

Welcome!

We'll start shortly...

Meantime, please take **polls 1-2**.
Go to www.menti.com and use the code

1930 4470

<https://www.menti.com/kbdeujat8d>



Mobile QR Code

Polls 1-2

www.menti.com

1930 4470



T B M C O U N C I L

TBM Metrics for Risk Management

Standards Committee Open Forum

August 2021

Introductions

Polls 1-2
www.menti.com
1930 4470



- ▶ **Ed Hayman#**
TBM Architect & Sr Director, Products
Apptio
EHayman@Apptio.com



- ▶ **Todd Tucker**
VP, Standards and Education
TBM Council
TTucker@TBMCouncil.org



- ▶ **Niketa Purandare**
Workgroup Program Manager
TBM Council
NPurandare@TBMCouncil.org

Technical Advisor to the TBM Council Standards Committee

“Modified” Chatham House Rule

Applies to Kick-Off and All Workgroup Meetings

Polls 1-2
www.menti.com
1930 4470

Chatham House Rule

The unmodified Chatham House Rule reads as follows:

When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

Our Modifications

- We will take minutes of the meeting that may identify individuals or their companies. Distribution is limited to board members and management.
- If the TBM Council or our guests wish to publish anything that identifies others, they must get explicit permission from those individuals.

TBMC Antitrust Guidelines

Applies to Kick-Off and All Workgroup Meetings

Polls 1-2
www.menti.com
1930 4470

Guidelines

We've applied the following protocols to minimize the antitrust risks associated with the meeting or function:

- Meetings and functions will follow a prepared agenda; any deviations will be noted in the meeting minutes.
- The TBM Council will prepare meeting minutes summarizing all topics of discussion. The meeting minutes will reflect the names of all attendees, as well as the results of any votes taken.

Please also be sensitive and mindful of antitrust concerns outside of the formal meeting setting, such as during social gatherings, receptions or meals.

