Costing and Enterprise Architecture solutions make better decisions together

Greg Holmes, Apptio, RVP Presales EMEA

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about Greg Holmes & Apptio

Focus in IT, Cloud, Software and Application lifecycle for over 20 years, including time in Australia, Germany, USA and now UK.

At Apptio we love understanding the business impact good IT, Projects and Applications can make, and how to better visualize and collaborate on it.

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Disruption Is Certain

90%

of CIOs have suffered at least one major turn in the last 4 years

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Organizational Fitness Matters

Attract Less Talent

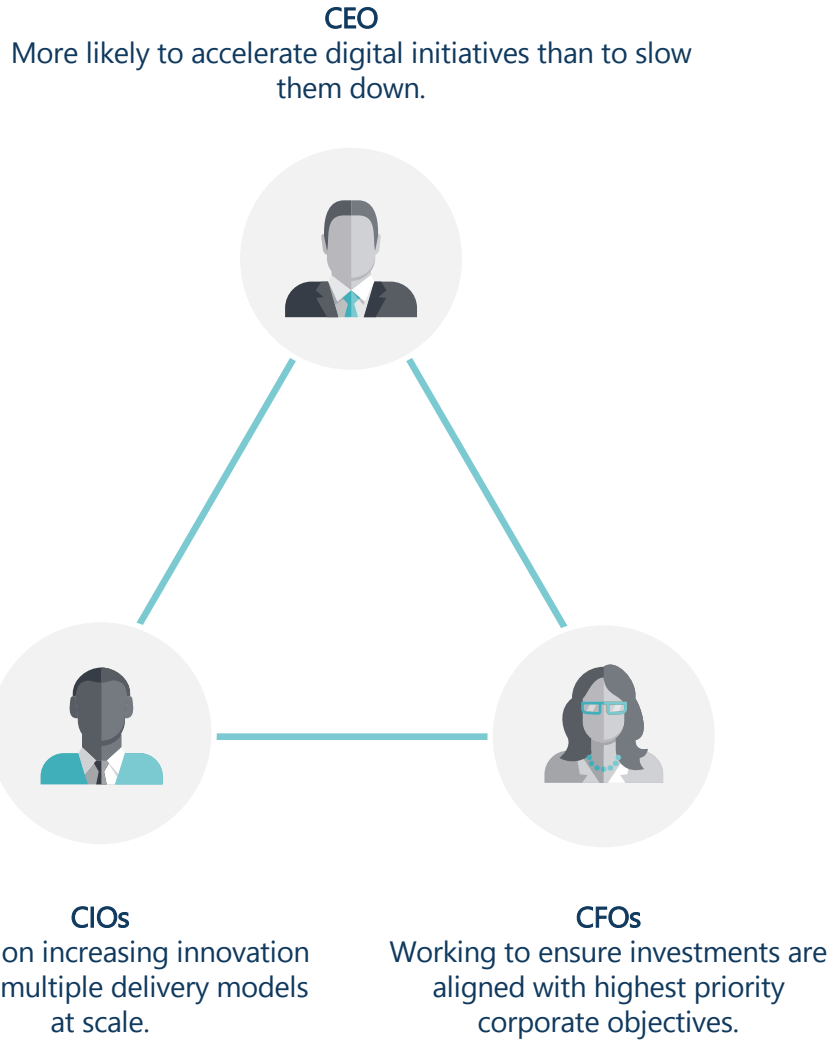**Lower Budgets Than Peers**

Launch Initiatives More Slowly
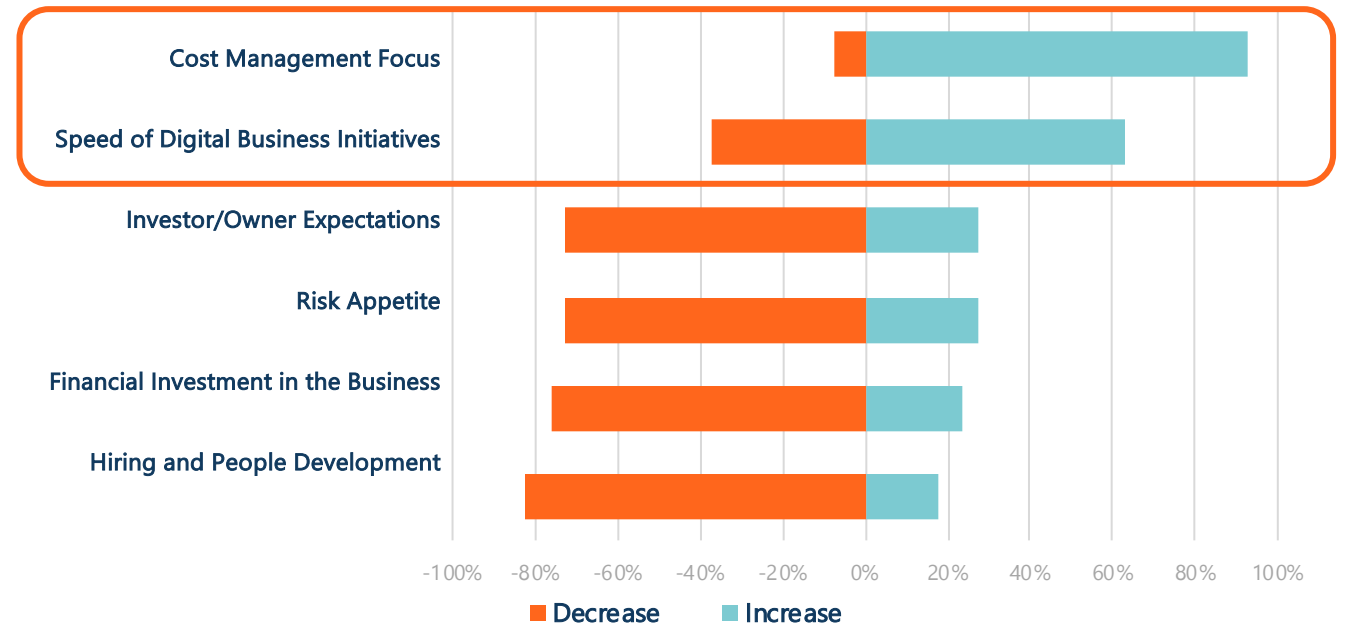
Permanent Structural Damage

Slower Top Line Growth

Shrinking Profit Margins

Less Capital to Invest

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The Response to Economic Slowdown

CEO
More likely to accelerate digital initiatives than to slow them down.

CIOs
Focused on increasing innovation through multiple delivery models at scale.

CFOs
Working to ensure investments are aligned with highest priority corporate objectives.

What kind of impact does an economic slowdown have on your business plans?

	Decrease	Increase
Cost Management Focus	small	large
Speed of Digital Business Initiatives	medium	medium-large
Investor/Owner Expectations	large	small
Risk Appetite	large	small
Financial Investment in the Business	large	small
Hiring and People Development	large	small

Legend: ■ Decrease ■ Increase

Scale: -100% -80% -60% -40% -20% 0% 20% 40% 60% 80% 100%

n = 163

| Source: 2020 Gartner CEO and Senior Business Executive Survey | ID: 721923

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How can enterprise architects help organizations become fit to thrive?

PRIORITIZE THE MOST IMPACTFUL APPS, SERVICES & TECHNOLOGY

REMOVE & REDUCE REDUNDANT TECHNOLOGY

BUILD INTEGRATIONS THAT INCREASE OUTPUT

ALIGN TECHNOLOGY CHOICES TO NEW WAY OF WORKING

ENSURE APPLICATIONS MEET REGULATORY AND OPERATIONAL NEEDS

Accelerating Digital Transformation, Together

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Technology Business
Management Leader

