



TBM CONFERENCE 2017

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**Funding** Innovation

Standards for Managing the Business of IT



TBM COUNCIL

# Committee Charter

- Approved in May 2016 by Board
- Develops long-term strategic vision for standards development
- Facilitates collaboration, consensus with stakeholders (e.g., members, tech advisor/partners, industry pros)
- Facilitates communication about regular Standards Committee work



# Sub-committee Updates

**Metrics: IT & Business Value**  
**White Paper in Review**

**Cloud Standards**  
**IaaS/PaaS Tagging Proposal**  
**SaaS Models Proposal**

**Taxonomy Evolution**  
**Taxonomy 2.1 for RFC Input**

**TBM Adoption**  
**TBM Connect page**  
**Communication Guide**  
**Sample files for data collection**

# TBM Adoption Best Practices



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## TBM Adoption Resource Center

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ASK TBM ADOPTION RESOURCE CENTER

[Ask it](#)

ANSWERED QUESTIONS

 [What advice would you give someone who is just starting?](#)



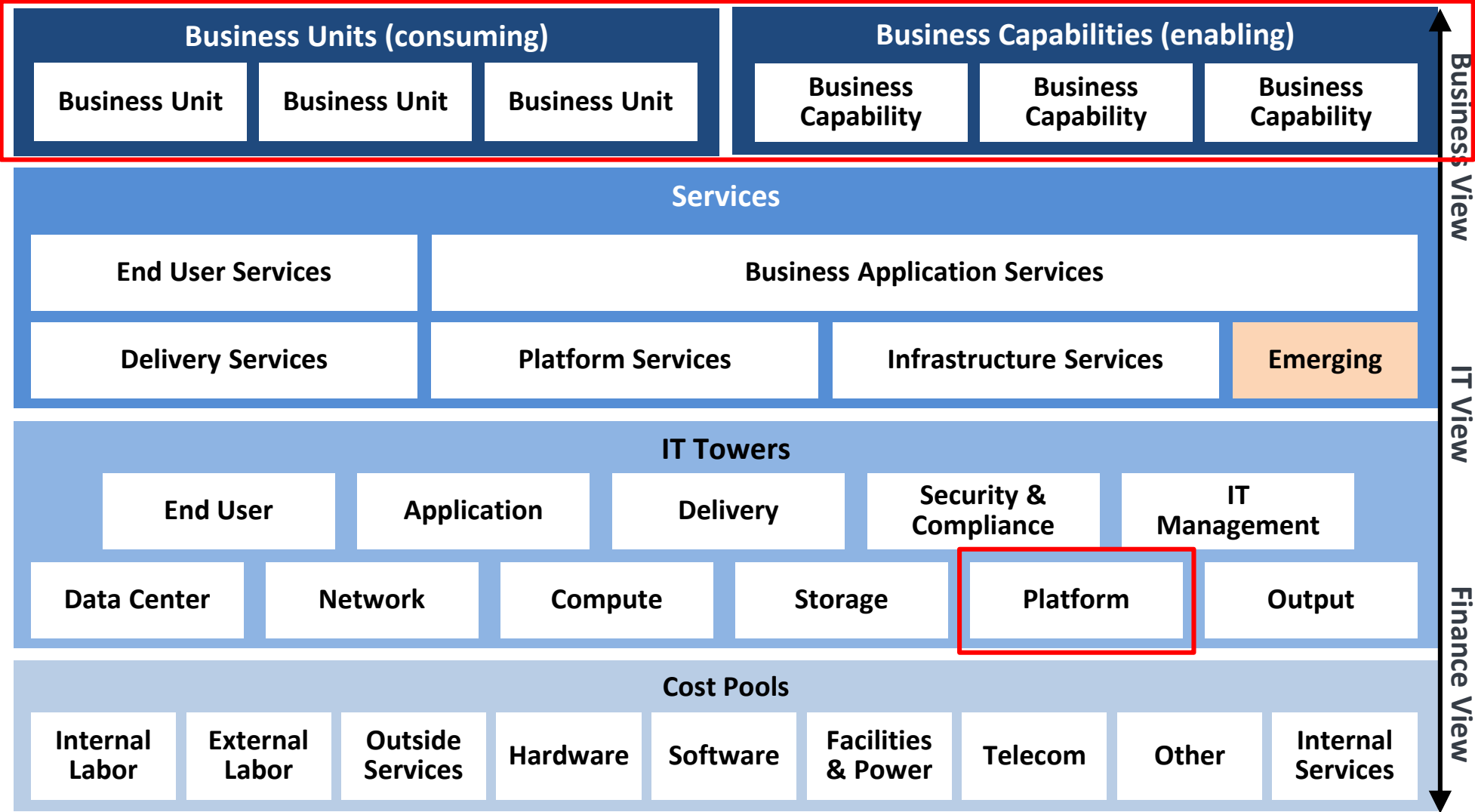
### TBM Adoption 101

Utilize the following resources and tools to strengthen your TBM knowledge and become the TBM subject matter expert within your organization.

