

How to turn IT Finance insight into action for real business value

A handy guide for anyone who has access to all the right IT financial management data but is not taking full advantage of it.

SERVICEWARE 



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1. Introduction

In a challenging economy, it's never been more essential that you run your business as efficiently as possible. That includes your IT department. If solutions are going unused in your organisation, software that doesn't do the job you bought it to do, or if you're paying too much for an app, you could unlock significant savings by addressing it.

But how do you know where the savings are? The clues are in the data.

Every IT solution in your business produces reams of data every time someone uses it. This data can help you pinpoint exactly where you can make cost savings in your business – and show you how to do it.

However, you can't reap those rewards unless you know how to make sense of the data. You also need people responsible for taking the data insights and executing them. And that's the challenge.



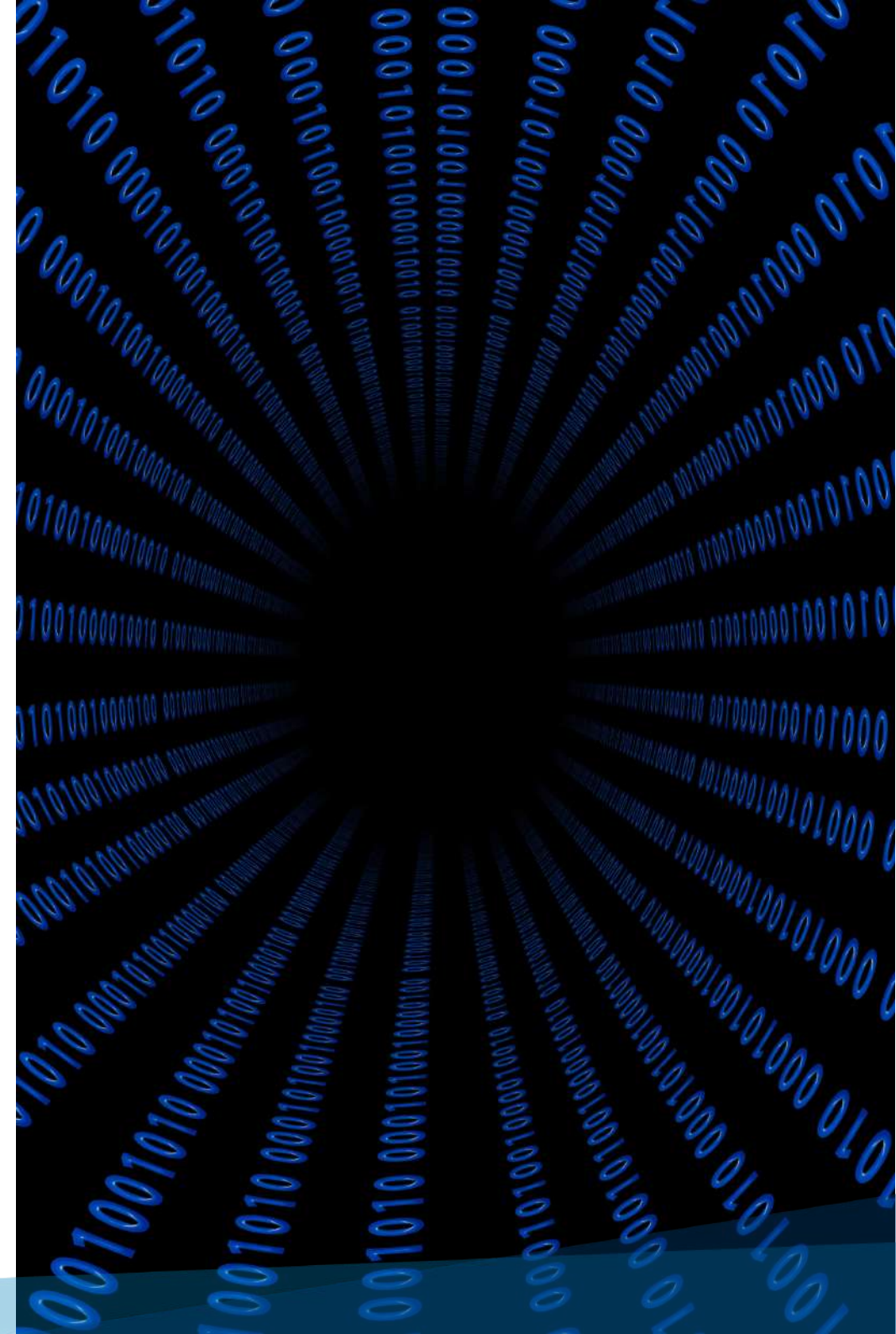
If this challenge resonates with you, you're not alone. A recent Oracle study of business leaders found that:

