

IBM Apptio Billing Standard

Defensible billing showing the value of tech investments

Overview

An unwieldy, homegrown bill of IT drives a wedge of discord and distrust between IT and their business unit partners. Bespoke, manually-managed spreadsheets are impenetrable to the business unit who wants to drill down into what is driving costs. They key challenges often faced include:

- Arbitrary allocation methods create confusion
- Unclear trade-offs between alternative solutions
- Limited cost driver and demand lever visibility prevents data-driven decision-making
- Unchecked business consumption of IT resources
- No link between IT spend and business value

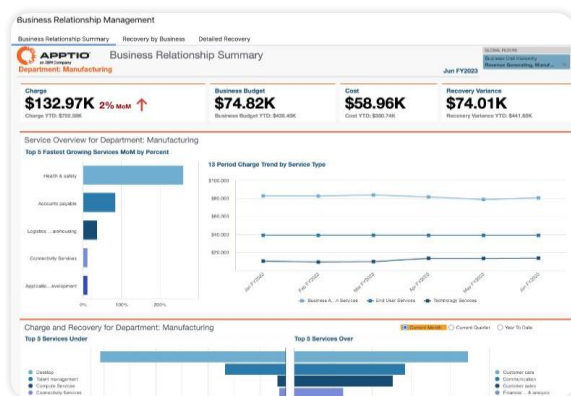
Highlights

- **Improve IT's credibility** as a steward of organizational resources.
- **Fuel innovation** with a shift from run to grow/transform-the-business.
- **Eliminate spreadsheets** that are error-prone and time-consuming to maintain.
- **Automate cost recovery** via chargeback using defensible data and unit costs.
- **Provide a predictable bill of IT** to business units that's transparent and defensible.

The Solution: IBM Apptio Billing Standard

With Apptio Billing Standard, IT bills are calculated using your service catalogue, service rates, and business consumption data to accurately reflect your organization's chargeback policies and processes. Institute showback and chargeback knowing the numbers you use will be understood and agreed to by the business. Shape demand and identify levers to help consumers of IT control their costs and consumptions – and better align them with organizational priorities.

The outcome is better conversations across the business about the consumption that drives IT's rates as well as reduced time spent answering questions about those charges. By ensuring full visibility and alignment into the levers that influence consumption behavior, leaders have the data to optimize consumption to better support strategic business objectives and ultimately drive better financial performance and operational agility.

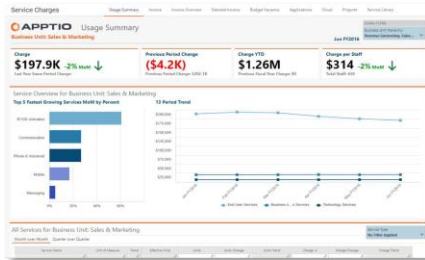
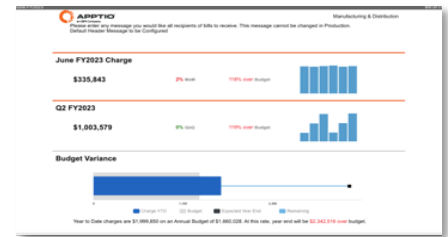


Apptio Billing Standard

- **Perform customizable chargeback**
Increase transparency and accountability of IT spend
- **Plan and forecast services demand**
Set budgets and project service consumption
- **Strategically optimize rates**
Influence consumption behavior to suit organizational priorities
- **Carry out compliance and audit reporting**
Billing to suit all organizations

Perform customizable chargeback

To ensure predictable billing for business unit consumers, establish clear billing methodologies for each service, such as PxQ, cost mark-up, budget-based, or a hybrid approach. Establish buy-in by building IT budgets for each business unit, as well as for all IT. This shifts the perspective of IT being a cost center and "black box" to a strategic partner supporting business units and the wider organization.

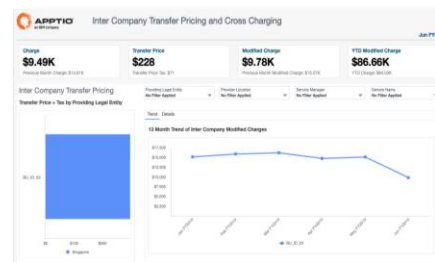


Plan and forecast services demand

Create more realistic budgets to support strategic planning. Review variances of actual and planned consumption and IT spend to identify areas of under- or over-spend and ensure that future budgets are aligned with actual consumption patterns. Run what-if scenarios to compare forecasts for various services volumes and rates, to assess the impact of different service levers and inform decision-making.

Strategically optimize rates

Align service rates with strategic goals and operational policies by refining and managing them against budgets. Run pricing scenarios to test and validate changes to service prices, consumption units, service levels, and tiers. Manage over and under recovery through true-ups and in-year rate adjustments, to continually influence consumption behavior towards grow/transform-the-business spend.



Carry out compliance and audit reporting

Suitable for a wide range of organizations of varying industries and geographies, get access to legal entity reporting, transfer pricing, taxation, and compliance and regulatory reporting capabilities. By securely storing all billing and chargeback records, you get a clear and accessible audit trail for transparency and accountability.



Implemented a full monthly chargeback model across the university that includes 65 services.



Moved to a single, consistent, holistic view of recovery that helped IT improve credibility with the business.



Defensible and automated IT Billing processes changed consumption patterns and delivered key cost savings.

Get Started

Apptio, an IBM company, is the leading technology spend and value management software provider. Apptio's AI-powered data insights empower leaders to make smarter financial and operational decisions across Information Technology (IT), multi-cloud FinOps, and digital product development. Apptio's mission is to deliver business value with every technology investment and team. Powered by Apptio's cloud platform, Apptio's SaaS applications translate technology spend into clear business outcomes and financial ROI. As a pioneer and category leader in IT Financial Management (ITFM), FinOps, and Agile Portfolio Management, Apptio works with thousands of customers, partners, and community members worldwide.

For more information, please visit

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