LeanIX

Enterprise Architecture
Management Solution

**Application Cost
& TCO Data**

Analytics that answer app
cost & TCO questions

IT Finance

+

**Application
Architecture
Data**

Analytics that answer
technical fit questions

Enterprise Architects

=

Detailed
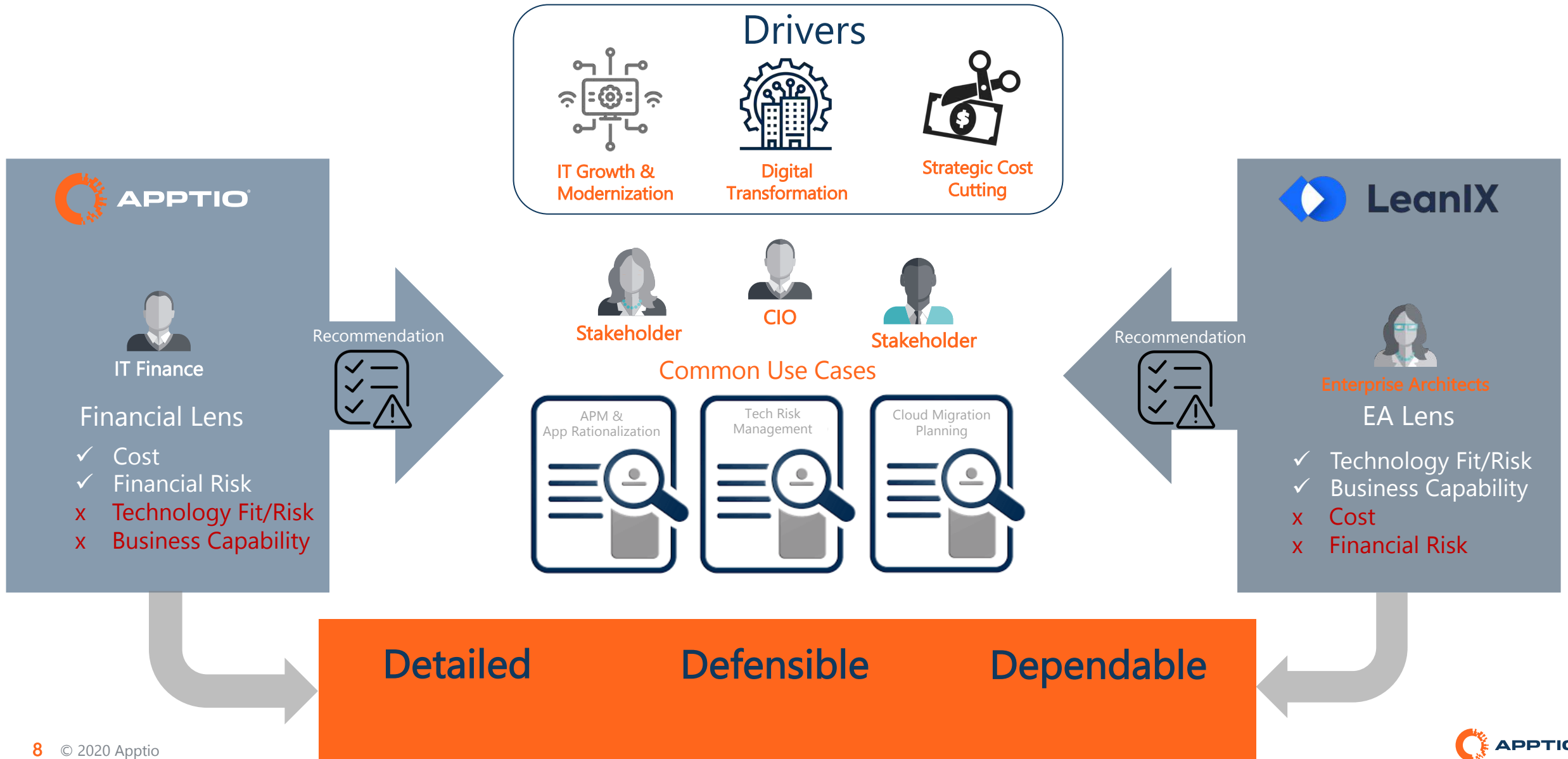transparency that justify
key choices for planned
initiatives

Defensible
decisions backed by cost,
risk and fit analysis

Dependable
up-to-date data that
supports ongoing
progress monitoring

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Tackling Same Use Cases from Different Sides

Drivers

IT Growth & Modernization

Digital Transformation

Strategic Cost Cutting

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Recommendation

IT Finance

Financial Lens

✓ Cost
✓ Financial Risk
x Technology Fit/Risk
x Business Capability

Stakeholder

CIO

Stakeholder

Common Use Cases

APM & App Rationalization

Tech Risk Management

Cloud Migration Planning

LeanIX

Recommendation

Enterprise Architects

EA Lens

✓ Technology Fit/Risk
✓ Business Capability
x Cost
x Financial Risk

Detailed   Defensible   Dependable

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Last year – innogy presented Enterprise Architecture as an enabler for Cost Transparency

