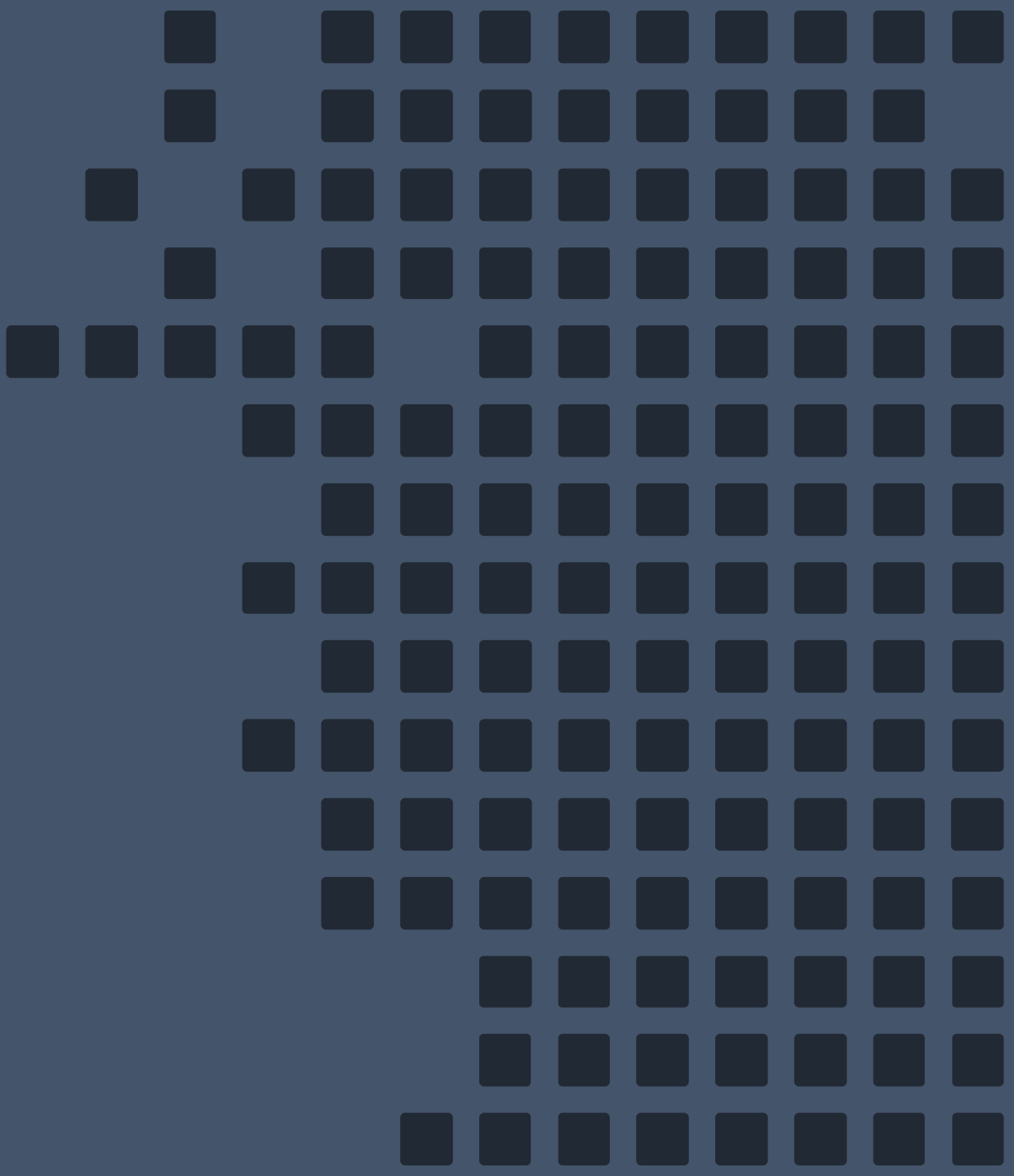




# The Road Ahead

Apptio 4.0

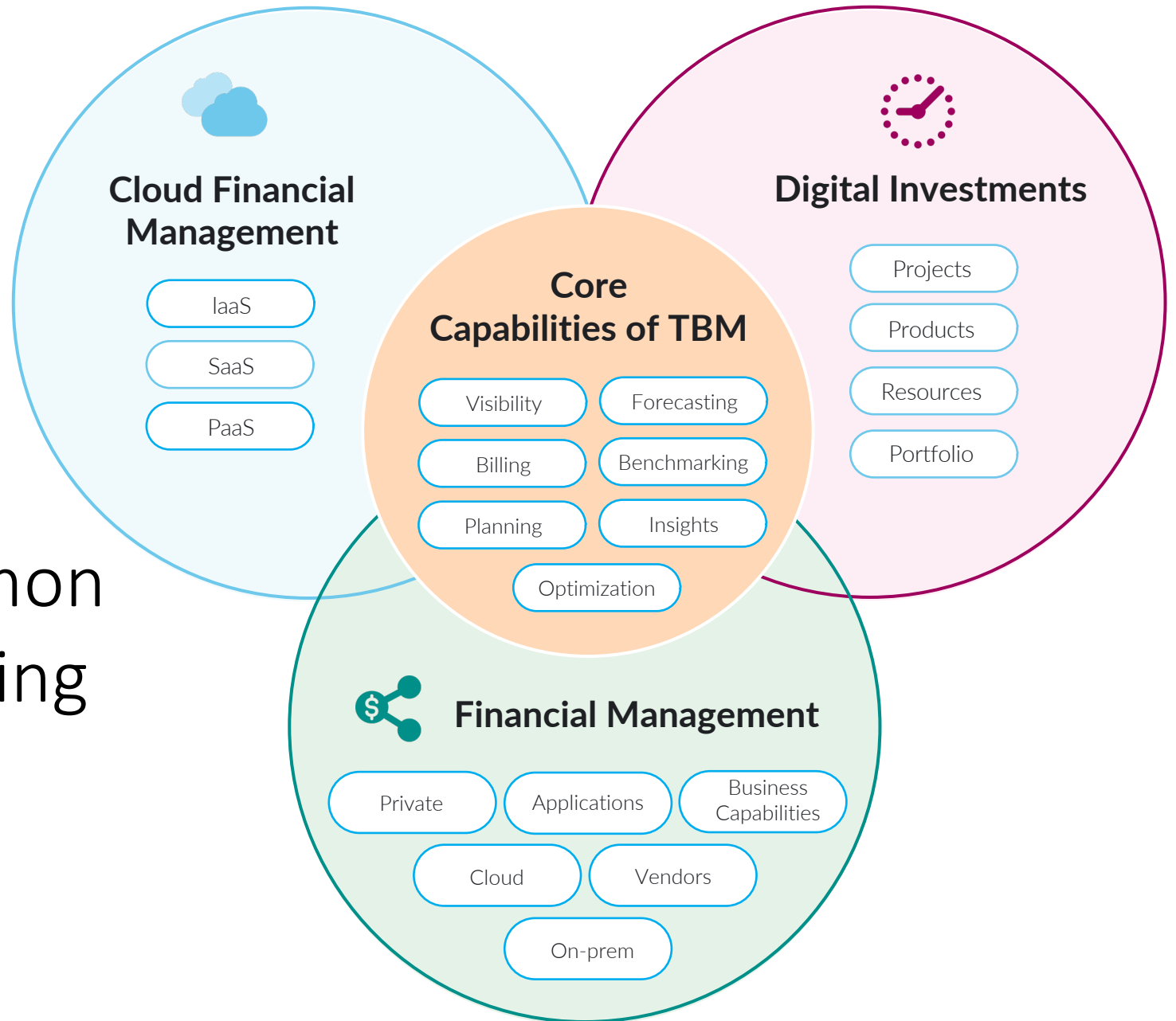
Phil Alfano, Field CTO



