



Office of the Chief Information Officer

April 25, 2013

FMAC Technical Session

Apptio and Technology Business Management



Bob Zych, TBM Program Manager
Office of the Chief Information Officer

FMAC 2012 – Improving IT Financial Mgt.

An Evaluation of Washington State's Approach to Information Technology

Prepared for:
Information Technology Work Group
June 24, 2009

Pacific Technologies, Inc. Practical Planning. Positive Change.

State of Washington
Agency Total Cost of IT Ownership Assessment

DRAFT Final Report
Version 1.6

Prepared for: State of Washington

GARTNER CONSULTING
WASHINGTON, 98101-3127

State Auditor's Office - IT Services and Cost Study

**IT PERFORMANCE AND COST STUDY
FINAL REPORT**
December 15, 2009

Requirement	Data Provided to Meet Requirement	Data Source
Current (actual) IT Expenditures	Statewide and by agency for FY12 and FY13, by object of expense, Project X & Y, and IT FTE's	Agency Financial Reporting System (AFRS)
Proposed (budgeted) IT Expenditures	Statewide and by agency for FY12 and FY13, by object of expense, Project X & Y, and IT FTE's	AFRS

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5931

62nd Legislature
2011 1st Special Session

Specific IT Budget Statutory Requirements (ESSB 3178, Section 3)

OFM shall collect from agencies, reports, summaries, and budget detail in detail sufficient to allow review, analysis, and documentation of **all current and proposed expenditures** for information technology. This information shall be submitted as part of the OFM budget submittal required by RCW 43.88.030.

SSB 5891 Passed the Senate in April

An Evaluation of Washington State's Approach to Information Technology

Prepared for:
Information Technology Work Group
June 24, 2009

State of Washington Agency Total Cost of IT Ownership Assessment

DRAFT Final Report
Version 1.6



Gartner

SENATE BILL REPORT SSB 5891

As Passed Senate, April 5, 2013

Title: An act relating to state technology expenditures.

Brief Description: Concerning state technology expenditures.

OCIO must coordinate with state agencies with an annual IT expenditure that exceeds \$10 million to implement an IT business management program to monitor financial performance and identify savings and efficiencies.

knowledge powering results

Services and Cost Study

COST STUDY

Requirements

3)

es, and budget detail in
mentation of all current
ology. This information
nitial required by RCW

43.88.030.

Requirement

Current (actual)
Expenditures

Proposed (budget)
IT Expenditures

From Gartner TCO to TBM

- 39 agencies examined with IT spend of \$596m
- The Gartner TCO study showed the state is about average compared to peers.
- TCO identified State's best opportunity is helping agencies to improve their IT organizations' performance.
- TBM provides a tool agencies may use to improve IT service performance.
- One indicator of successful TBM implementation will be a demonstrable shift from O&M to new development.

Taxonomy – IT Resource Towers

IT Resource Tower	IT Resource Sub-Towers
1. Data Center	Data Center
2. Data Network	WAN, MAN, DC LAN, Office LAN, Internet
3. Voice Network	Voice WAN, Voice Premise, Advanced Call Center
4. Compute	Servers, Cloud, Mainframe
5. Storage	Enterprise, Mainframe, Backup/Archive Storage
6. Database	Database, Mainframe
7. Application	Development, Support, Middleware, QA (Testing)
8. IT Operations	Operations Center, IT Service Mgmt
9. Security & Compliance	Security, Compliance
10. User Service	Workstation, Mobile Devices, Client Peripherals
11. Help Desk	Tier 1 Help Desk
12. Delivery Services	Project Mgmt, Client Mgmt
13. IT Management	Mgmt & Admin, Finance, Vendor Mgmt, Architecture

Apptio Progress Since 6/26/2012

- Over 125 staff from more than 30 agencies completed Apptio classroom training sessions.
- With assistance from Apptio, ten agencies have modeled their IT spending into IT “towers” (CTS, DES, DOC, DOH, DOL, DOR, DOT, DSHS L&I, & WSP).
- Additional agencies have smaller IT spend and are proceeding.