EA as the #ENABLER for Cost Transparency at innogy

innogy SE · Christian Schürmann · 26th November 2019
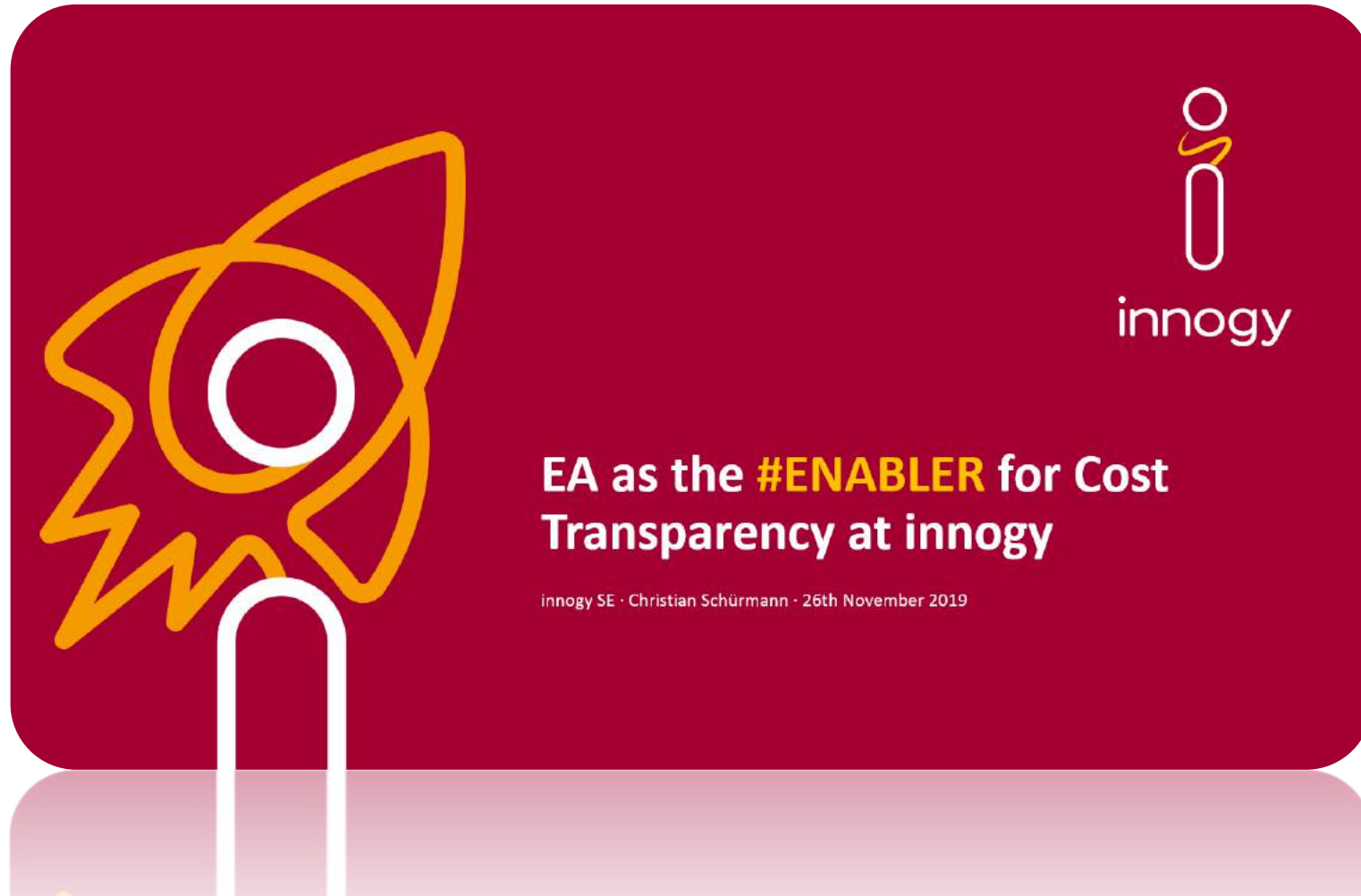
- **Understanding composition of services and apps**
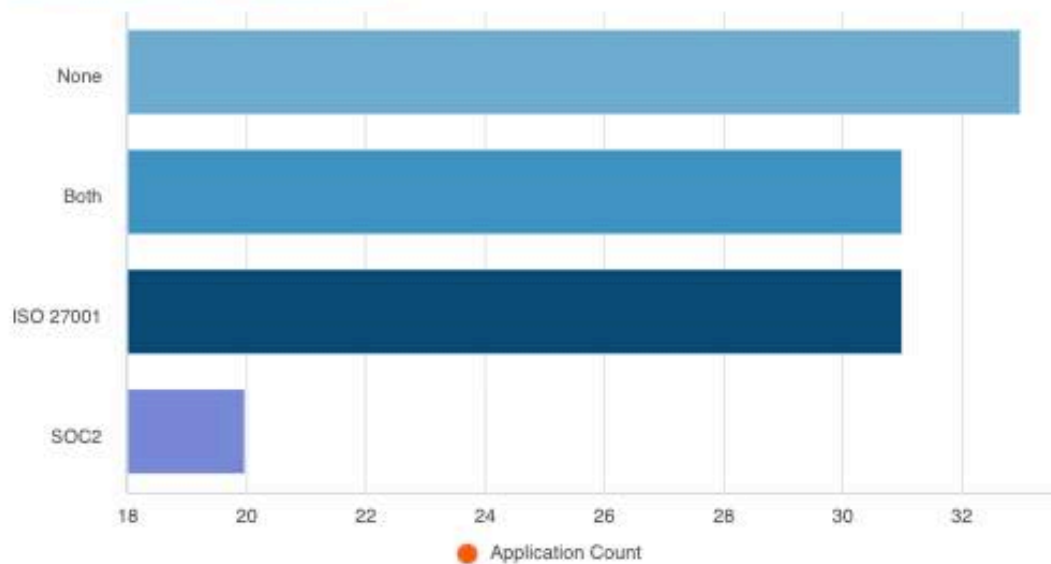
- **Mapping to key consumers**

