
Apptio & TBM: Working With & Improving Your Existing IT Tools

Overview

Apptio® pioneered the discipline of Technology Business Management (TBM) to address the business management needs of today's technology leader. Although fundamentally different, Apptio is purpose-built to work with and improve your existing investment(s) in each of the below systems:

- Enterprise Resource Planning (ERP), General Ledger (GL), and chart of accounts systems
- Corporate Performance Management (CPM)
- Business Intelligence (BI), reporting, and visualization tools

"We manage all our costs, based on services, across our corporate value chain. Apptio helps us host the central service catalogue, maintain provider-consumer relationships, and calculate service TCO (Total Cost of Ownership) and charges. It delivers service transparency as a cornerstone of our productivity and demand-supply discussions while keeping complexity out of our core finance systems."

Matthias Grass, CFO Operations, Swiss Re

Apptio & Technology Business Management

As the leading provider of cloud-based TBM software, Apptio's suite of SaaS applications use business analytics to provide facts and insights about technology cost, value, and quality by helping CIOs make faster, data-driven decisions to manage the business of IT. Apptio's applications help companies align technology spend to business outcomes and automate IT processes like cost transparency, benchmarking, showback/chargeback, operational efficiency, and planning. Powered by a next-generation, in-memory cost analytics platform that gathers clients' raw data from diverse systems (financial, operational, and billing) and models that data against Apptio IT templates to provide deep insight. This insight spans infrastructure, applications, and business services, both on-premises and in the cloud. Hundreds of customers, including more than one-third of the Fortune 100 choose Apptio as their IT business system of record.

Working With Your Existing IT Tools & Systems

ERP, General Ledger, & Chart of Accounts

Customers use Apptio's suite of TBM applications with their existing ERP, GL, and chart of accounts solutions such as SAP Financials, Oracle Financials, and NetSuite. This brings together high level corporate financial data with operational data from IT applications that contain information about assets, applications, labor, projects, vendors, and more. Apptio takes the data from these sources and translates it into fact based infrastructure, project, application, and IT service for business unit (BU) consumption views. This enables IT, finance, and business leaders to leverage accurate and detailed cost analytics for making better decisions through collaboration. Apptio does this via a powerful, purpose-built IT cost modeling engine, which organizes disparate data and applies industry standard cost allocation rules to provide comprehensive views of fully burdened costs in terms the business understands.

ERP, GL, and chart of account systems were designed to manage process and reporting at the corporate cost center, organizational, or departmental level. These general financial views of the business do not address the operational data needed by IT to manage their business. To manage the cost, quality, and value of IT, operational data not found in these systems is needed to go beyond simple insights and allocations based on the number of employees, revenue, or other less defensible weighting measures. Apptio combines the operational data found in existing asset management, service desk, third party cloud providers, and systems management applications with the financial data from your existing financial systems to provide a baseline of unit costs, a fully loaded total cost of ownership (TCO) of an application or project, and drive visibility into the consumption and value of the services IT provides.

Corporate Performance Management

Similar to how our customers use Apptio alongside their financial applications, they also use our solutions with their traditional CPM tools such as Oracle Essbase, Tidemark, and Anaplan. Like general SAP and Oracle Financials, these tools generally include integrated business intelligence and analytics built for general corporate reporting purposes. These tools provide process and reporting for managing your corporate budgeting and planning. Apptio is used with these existing systems to provide IT with the infrastructure, application, and service views they need to manage their business. Apptio's standardized IT business model combines data from these existing systems with the operational data from existing IT tools like systems management, asset management, PPM, service desk, and third party cloud billing systems.

Customers use Apptio with their CPM to enable IT specific budgeting and planning oriented to the IT services and value they provide. Using Apptio, IT has the IT specific efficiency dashboards, metrics, reports, and processes to manage cost and utilization targets and the drill-down capabilities to see how these metrics relate to individual cost pools, assets, and individual GL journal entries in order to make better cost optimization and technology management decisions.

Business Intelligence, Reporting, & Visualization Tools

Customers also use Apptio with their existing BI and visualization tools. Traditional BI tools like SAP Business Objects, IBM Cognos, SAS software, and Hyperion are typically used as data sources for TBM. The data warehouse for these systems often consolidates corporate data including labor, facilities, fixed asset data, and some high-level corporate costing when used in conjunction with Oracle or SAP Financial applications or CPM tools. Next-generation reporting, analytics, and visualization tools like a Tableau, QlikView or Domo can be leveraged for this high-level data as well, but can also be used for their visualization and data discovery capabilities. For example, Apptio as a Tableau partner enables customers to leverage the rich data Apptio's applications provide and export it to a Tableau file format for consumption in the Tableau Desktop application.

BI tools were designed for general purpose reporting. Their custom cubes and schemas require data that is structured, transformed, and cleaned before users can leverage reporting or data visualization capabilities. The resources required to maintain these tools are often in short supply and dedicated to the business instead of IT. These tools also lack the embedded IT domain knowledge, business rules, allocation best practices, reports, and metrics that come standard with Apptio's applications.

