The Evolution of TBM: From IT Cost Transparency to IT Value Transparency

James LaPlaine
CIO
AOL

Aol.

Aol.
JAMES LAPLAINE, CIO

MANAGING IT LIKE A BUSINESS
OUR INTEGRATION STORY

WHAT WE BELIEVE

CULTURE+
CODE

MANIFESTATION OF CULTURE & CODE

CULTURE

↓

HUMAN CONNECTION

CONTENT

COMMUNITY

CODE

↓

PLATFORMS

DATA

TECHNOLOGY

DEVICES

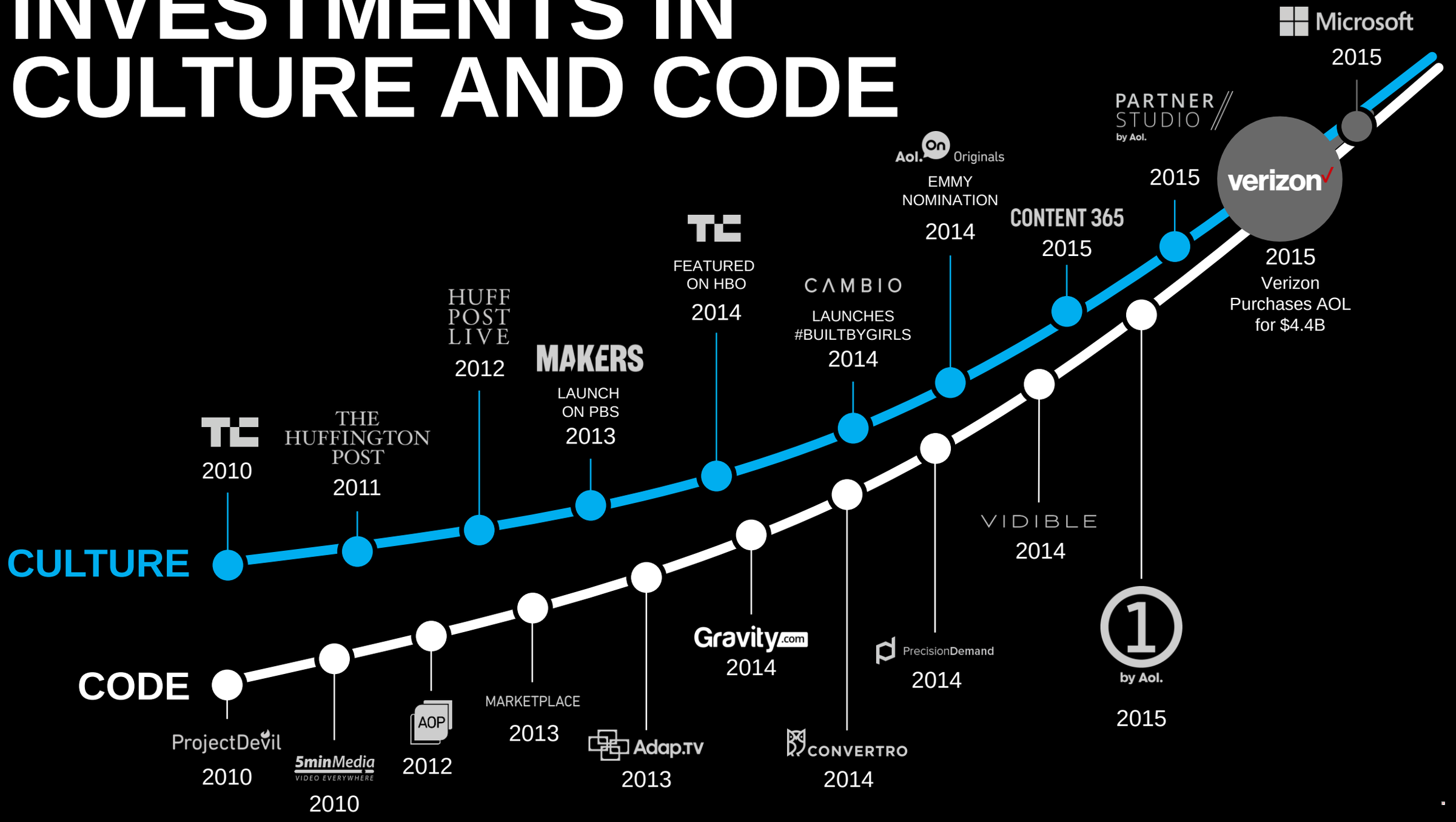
NOT ONE OR THE OTHER

CULTURE

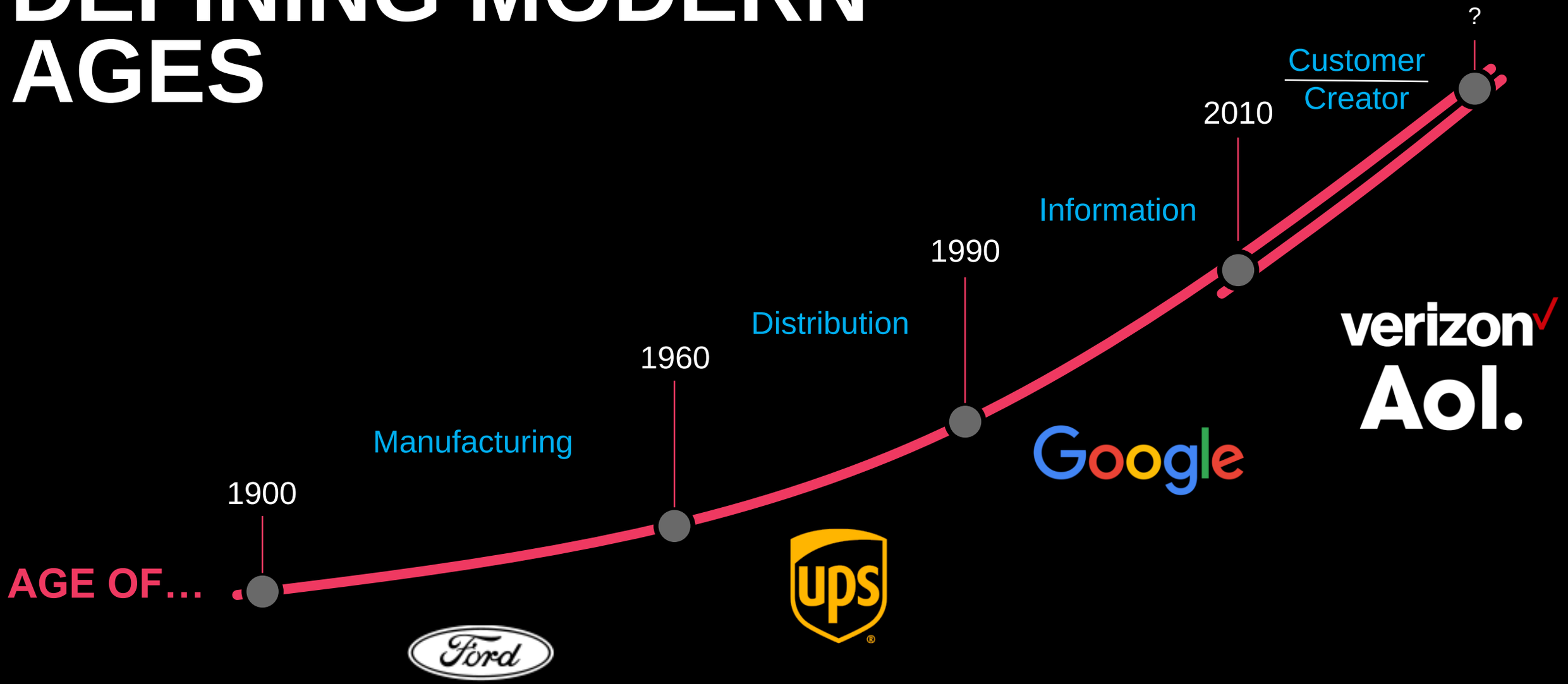
CODE

BOTH

INVESTMENTS IN CULTURE AND CODE



DEFINING MODERN AGES



AGE OF

AGE OF
CREATOR

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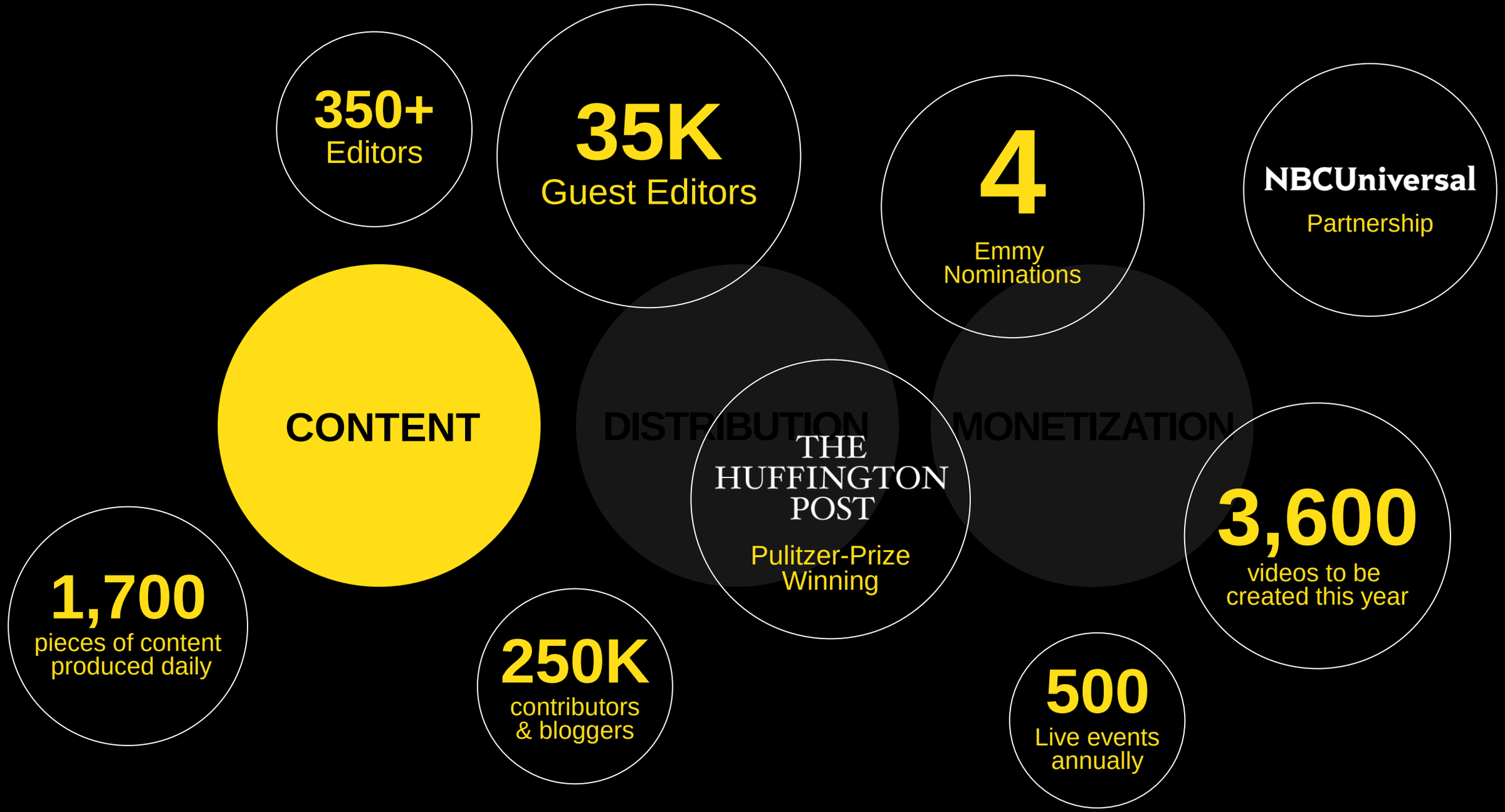
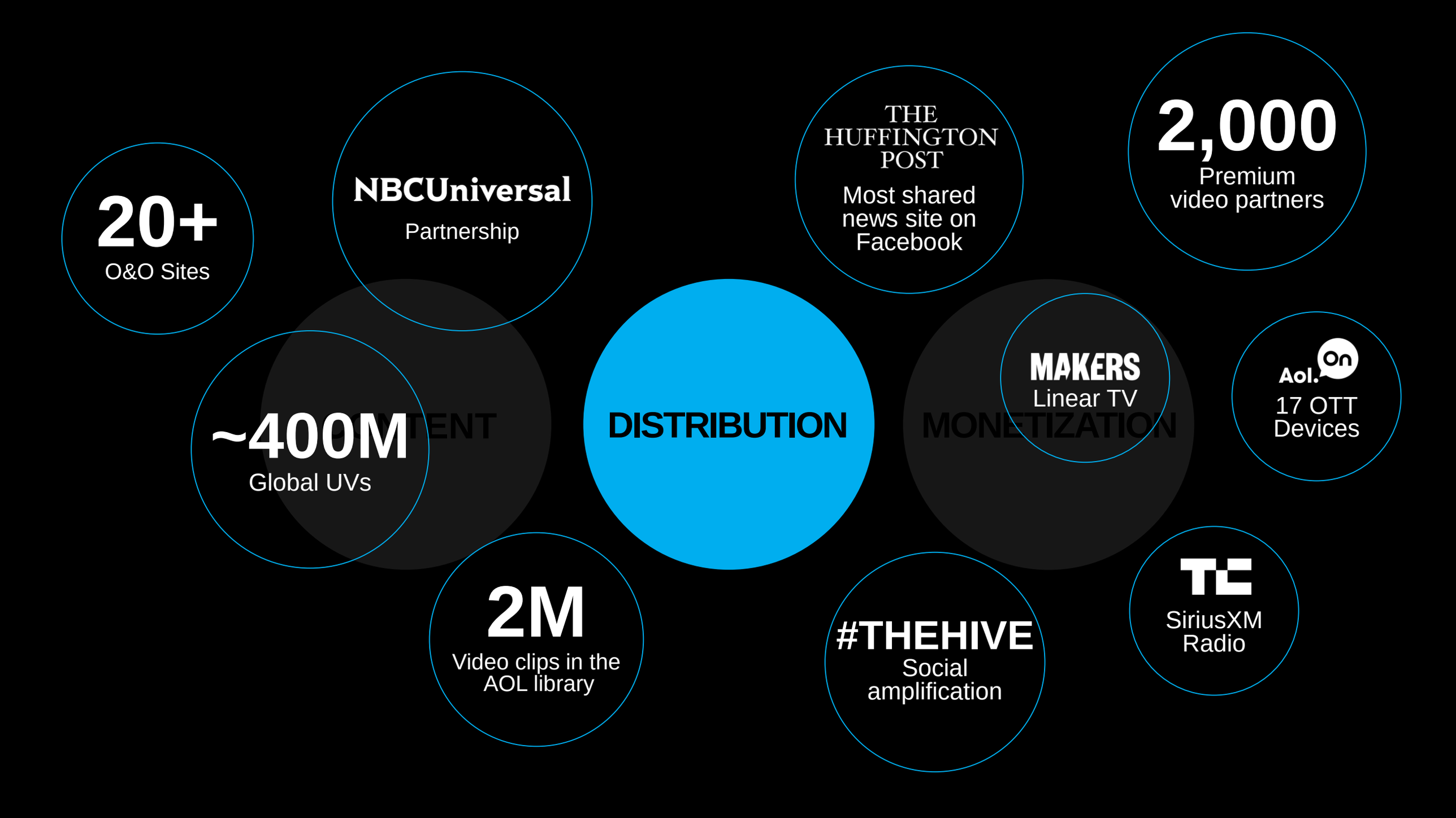
WHAT WE DO


