



# regoUniversity

SAN DIEGO • 2023

## Enterprise Business Management (EBM) Use Cases and Roundtable Discussion

**Your Guides:**

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# Your Guides

## Chris Rhoades

- Senior Apptio Consultant
- 11+ years of TBM/Apptio Experience
- Skiing, Hiking, General Aviation

## Tim Pietro:

- VP of Business Development
- TBM Council Standards Committee Member

# Agenda

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- Introduction
- What is EBM?
- EBM Use Cases
- Deployment Tips

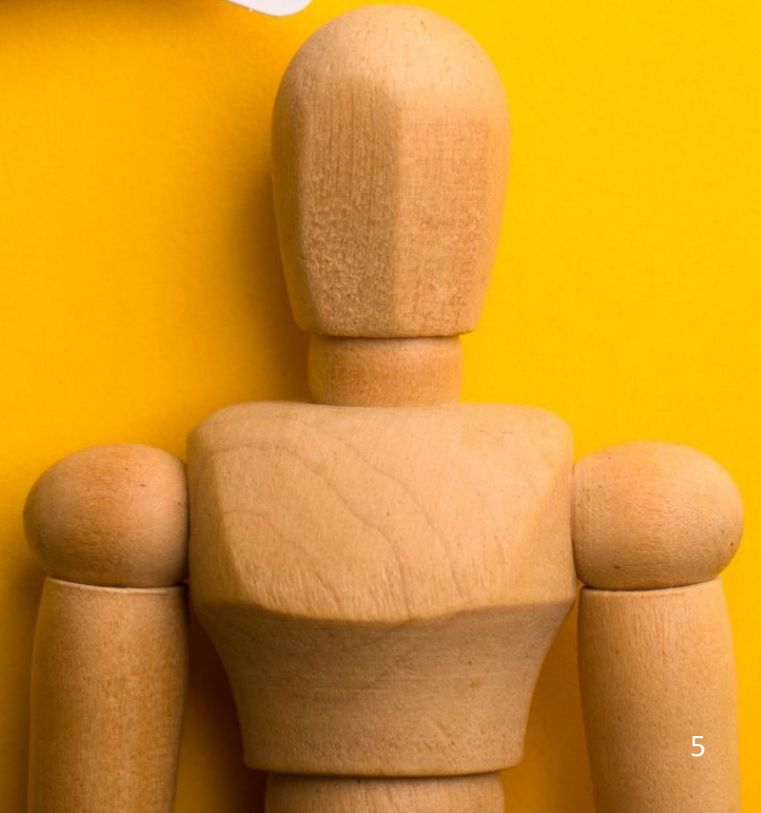
# Introductions

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



# Quick Poll

- How familiar are you with Apptio capabilities?
- Does your organization currently have a TBM (Technology Business Management) Program?
- Does your organization currently have any EBM Services defined?
- Are you doing a show back or charge back process for services?



# What is Enterprise Business Management?

# Discussion

- Is your organization pursuing an EBM initiative? What are the drivers of it?
- How are you defining EBM in your Organization?



# EBM Standardization

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Shared Services definitions were developed by the TBM Council as a part of Version 4.0 of the taxonomy.

<https://community.tbmCouncil.org/communities/custom-community-landing-page/tbm-taxonomy-community-home?CommunityKey=4a425b76-7a58-4990-8bf2-1e3ea366288c>

