

Bronze Sponsor



Why are my Costs Changing? Analyzing Cost Drivers

Your Guides:
Daniel Cunningham and Chris Rhoades

Your Guides



Daniel Cunningham:

- TBM Consultant
- 5+ years of TBM/Apptio Experience
- Books, Dogs and Travel



Chris Rhoades:

- Senior Apptio Consultant
- 12 years of TBM/Apptio Experience
- Soccer, Skiing, Photography and Camping

Agenda

- Introduction
- Scenarios
- TBM Framework
- Design Philosophy
- Tools & Troubleshooting

Introductions

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



Scenarios

- An Application Owner reaches out to understand why the costs of their Application grew by 30% from March to April.
- An End User is looking to understand what are the drivers behind the number they are looking at within IT Resource Towers.
- A Project Owner wants to know how much of their costs are for growth and how much of that cost can be saved.

Quick Poll

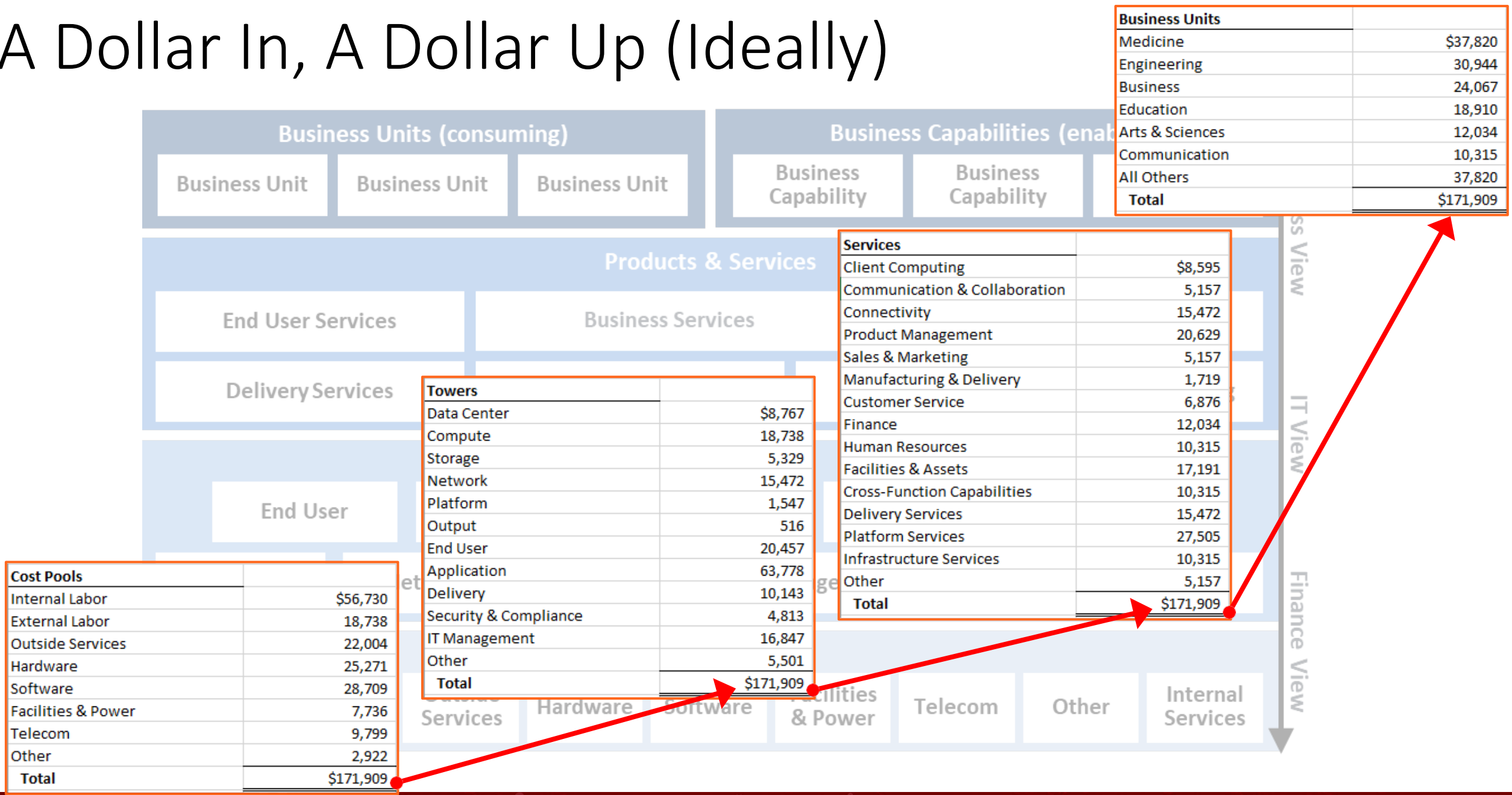
- What types of questions do you usually get about your reports?
- Have you had questions that ask about what makes up a cost or challenge you about a certain cost?