350+
Editors
35K
Guest Editors
4
Emmy
Nominations
NBCUniversal
Partnership
CONTENT
DISTRIBUTION
MONETIZATION
THE
HUFFINGTON
POST
Pulitzer-Prize
Winning
1,700
pieces of content
produced daily
250K
contributors
& bloggers
500
Live events
annually
3,600
videos to be
created this year


20+
O&O Sites
NBCUniversal
Partnership
THE HUFFINGTON POST
Most shared news site on Facebook
2,000
Premium video partners
~400M
Global UVs
CONTENT
DISTRIBUTION
MONETIZATION
MAKERS
Linear TV
Aol. On
17 OTT Devices
2M
Video clips in the AOL library
#THEHIVE
Social amplification
TC
SiriusXM Radio

93%
comScore accuracy

Device Linking
Real Multi-screen Targeting

100M+
unique users matched.
Data beyond devices

1 ID
People-based ID, reach audiences on any device w/ matched pool

CONTENT

DISTRIBUTION

MONETIZATION

350+
Data integrations

by Aol.
Forrester Research leading DSP

by Aol. | ATTRIBUTION
Forrester Research leading MTA

HOW WE CONNECT

BRANDS

autoblog · mapquest · TC

MANDATORY · CAMBIO · Be On

THE HUFFINGTON POST · MAKERS · Aol. On

movie fone · engadget · STYLE ME Pretty

AOL.COM · aim · AOL MAIL

AOL MEMBERSHIP · ACCESS

XBOX · Outlook · msn

Windows 10 · skype

Aol.

PLATFORMS

CONVERTRO · ADTECH

Advertising.com · VIDIBLE

1 by Aol.