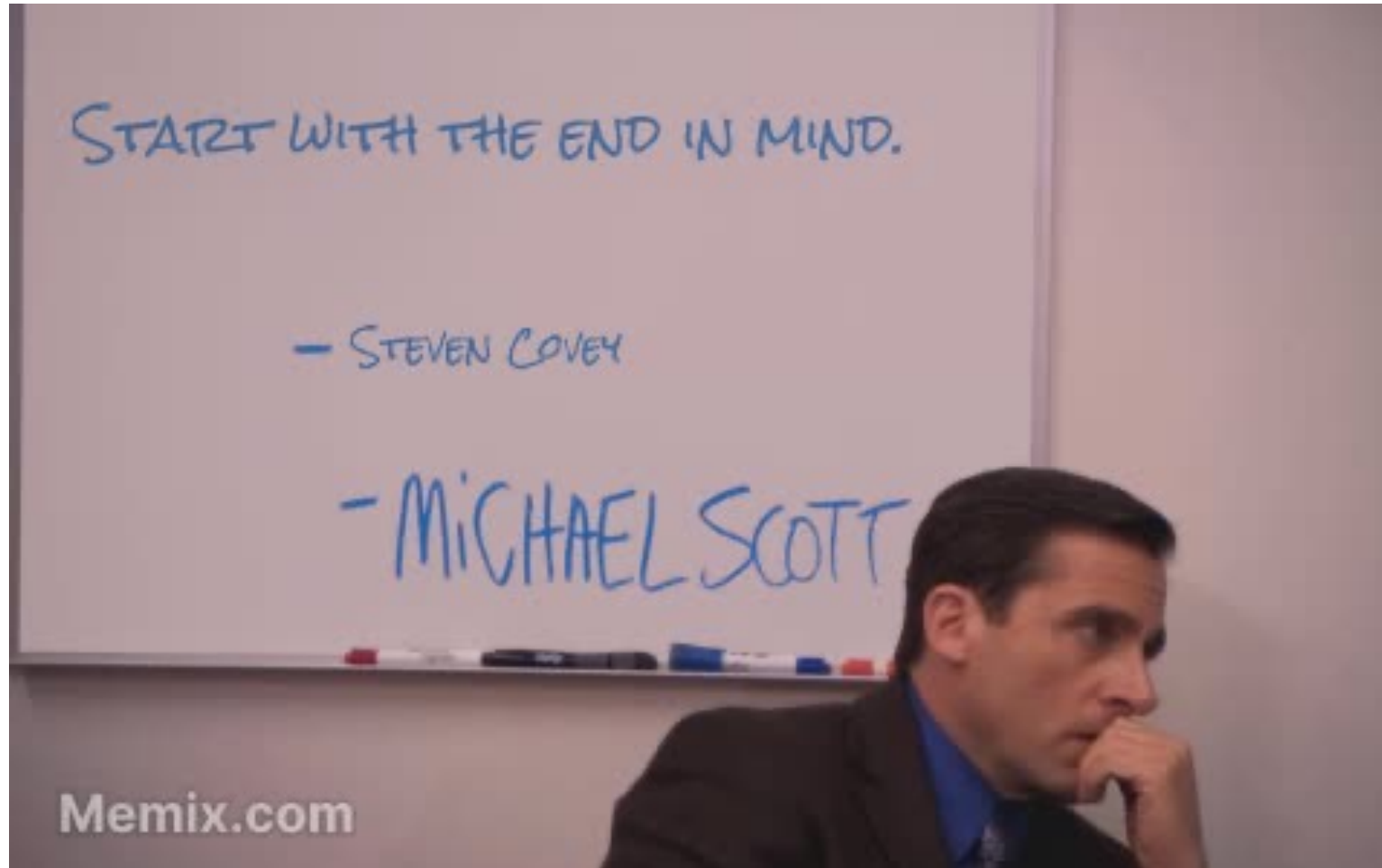
You will need to create an account on the TBM Council Community site.



# Defining Use Cases

For Enterprise Business Management

# Where to begin



# Service Owner Use Cases

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## Typical Use Cases

- What Costs from the GL make up my cost of delivering a Shared or Direct corporate service?
- What Vendor, Managed Services or internal Labor costs contribute to to the cost of services
- How are my services aligned to Business Products?
- How are my Products being consumed by the divisions?

# Discussion

- Does your organization currently have EBM services and products defined?
- Are your services combined together to make up a product?



# Division Use Cases

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## Typical Use Cases

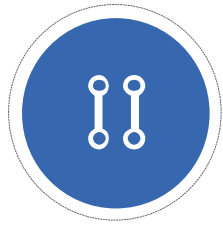
- What Products is consuming?
- By what metric are the Products using to distribute costs across the divisions?
- What are my direct vs. shared services
- How do I compare to my peers?

# Discussion

- How do you build understanding and credibility around how services costs are attributed to divisions?
  - What sort of resistance did you get?
  - How did you overcome?
- Are your services combined to make up a product?
  - What did your services definition process look like?
  - Who were the stakeholders?