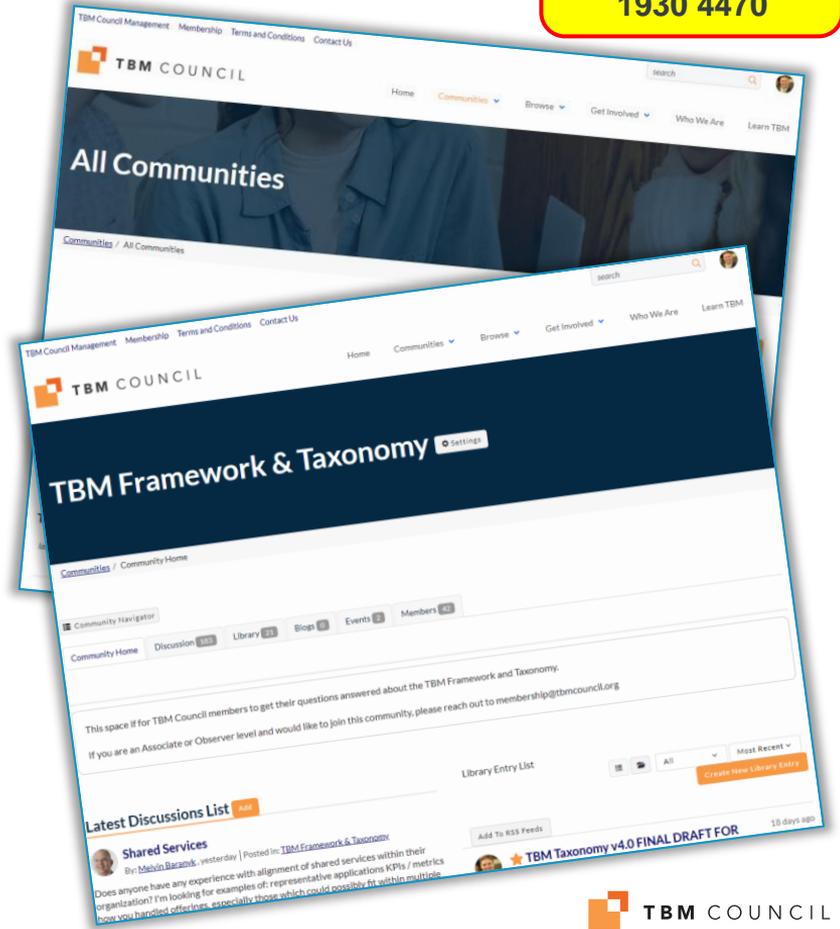
Prohibited Items of Discussion

- Specific prices or terms or conditions of sale where the seller is identified by name
- Specifically received discounts, rebates, service charges, or other terms and conditions of purchases and sales, where the seller is identified by name
- Whether to do business with certain suppliers, or divide up sales among certain suppliers
- Whether to do business with any customers, or divide up sales among certain customers
- Whether to do business with any competitors
- The nature and composition of RFPs in the IT industry
- Complaints regarding the practices of individual firms
- Confidential info regarding future plans or offerings

Reminder: Where to Find Content

Polls 1-2
www.menti.com
1930 4470

- ▶ You can find the Taxonomy documents (PDF and PowerPoint slides) in the “**TBM Framework & Taxonomy**” community at community.tbmcouncil.org
- ▶ You must join the community and then you can access the library.



Today's Focus Areas

- ▶ TBM Metrics for Risk Management
- ▶ Update on State of TBM Research



Polls 1-2
www.menti.com
1930 4470



TBM Metrics for Risk Management

Ed Hayman



TBM COUNCIL

Why Use TBM Metrics?

To enable performance improvement:

- ▶ Set goals
- ▶ Look at actual data
- ▶ Act on results

Putting a metrics program into action:

- ▶ Set targets annually
- ▶ Track metrics monthly
- ▶ Govern quarterly

Aligning TBM Metrics to Business Goals

Increase Customer Satisfaction

Drive retention

Increase Innovation

Drive revenue

Increase Speed to Market

Drive competitive advantage

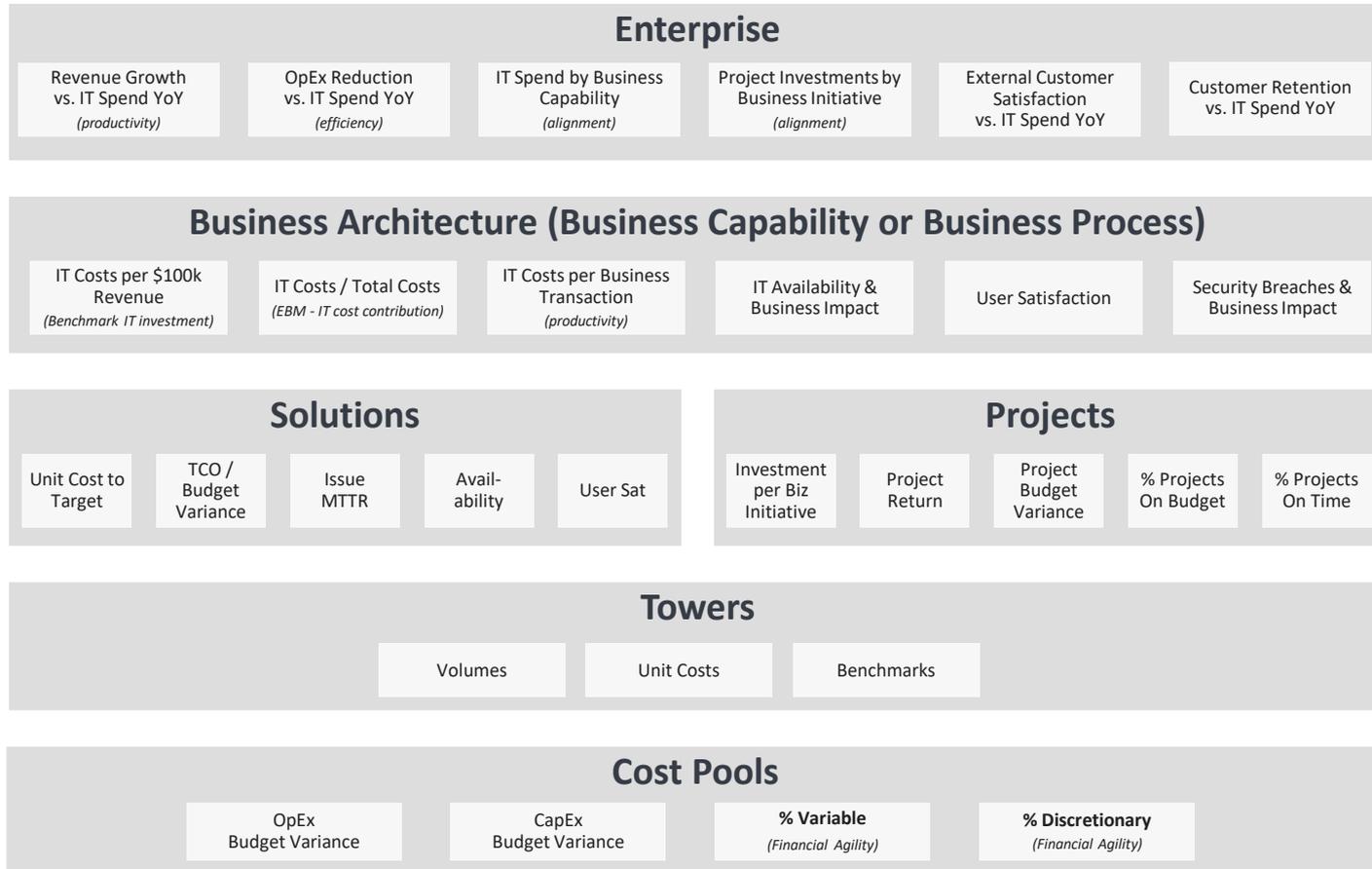
Increase Efficiency

Drive margins

Manage Risk

Protect the brand

Metrics Aligned to TBM Taxonomy



Increasing Value

Manage Risk

Ability to measure and mitigate myriad types of risk including security, technology, sourcing and financial.

Manage Risk

- ▶ # of security or data breaches requiring manual intervention
- ▶ # of technology solutions not adhering to standards
- ▶ % headcount to plan
- ▶ % of assets <12 months until end-of-life
- ▶ % of major software licenses in audit compliance
- ▶ % of staff with required competency
- ▶ Amount of productivity lost to major incidents
- ▶ Amount of revenue lost to major incidents
- ▶ % annual IT variance to plan

of security or data breaches requiring manual intervention

Attribute	Data
Description	Measures the number of security breaches that required a manual intervention to remediate the intrusion. Excludes intrusions that were identified, blocked and remediated automatically.
Primary Persona	OCIO
Audience	Internal
TBM Layer	IT Resource Towers
Maturity	3-Best
Rationale / Actions to Improve	Any security breach is a major issue and should be tracked at an individual level to identify source, determine root cause and remediate any vulnerabilities in people, process or technology.
Calculation	Single # = # of security and data breaches Zero is the desired goal.
Data Required	# of security and data breaches; intervention taken

of technology solutions not adhering to standards

Attribute	Data
Description	Measures the percent of new IT solutions that use technology not on the organization's roadmap or outside of the organization's technology strategy.
Primary Persona	PMO
Audience	Internal
TBM Layer	Projects
Maturity	2-Better
Rationale / Actions to Improve	Make sure there isn't a proliferation of exceptions, non standards, multiple "enterprise" standards. Want to minimize cost, complexity and risk.
Calculation	$= \frac{\text{\# of non-standard applications (service offerings)}}{\text{total number of applications (service offerings)}}$ 0% is the desired target
Data Required	Project/Initiative Data Technology standards Assessment of projects/primarily technology solutions meeting standards