Aol. On

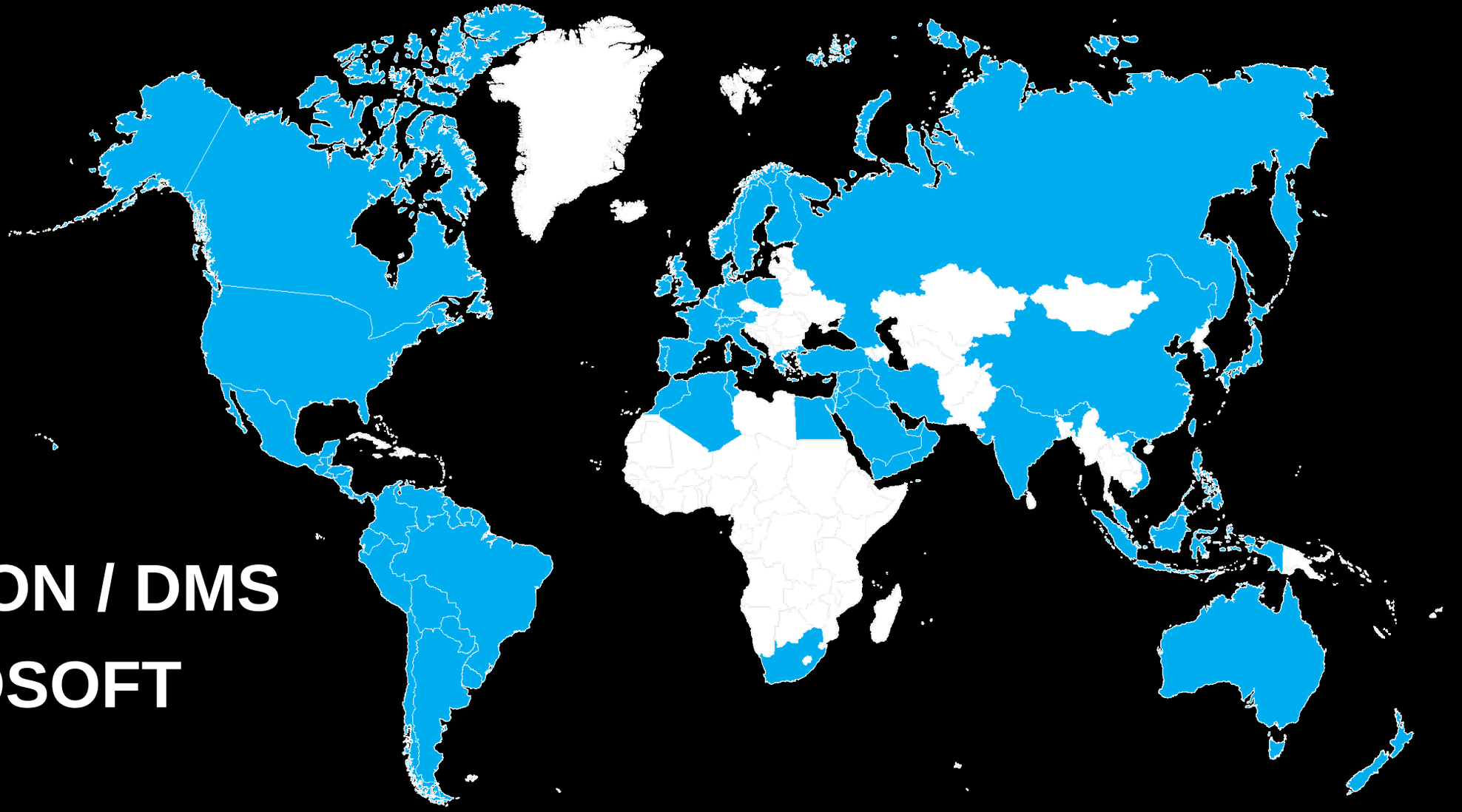
Gravity.com

MARKETPLACE

verizon Digital Media Services

verizon

OUR GLOBAL FOOTPRINT



AOL

+ VERIZON / DMS

+ MICROSOFT

VERIZON

MASSIVE SCALE POWERED BY VERIZON / DMS

109M

NETWORK CONNECTIONS

70M

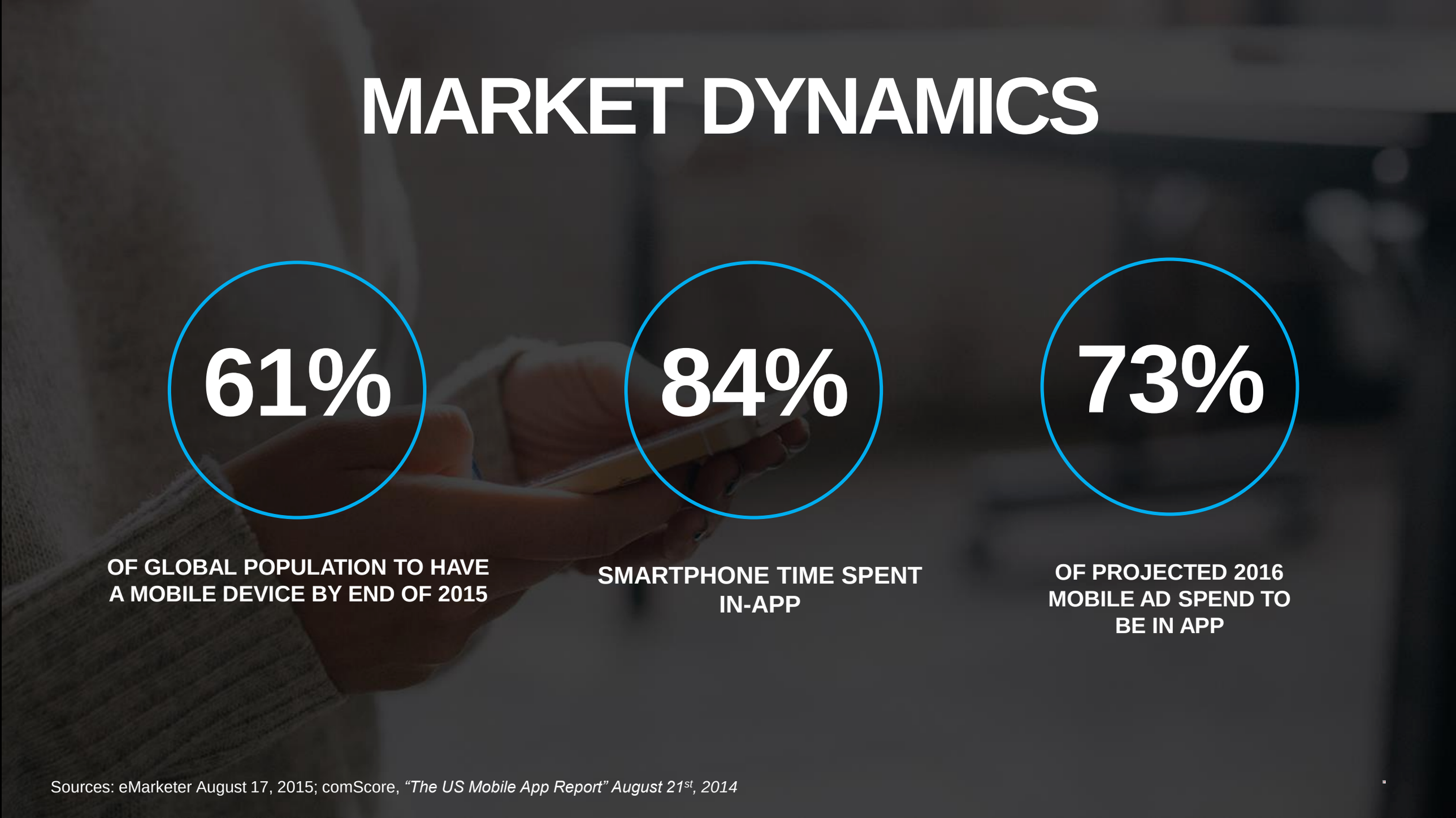
ADDRESSABLE DEVICES

6M

FiOS STB SUBSCRIBERS

Source: Q2 2015 Verizon Data + About Verizon Factsheet

MARKET DYNAMICS



61%

OF GLOBAL POPULATION TO HAVE A MOBILE DEVICE BY END OF 2015

84%

SMARTPHONE TIME SPENT IN-APP

73%

OF PROJECTED 2016 MOBILE AD SPEND TO BE IN APP

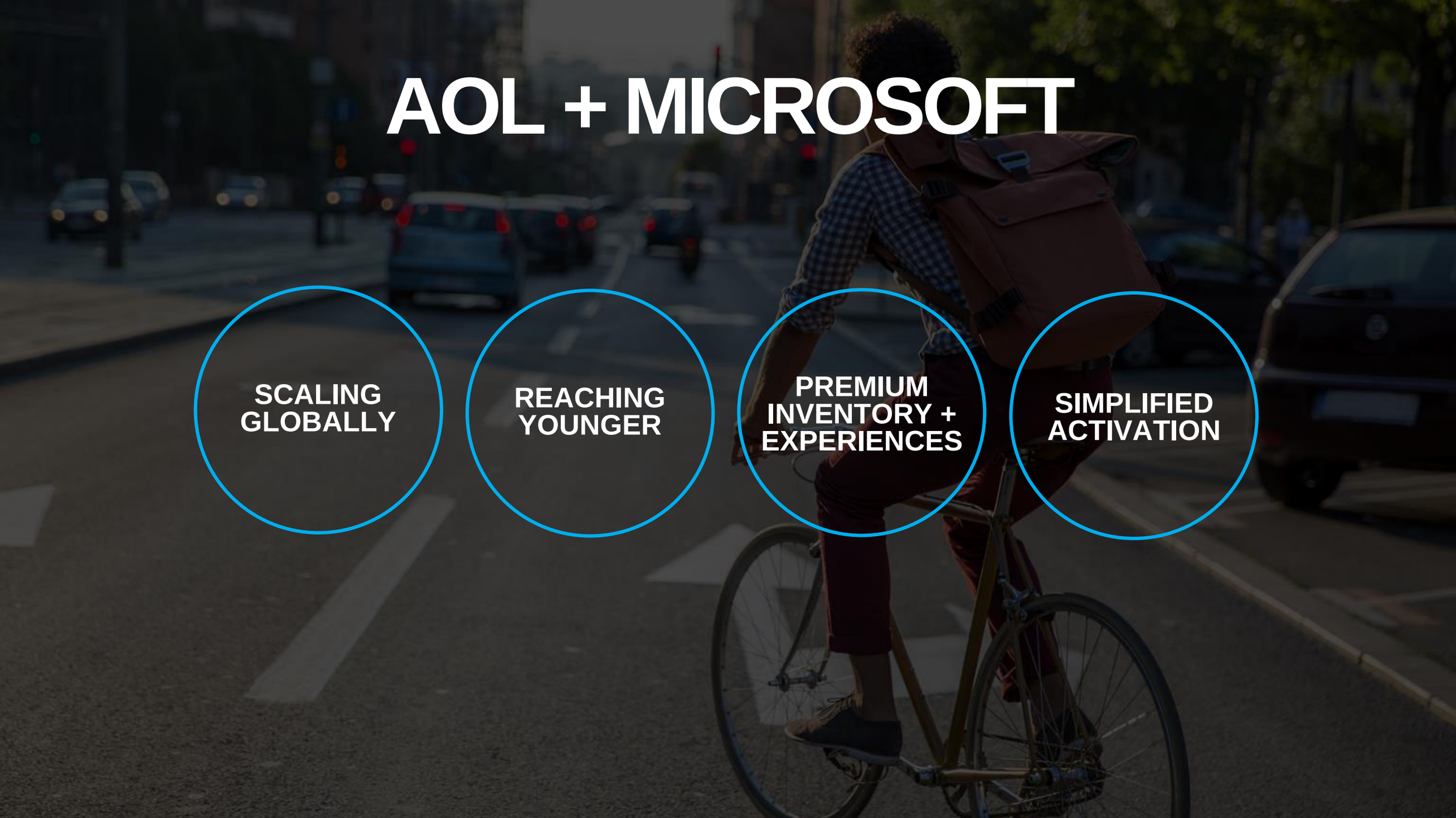
Sources: eMarketer August 17, 2015; comScore, *"The US Mobile App Report" August 21st, 2014*

AOL + VERIZON

UNLOCK MOBILE POTENTIAL
SINGLE VIEW OF USER
CROSS CHANNEL ACTIVATION
POWERING PREMIUM CONTENT
CONVERGENCE OF TV & DIGITAL