# Reasons EBM Initiatives Fail



## Analysis Lag Time

Data freshness is key. If the EBM team is loading the GL monthly and looking at their costs, then EBM can provide actionable insight.



## Indefensible

EBM reporting alone, without clear context of how it was calculated will not be trusted by service owners, or division leaders .



## Over-Simplified

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



## Complicated

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

# Discussion

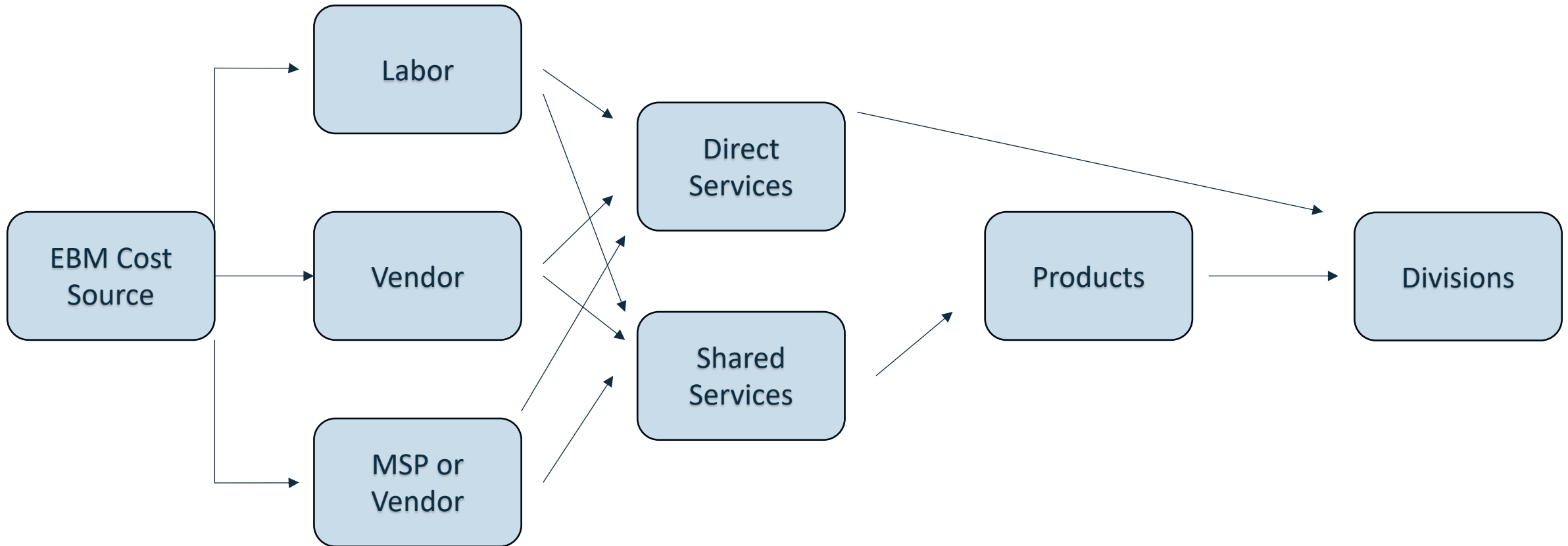
- What practices have you found important in achieving TCO?
- What stumbling blocks have you faced?





# Deployment Tips

# Conceptual EBM Model



# Defining EBM Spend at the GL

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Similar to TBM scoping. Determine which accounts and departments make up your EBM spend.

If possible, categorize that spend into “Cost Pools” (not currently standardized)

Create mapping rules to map to detail objects if needed (Labor, Vendor, etc.)