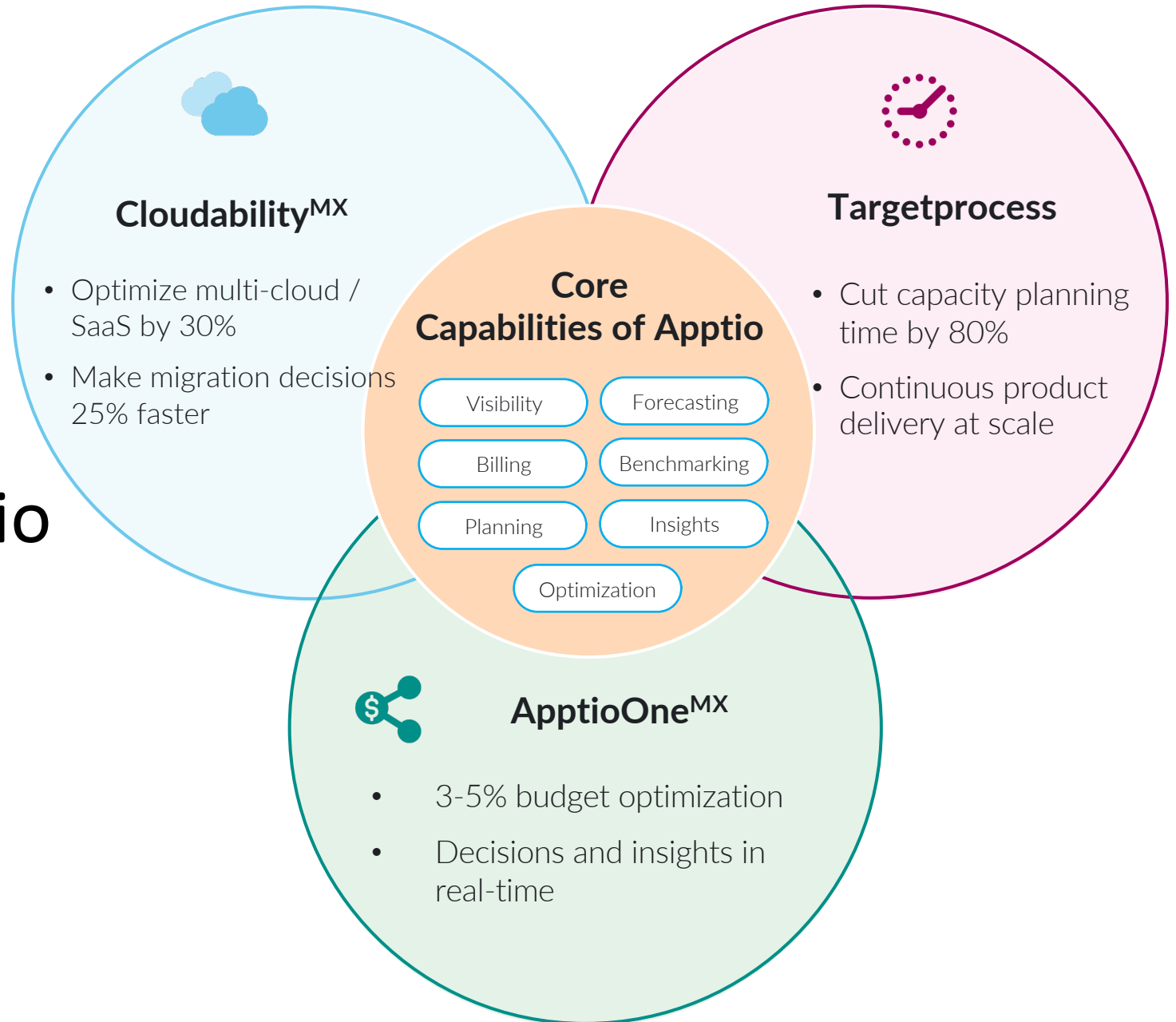
# Topics

- Modernization of cost management
- Integrations that drive customer value
- Intersection of FIN and OPS