How Apptio's TBM Suite is Different

The IT business disciplines of costing and optimization, benchmarking, showback/chargeback, and budgeting are fundamentally complex disciplines. They require IT to translate data from both financial and operational systems of record and put them into an IT context. Since IT costs and infrastructure are often shared, IT-specific allocation methods are required. A common example includes the allocation of network costs to cost of servers, and subsequently to applications and business units.

Apptio leverages your existing investments in ERP financials, CPM, and BI with IT operational data, such as asset databases and service request tools, to intelligently break down those shared costs so they can be fairly distributed. With pre-defined IT domain knowledge alignment to benchmark methodologies and dozens of pre-built reports, Apptio's purpose-built TBM applications deliver precisely what IT leaders need in order to understand and communicate IT cost, quality, and value to make informed, justifiable decisions. This makes Apptio's suite of TBM applications the logical choice to pair with your existing tools and data.

Before Apptio, many IT organizations tried to leverage their BI tools, ERP, and CPM systems, spreadsheets, or homegrown solutions to solve this challenge. These approaches proved to be labor intensive, error prone, and difficult to repeat on an ongoing basis due to the rapid pace of change within IT. Apptio's patented technology was designed to solve the challenges of managing the business of IT by providing:

- **Vertical Platform Expertise for IT:** Apptio's vertically integrated in-memory system (delivered with studio, data ingestion, analytics) is optimized for building and maintaining IT models and easily working across tasks from data management to cost modeling to reporting. Traditional tools are not optimized for these applications – especially for building and maintaining the cost model. It is very expensive and would take a very high level of expertise to build (and maintain) these models.
- **A Standardized and Extensible IT Cost Model:** Describes what costs to measure, how to measure them, and what data is needed to do so. The [Apptio TBM Unified Model™ \(ATUM™\)](#), the industry's first standard cost model for IT is validated by the [TBM Council](#) and 200+ customers, and is benchmark-ready, supports extensions to model, or implementation of fully custom cost model.
- **Benchmark Alignment and Methodology:** Aligns with benchmark data so that costs can be compared with benchmarks every month. Leverages current benchmark data from leading, respected benchmark firms.

- **Easy Integration of Raw Source Data:** Ingests, transforms, refines, and relates raw data without the need for ETL, BI, Data Warehouse (DW), or DBA skills. Easy, automated extract and load of data from on-premises and cloud data sources. Data quality reports that highlight deficiencies and help you prioritize by maximum cost impact.
- **Breadth of Operational and Billing Data Sources:** Integrates operational data from any source, including Amazon Web Services (AWS), Microsoft Azure, VMware, etc. Automatically map thousands of AWS product categories from millions of billing rows into appropriate IT towers and sub-towers. As an example, Apptio has pre-built content around direct exports from Azure and AWS.
- **Granularity and Drilling Down:** Drilldown through IT towers and cost pools to individual assets, transactions, or journal entries in order to make better cost optimization and technology rationalization decisions. Correlate utilization to costs so you can drive IT efficiency gains and support activity based costing.
- **Resilience to Change = Low TCO and Low Risk:** Accommodates evolving source data (without DBA skills). Time-aware cost model that embraces change and avoids complex retrofitting. Typical customers handle major changes on a monthly basis with turn-around in hours and no need for external consulting.
- **Breadth of Applications and Platform Extensibility:** Encompasses a suite of modular applications for Apptio Cost Transparency, Apptio IT Benchmarking, Apptio Bill of IT, Apptio Business Insights, and Apptio IT Planning. Supports initiatives such as storage optimization, application rationalization, data center consolidation, etc. Extensible to model other non-cost metrics such as energy consumption or business transactions.

Choosing Apptio

Apptio's SaaS applications are purpose-built to solve the pervasive challenges that exist in merging financial, technology, and operational data to deliver improved analytics, automate key processes, and demonstrate business value.

As an enterprise using a CPM, ERP, BI, reporting, and visualization solution, Apptio can leverage the work you've already done to manage the cost, consumption, and value of your IT portfolio – and then take advantage of your investment in Tableau or similar solution's capabilities to gain a comprehensive view into your organization's operations. Furthermore, you understand the value of using best-in-class software to run the most important parts of your business. IT is not only mission critical to achieve business objectives, but also strategically important for today's enterprises.

However, these tools alone will not provide the level of detail needed for key decision making around technology spend and associated cost analytics. Hundreds of enterprise customers globally are using Apptio to manage and optimize the business value of IT with TBM. Many use these tools as a complimentary solution to Apptio's TBM applications.

To learn more about Apptio and how you and your organization can benefit from TBM, please visit the Apptio website or the Apptio blog at www.apptio.com.

Apptio is the leading provider of cloud-based Technology Business Management (TBM) software that helps CIOs manage the business of IT. For more information, visit the Apptio website or the Apptio blog at www.apptio.com. Apptio, ATUM, Apptio TBM Unified Model, and the circle logo are trademarks of Apptio, Inc. All other trademarks are the properties of their respective owners.