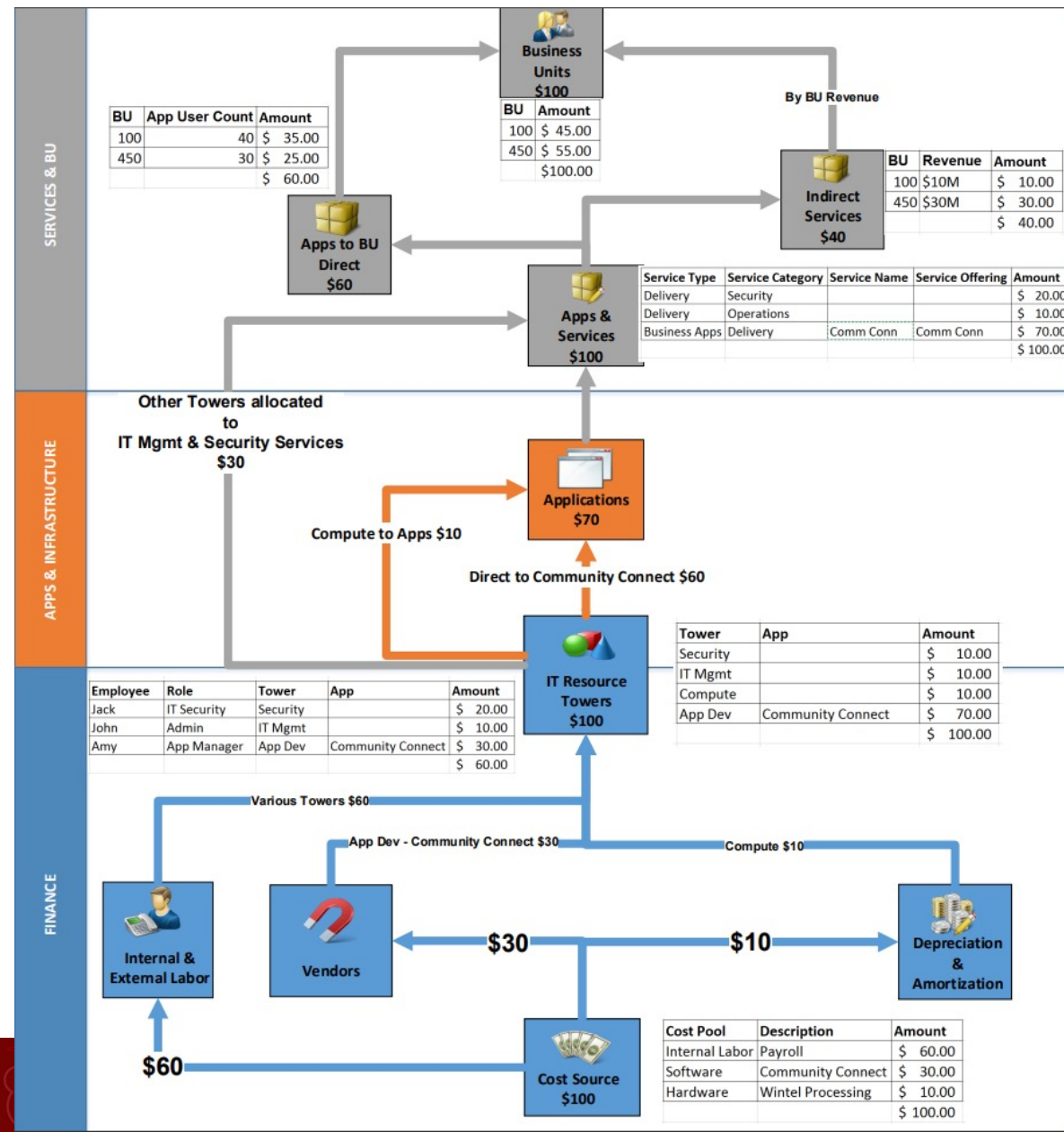
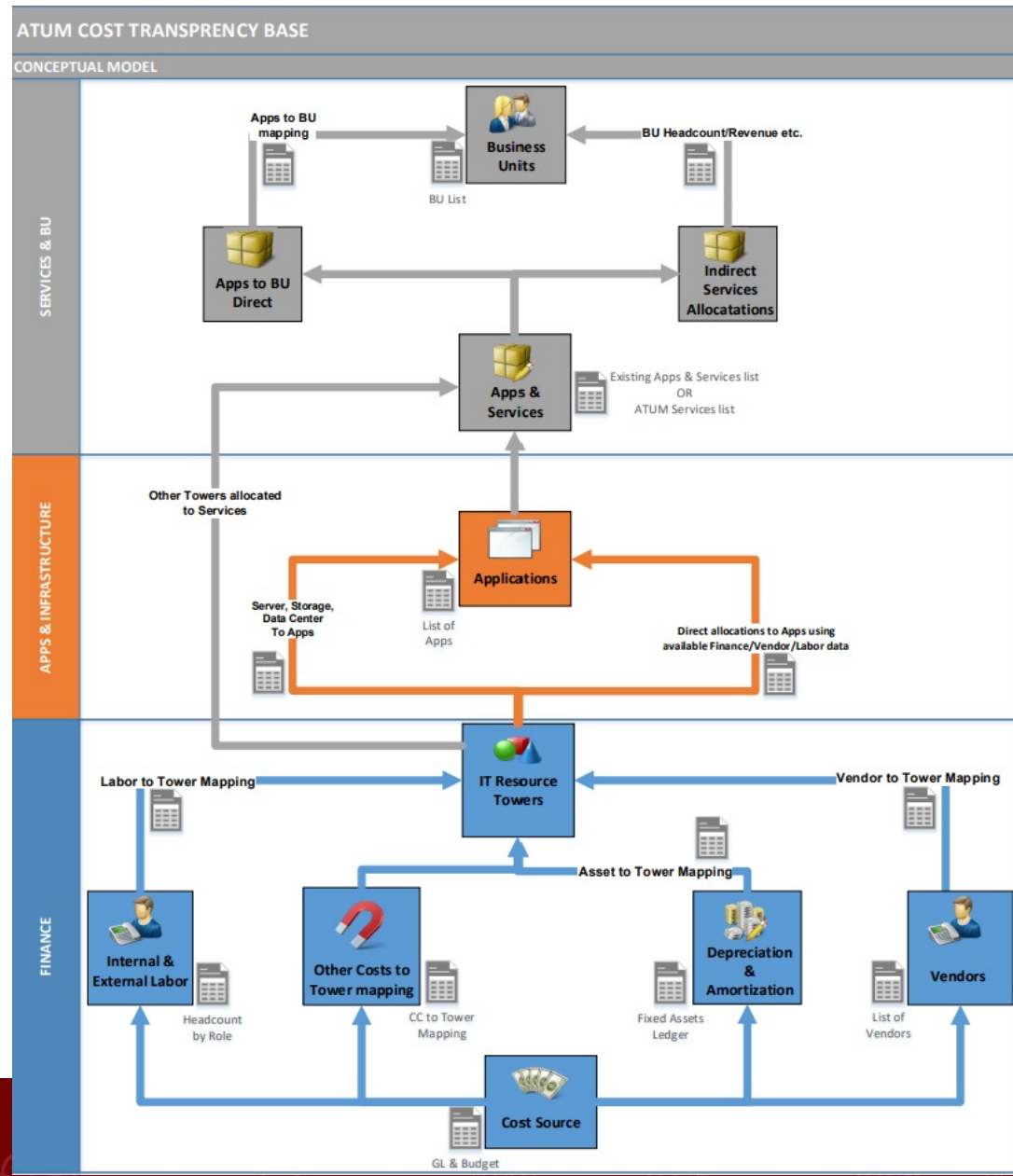
Do your customers understand TBM Framework?