- **78 per cent are getting bombarded with more data from more sources than ever before.**
- **86 per cent say the volume of data is making decisions in their personal and professional lives much more complicated and 59 per cent admit they face a decision dilemma—not knowing what decision to make—more than once every single day.**
- **35 per cent don't know which data or sources to trust and 70 per cent have given up on making a decision because the data was overwhelming.**
- **85 per cent of people say this inability to make decisions is having a negative impact on their quality of life. It is causing spikes in anxiety (36 per cent), missed opportunities (33 per cent), and unnecessary spending (29 per cent). Source: Oracle report 'The Decision Dilemma'.**

[Source: Oracle report 'The Decision Dilemma'.](#)

That's where Serviceware comes in.

In this guide, we'll show the IT Financial Management secrets behind the businesses that make the most of their data. We'll show you how to use your data to unlock those essential IT cost savings – and introduce you to a new solution that ensures success. Let's get started.



2. How data helps you identify business cost savings

As outlined in the previous chapter, every IT solution in your business produces a large amount of data - and it's hard to know what to do with it. On average **60-73% of business data goes unused** in analytics because there's simply too much. So the key question is, how do you make sense of this data to identify cost savings?

We recommend you use the TBM framework:

Technology Business Management (or TBM) is a discipline that gives companies a consistent method and common language to translate technology investments into business value, thereby improving business outcomes. Imagine if you could run your technology like your business, as your sales team does with their CRM or your finance team does with their ERP. That's TBM.



At Serveware, the Digital Value Model (DVM) is our TBM solution. It's your fast track to business value. DVM enables CIOs and CFOs to make a data-driven assessment of the value created by IT services and investments. With DVM, you can communicate business cases rather than technology cases with stakeholders.

When you begin TBM, your first goal is to get complete transparency into your IT spend. The Digital Value Model automatically translates your IT costs into the language of Technology Business Management (Cost Pool, IT Towers, Services, etc.). This helps you achieve a level of transparency you never previously had.

Next, you implement steering logic and KPIs to understand where you're in good shape and where improvements could be made.

Finally, you execute on those insights and begin to unlock cost savings.

It sounds simple, right? But it's not, it's when you meet complexity with effectiveness.



3. Why can't you take action?

When you use a Technology Business Management solution like Serveware's Digital Value model, you get the transparency you need in your IT spend. Your dashboard shows you exactly how technology creates value in your company in real-time. Armed with that insight, you can make hypothetical tweaks inside the DVM and see the expected impact of your ideas. If you like what you see, you can put it into action.

Unfortunately, this is where so many businesses fall down. They can't turn their insights into action and fail to take full advantage of the insights their solution provides.

It is often a people problem. The CFO and CIO struggle to identify the right person in the organisation to be accountable and execute the insights. Perhaps they don't have the right analytical or execution skills to know what to do next. It's understandable because there are so many different business areas that come together when identifying IT cost savings:

- **IT** – Someone who understands technology and infrastructure
- **Finance** – Someone who understands the numbers
- **Business** – Someone who understands the impact and value of a decision on the wider business

Few people are experts in all three disciplines, so leaders must build teams to support each other. But the more people you involve in a project, the more difficult it becomes to get that all-important accountability.

And accountability is everything.