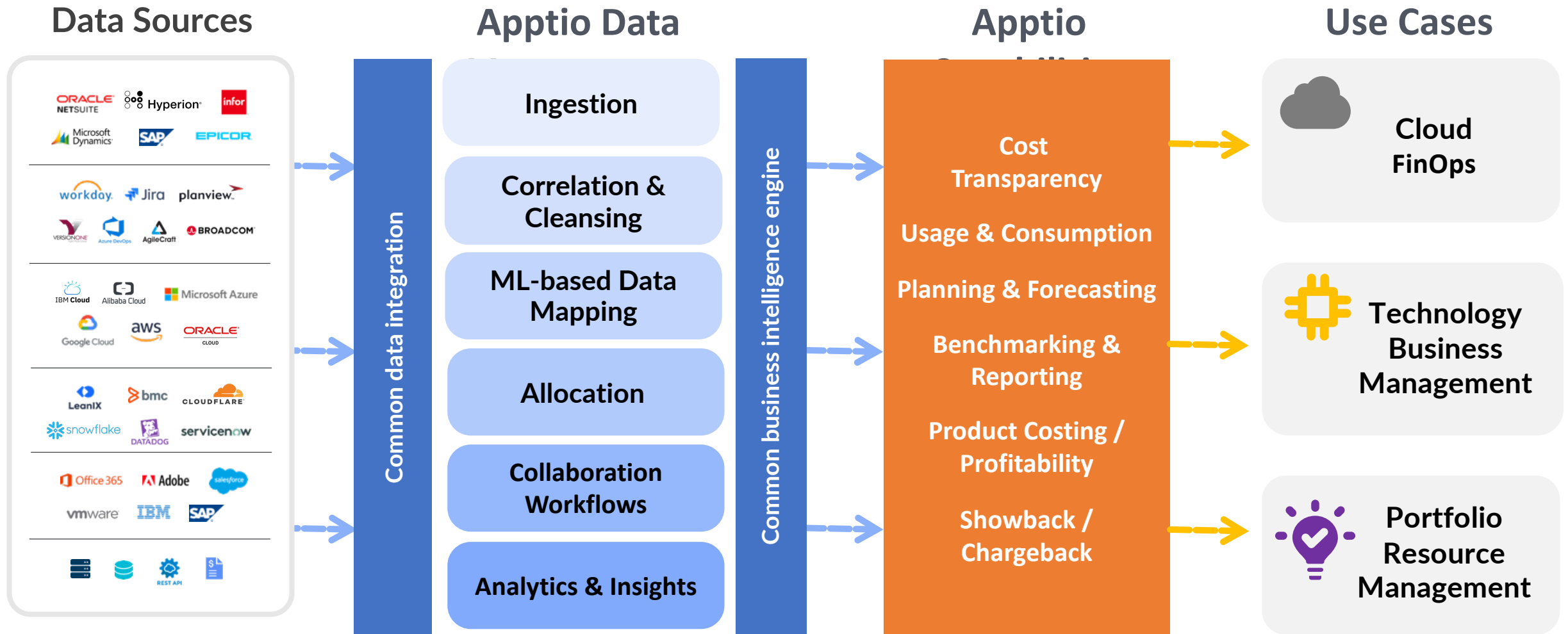
TBM Delivers a Common Discipline for Embracing These Challenges...



# Apptio Product Portfolio for TBM



# The Apptio Platform



# Apptio Cost Management






# Apptio Cost Management Key Benefits



Low cost



**Single price point for easy adoption** for mainstream market or early maturity TBM organizations



Ease of management



**Managed services bundled** with a strong foundation that's easy to configure and manage



Fast time-to-value



**Immediately and easily surface insights and benchmarking data** to enable 15-25% reduction in costs



Easy growth journey



**Easy to get started and grow** to align with your organizational priorities, maturity and technology spend

# Better Together Integrations

- Cloudability Totalcost
- Labor Financial Planning
- ServiceNOW
- Turbonomic



# Continuing Apptio's History of Solving Industry Challenges



## Enterprise IT

Explosive growth in productivity, collaboration, and connectivity



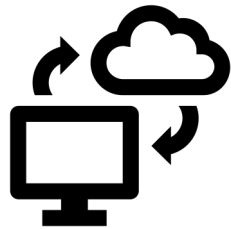
## How do we manage costs?

IT CtB costs were difficult to align to value and management of RtB costs was notoriously non-existent



## TBM & Apptio One

Achieved total cost transparency and management through a taxonomy and IT Financial Management platform



## Cloud Adoption

Assumed value resulted in aggressive "lift and shift" targets



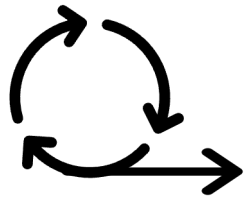
## How do we manage costs?

Cloud consumption shifted from Capex to subscription-based Opex without models to qualify and manage costs



## FinOps & Cloudability

Created a discipline for Cloud Financial Management and the industry's leading platform



## Agile Transformation

Businesses are prioritizing rapidly scaling Agile teams and the shift from project to product



## How do we manage costs?

Agile delivery breaks traditional funding models and creates blindspots for financial managers



## Apptio's BTG Portfolio

Targetprocess and Apptio One connect Financials to Agile Work alongside the evolution of TBM

# Connected Ecosystem Improves Visibility, Alignment, and Value Delivery

## Deliver business value

### Portfolio Management

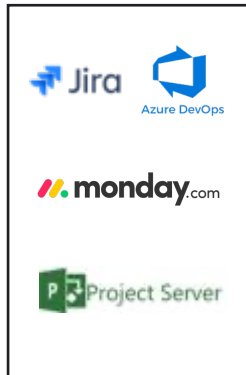
- PMO, Product Owner, RTE/PM
- CPO, CDO, CTO, Engg Leaders
- Agile Transformation Leads