Three Stages of TBM Value Delivery

No customer achieves TBM maturity “out of the box”

Configure / Adopt

Tactical focus on technology deployment

- Initial configuration SOW complete

Customer TBMA identified & enablement complete

First generation reporting & data integration complete and functional

- Use of spreadsheet “proxy” feeds and rate cards is common

Potential for a quick win through transparency in one or two areas

Quick-Start Delivery Packages are designed for this phase

Optimize

Initial operationalization of TBM disciplines

- regular operations rhythm and measures established

Evolve to all data taken from source systems – no proxy data

Tactical “point in time” Decisions for real savings can be made regularly

Perform / Transform

Customer Executive measures IT as “Line of Business”

TBM Roadmap Formalized

- Adoption of TBM Practices for IT Ops & Finance / TBM System of Record established

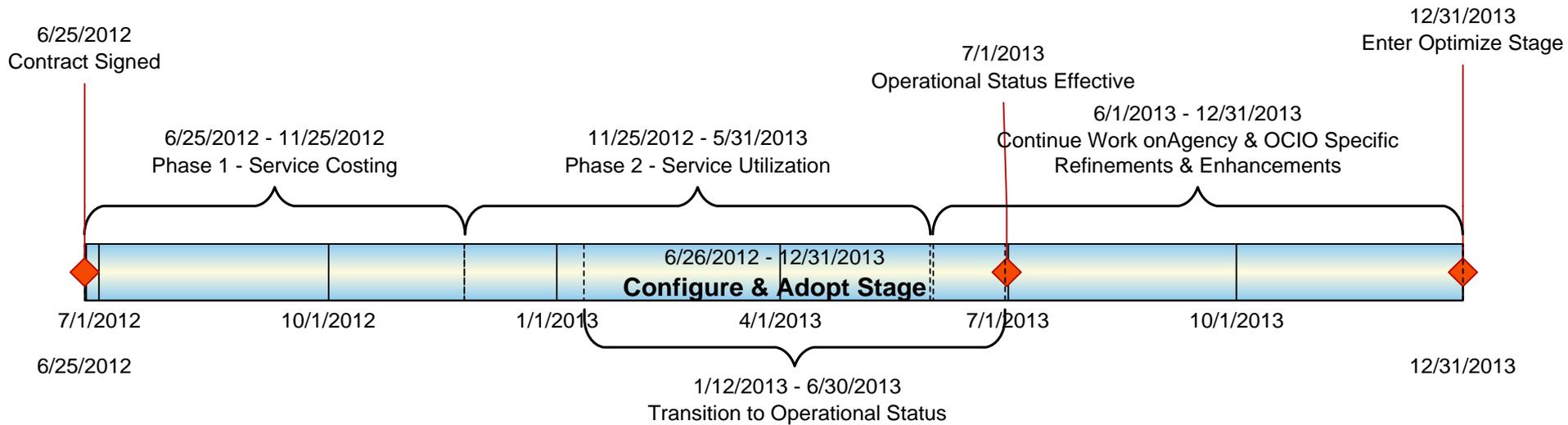
Multiple products deployed, optimized & cross functioning