- **Lifecycle & impact on cost decisions**

Compliance Requirements

Example of data collaboration

EA Data can flag requirements

Regional or Industry based

Compliance Requirements

Redundant applications are being considered for consolidation,

Do applications meet company mandated requirements - ISO 27001 or SOC2

Are there GDPR issues?

Automated Data Flow between Apptio & LeanIX

Business view

Business Units
Describe the consumers of the technology supported by IT spend

| Business Unit 1 | Business Unit 2 | Business Unit 3 | Business Unit 4 | Business Unit 5 |

Apps & Services
Describe the products or outputs delivered by IT and consumed by business units
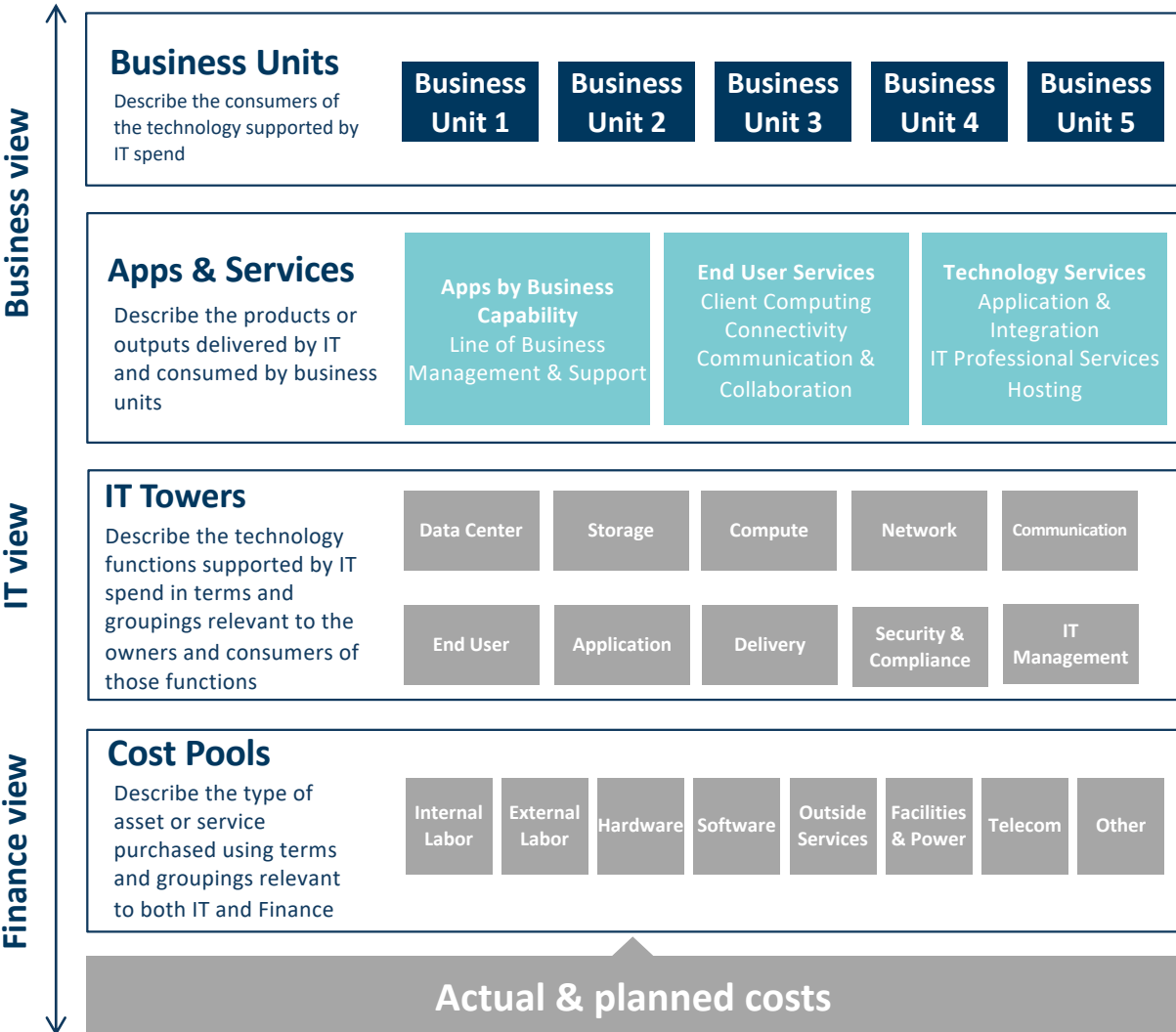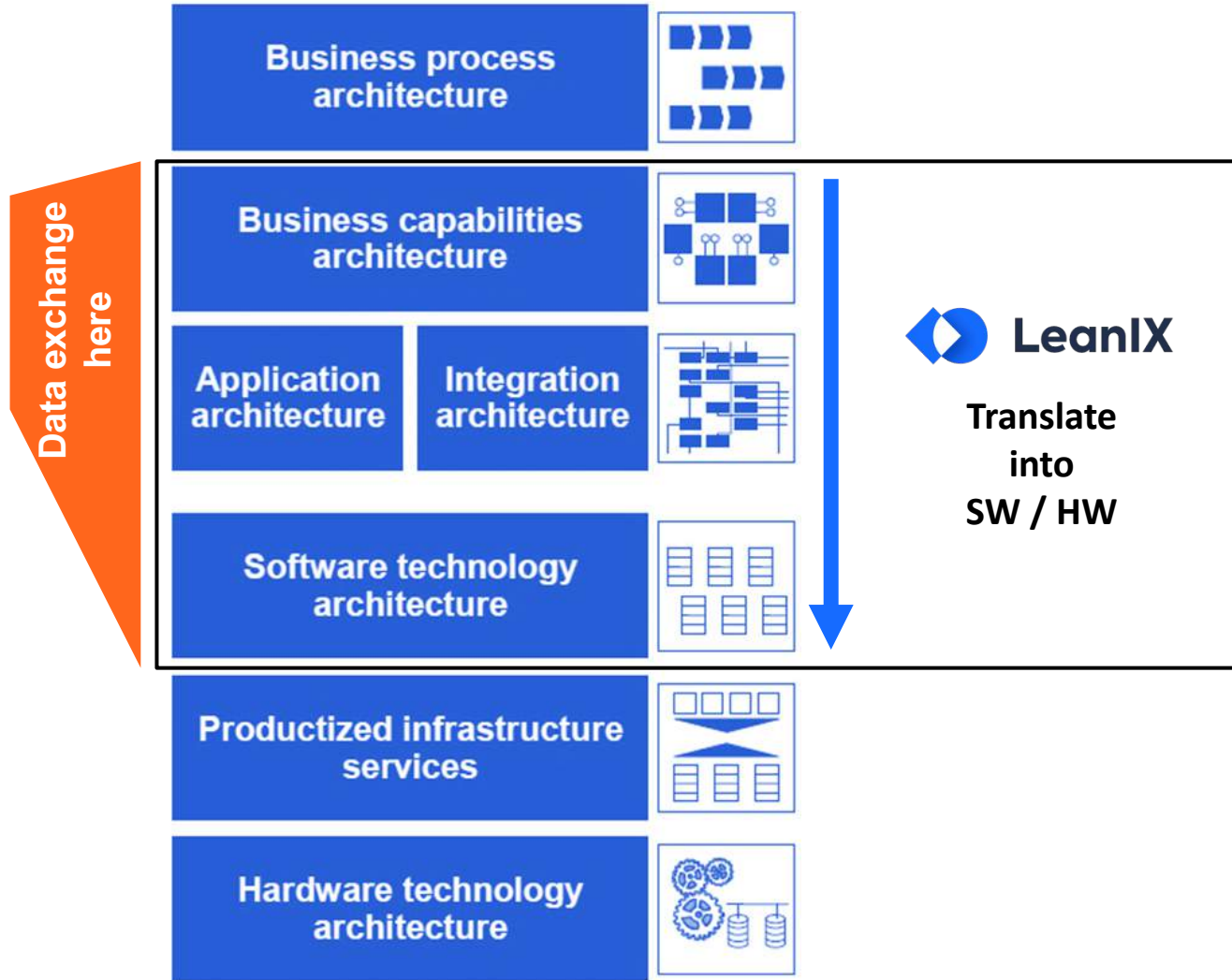
Apps by Business Capability
Line of Business Management & Support