% headcount to plan

Attribute	Data
Description	Measures the percent difference between the planned headcount to the actual headcount.
Primary Persona	IT Finance
Audience	Internal
TBM Layer	Cost Pool
Maturity	1-Good
Rationale / Actions to Improve	Is IT hiring staff to expected plan? If not, what are the risk to operations or new initiatives? Is the lack of staffing driven by financial considerations or challenge finding and hiring desired candidates? If recruiting challenges, consider best practices in recruiting such as: building a culture of recruiting; advertise targeted job announcements via social media networks; target entry level & internship programs.
Calculation	$(\text{Employees Onboard} + \text{Obligations}^*) / \text{FTE Headcount Plan}$ *obligations = pending job offers 100% is the desired target
Data Required	<ul style="list-style-type: none">» FTE headcount plan for the FY» Number of onboard FTE» Number of pending job offers

% of assets <12 months until end-of-life

Attribute	Data
Description	Measures the percent of infrastructure assets that are projected to reach their end-of-life or end-of-support within the next 12 months.
Primary Persona	I&O
Audience	Internal
TBM Layer	IT Resource Towers
Maturity	3-Best
Rationale / Actions to Improve	Is technology obsolescence forecasted and included planned initiatives and budgets? Lack of planning can be a technology risk (e.g. unplanned downtime), compliance risk, delivery risk (impact other desired programs) and financial risk (requires unplanned expenditures).
Calculation	Total number of active assets with an EOL date < 12 months / Total number of active assets Typically would do this at a tower level (e.g. servers, storage devices, network equipment, software, etc.) 0% is the desired target
Data Required	<ul style="list-style-type: none">» Number of active assets including spares (exclusive of retired or missing assets)» Manufacturer's projected end-of-life (EOL)

% of major software licenses in audit compliance

Attribute	Data
Description	Measure the percent of software contracts where the number of named or actual users are within the allowed license terms and usage.
Primary Persona	Infra/App/Service Owner
Audience	Internal
TBM Layer	IT Resource Towers
Maturity	2-Better
Rationale / Actions to Improve	<p>Avoid paying for unused license capacity and/or unanticipated license costs and resulting budget impacts due to audit findings.</p> <p>Actions to improve include: 1. Be Clear on Contract Terms and Penalties2. Understand User License Definitions3. Maintain Policies and Procedures for Compliant Software Usage4. Bring in Specialist Help When Required5. Keep Detailed, Accurate Records of Software Licensing and Usage6. Establish a Single Source of Truth for Software License Compliance7. Measure Your Real Software Discovery Coverage8. Streamline Your Sourcing Channels for Software Purchases9. Understand What Triggers an External Software Audit10. Conduct Regular Internal Compliance Audits</p>
Calculation	<p># of software packages compliant with licensing terms / Total # of software packages</p> <p>100% is the desired target</p>
Data Required	<ul style="list-style-type: none"> » Proof of ownership/right to use » License type determination identification (e.g., enterprise, concurrent user, appliance, user, named user) » A Software License Management (SLM) plan to monitor/maintain your org's software licenses. » Audit logs

% of staff with required competency

Attribute	Data
Description	Measures the percentage of IT staff that have attained their required competency through training and experience.
Primary Persona	OCIO
Audience	External
TBM Layer	Cost Pool
Maturity	2-Better
Rationale / Actions to Improve	Does IT have the right people with the right skills in the right roles? Without the right domain knowledge and experience, technology operations and new programs may be at risk. Action items include: 1) identifying needed skillsets, 2) assessing current staff capabilities, 3) providing learning and experience opportunities, 4) hiring external resources to fill gaps.
Calculation	$\frac{\text{\# of employees with required competency for role}}{\text{Total \# of employees}}$ Alternative: $\frac{\text{\# of competencies achieved}}{\text{Total \# of required competencies}}$ 100% is the desired target
Data Required	<ul style="list-style-type: none">» Custom report from HRMS; or» List of IT employees per department by role» Manager assessment of IT employee competency to required skills