MICROSOFT

AOL + MICROSOFT



SCALING GLOBALLY; REACHING YOUNGER

231M

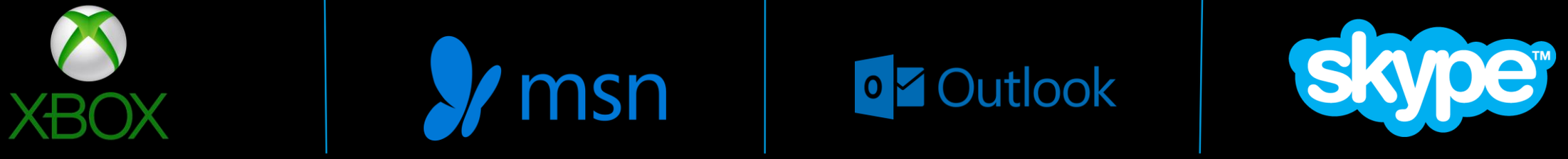
GLOBAL UVs

52%

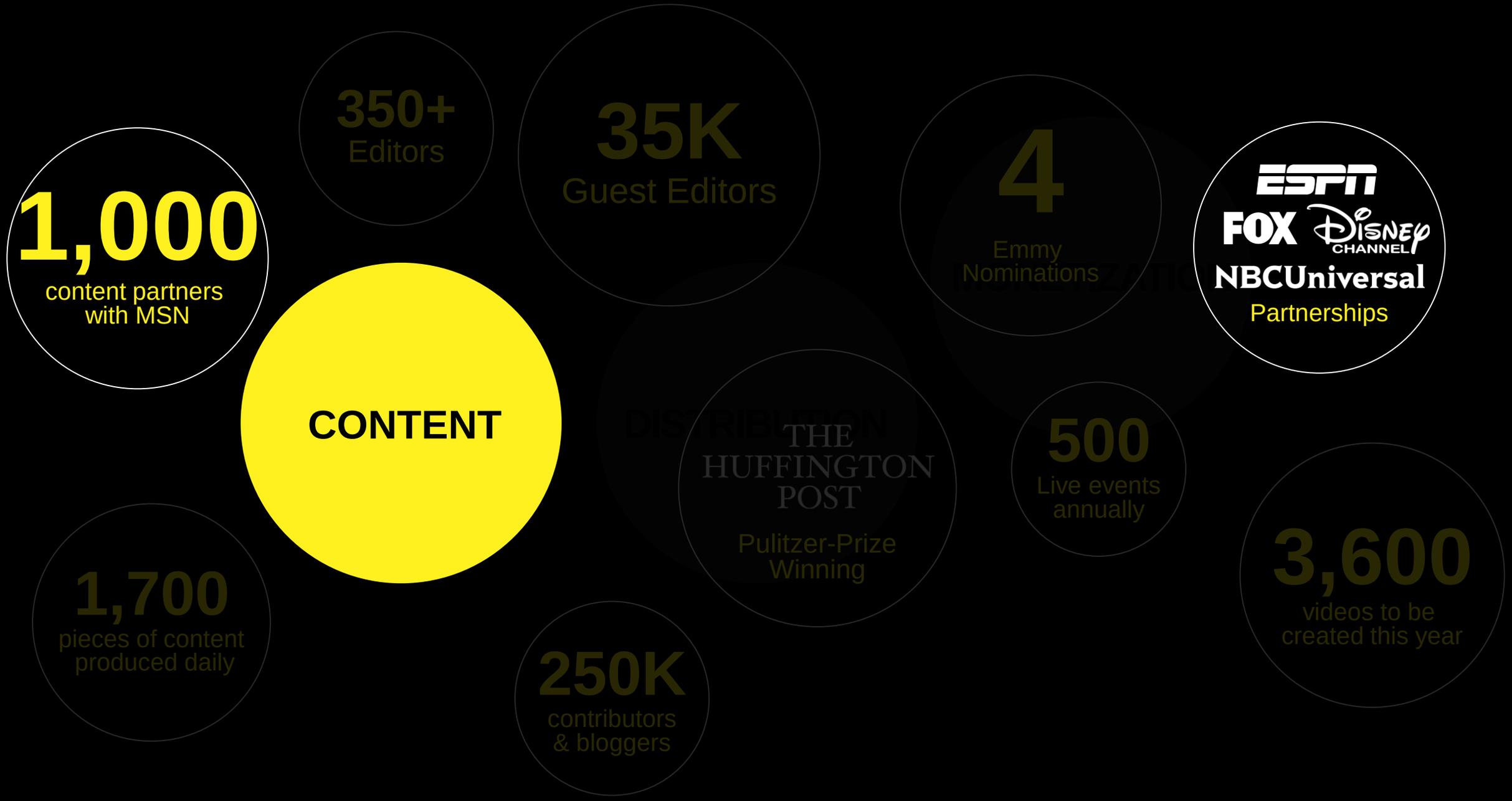
GLOBAL MILLENNIALS REACHED

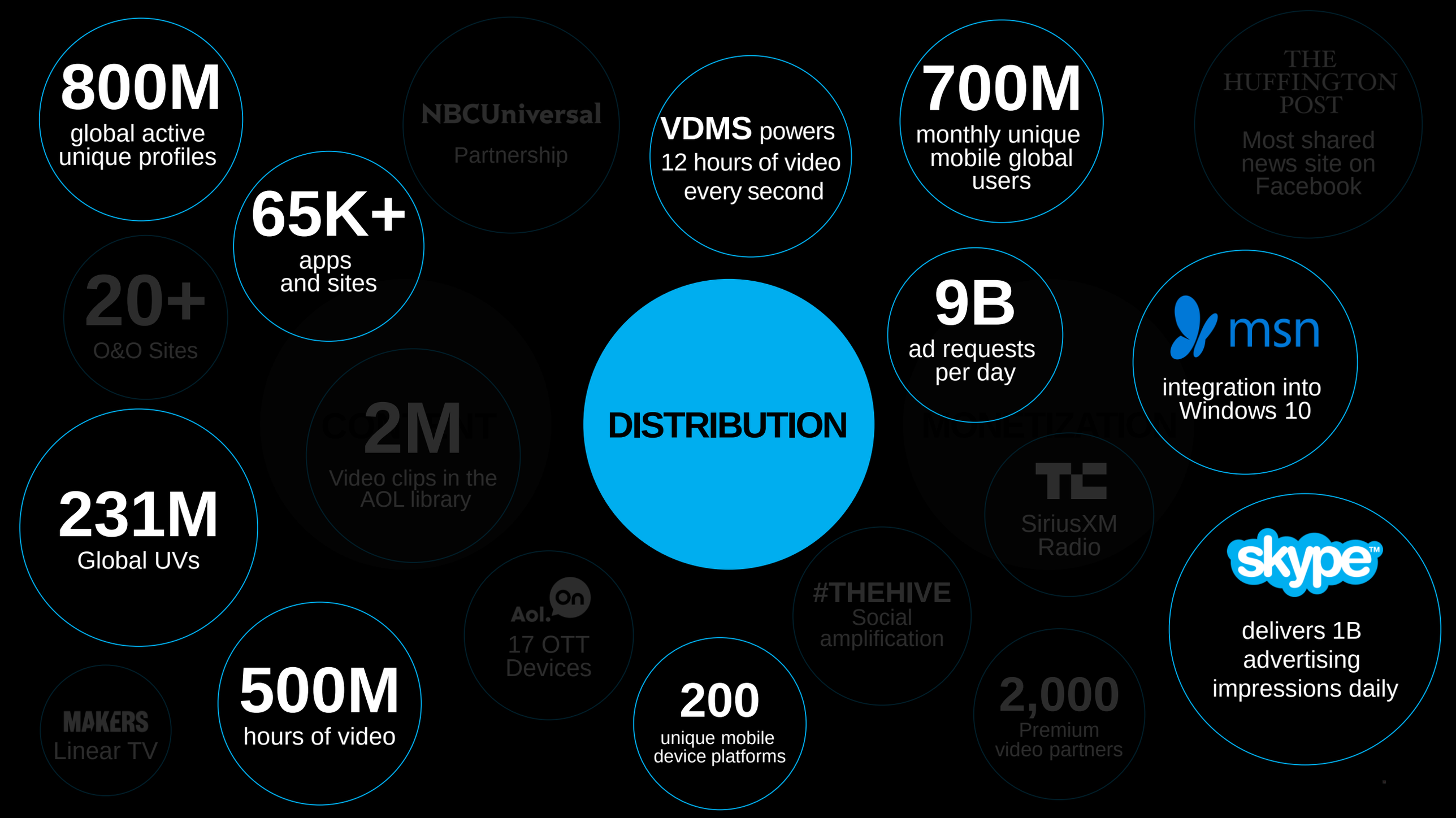
Source: comScore Media Metrix, August 2015. Unduplicated reach for MSN + Skype + Outlook in US & Canada (multi-platform), UK, Germany, Italy, Spain & France (desktop only).