ACTIONS

-  [Ask a question](#)
-  [Start a discussion](#)
-  [Write a document](#)
-  [Upload a file](#)
-  [Write a blog post](#)
-  [Create a poll](#)
-  [Create a status update](#)
-  [Create by email](#)

# TBM Taxonomy V2.1 (High Level View)





# Value Metrics

- Draft position paper
- Incorporates background research from numerous sources, including Mitra/Westerman, Weinzimer, Gartner, HBR, TBMC...
- Incorporates several models
  - Taxonomy > Services > BCs > BUs
  - Combined W/M and Taxonomy
- Defines simplistic methodology

## Introduction

**Introduction**

As more companies progress on their T8 framework a common question often arises: Business Value of IT and what metrics to use. The Committee decided to create a working group to provide additional guidance to its members on how to measure it. As part of this project, the group has reviewed materials from partners like: KPMG, ISG and Maryville University. This white paper provides materials about the topic. This white paper is the topic of business value. It is supposed to be used to approach the business value of IT.

### Why companies need to measure

**Why companies need**

Research shows that more than 50% of IT projects fail. One would think that the success rate associated with these investments would be higher. The frustration with IT services and the cost of what I want when I want? Why do we have to live with the fact that IT for the last few decades has been a necessary evil with the business improvement world having been focusing on IT as a conversation with the business or "necessary evil" to business. The biggest source of frustration is that quo is one of the biggest sources of frustration make the leap in terms of metrics.

But why this topic is so important with their customers in a world of efficiencies should be real impacts. One of the defining importance, worth, or value investments the business performance to be able prioritization is not effective.

One good example is to improve customer management. It is granular and better than the usual IT focus and so it was easier to implement it was one of the first to represent the value of support the Manager

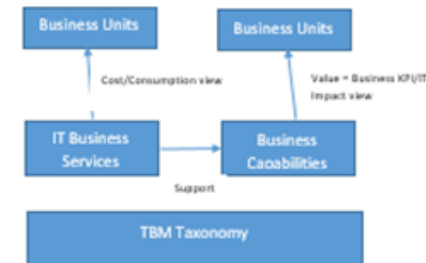
associated costs, and value derived by the business units in performing their activities, across the enterprise value chain.

Due to the complexities described in the previous section, trying to establish business value metrics on a service by service basis will fail in most cases. A better approach is to develop a parallel approach that can fulfill the corporate need to understand IT's cost, while at the same time helping the business better understand the value associated with these services.

As Jason Byrd, KPMG Managing Director - CIO Advisory, described in our interview<sup>19</sup> KPMG recommends that companies look at the TBM taxonomy with this parallel perspective. At the top of their model they have business services (end user or application services) that are consumed by business units. This model addresses the need to provide the corporation with a charge back view recovering IT costs from the business units consuming them.

In parallel with that model there is a business capabilities construct that will reflect the business process for that specific industry. These business capabilities will be supported by several different business services and will be associated with business KPIs associated with the capability

<Add model picture> based on TBM Taxonomy chart (draft idea below)



For example: orders delivered for a logistic business capability or products manufactured with no defects for a manufacturing one. In both examples the IT cost associated with these business capabilities in total can be gathered and then associated with the business KPIs.

