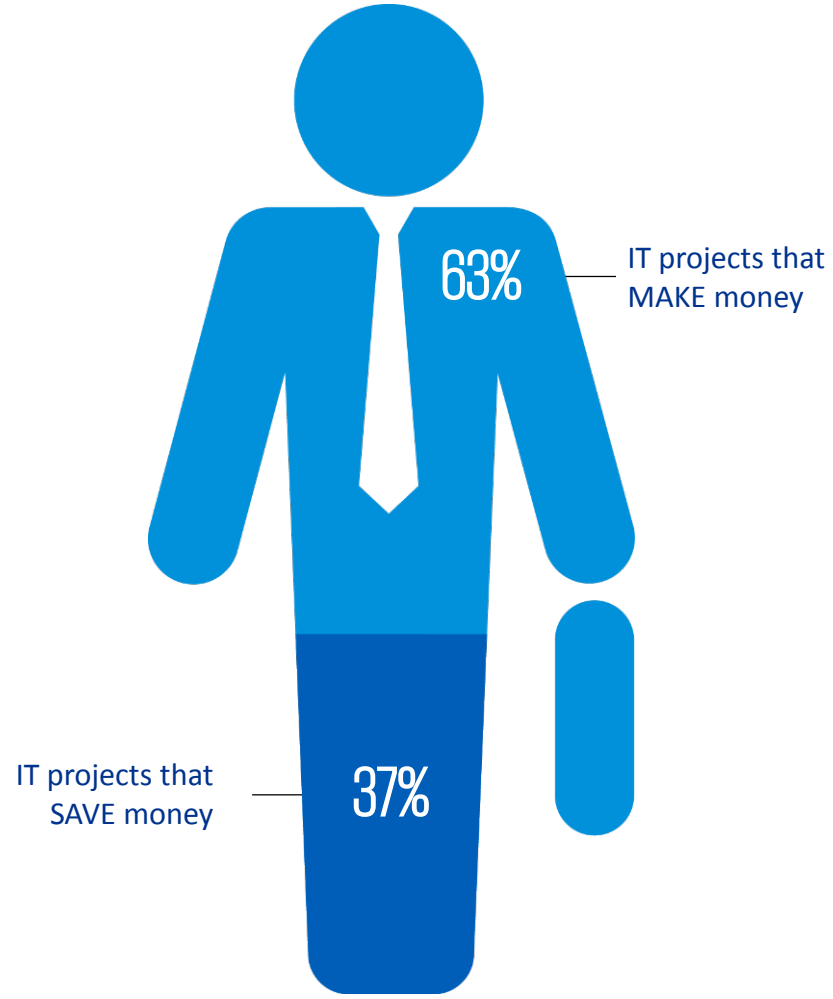


Over past 3 years



Less than half of respondents now rate the technology function's relationship with finance as '***very strong.***'

CEOs likely to advocate CIOs to spend more on ***projects that make money***



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The KPMG TBM proficiency survey

Demographic highlights

250+

Respondents
Data from finance, IT, and business executives

52%

have global reach of IT services

70%

of organization outsource up to 40% of IT

53%

Annual IT budgets ≥ US$250m

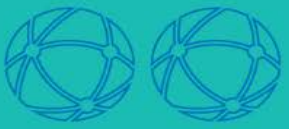
170+

Companies surveyed worldwide… And growing…

Global coverage across

25

countries



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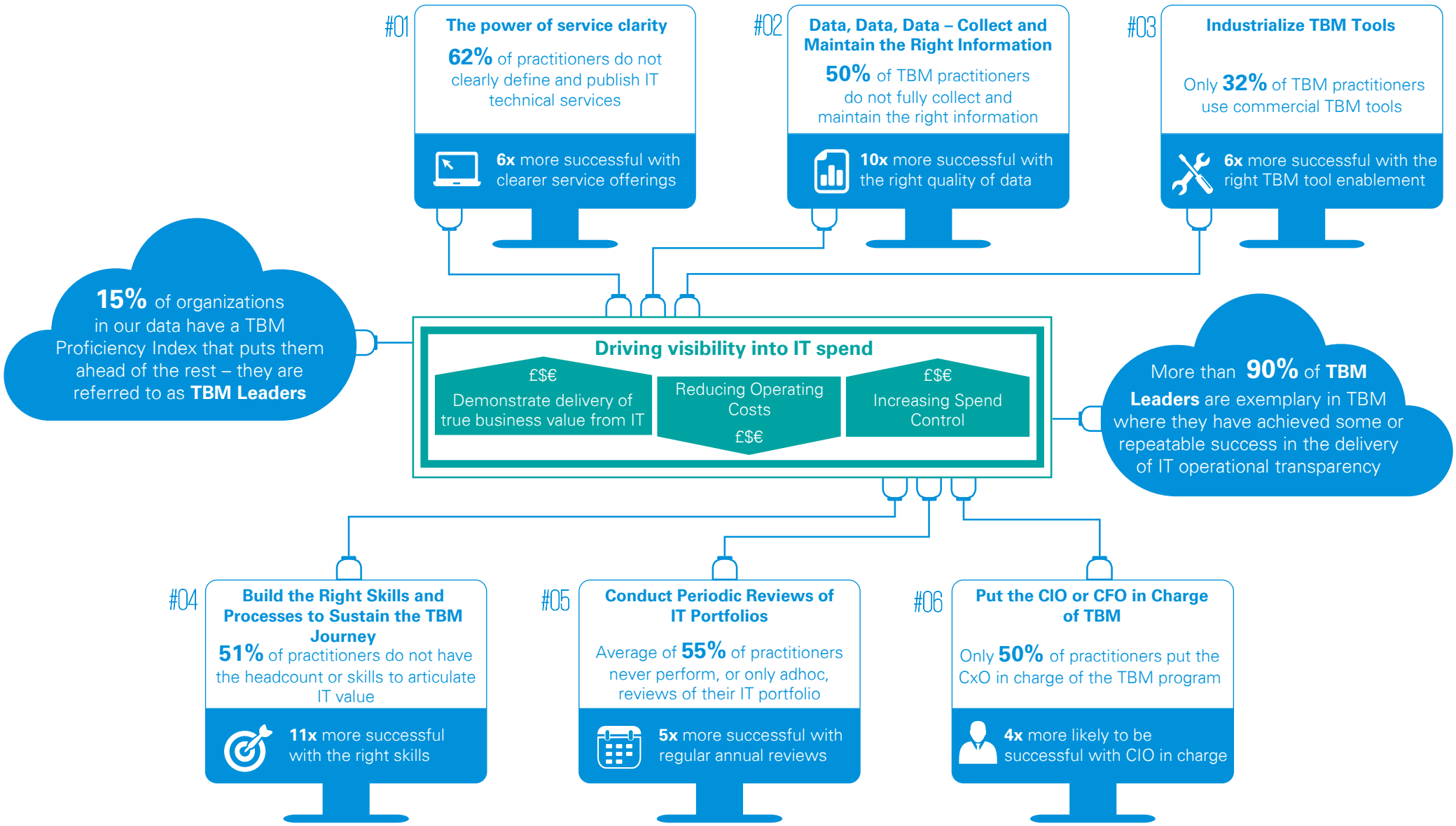
The six habits of TBM success