PREMIUM INVENTORY + EXPERIENCES



THE NEW AOL


1,000
content partners with MSN
350+
Editors
35K
Guest Editors
CONTENT
4
Emmy Nominations
ESPN
FOX
Disney CHANNEL
NBCUniversal
Partnerships
DISTRIBUTION
THE HUFFINGTON POST
Pulitzer-Prize Winning
500
Live events annually
1,700
pieces of content produced daily
250K
contributors & bloggers
3,600
videos to be created this year


800M
global active unique profiles
NBCUniversal
Partnership
VDMS powers 12 hours of video every second
700M
monthly unique mobile global users
THE HUFFINGTON POST
Most shared news site on Facebook
65K+
apps and sites
20+
O&O Sites
9B
ad requests per day
msn
integration into Windows 10
2M
Video clips in the AOL library
DISTRIBUTION
231M
Global UVs
SiriusXM Radio
skype
delivers 1B advertising impressions daily
Aol. On
17 OTT Devices
#THEHIVE
Social amplification
500M
hours of video
200
unique mobile device platforms
MAKERS
Linear TV
2,000
Premium video partners

93%
comScore accuracy

Device Linking
Real Multi-screen Targeting

100M+
unique users matched and growing…

1 ID
People-based ID, reach audiences on any device w/ matched pool

20+
3rd party data partner integrations

CONTENT

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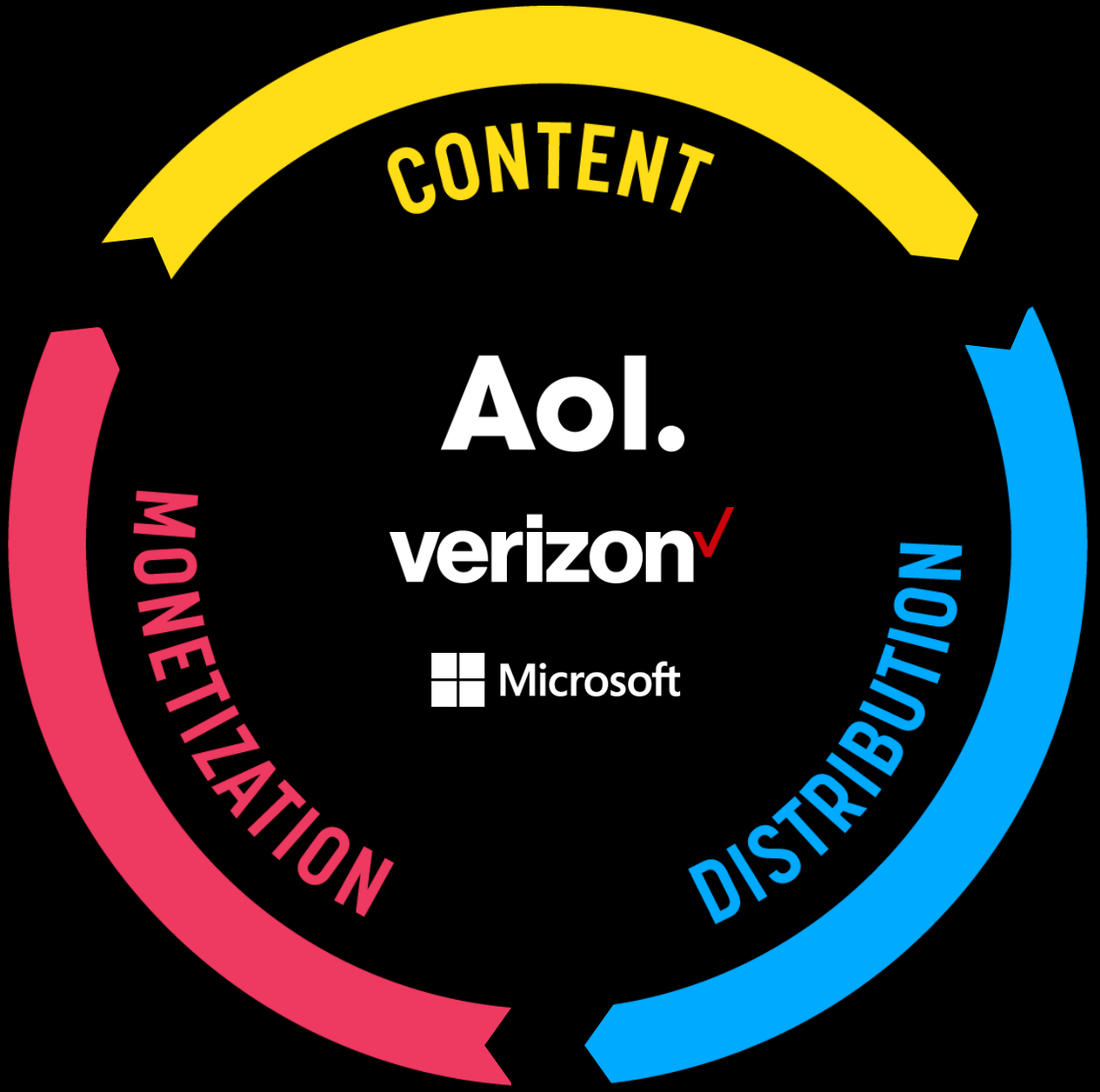
by Aol. ATTRIBUTION
Forrester Research leading MTA

“THE GENIUS OF THE AND.”

JIM COLLINS & JERRY PORRA

The authors of *Built to Last: Successful Habits of Visionary Companies*



Aol.

OUR TBM STORY

TECHNOLOGY BUSINESS MANAGEMENT FRAMEWORK

TECHNOLOGY BUSINESS MANAGEMENT FRAMEWORK

MEASURING
MANAGING
COMMUNICATING

TECHNOLOGY BUSINESS MANAGEMENT FRAMEWORK

MEASURING
MANAGING
COMMUNICATING

IT

BUDGET
COST
CONSUMPTION
VALUE

WHY?