4. Accountability: the secret weapon for IT Finance success

Accountability is the fundamental element for turning insight into action. When you make your people personally accountable for executing the insights your TBM solution provides, your business instantly becomes more data-driven. You can now turn your data visibility into something transformational, unlocking cost savings, operational efficiencies and more.

But why is accountability so powerful? Here are three reasons:

- **Efficiency** – When you assign responsibility for taking action on data insights, that person (and the rest of their team and organisation) knows their role. They know what they have to do and when they have to do it, and everyone else knows, too. Without this accountability, everything is vague and bottlenecks often happen
- **Productivity** – Assuming everyone has the necessary skills to complete their tasks (finance, technology and business), executing insights becomes much more straightforward. When everyone knows the part they play and works as a team, you can progress faster than any ad hoc system
- **Ownership** – Giving someone responsibility ensures they're more invested in the task. They're likely to want to take the chance to shine, put in more effort and produce better quality work. You will likely boost their confidence and enhance your workplace culture

So, now you know the value of accountability, how do you bring it to life in your TBM solution?



5. Automation and circulatory

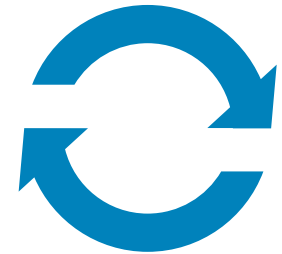
Serviceware's Digital Value Model (DVM) uses automation in various ways to drive efficiency throughout the organisation. From charging flows, calculation and the automated import of data to steering logic to enable agile controlling.

For example, whether you are a CIO or technical service owner, each role has the ability to steer their area of responsibility to get relevant reports and KPIs. This enables each service unit to proactively manage its IT costs and performance. Users can also refine and detail the model only where the steering benefits cover the costs for data improvement and maintenance - ensuring flexibility and increasing efficiency.

This insight to action solution is scalable for large enterprises to guarantee that cost management insights can be actioned with people held accountable. DVM doesn't just help you; it ensures. It doesn't just show you; it delivers. Plus, if you need help setting up the rules, the expert Serviceware Value Engineering team are ready to help.

Introducing circularity

Many enterprise CFOs are discovering the benefits of incorporating circular economy values into their business practices. Turning data into action from an IT Finance perspective aligns with the model of financial circularity.



Circularity is about becoming more efficient, eliminating waste and re-investing savings in areas which sustain the company. It's no surprise that companies are finding that adopting circularity makes them more competitive and resilient.

When you can harness the data that is already in your organisation, use a solution like the Digital Value Model to identify where you can make savings, and enable individuals or teams to take responsibility to turn those insights into action with tangible business value, you will make your business more efficient and start to introduce financial circulatory. Wastage - such as apps you pay for but never use can be reduced and the budget can be reinvested more effectively.

In a competitive economy, adopting this approach could be worth its weight in gold.

6. The Serviceware Digital Value Model

The Digital Value Model from Serviceware is designed to get you reaping the benefits of Technology Business Management faster than ever, combining a TBM-optimized data model with a set of best practices that work. With DVM, CIOs and CFOs can get the holistic view they need across people, processes and data so they can:

- **Make a data-driven assessment of the value created by IT services and investments**
- **Communicate business cases rather than technology cases with stakeholders**
- **Develop a common language around planning, forecasting, cost transparency, benchmarking and more**
- **Gain insights on how to accelerate digital transformation in your organisation**
- **Get a head start on the road to TBM maturity**

With DVM, the advantages are clear:

- **Minimize IT costs** – Unlock savings with a click of a button by optimizing control of your IT budget
- **Raise IT service level** – When you truly understand how tech investment impacts business value, you can allocate budget where it matters most, delivering growth and innovation
- **Increase business value** – With full cost transparency along your value chain, you can simulate ‘What if?’ scenarios, modelling cost and profit. Why go with gut instinct when you can let the data be your guide?





Are you ready to start turning your insights into actions?

To find out more:

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