- Regular report cards / dashboards in place

- Regular IT reviews / practices driven from TBM dashboards & information

Realizing increasing value is a journey

The TBM Journey...Ongoing



Global Reporting

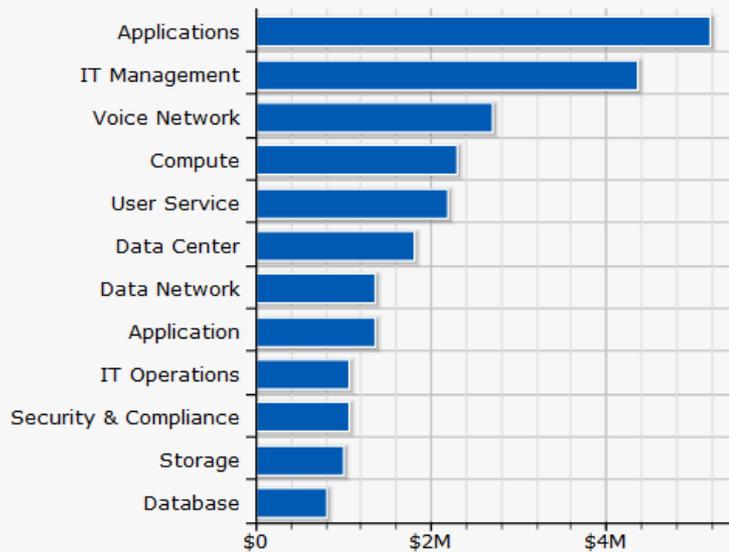
Selected Agency ▾							
Overview							
IT Expenditure	IT Resource Towers	Cost Pools	Fund Source				
IT Spend Modeled in Apptio by Month for FY2013							
Agency	Sep FY2013	Oct FY2013	Nov FY2013	Dec FY2013	Jan FY2013	Feb FY2013	Annual
	\$3,920,537	\$13,420,251	\$10,606,428	\$12,147,894	\$12,473,960	\$9,356,457	\$77,568,844
	\$3,824,500	\$4,691,553	\$4,246,458	\$5,296,053	\$4,751,461	\$3,693,715	\$34,445,060
	\$3,795,329	\$3,406,115	\$3,787,072	\$3,728,793	\$5,468,414	\$3,557,914	\$29,935,342
	\$2,981,085	\$4,595,592	\$6,150,912	\$6,233,928	\$7,321,463	(\$1,435,448)	\$30,886,334
	\$2,823,592	\$4,919,259	\$1,906,781		\$2,654,324		\$17,785,595
	\$2,733,069	\$388,073	\$2,217,202	\$1,060,587	\$1,793,441	\$1,650,920	\$12,795,270
	\$2,244,603	\$2,381,334	\$1,913,064	\$4,044,897	\$2,585,095	\$2,597,377	\$21,152,486
	\$1,758,593	\$1,441,447	\$1,399,152	\$1,367,158	\$1,346,058	\$1,632,753	\$11,090,789
	\$1,709,494	\$1,900,513	\$1,739,670	\$1,846,103	\$1,889,171	\$1,998,384	\$14,944,611
	\$1,592,026	\$1,360,326	\$1,358,661	\$1,094,998	\$1,184,819	\$1,369,883	\$11,833,649
	\$1,486,278	\$2,087,270					\$8,265,020
	\$1,433,080	\$1,257,254	\$1,342,284	\$1,299,922	\$1,536,996	\$1,253,551	\$11,040,891
	\$656,022	\$645,663	\$710,913	\$674,248	\$737,046	\$663,914	\$6,227,047
	\$253,612	\$436,937	\$274,695	\$398,063	\$253,540	\$251,629	\$2,427,265
	\$117,749	\$65,334	\$89,844	\$71,036	\$75,618	\$66,654	\$608,918
Total	\$31,329,568	\$42,996,921	\$37,743,131	\$39,263,681	\$44,071,407	\$26,657,702	\$291,007,122

OCIO Executive Dashboard

Resource Towers **Financials**

Resource Tower Cost Analysis

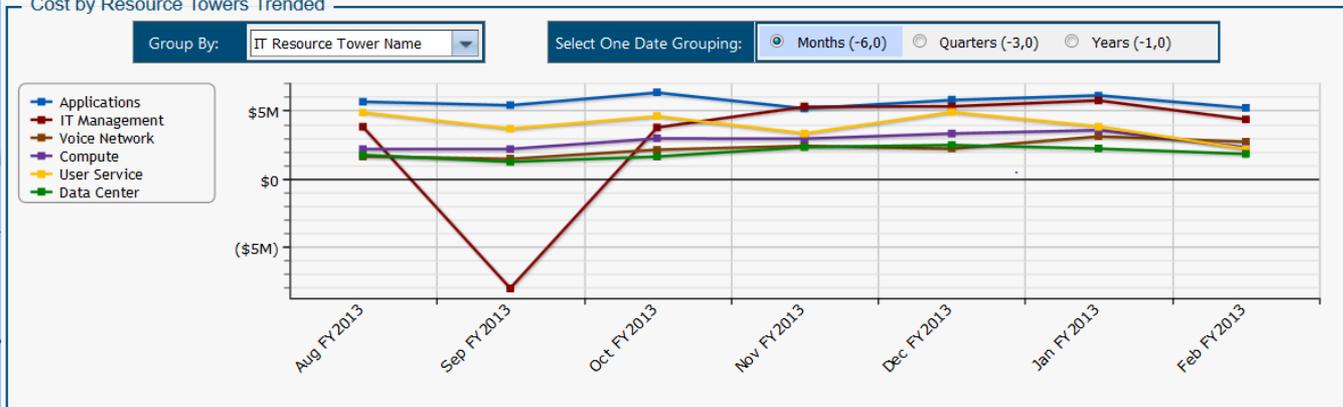
Show Details: IT Resource Sub Tower Name