Amount of productivity lost to major incidents

Attribute	Data
Description	Measures the impact of system outages in productivity terms, specifically, the estimated business activity hours lost for affected users. Alternatively, the hours lost can be converted to a monetary number based on average rates.
Primary Persona	Infra/App/Service Owner
Audience	External
TBM Layer	Apps & Services
Maturity	2-Better
Rationale / Actions to Improve	Tracking and communicating lost productivity due to system downtime and unplanned outages can help justify needed investments to non-IT decision makers and others. This is especially true for “back-office” systems that are often deprioritized in favor of revenue and customer facing solutions.
Calculation	$(\# \text{ of impacted users}) \times (\$x \text{ avg hourly rate}) \times (\text{productivity impact factor}) = \$z \text{ per hour of cost impact}$ 0 is the desired target
Data Required	<ul style="list-style-type: none">» Number of impacted users» Average hourly rate for users of the affected organization (as identified by the affected organization)» The loss of productivity to the affected users (per the affected organization, range from 10% - 100%)

Amount of revenue lost to major incidents

Attribute	Data
Description	Measures the impact of system outages in monetary terms, specifically, the estimated loss in revenue for customer or product related business capabilities.
Primary Persona	Infra/App/Service Owner
Audience	External
TBM Layer	Apps & Services
Maturity	2-Better
Rationale / Actions to Improve	Tracking and communicating the cost of downtime can help justify the cost of needed investments to non-IT decision makers and others.
Calculation	$(\# \text{ of hours impacted}) \times (\# \text{ of transactions per hour when fully operational}) \times (\$ \text{ avg per transaction})$
Data Required	<ul style="list-style-type: none">» Duration of outage» Number of transactions performed when fully operational» Average value of a system transaction

% annual IT variance to plan

Attribute	Data
Description	Measures the percent difference between the planned annual operating budget and the actual annual operating expenditures. A secondary metric for the capex budget variance may also be used.
Primary Persona	IT Finance
Audience	Internal
TBM Layer	Cost Pool
Maturity	2-Better
Rationale / Actions to Improve	Has IT adjusted its spend forecast through end of fiscal year to meet current approved plan? Budget variance surprises can have an impact to quarterly and/or annual reporting. Note, a significant negative variance (e.g. under spend) is not good since the financial resources could have been re-allocated to other areas in the organization.
Calculation	<p> $\\$:$ $(\text{Annual Budget} - \text{Actuals} + \text{Remaining Forecast}) / \text{Annual Budget}$ $\%:$ $(\text{Actuals} \& \text{Remaining Forecast}) / \text{Annual Budget}$ </p> <p>0% is the desired target</p>
Data Required	» Projected and actual OpEx & CapEx budget amounts

Let's Go to Polls

Please take **polls 3-5**.
www.menti.com

1930 4470

<https://www.menti.com/urxqv7wcuw>



State of TBM 2021

Todd Tucker



TBM COUNCIL

State of TBM Research

- ▶ Survey of TBM Leaders
- ▶ Interviews of TBM Leaders, Exec Sponsors, and Advisors
- ▶ Assesses TBM Adoption, Challenges and Benefits
 - Transparency, Benchmarking, Billing/Showback, Planning
 - Agile-at-Scale Enablement (Lean Portfolio Management)
 - FinOps and Cloud Cost Management (including SaaS)
- ▶ Results and report published at TBM Conference 2021

TBM COUNCIL
TBM Council Research: State of TBM 2021

Company and Respondent Profile
The following questions provide important context about you (the respondent) as well as important data needed for cross-tabulations (e.g. adoption by industry, geography, company size).

NOTE: You may Save and Continue this survey at any time. See upper right hand corner of the page.

1 Who are you?
(Please complete if you want to receive your response by email OR the customized benchmark report at the completion of the research project OR if you wish to be interviewed by the TBM Council's research director for the report.)

First Name Last Name

Company Name

Email Address

TBM COUNCIL
TBM Council Research: State of TBM 2021

Participant Survey
Thank you so much for completing this important survey. This survey has been developed and is administered by the Technology Business Management Council, a non-profit subsidiary of Adeptis governed by a board of directors comprised of industry CIOs, CTOs and CFOs. The mission of the TBM Council is to develop and promote standards and best practices for ensuring technology investments deliver the most impactful business outcomes. This research is an important part of our mission.

Technology Business Management, or TBM, is the set of professional disciplines, tools and data for creating transparency and accountability for technology consumption, cost, and performance and for measuring and optimizing the business outcomes enabled by your technology investments and spending. Rooted in IT financial management, TBM often involves key stakeholders from among technology, line-of-business and corporate decision makers.