### Targetprocess

- Align value delivery to strategy
- Manage demand
- Align capacity & demand
- Plan & prioritize investments
- Manage value delivery
- Track portfolio health and financials
- Inform labor capitalization
- Quantify value delivered

### Work Management



## Manage cost and funding of business value delivery

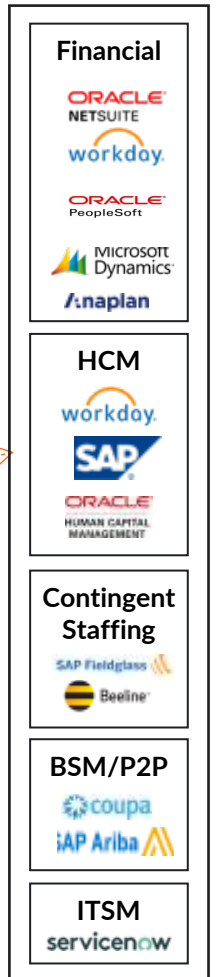
### Tech. Financial Management

- IT & Corp Finance, OCIO
- IT & BU Leaders, CFO



### ApptioOne

- Plan (budget and forecast) build/run IT spend
- Model (what-if scenarios) financial impact of portfolio/resource changes
- Track actual build/run costs; understand variance drivers
- Quantify Product TCO and Team TCO
- Manage BU consumption



# Apptio and ServiceNow integrate natively for faster



Financial Management Platform



Work Management Platform

Ability to understand, manage, optimize costs and demonstrate value



Ability to automate processes, connect data and orgs, to accelerate innovation

Best in class *Cost Model* providing financial transparency and integrity



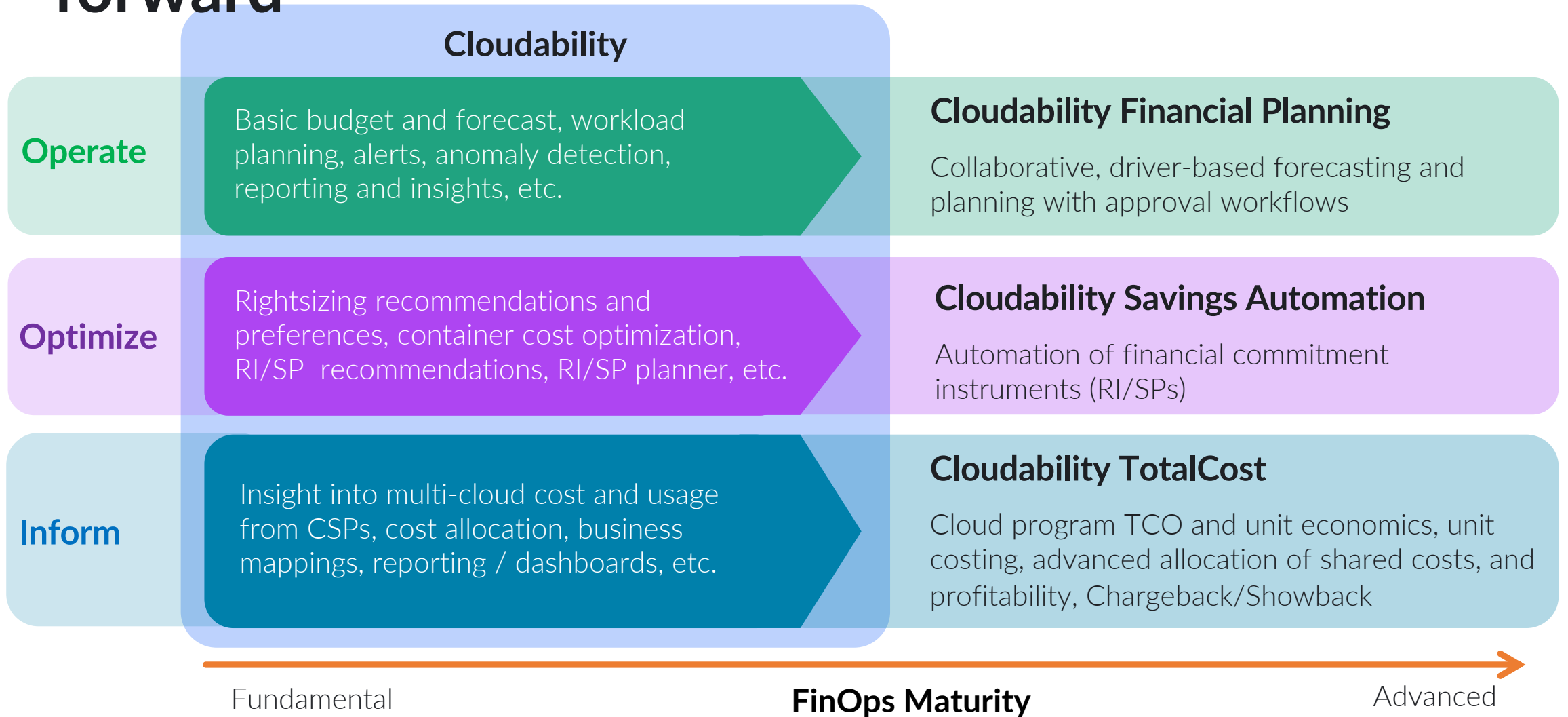
Best in class *Digital Workflows* providing operational integrity

Accelerated Trusted Decision Making = Faster Transformations...

Accelerated Trusted Outcomes = Faster Time to Value...