In these examples measurements like:

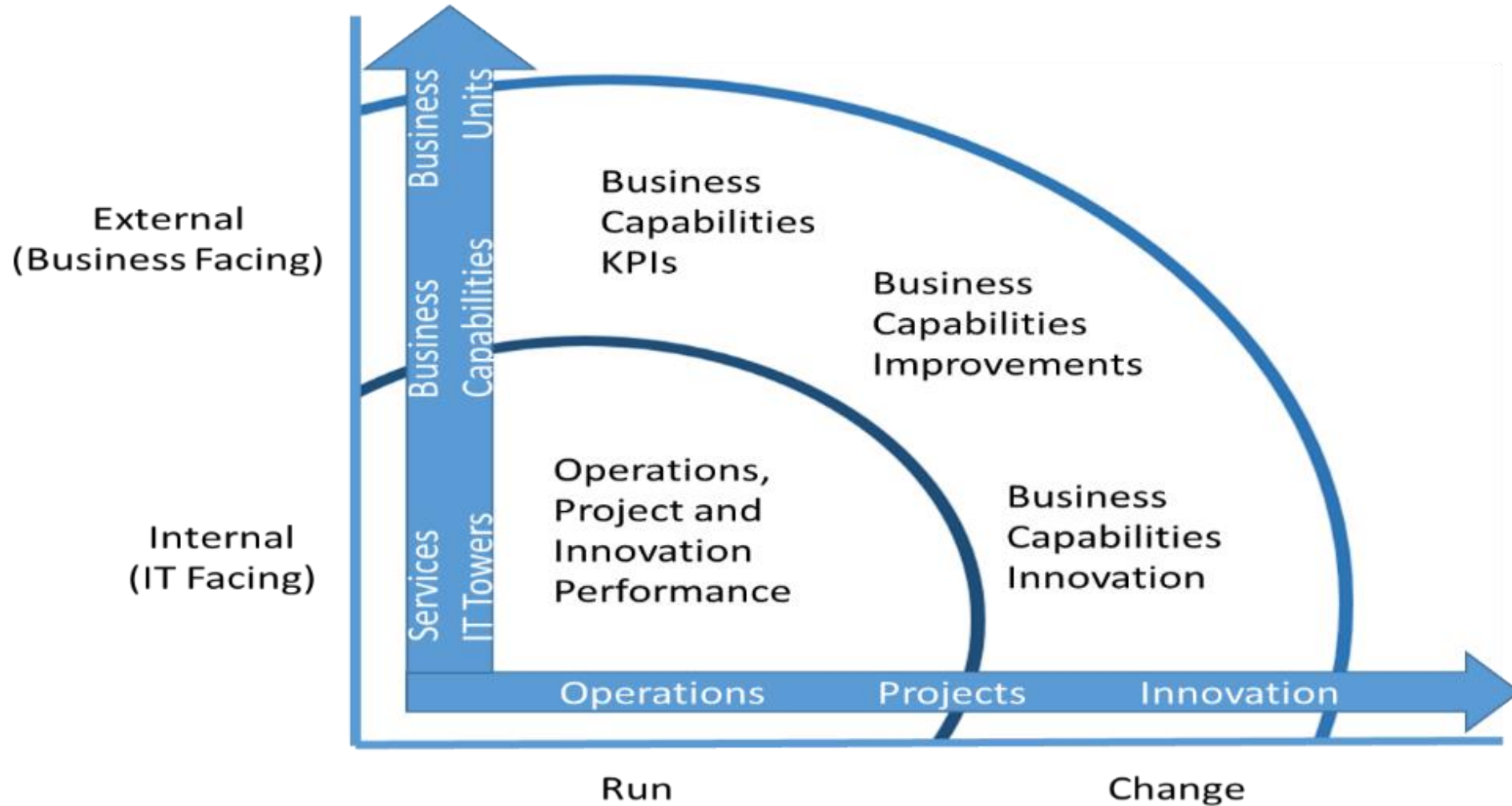
- 1) IT contribution to orders delivery improvement or quality. Examples: IT cost per order trend; IT cost per order quality trend
- 2) IT contribution to defect reduction or manufacturing efficiency. Examples: IT cost per product manufactured trend; IT cost per defect trend

can then be collected driving the conversation on a business deliverable level

The challenge to implement this approach are usually:

<sup>18</sup> Reference KPMG interview

# Value Metrics Conceptual Model (working draft)



# Calls to Action

- TBM Taxonomy 2.1 (pre-board approval) will be posted to TBM Connect next week
- Visit Adoption Resource Center on TBM Connect  
<https://tbmcouncil.jiveon.com/groups/tbm-adoption-resource-center>
- TBM Value Metrics position paper to be released in January
- Email to [ttucker@tbmcouncil.org](mailto:ttucker@tbmcouncil.org) to:
  - Raise your hand to participate in subcommittees or other work
  - Suggest content development (e.g., standards, best practices)
- Keep eye out on TBM Council events page for workgroup formation/meetings