Respondents should have a good understanding of their tech their clients and can obtain the requisite knowledge. If you are unsure, please reach out to us for assistance.

Your responses will help us measure and report on the degree to which your organization is adopting TBM. This is a detailed research survey, and should take you between 15-20 minutes to complete.

We are using the following terms and definitions throughout the survey:

- A customized benchmarking report at the completion of the survey for TBM and more generally, value creation
- Invitation to a participants-only virtual meeting to discuss secondary research performed.
- Participants holding or earning their Certified TBM Estimator (CTBE) certification
- Lastly, Finally, the TBM Council will donate \$25 for each survey completed.

• TBM Office - your TBM team or practice, which may be internal or external to the organization.
 • Your technology department - the technology division within the organization.
 • Your company - the corporation, government agency, or other organization.
 • Your business partners - the company-external service providers.

Your responses will be kept strictly confidential and used only for the purposes of the survey.

9. Which of the following are the most important business priorities for your technology department? And which are the most important priorities for your TBM office or program (or equivalent)? (Choose up to 4 each)

	Technology Department Priority	TBM Office/Program Priority	Total Checks
Reduce technology costs (improving technology efficiency)			
■ Crawling	12	12	24
Checks	50.0%	50.0%	
Row Check %			
■ Walking	12	12	24
Checks	50.0%	50.0%	
Row Check %			
■ Running	7	6	13
Checks	29.2%	42.2%	
Row Check %			
■ Flying	0	1	1
Checks	0.0%	100.0%	
Row Check %			
Total Checks	31	31	62
% of Total Checks	50.0%	50.0%	100.0%
Reduce business costs (improving business efficiency)			
■ Crawling	5	13	18
Checks	27.8%	72.2%	
Row Check %			
■ Walking	8	8	16
Checks	50.0%	50.0%	
Row Check %			
■ Running	9	3	6
Checks	55.0%	50.0%	
Row Check %			
■ Flying	0	1	1
Checks	0.0%	100.0%	
Row Check %			

Survey Design

Modules

Big Questions to Answer

1 Company and Respondent Profile

Gathers important context about the respondent and the respondent's company (or client) as well as important data needed for cross-tabulations (e.g., adoption by industry, geography, company size).

2 TBM Program Goals and Maturity

Assesses the priorities, location, size, and other aspects of the respondent's TBM office and program-related success factors. Gathers data about age of the TBM office and the respondent's assessment of maturity (crawling, walking, running, flying).

3 Technology Business Model

Ascertains the role of the respondent's technology department within the company. For example, are they a shared service provider, a line-of-business technology department, or a product-centric team. Gathers info about public cloud adoption and how funding levels are set.

4 Cost Transparency & Accountability

Assesses how respondents are reporting on and creating accountability for technology consumption, costs and performance. Gathers outcomes sought or achieved from TBM, regularity of reviews, and barriers for success.

5 Business Demand and Portfolio Management

Seeks to understand how respondents are collaborating with their business partners on shaping and assessing business demand and planning for the future. Assesses software development practices (waterfall vs. agile) and the use of agile-at-scale frameworks for planning and execution.

6 Business Impact and Value Management

Assesses respondent's approach for managing the impact that investments are having on business outcomes. Looks at usage of value metrics (including OKRs) and impact of TBM specifically on efficiency (cost to serve) and improvements in funding levels and other outcomes.

7 Future of TBM and Wrap-Up

Assesses where respondents are headed with TBM, including where they anticipate investing more, less, or the same in TBM-related capabilities. Gives respondents the chance to share their perspective on the future of TBM at their organization.