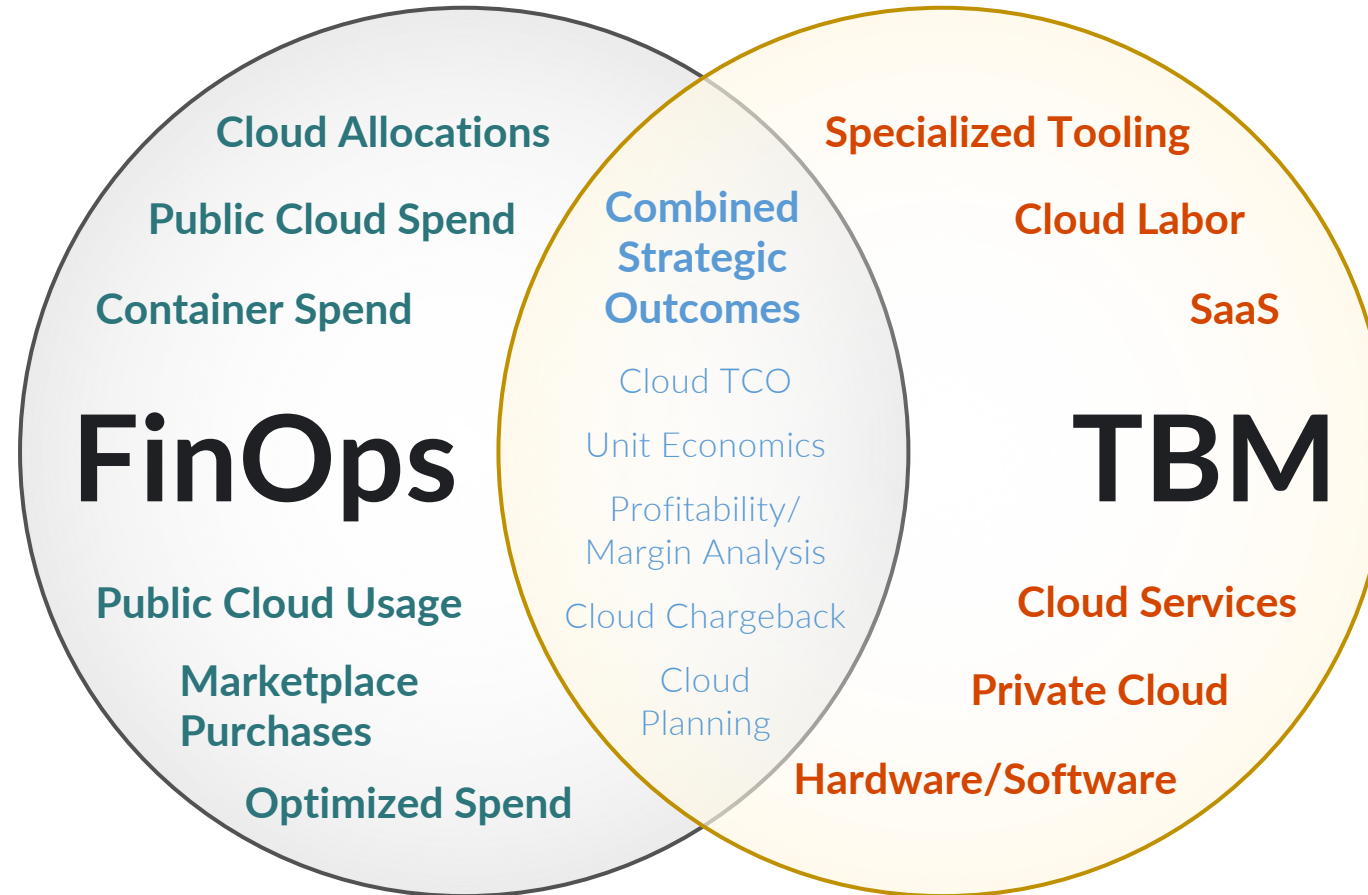


# Apptio solutions advance FinOps capabilities forward



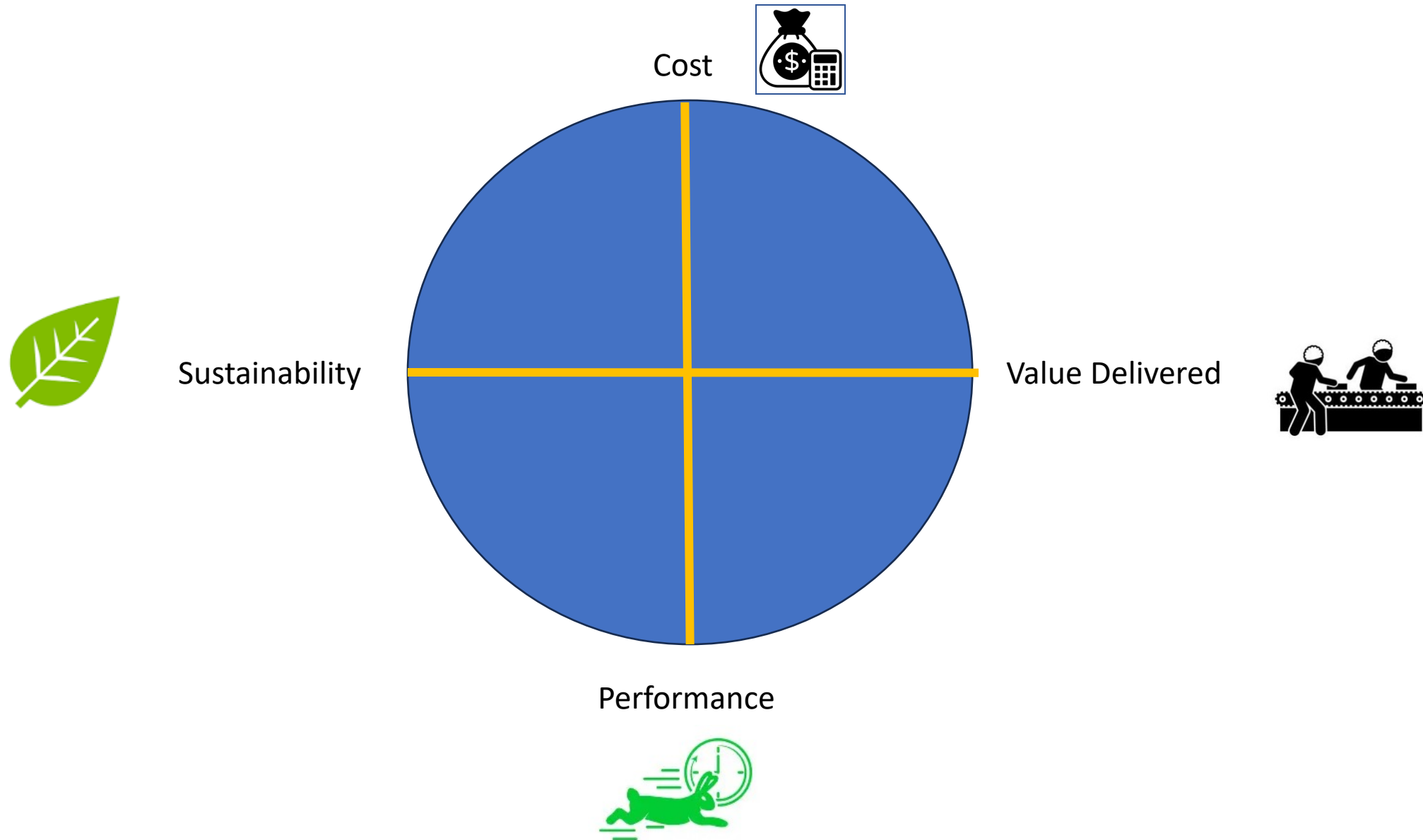
# TBM & FinOps are converging and expanding