- ATUM and TBM Layers
- Total Cost
- Conceptual Model
- Model Maturity Assessment

A Dollar In, A Dollar Up (Ideally)



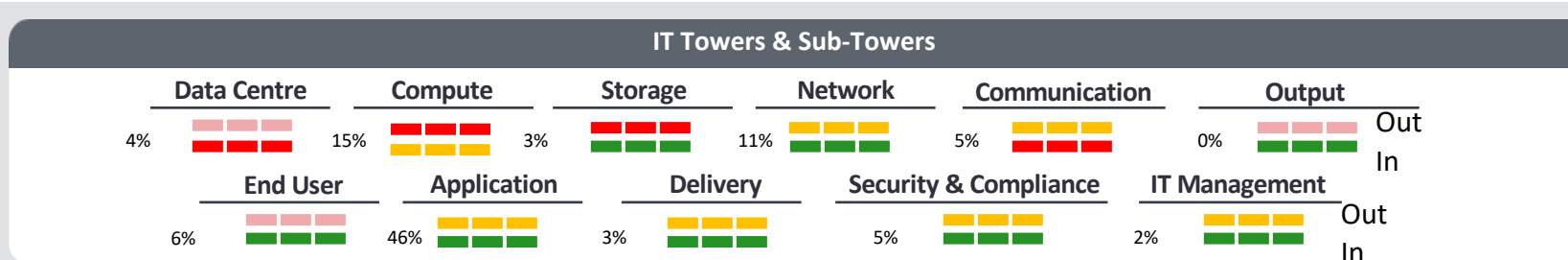
Conceptual Model Examples



Model Maturity Assessment Example

Status of the TBM Model – IT Towers

@ 06-July-23

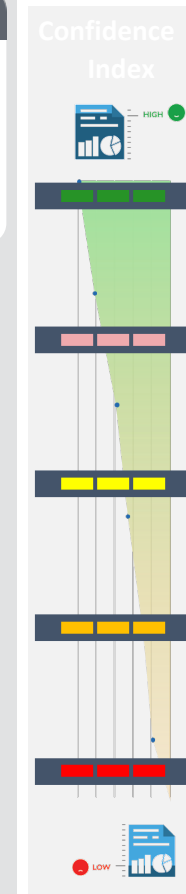


Data

- Data for IT Towers needs to be improved
 - Storage currently using an old dataset that does not align to applications
 - Compute refinement in place to align compute to applications and fill data gaps (CPU, etc.)

Allocations

- Allocation confidence level in the model is low for the following areas
 - Data Center – Costs are being allocated based on space, not a relative cost factor for high cost sites.
 - Storage – weighting factors are not sufficient and currently all DAS is being ignored, leading to lower storage cost for applications only supported by DAS/



Do you have a Design Philosophy?