Early Results from the First 50

Runners and Flyers vs. Crawlers and Walkers

- ▶ Runners + Flyers (vs. Crawlers + Walkers) more likely to exhibit hallmarks such as:
 - Have invested in TBM-specific training for their people (100% vs. 42%)
 - Have an effective or partly effective TBM governance group in place (57% vs. 28%)
 - Use purpose-built TBM software solutions (86% vs. 44%)
 - Maintain an up-to-date TBM roadmap (86% vs. 40%)
 - Have strong TBM partnership in place between Finance and Tech (IT) (71% vs. 16%)
 - Report that TBM is an essential or important part of how they operate and evolve their technologies (100% vs. 43%)
 - Report significant use (adoption) of the standard TBM Taxonomy (83% vs. 50%)

- ▶ They're also more likely to report benefits such as:
 - Have accelerated or streamlined budgeting processes (83% vs. 32%)
 - Report that funding approach results in good or adequate investment decisions for their businesses (100% vs. 48%)
 - Report moderate to significant improvement in cost efficiency of running the business (72% vs. 28%)
 - Report moderate to significant improvement in funding change-the-business investments (80% vs. 9%)

How To Participate

- ▶ What participants receive:
 - Custom benchmark report for all participants (delivered in November 2021)
 - Invitation to participants-only roundtables to discuss results
 - \$25 donation to Girls Who Code on your behalf
 - CTBMEs get 2 hours of Continuing Professional Education credit
- ▶ Take the survey here: <https://bit.ly/TBM-State-2021>
 - 25- to 30-minute survey for TBM and ITFM leaders
 - Most questions are very easy and quick to answer
 - Report delivered at TBM Conference 2021
- ▶ Direct questions to Research@TBMCouncil.org

Wrap-Up

Upcoming Activities!

<https://bit.ly/TBM-State-2021>

- ▶ **State of TBM 2021 Survey is ongoing...**
 - 25- to 30-minute survey for TBM and ITFM leaders
 - Custom benchmark report for all participants
 - Report delivered at TBM Conference 2021
- ▶ TBM Conference 2021 registration is open:
 - www.TBMConference.org
- ▶ Upcoming classes:
 - Executive Primer (2 hour, open to all | Aug 31)
 - TBM Exec Foundation (16 hours | Sept 20-23)
 - TBM Exec Foundation (16 hours | Sept 28- Oct 1)

Head over to the “Events” section on tbmcouncil.org for all events and education!

The image shows three overlapping screenshots of the TBM Council State of TBM 2021 survey form. The top screenshot shows the introductory text and the survey's purpose. The middle screenshot shows the 'Company and Respondent Profile' section, including a dropdown for 'I who am you?' and a form for 'First Name' and 'Last Name'. The bottom screenshot shows the 'Technology Business Model' section, which includes a question about the respondent's role in the technology department and a question about the company's technology organizational model.

TBM COUNCIL
TBM Council Research: State of TBM 2021

Participant Survey
Thank you for agreeing to completing this important survey.
This survey has been developed and is administered by the [Technology Business Management Council](#), a non-profit subsidiary of Apollo governed by a [board of directors](#) comprised of industry CIOs, CTOs and CFOs. The mission of the TBM Council is to develop and promote standards and best practices for ensuring technology investments deliver the most impactful business outcomes. This research is an important component of our mission.
Technology Business Management or TBM, in the set of professional disciplines, tools and data for creating transparency and accountability for technology consumption, cost, and performance and for measuring and advancing the business outcomes enabled by your technology investments and spending. Rooted in IT financial management, TBM often involves key stakeholders from among technology, line-of-business and corporate decision makers.
Respondents should have a good understanding of their technology department's TBM practices, their technology department's budget, and other high-level facts about the technology department. Consultants or advisors are welcome to submit on behalf of their clients, assuming they have permission from their clients and can release the research knowledge. If you wish to see the entire survey before beginning, you may download the [survey spreadsheet](#).
Your responses will help us measure and report on the degree to which TBM standards and best practices are adopted by enterprises and government agencies around the world.
This is a detailed research survey.
• A customized benchmark report generated, which includes:
• Invitation to a participants performance
• Participants making an entry
• Lastly, thank the TBM Council.
We are using the following terms:
• TBM Office - your TBM team
• Your Technology Organization
• Your Company - the entity
• Your Business Model
Your responses will be kept secure.