FinOps needs more advanced TBM capabilities for today's hybrid multi-cloud world



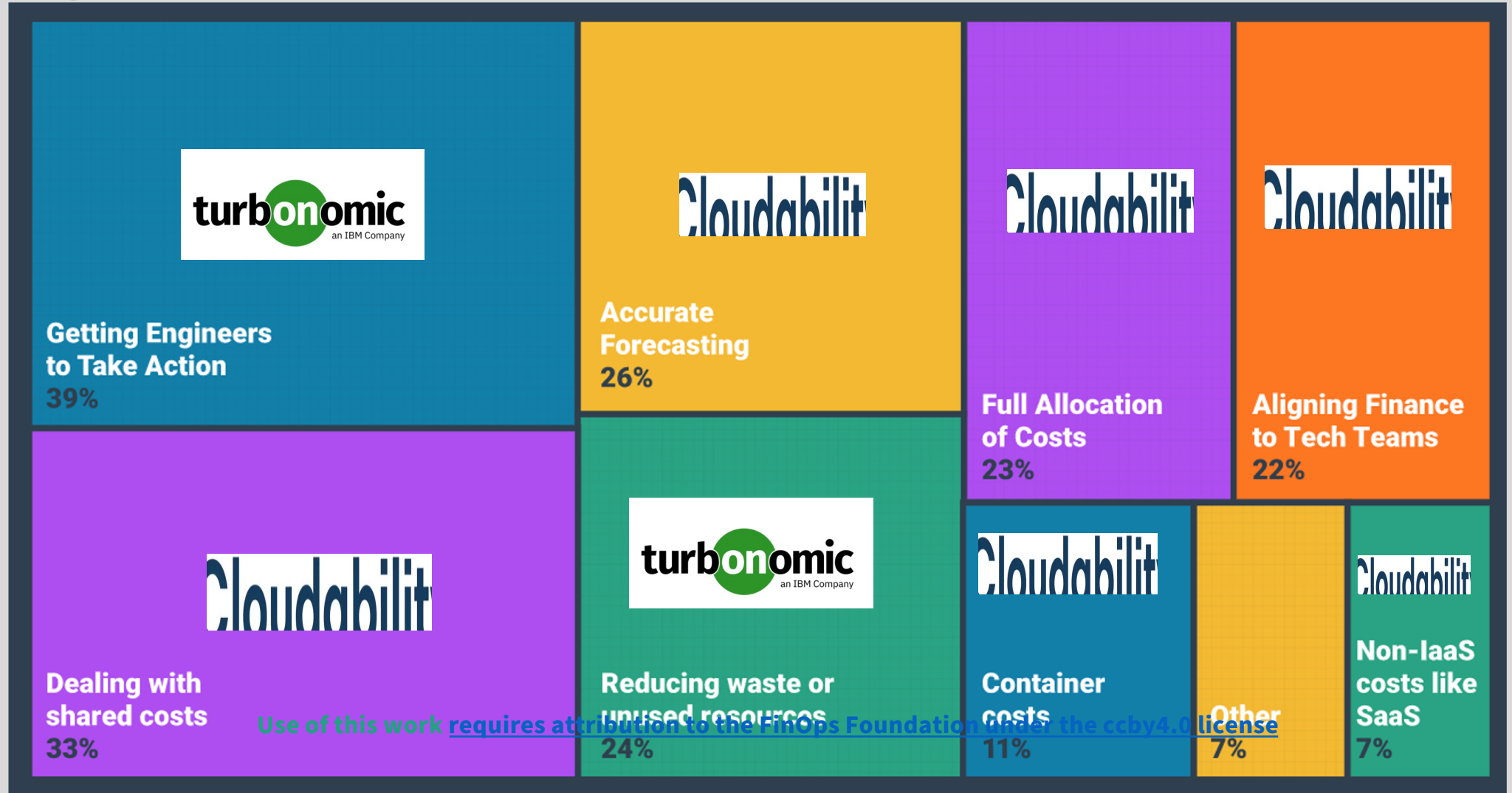
TBM needs to become more accessible, easier to use and faster to achieve TTV

# Single Pane of Glass for Fin and Ops



# Market Maturity

In understanding which challenges members of the FinOps market face, IBM and Apptio can determine the stages to solution together, meeting market needs.