End User Services
Client Computing Connectivity Communication & Collaboration

Technology Services
Application & Integration IT Professional Services Hosting

IT view

IT Towers
Describe the technology functions supported by IT spend in terms and groupings relevant to the owners and consumers of those functions

| Data Center | Storage | Compute | Network | Communication |
| End User | Application | Delivery | Security & Compliance | IT Management |

Finance view

Cost Pools
Describe the type of asset or service purchased using terms and groupings relevant to both IT and Finance

| Internal Labor | External Labor | Hardware | Software | Outside Services | Facilities & Power | Telecom | Other |

Actual & planned costs

ATUM Model

Data exchange here

Business process architecture

Business capabilities architecture

Application architecture | Integration architecture

Software technology architecture

Productized infrastructure services

Hardware technology architecture

McKinsey Architecture Stack

LeanIX
Translate into SW / HW

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Data Ingestion

Across hundreds of sources

Data Integration & Structuring

Uniting data across disparate sources and dimensions automatically into a meaningful structure

Core Capabilities

Delivering best-in-class purpose-built features
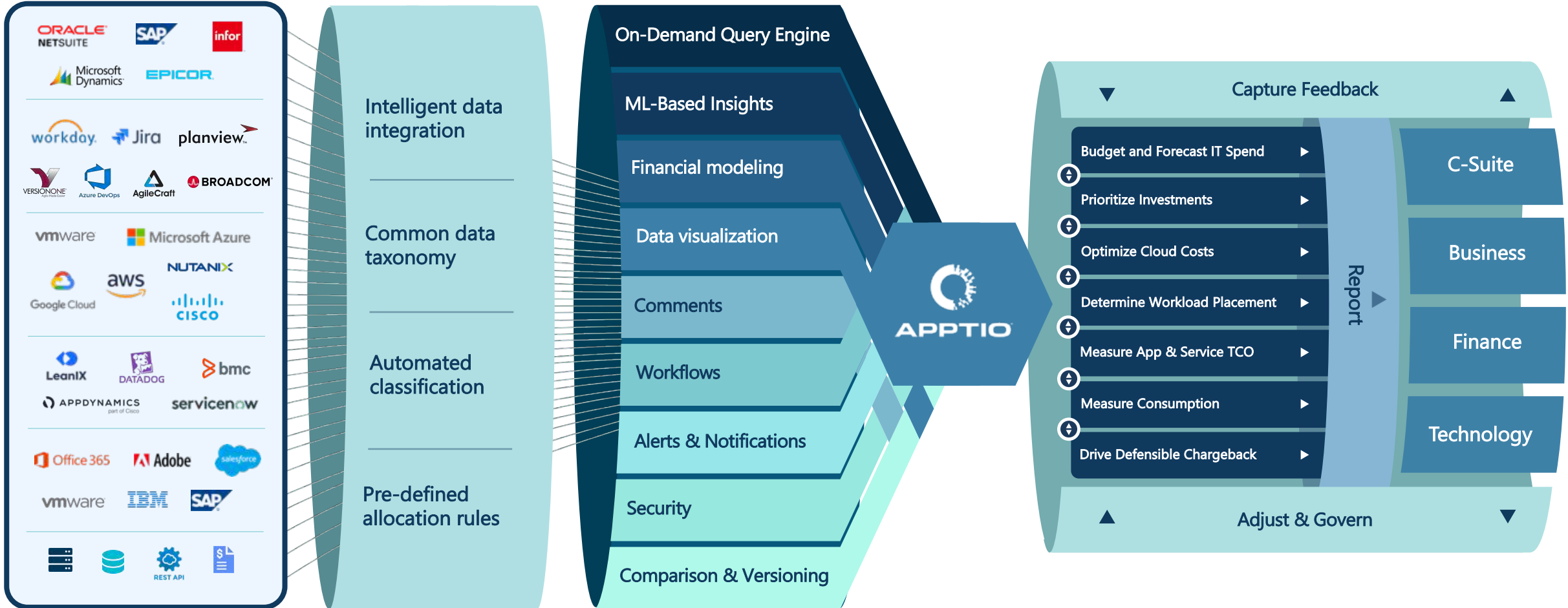
Unified Platform