2/3rds CIO BELIEVE IT ACCELERATES BUSINESS

THINK
IT
HINDERS
BUSINESS

Forrester Research, Inc. *The Business Technology Value Scorecard*

LANGUAGE

OFTEN
WORKING
FROM A
DEFENSIVE
POSITION

EXPENSIVE

BLACK BOX

COST-CENTER

ALLOCATION

TAX

BURDEN

EXPENSIVE

BLACK BOX

COST-CENTER

TRANSPARENCY

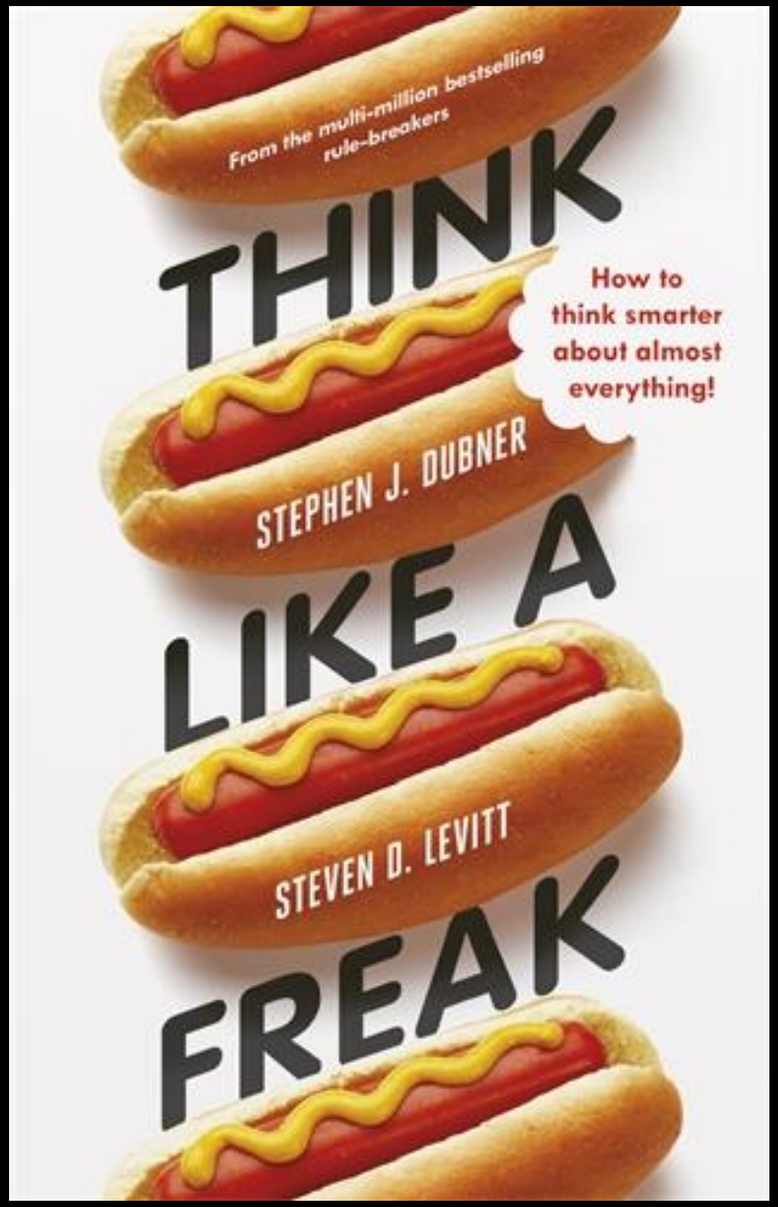
REALLOCATION

TAX

BURDEN

CREDIBILITY

“WHEN PEOPLE DON’T PAY THE TRUE COST OF SOMETHING, THEY TEND TO CONSUME IT INEFFICIENTLY”



GOALS

IT: STRATEGIC WEAPON

FINANCIALLY
TRANSPARENT

UK126528
601789
REPRESENT
REAL
COSTS
REAL

DATA
DRIVEN

SERVICE CATALOG

MONTHLY SCHEDULE

DRIVE
ACCOUNTABILTY

HOW?

1

CONFIGURATION MANAGEMENT DATABASE

CMDB

2

DATA COLLECTION

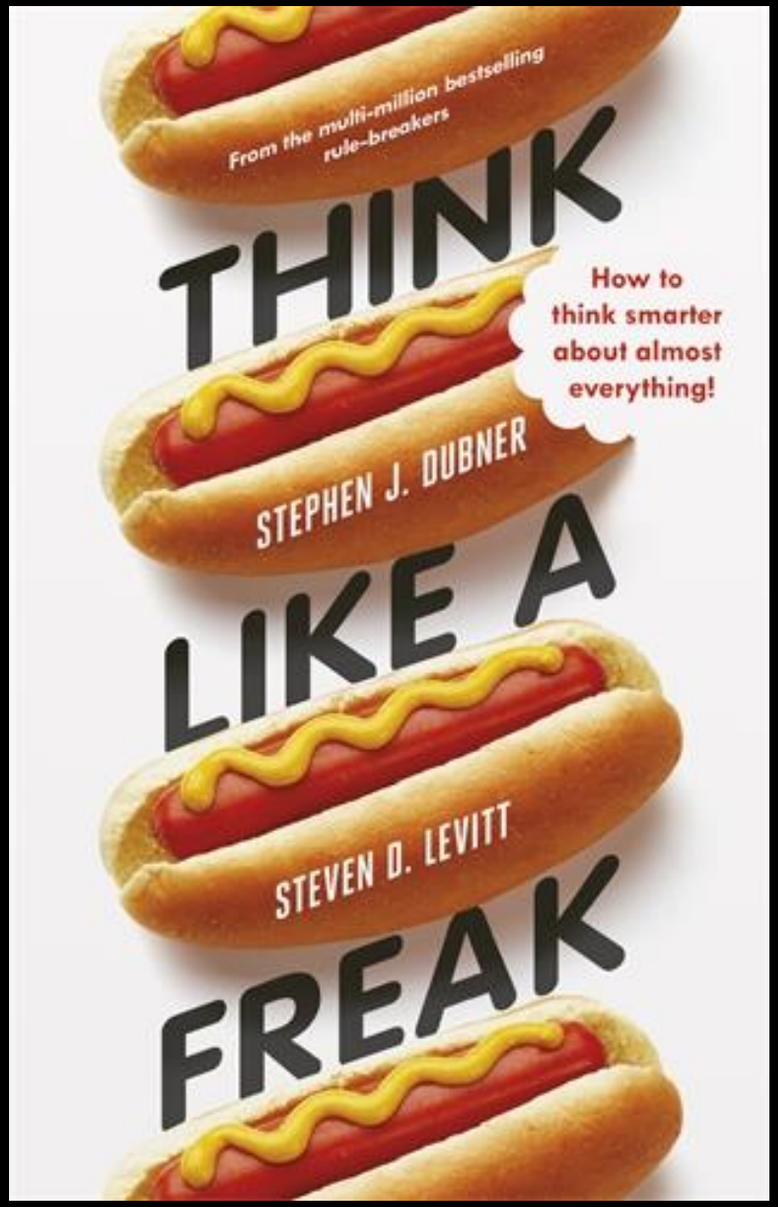
DON’T WAIT TO CLEAN DATA

3

DEFINE RULES

ITERATE, ITERATE, ITERATE

“KNOWING WHAT TO MEASURE, AND HOW TO MEASURE IT, CAN MAKE A COMPLICATED WORLD LESS SO”