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# Enterprise FinOps for all Cloud Costs and Resources



Bringing together cloud cost management and application resource optimization to operationalize and automate FinOps while delivering data-driven business outcomes.



## *Control the "Fin" in your FinOps*

- Visualize and allocate all public cloud and container costs
- Detect anomalies and reduce waste
- Automate savings program coverage
- Track and allocate total cloud spend
- Drive unit economics
- Up to 30% reduction in cloud spend with faster migration decisions
- 90% improvement in forecasting accuracy



## *Advance the "Ops" in your FinOps*

- Assure application performance while optimizing cost across resources
- Continuously match application demand to the right cloud resources
- Performance driven resource recommendations
- Intelligent action automation to unlock resource elasticity
- Reduce resource waste by 30+%
- Increase team productivity by 35+%



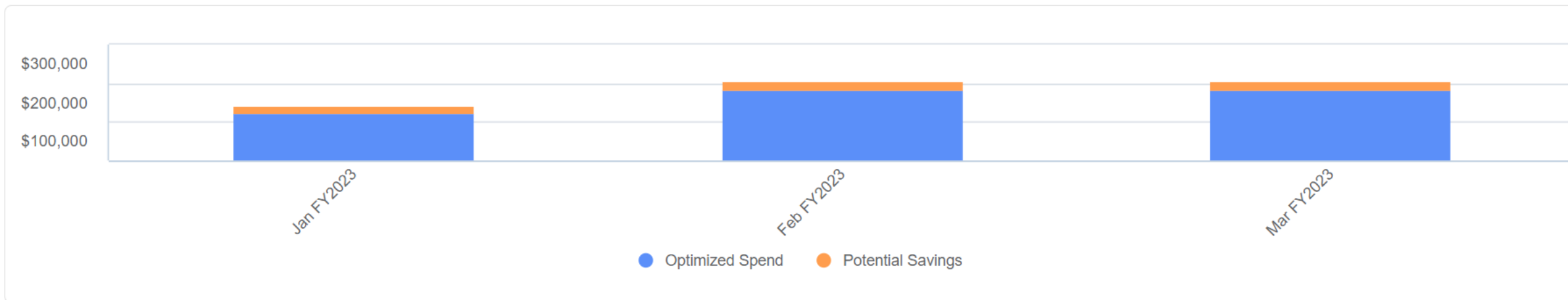
# Turbo Integration

COIN COIN CLDY <> Turbo

REFRESH: 3s [Settings] [Refresh] [Share]

Summary Details

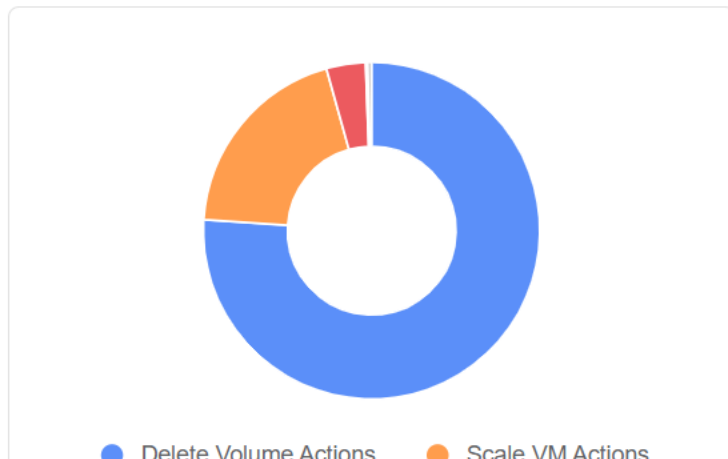
## Potential Savings and Spend Trend



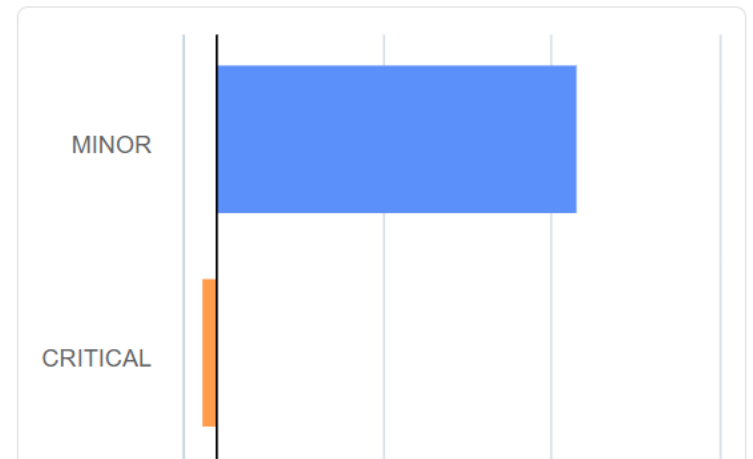
## Savings by Category



## Savings by Type



## Savings by Severity



SYDNEY, Australia, May 2, 2023

# **Gartner Predicts 75% of Organizations Will Have Implemented a Data Center Infrastructure Sustainability Program by 2027**

Analysts to Explore Sustainable IT Infrastructure Trends at Gartner IT Infrastructure, Operations & Cloud Strategies Conference in Sydney, May 15-16, 2023

Seventy-five percent of organizations will have implemented a data center infrastructure sustainability program driven by [cost optimization](#) and stakeholder pressures by 2027, up from less than 5% in 2022, according to Gartner, Inc.

“Responsibilities for sustainability are increasingly being passed down from CIOs to [infrastructure and operations](#) (I&O) leaders to improve IT’s environmental performance, particularly around data centers,” said [Autumn Stanish](#), Senior Principal Analyst at Gartner. “This has led many down the path of greater spend and investment in environmental solutions, but environmental impact shouldn’t be the only focus. Sustainability can also have a significant positive impact on non-environmental factors, such as brand, innovation, resilience and [attracting talent](#).”