Determine mapping to Direct and Shared Services

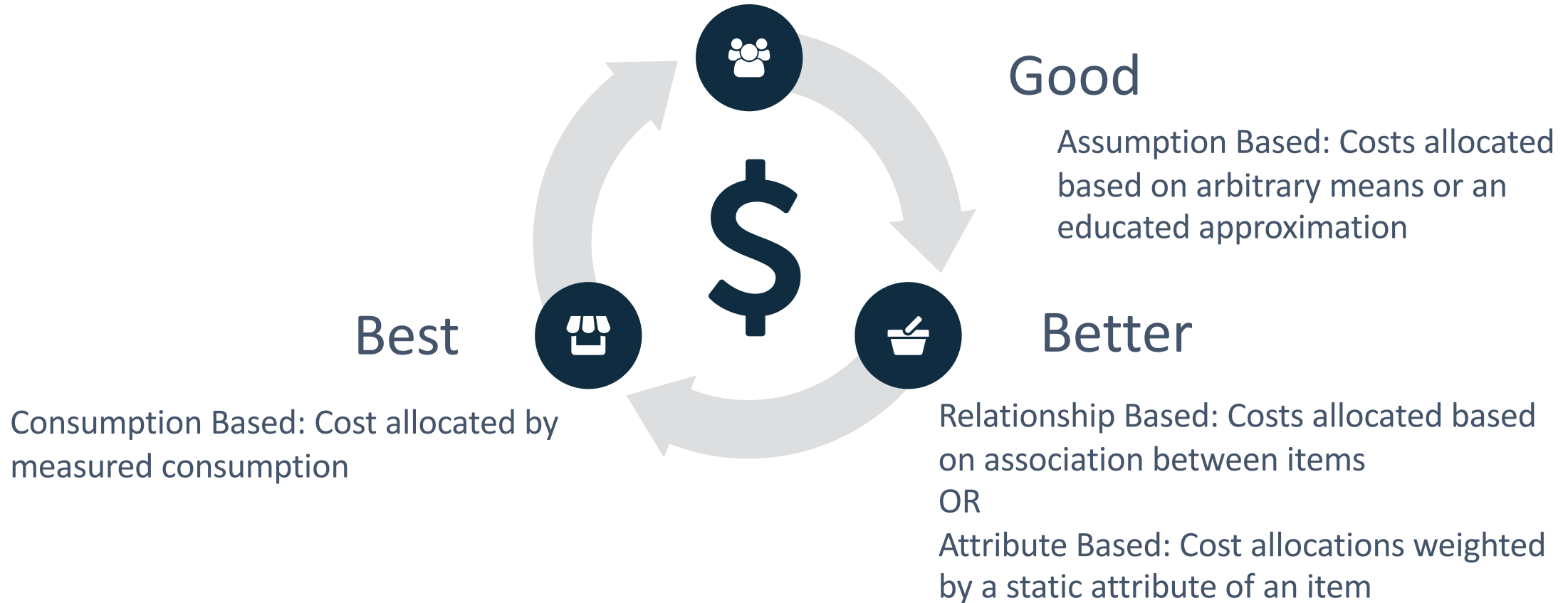
# Defining Direct and Shared Services

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Typically follow similar pattern to TBM Services

- Organized by Type, Category and Name
- Can be layered into grouped Services or Products
- Direct shares tend to allocate straight from the Services object to the BU/Division level
- Shared tend to group before allocating across many divisions

# Cost Allocation Methods



# Cost Allocation Methods

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- At the beginning of your EBM journey, many allocation strategies may be Good or Better, which is just fine for a new build. Ensure that stakeholders receive education and communication about allocation strategies to understand what is supporting the strategy and the impact on the model.
- You can then further scrub and refine your data, incorporate new sources for data, include monitoring tools, etc. as you go. **But get the reports lit up. Demo each report, describe the data source, outline the allocation strategy, and ask for feedback from your stakeholders;** they may know a better source that can be implemented later.
- Always look at the value that the data/reporting can provide; **if the spend is minimal, don't spend hours on the allocation** as the value add is minimal.

**Don't let "Perfect" be the enemy of "Good."**

# Allocation Methodologies

Allocations are negotiated or mandated. Generally due to no existing consumption or attribute data.



## Assumption Based

e.g. shared service costs allocated to division based on “thumb in the wind” percentages

Allocations use weighting tables from source datasets loaded into Apptio



## Attribute Based

e.g. service costs allocated across business units based on the headcount

Allocations use actual consumption of service data as available.



## Consumption Based

e.g. support costs allocated to applications based on the number of support tickets per application

# Questions?





# Surveys

Please take a few moments to fill out the class survey.  
Your feedback is extremely important for future events.



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Let us know how we can improve!  
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