TBM COUNCIL
TBM Council Research: State of TBM 2021

Company and Respondent Profile
The following questions provide important context about you (the respondent) as well as important data needed for cross-comparisons (e.g., adoption by industry, geography, company size).
NOTE: You may Save and Continue this survey at any time. See upper right hand corner of the page.
Please complete if you want to receive the customized benchmark report at the conclusion of the research project OR if you wish to be interviewed by the TBM Council's research director for the report!
1. Who are you?
First Name: [text box] Last Name: [text box]
Job: [text box] Title: [text box]

TBM COUNCIL
TBM Council Research: State of TBM 2021

Technology Business Model
The following questions ascertain the role of your technology department within your company.
NOTE: You may Save and Continue this survey at any time. See upper right hand corner of the page.
19. According to your technology department's executive leadership (e.g., CIO, CTO), to what degree is Technology Business Management a part of your technology department's technology operating model and strategy?
 Essential: TBM is a fundamental part of how we operate and evolve our technologies
 Important: TBM is a valued part of how we operate and evolve our technologies
 Optional: TBM is a stream part of how we operate and evolve our technologies, but we could do so without TBM
 Uncertain: We are evaluating the role TBM plays in how we operate and evolve our technologies
Comments: [text box]

20. Which of the following best describes your company's technology organizational model?
Choose all that apply.
 Centralized: most technology is provided to a single organization
 Distributed: most technology is provided by the lines of business
 Federated: many technologies are delivered from a central organization, while many are provided by/built by the lines of business

21. Who does your technology department primarily serve directly?
Choose all that apply.
 Line-of-business entities (general configuration)
 Line-of-business application teams
 Corporate entities
 Corporate application teams
 Customers external to the enterprise
 Partners external to the enterprise
 Other - enter in [text box]

22. Which of the following types of services, applications and/or products does your technology department provide?
Choose all that apply.
 Infrastructure and Platform Services
 Workplace Services, such as office suites, email/messaging/calendar, and mobile

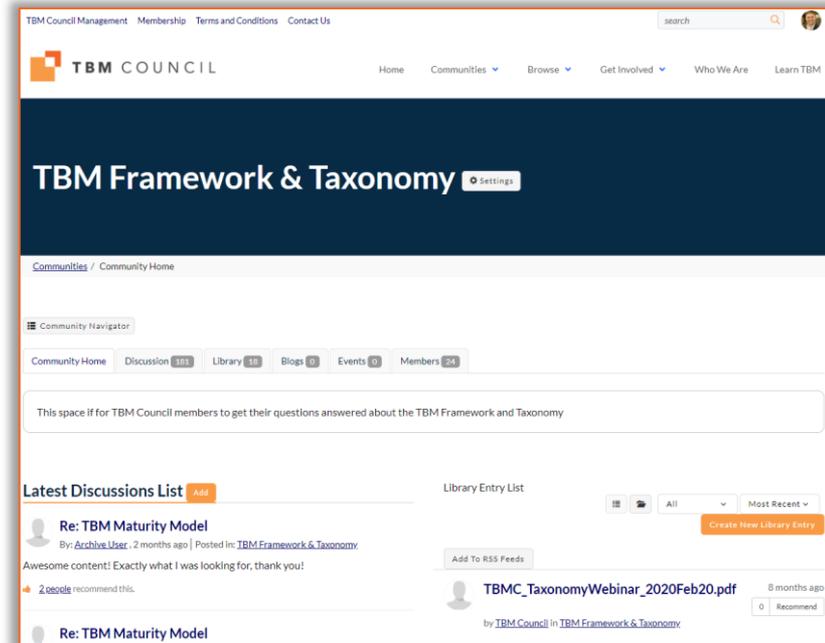
Wrapping Up

- ▶ Thanks for joining us today!
- ▶ Please engage with us online: **TBM Framework & Framework Community** on **TBMCouncil.org**:

<https://community.tbmcouncil.org/communities/allcommunities>

NOTE: TBM Council membership required. Sign-up at: <https://community.tbmcouncil.org/membership>

We will post this and past meeting deliverables there.



Community Space for Taxonomy-Related Content
(see library)

Thank You!

See you in August!



TBM COUNCIL