## Climate tops material sustainability issues

Climate is at the top of issues considered material to environmental, social and governance (ESG) sustainability, according to Gartner analysis of 100 organizational materiality assessments. Climate is followed by business ethics and integrity, **diversity, equity and inclusion** and sustainable products.



**Environmental sustainability is rising on CEO agendas, and 9% of CEOs put it among their top 3 business priorities.**



**Nearly 70% of surveyed CEOs plan to invest in new sustainable products and in making existing products more sustainable.**



**44% of supply chain leaders expect climate change to create challenges related to security of supply in the next 10 years.**



**74% of supply chain leaders expect circular economy (sustainability) activities to positively impact profitability between now and 2025.**



**The circular economy has had a positive impact on prior-year revenue for 67% of supply chain leaders surveyed.**

### Sources:

- 2022 Gartner CEO and Senior Business Executive Survey
- 2022 Gartner Emerging Priorities in Supply Chain Survey
- 2022 Gartner Circular Economy Survey

# Cloud Carbon Footprint Methodology

***Total CO2e = operational emissions + embodied Emissions***

*Metric from Workload Operation*

***Operational emissions*** = (Cloud provider service usage) x (Cloud energy conversion factors [kWh]) x (Cloud provider Power Usage Effectiveness (PUE)) x (grid emissions factors [metric tons CO2e])

*Metric from Manufacturing Hardware*


***Embodied emissions*** = estimated metric tons CO2e emissions from the manufacturing of datacenter servers, for compute usage

<https://www.cloudcarbonfootprint.org/docs/methodology>

# Apptio Sustainability

Data Origins

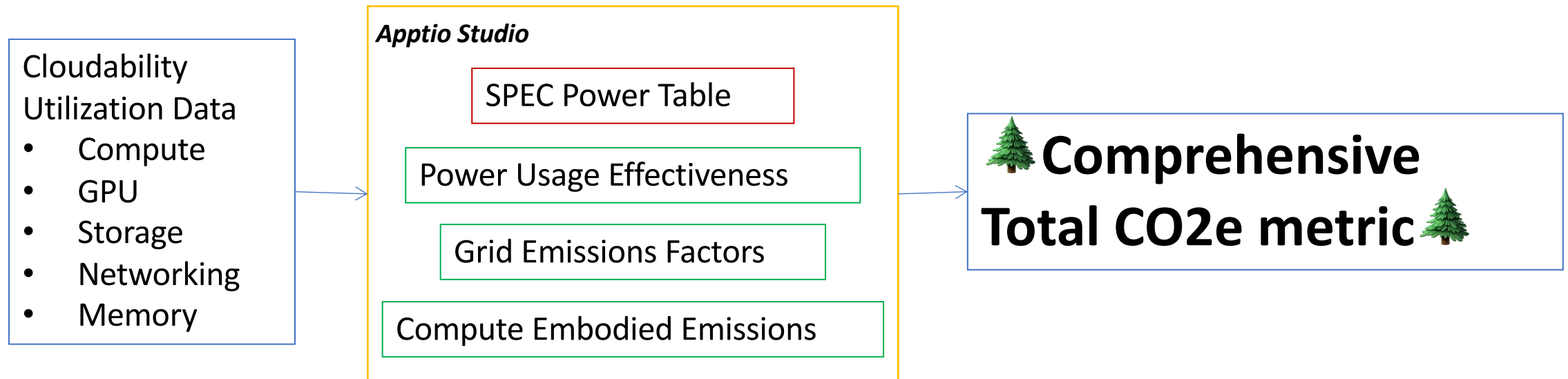
 = CCF

 = Cloudability data

 = SPEC Power Table

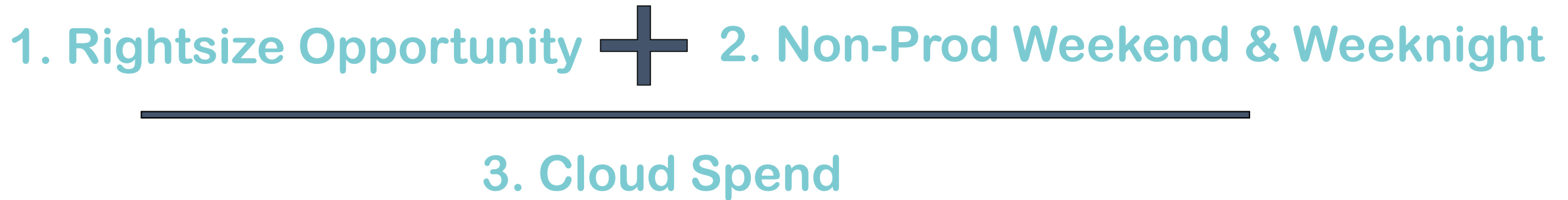
**Operational emissions** = (Cloud provider service usage) x (Cloud energy conversion factors [kWh]) x (Cloud provider Power Usage Effectiveness (PUE)) x (grid emissions factors [metric tons CO2e])

**Embodied emissions** = estimated metric tons CO2e emissions from the manufacturing of datacenter servers, for compute usage



# Cloud Optimization Index Number (COIN)

KPI to measure cloud efficiency over a period of time  
3 numbers with clear plan of action to control



1. Total Rightsize Opportunity (Unit Optimization)
2. Total Non-prod Weekend and Weeknight runtime (Process / Automation)
3. Total Cloud Spend (Rate Optimization)

# COIN Score Calculation Example

- Application-123 currently consumes \$5k / month in total cloud spend
- Upon research, Application-123 found to have \$3k / month in total optimization opportunity:
  - \$1.5k in monthly non-production persistence opportunity
  - \$1k in total monthly Rightsizing opportunities for EC2, RDS and EBS resources
  - \$500 in monthly idle container spend
- COIN Score =  $1.0 - (\text{Total App Optimization Opportunity} / \text{Total App Cost})$ 
  - COIN Score =  $1.0 - (3k / 5k) = .40$
- *“40% of Application-123 workload is optimized for public cloud”*