

Clearly Communicating IT Investment Costs

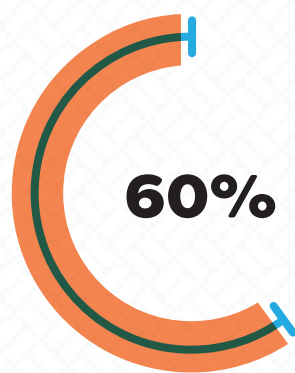
US federal agencies spend upwards of \$78 billion each year on IT infrastructure and services. Yet until recently, there's been no way to account for ROI.

Part of this problem? A struggle to communicate about the value of IT investments and costs in the public sector.

Read through our infographic to see where, according to a GovLoop survey of 250 public sector employees, government is struggling in communicating IT costs; how an approach called Technology Business Management (TBM) can change that; and how these efforts can help agencies meet FITARA mandates.

GovLoop Survey Results on IT Investment & Communication

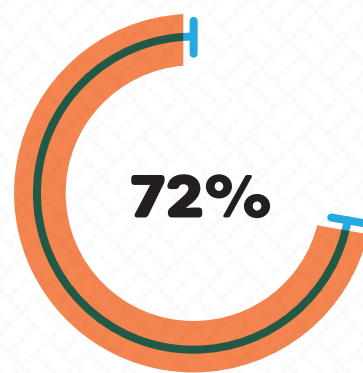
FITARA is U.S. legislation that expands and centralizes federal CIO control over IT investments. But recent scores for progress towards the Federal IT Acquisition Reform Act (FITARA) showed need for improvement.



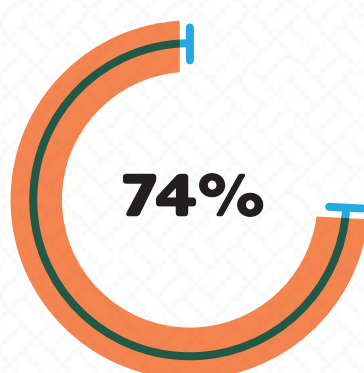
Believe their agency does not have a clear understanding of how much IT is being purchased or at what cost



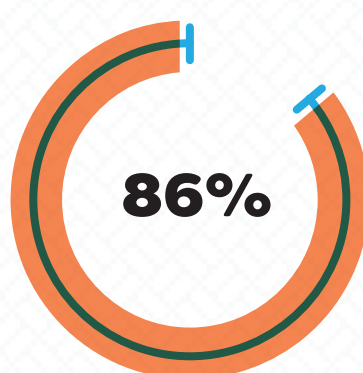
Said leaders and stakeholders only see technology expenses as basic IT costs instead of as important investments that empower the overall agency mission



Feel their agency's non-technical leaders do not have a clear understanding of the value of IT purchases and investments



Feel there is not clear communication between non-technical leaders and the IT department about agency IT needs and costs



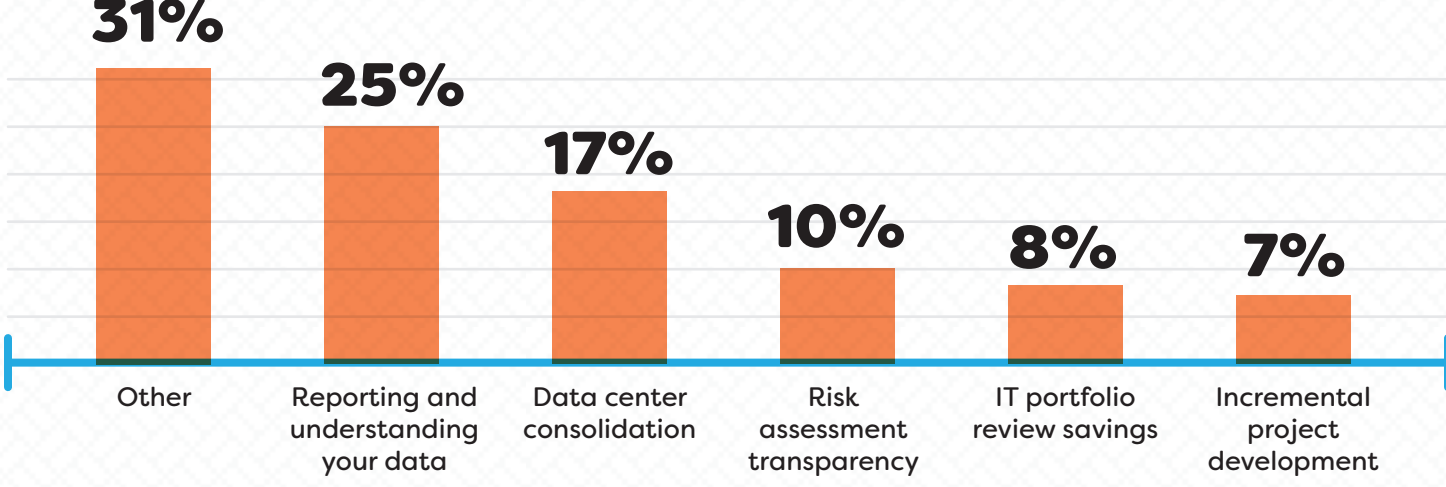
Believe that clear communication to nontechnical leaders about IT investments and needs is important to develop

Lack of Clear Communication Makes It Hard to Meet FITARA Mandates

55%

Said they face challenges in implementing FITARA requirements

What has been the most difficult challenge of FITARA for your agency to make progress on?



Most U.S. agencies earned Ds or Fs due to lack of progress on four FITARA challenges:



Data center consolidation



IT portfolio review savings



Incremental project development



Risk assessment transparency

What is TBM?

Federal IT leaders can boost their scores and build a strong FITARA foundation by leveraging an approach called Technology Business Management (TBM).

TBM enables IT to manage its business, deliver cost-effective services and partner to create value. It is a decision-making framework for making fact-based tradeoffs of cost, consumption, capacity, performance, features, benefits and risk of IT services.

The 10 Core Tenets of TBM



Position for Value



Continuously Improve



Create Transparency



Shape Business Demand



Deliver Value for Money



Plan & Govern



Cost for Performance



Investment in Innovation



Business-aligned Portfolio



Enterprise Agility

TBM includes working with federal IT leaders to adapt key learnings and standards to government needs and FITARA requirements so they can answer crucial questions:



Spend

How is spend distributed across core IT functions and what are the top drivers?



Demand

Who are my top consumers of IT resources, and what are they costing the organization?



Optimization

What are the top opportunities to cut costs by consolidating data centers or vendor contracts?



Portfolio

What is my fully-loaded cost to build and run all of the applications and services in my portfolio?

Apptio's TBM automates the delivery of insights into the cost, quality and value of public-sector IT investments through powerful business analytics.

For more information about Apptio TBM applications for public sector IT leaders visit apptio.com/get-started.

For more best practices to communicating IT costs, download the **Federal IT COST Commission** report.