IT Resource Tower Name	Cost	Cost Trend	Prior Month Variance
Applications	\$5,202,875		(\$919,633)
IT Management	\$4,364,746		(\$1,384,319)
Voice Network	\$2,713,800		(\$389,121)
Compute	\$2,297,939		(\$1,268,089)
User Service	\$2,191,049		(\$1,643,760)
Data Center	\$1,822,230		(\$388,676)
Data Network	\$1,377,904		(\$2,538,647)
Total	\$24,413,420		(\$15,753,181)

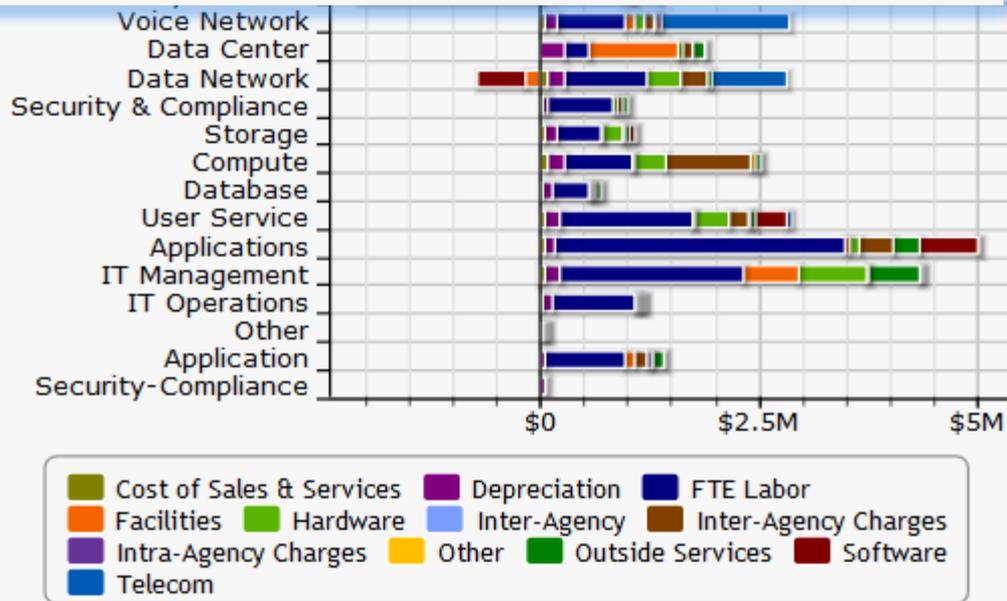
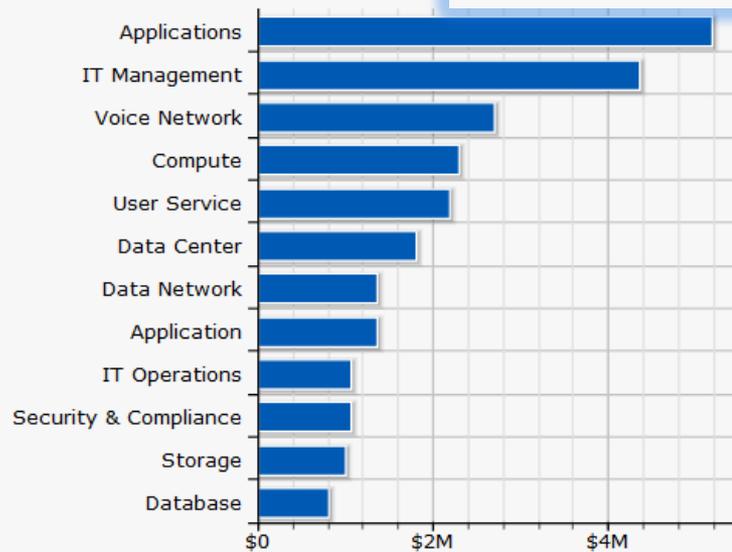
OCIO Executive Dashboards

