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Best Practices for Complex Apptio Architectures

Your Guides:

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Your Guides

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Agenda

- Introduction
- Story Time – Sharing our experiences
- How did we end up there?
- Open Discussion
- Excess Baggage of a Complex Model
- Best Practices

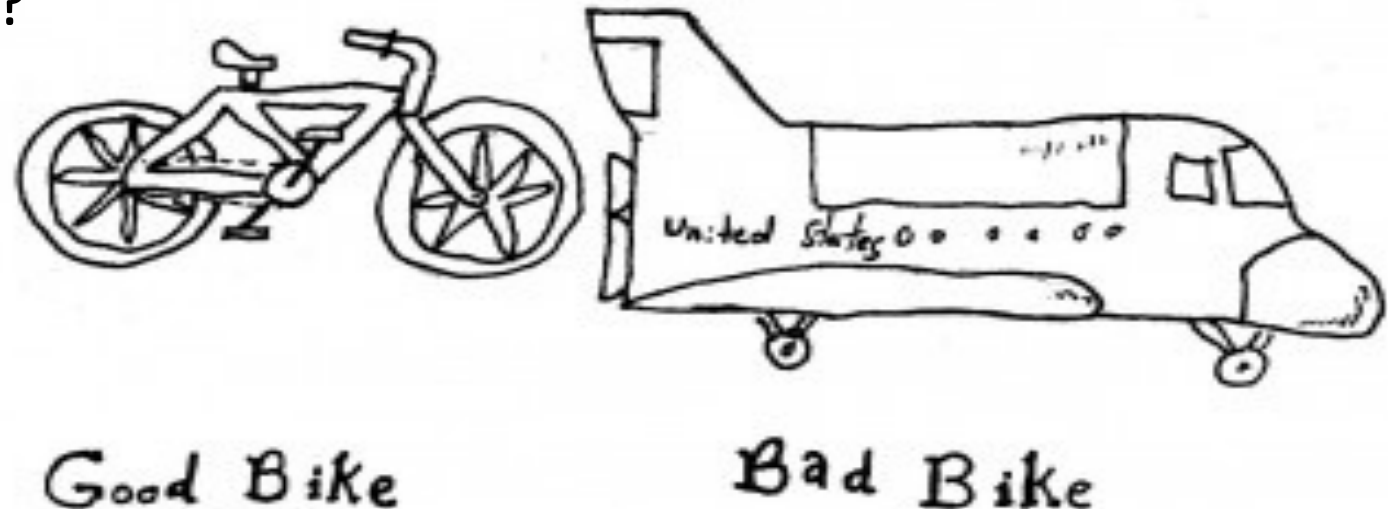
Introductions

- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself
- Business Cards



What is Complex Architecture

- How do we end up with complex models when we have an ATUM model backed by the TBM council?
- Are we building in a vacuum?
- Did we miss on requirements gathering and CIO vision?
- Are we too quick to start building?



What is Complex Architecture

Some examples

1. Leading Aerospace Manufacturer
 - 27 level nested if
 - Artificially defining Services at the GL level and tying expenses to them in the Cost Source
2. Leading Banking Institution
 - Creating an ad hoc ERP system with multiple projects that included data transformation and inter-project data migrations via datalink
3. Leading Auto Manufacturer
 - Using Apptio to fix bad data through editable tables, ITP and 2 CT projects?
 - Not using Apptio to validate data between datasets, doing it manually.

Quick Poll

- Can we build for and support our clients through the TBM journey without building overly complex solutions?



Why the Complexity?

- Unintentionally created over time
- Discovery: Understanding of use cases
- Ignorance
- Data matures but model stays the same



Open Discussion

Would you consider your cost model's architecture to be complex?

Consider the following:

- How many modeled objects?
- How many table transforms?
- How many mapping tables?
- Any hard-coded formula values?
- Multiple editable tables?
- Do you have 5+ allocation lines between the same 2 objects?
- What would you add to the list?

Inherent Challenges of a Complex Architecture

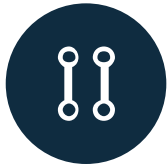
- Performance
- Troubleshooting
- Analysis
- Maintenance
- Documentation



Best Practices

- Clear understanding of requirements and use cases
 - Is that requirement or use case really adding value or it is checking a box for somebody?
- Number of report components
- Turn off calc on unused reports
- YTD metrics
- Ensuring your Object ID is at the appropriate level
 - Make sure every modeled object has an Identifier defined
- It's OK to say No! (*just be diplomatic about it when required*)
 - Not every request for report or custom allocation has to be accepted.

TCO Best Practices



Defensible Cost Model/Metrics

document and validate cost allocation methodologies and assumptions



Repeat

Not just a one time effort – track progress over time



Track Usage Metrics

usage of IT services changes over time. If the TCO of a service increases, did IT become less efficient, or did the organization just use more of it? Without tracking usage you won't know



Calculate Unit Costs

cost per employee, cost per incident, cost per X. This gives TCO perspective, and is useful in benchmarking against other organizations or industry standards



Put TCO in context

show the quality & business value services and applications produce



Build Roadmap

a three- to five-year plan for cost model evolution. Don't expect high maturity on your first attempt

Other Tips

Simplify Data Acquisition – it's hard, it delays, it creates dependencies



Create an Allocation Matrix – assists with planning, data acquisition, & communication



Complexity \neq Transparency – stakeholder's ability to explain it is a great litmus test



Reasons TCO Initiatives Fail

According to Gartner, 40% of ITFM tool implementations will fail due to the lack of a clear mandate, bad data discipline, and poorly designed cost models.

Gartner 2018



Fear of Bad Data

“My data isn’t ready” is a common excuse for not tackling TCO. But data will never improve in a vacuum. Just like muscles need exercise to grow strong, data must be put to use in order for it to improve. So, don’t wait for your data to be perfect. Instead, use your data to make it perfect.



Labor/Time Intensive

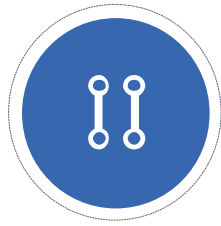
It takes effort to set up good allocation metrics, especially if you aren’t using a tool specifically designed for it. Organizations may find it’s too costly to get even close to right. Often, the result is the full budget is spent on the initial effort with nothing remaining to keep TCO running on an ongoing basis. Or worse, the TCO effort is abandoned all together.



Fear of Transparency

Masters of the old game won’t embrace the visibility. IT leaders often know that they have some “skeletons in the closet”—inefficient areas requiring better stewardship—that they are reluctant to bring to light. And business partners can be afraid to face that their decisions have real financial impacts on IT cost, and the days of IT saying “yes” to every request are over.

Reasons TCO Initiatives Fail



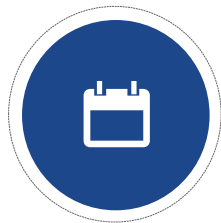
Analysis Lag Time

Data freshness is key. What often happens is that TCO is assessed when a reconciliation with finance occurs (annually), when it's already too late to address issues. If the TBM team is loading the GL monthly and looking at their costs, then TCO can provide actionable insight.



Indefensible

TCO alone, without clear context of how it was calculated will not be trusted by application owners, service owners, or IT leaders .



Over-Simplified

Just peanut butter spreading costs across apps and services doesn't add enough insight to make TCO useful.



Complicated

Complex calculations using inaccessible tools/data like spreadsheets lead to a TCO model that few understand. No one will accept the output if they can't understand how you got there.

Questions?



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