ACCEPTABLE 1st MODEL

TOTAL COSTS / TOTAL ASSETS = UNIT COST

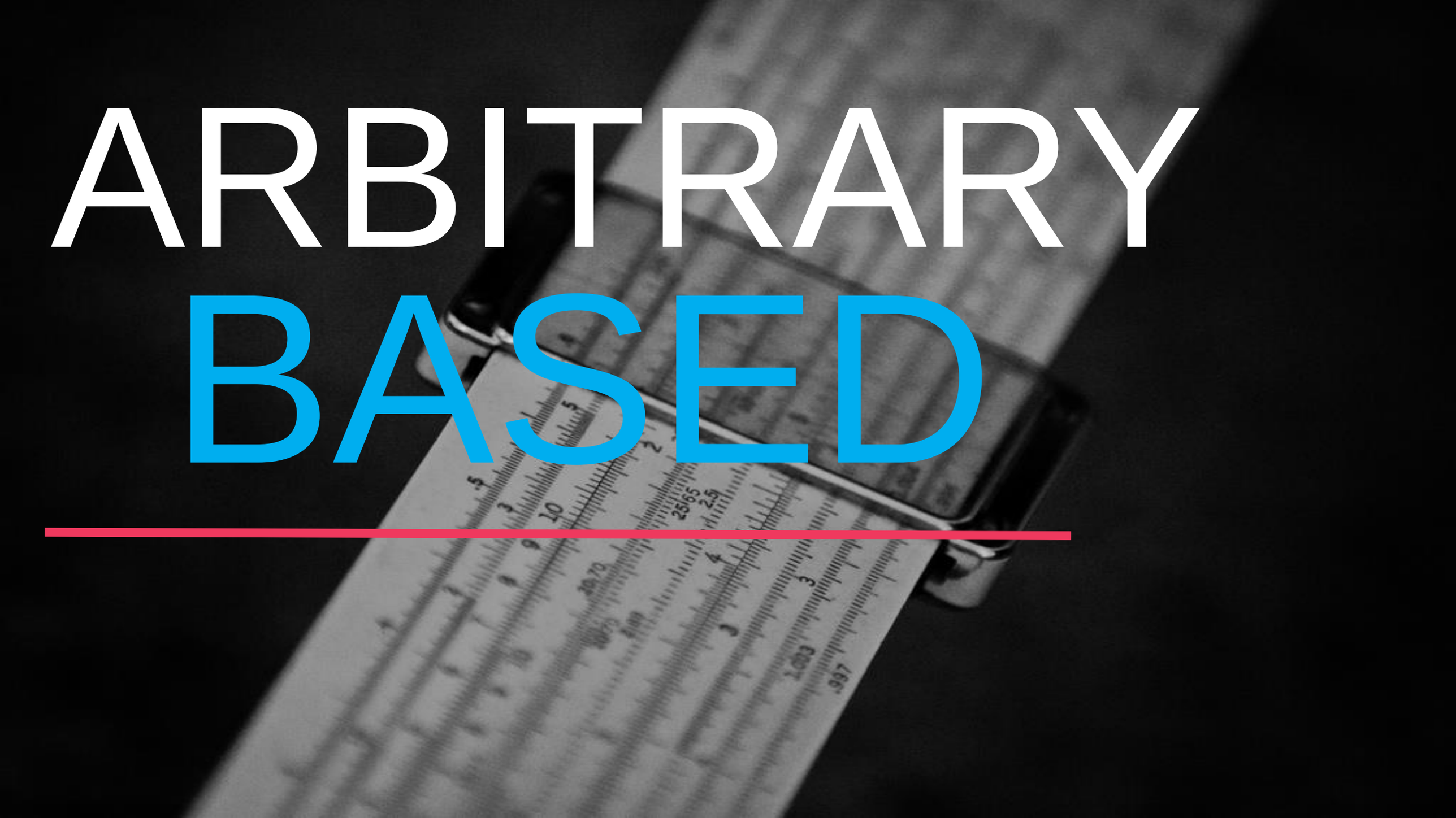
UNIT COST
X UNITS DEPLOYED PER PRODUCT

= CONSUMPTION MODEL OF IT

Apptio TBM Unified Model

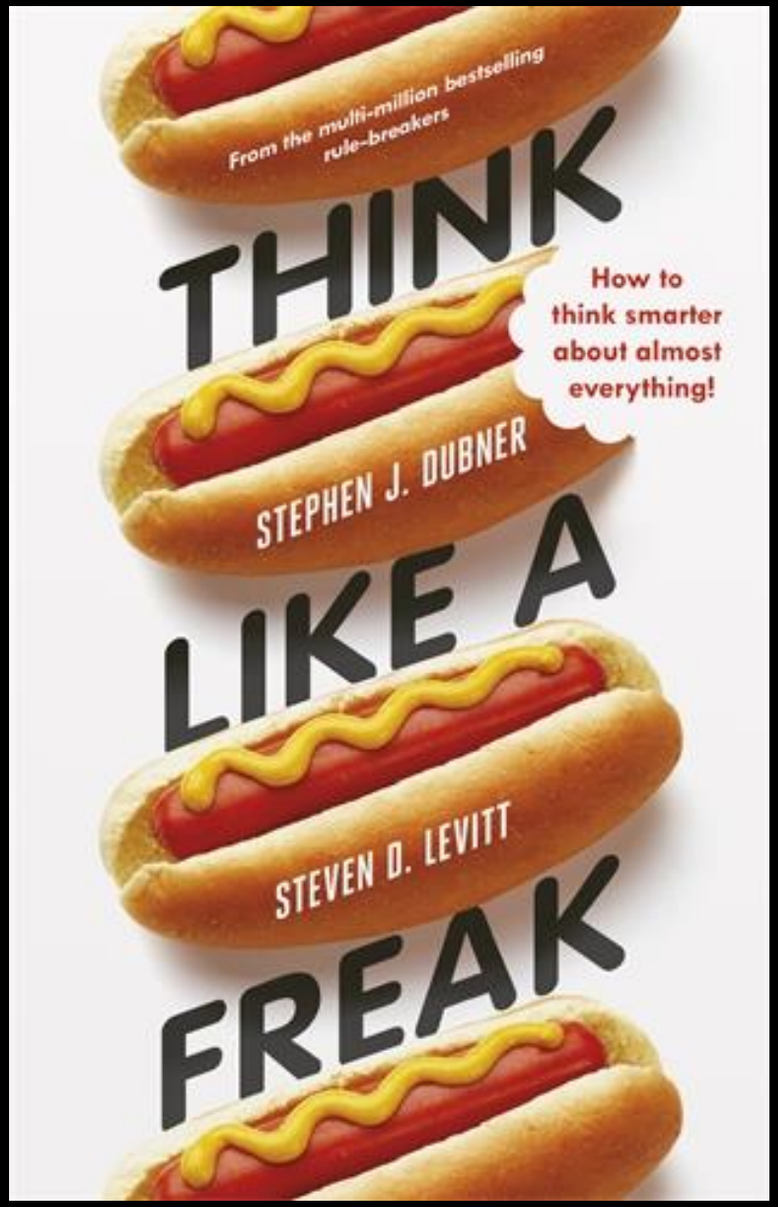
ATUM™

DATA | TAXONOMY | MODEL


ARBITRARY
BASED

CONSUMPTION
BASED

“IT IS EASY TO GET SEDUCED BY COMPLEXITY; BUT THERE IS VIRTUE IN SIMPLICITY TOO”



7 MONTHLY INVOICES

TBM OFFICE

MODEL OWNERSHIP
DATA INTEGRITY
ANALYSIS
EVANGELISM/TRAINING
MONTHLY CADENCE

RESULTS

DATA CENTER STRATEGY

3 OF 5 YEAR PLAN

-2 DATA CENTERS

OCT.
1997

OCT.
2015

MOVED

26,000

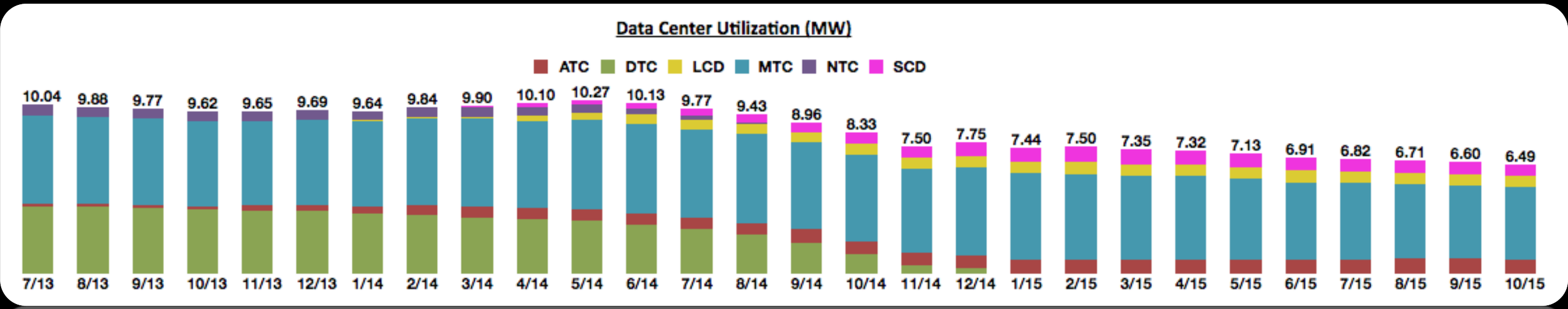
ASSETS

DECOMMISIONED

14,000 SERVERS

37% DROP

CARBON FOOTPRINT



AOL'S MODEL

OPEN SOURCING OUR IT FINANCIAL MODEL

HTTP://ENGINEERING.AOL.COM/TBM

TBM ROADMAP

TOTAL TECH COSTS

TRANSACTIONAL COSTS OF EVERY SUBSYSTEM

BENCHMARKING

THANK
YOU