Cost by Resource Towers Trended



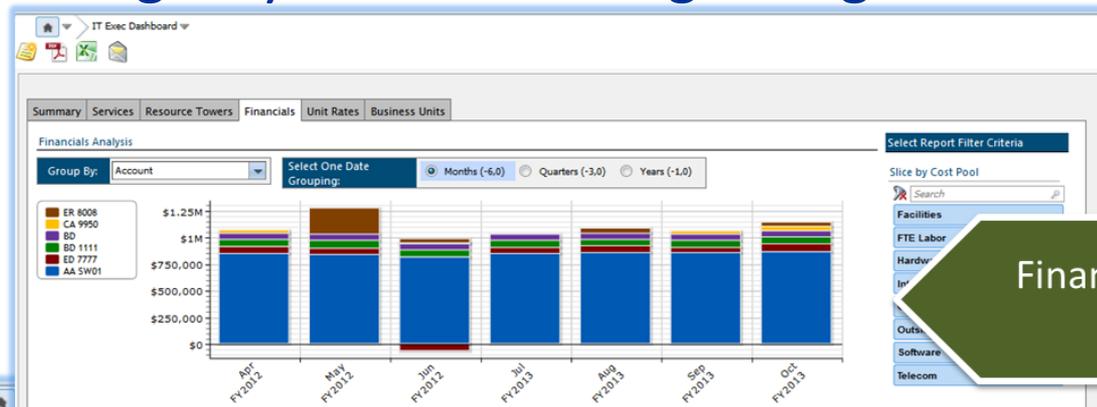
Resource Towers **Financials**

Resource Tower Cost Analysis



Agency IT Executive Dashboard Examples

Agency Service Costing configuration is Work-in-Progress

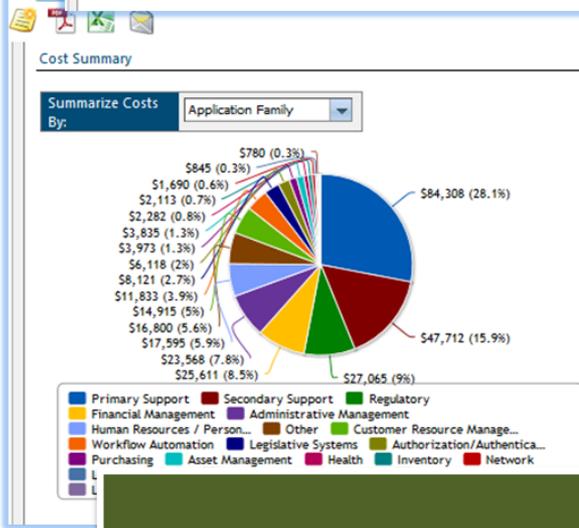


Select Report Filter Criteria

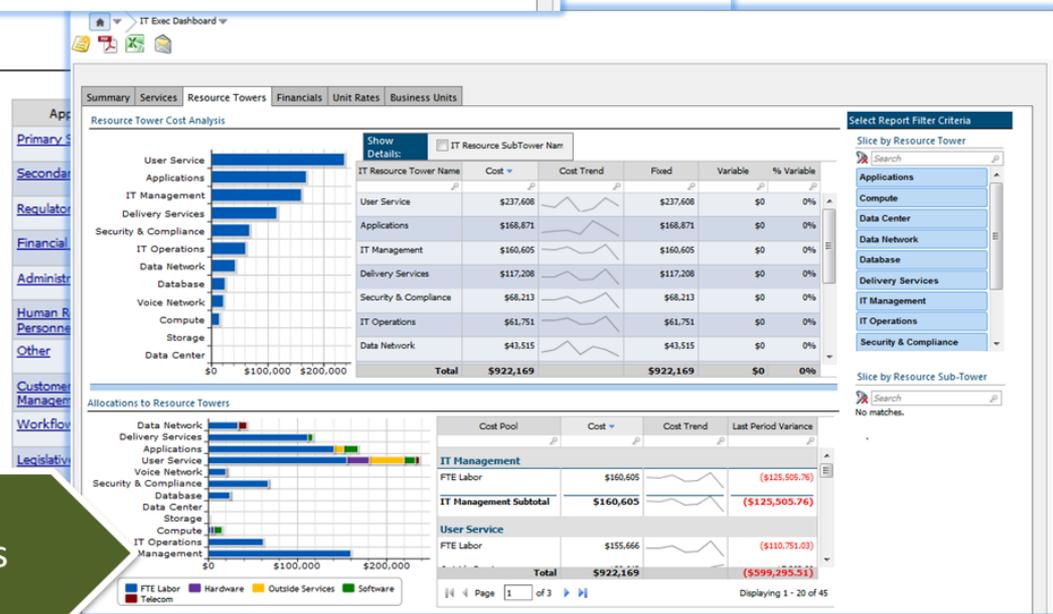
Slice by Cost Pool

- Facilities
- FTE Labor
- Hardware
- Inventory
- Outsourcing
- Software
- Telecom

Financial Reporting for Spend Management



For Operational Analysis



Questions?