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Source: KPMG 2016 Global TBM Proficiency Assessment Report

#1 The power of service clarity

The power of service clarity

62% of practitioners do not clearly define and publish IT technical services

6x more successful with clearer service offerings

4X more successful with alignment of IT services to your service catalogue

15% of organizations in our data have a TBM Proficiency Index that puts them ahead of the rest – they are referred to as **TBM Leaders**

Driving visibility into IT spend

- £$€ Demonstrate delivery of true business value from IT
- Reducing Operating Costs £$€
- £$€ Increasing Spend Control

More than **90%** of **TBM Leaders** are exemplary in TBM where they have achieved some or repeatable success in the delivery of IT operational transparency

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#2 Data, data, data

Data, Data, Data – Collect and Maintain the Right Information

50% of TBM practitioners do not fully collect and maintain the right information

10x more successful with the right quality of data

64% of organizations do not follow well-defined processes for monitoring and improving the quality of IT data

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#3 Industrialize TBM Tools

Industrialize TBM Tools

Only **32%** of TBM practitioners use commercial TBM tools

6x more successful with the right TBM tool enablement

83% of TBM Leaders find their tools for financial management and reporting effective

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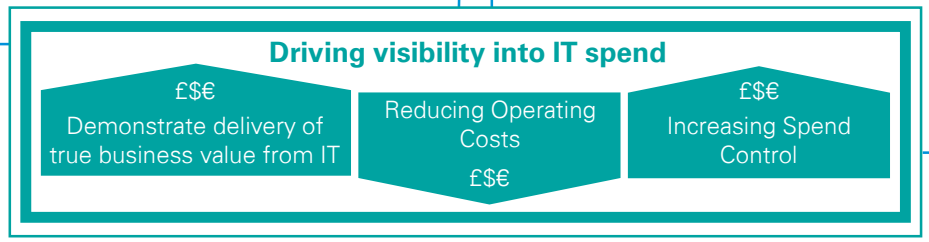

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#4 Build the right skills

Build the Right Skills and Processes to Sustain the TBM Journey

51% of practitioners do not have the headcount or skills to articulate IT value

11x more successful with the right skills

2X more successful where organizational change management is part the TBM transformation

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#5 Conduct periodic portfolio reviews

Conduct Periodic Reviews of IT Portfolios

Average of **55%** of practitioners never perform, or only adhoc, reviews of their IT portfolio

5x more successful with regular annual reviews

3x more success performing min. annual TCO reviews with industry benchmarks

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#6 Put the CIO in charge of TBM

Put the CIO or CFO in Charge of TBM

Only **50%** of practitioners put the CxO in charge of the TBM program

4x more likely to be successful with CIO in charge

60% of organizations considered TBM Leaders have the CIO in charge

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Conclusion – The markers of success in TBM

CAPABILITY

- **Driving IT Operational Transparency**
- **Delivering IT Operational Success**
- **Demonstrating Business Value**

The capabilities and objectives that define your TBM goal…

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- #01 – Get started with defining and publishing a list of technology services that support your organization and mature with application and business service hierarchy mapping
- #02 – Work with the data you have but put a focus on the process for improving data quality
- #03 – Look at a purpose-built tool for TBM rather than rely on spreadsheets to provide sustainability of cost transparency and reporting. Integrate TBM into the wider IT service and performance toolsets
- #04 – Build skill sets within the IT organization so as to be able to talk about IT value in ways that are understood by the business
- #05 – Perform regular reviews across IT portfolios to test the accuracy of cost transparency and seek to drive insight into optimization opportunities
- #06 – Get CIO or CFO sponsorship for your TBM program

aligned to the practices or habits that drive its proficiency…

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- **5X** more likely to be a TBM Leader if you maintain connection between technology and business goals
- **5X** more likely to be a TBM Leader by accurate allocation across many services
- **10X** more likely to be a TBM Leader where you perform what if scenario modelling

Are the markers for TBM Leadership and Success

Take the Proficiency Assessment www.kpmg.com/us/tbmready

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