Expanding value creation and capture by uniting data, capabilities, and people

Activities and Underlying Use Cases

Supporting robust financial management activities

Across Your Organization

Enabling communication, decisions, and action across stakeholders

ORACLE NETSUITE · SAP · infor · Microsoft Dynamics · EPICOR · workday · Jira · planview · VERSIONONE · Azure DevOps · AgileCraft · BROADCOM · vmware · Microsoft Azure · Google Cloud · aws · NUTANIX · CISCO · LeanIX · DATADOG · bmc · APPDYNAMICS part of Cisco · servicenow · Office 365 · Adobe · salesforce · vmware · IBM · SAP · REST API

Intelligent data integration

Common data taxonomy

Automated classification

Pre-defined allocation rules

Core Capabilities column
- On-Demand Query Engine
- ML-Based Insights
- Financial modeling
- Data visualization
- Comments
- Workflows
- Alerts & Notifications
- Security
- Comparison & Versioning

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Capture Feedback

- Budget and Forecast IT Spend ▶
- Prioritize Investments ▶
- Optimize Cloud Costs ▶
- Determine Workload Placement ▶
- Measure App & Service TCO ▶
- Measure Consumption ▶
- Drive Defensible Chargeback ▶

Report ▶

- C-Suite
- Business
- Finance
- Technology

Adjust & Govern

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Insights

Potential Benefit $989.41K

§ 6/25/20
Hidden Vendor Spend
Potential Benefit $1.25M

§ 6/25/20
Applications with High Unit Cost
Potential Benefit $2.76M

§ 6/25/20
Redundant Vendor Contracts
Potential Benefit $5.21M

§ 6/25/20
Redundant External Labor Providers
Potential Benefit $63.68K

§ 6/25/20
Organizational Spend Overage
Potential Benefit $134.89M

§ 6/25/20
Anomalies in Labor Spend
Potential Benefit $118.47K

§ 6/25/20
Consultants with High Billing Rates
Potential Benefit $315K

§ 6/25/20

§ Activated Jun 25, 2020, 6:12:22 PM

Anomalies in Labor Spend

Data last updated Jun 26, 2020, 2:11:10 PM

Acknowledge ...

Observation
Cost centers with a ±5% change in labor spend: 8
Your monthly labor spend should not vary much. A sudden change can indicate an issue with data or unplanned spend. There are cost centers with labor spend that changed ±5% from last month. A review is recommended.

Anomalies Detected
8

Cost Centers with anomalies

$400K
$300K
$200K
$100K
$0

Dec 2019 Jan 2020 Feb 2020 Mar 2020 Apr 2020 May 2020

- Apps – Mfg & Dist (CC–210)
- Apps – Sales & Ops (CC–220)
- Data Center – NA (CC–320)
- Data Network (CC–330)
- Field Supprt – NA (CC–360)
- IT Security (CC–370)
- Service Desk (CC–350)
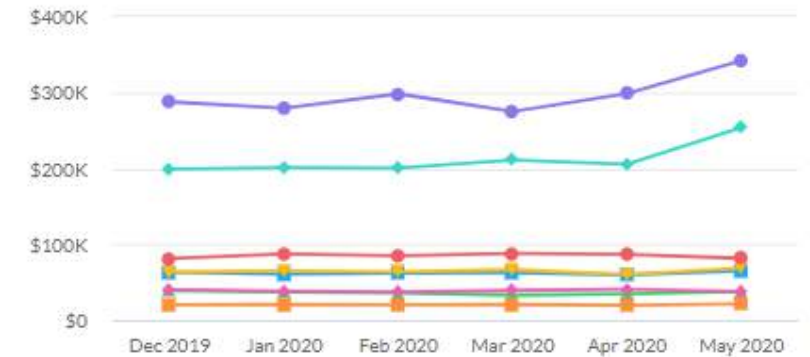- Voice and Call Center (CC–335)

Analyze
Surface Insights and Opportunities

Our inference engine automatically analyzes your data to discover opportunities to reduce spend, optimize costs and reduce risk that would normally go unnoticed.

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