- Build with the user experience in mind
- Models are built bottom up but consumed top down



Troubleshooting Approach

- Identify where the issue appears and what expected outcome is
 - Affected Reports
 - Time
- Leverage the reports to identify or communicate back when possible
 - Financial Analysis
 - Vendor Portfolio
 - IT Towers Composition
 - Application Overview
- Identify the object(s) involved
- Confirm within TBM Studio
 - Changes within the data
 - Related allocations
 - Tracing within Model Metric

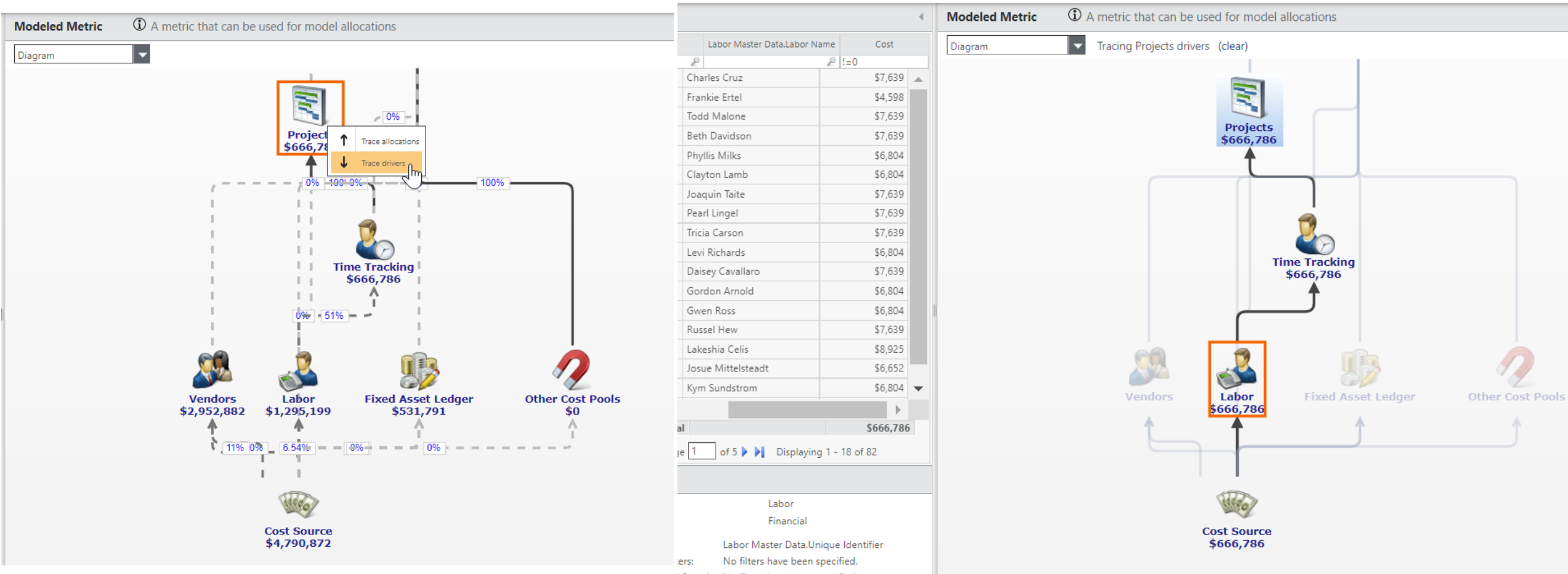
Quick Poll

- How do you answer questions from end users about discrepancies in the reports?



Model Trace

14



Model Trace Recap

- Tool for users with access to TBM Studio
- Can identify objects a cost driver is from
- Available only in Development

Allocation Trace

Model ⓘ Allocate costs and other values.

Select a metric: Cost > Applications

ALLOCATION FROM: SERVERS ⓘ **Servers**

▼ **From** Servers where App Consumer Is Not Null Complete

▼ **Allocate** All except AWS Charges, Agile Activity, ... Complete

▼ **Using** Weighted Value Complete

▼ **To** Applications Complete

▲ **Distributing** Evenly (within Application ID = App Co... Complete

☐ Weight By

When a value is split across multiple rows in the destination table, a weight determines the proportion of the value that will be placed on each row.

☒ Data Relationship

Use a data relationship to keep related values together, similar to how you may use a SUMIF function in Excel™.

Source Column = Destination Column

SERVICES MASTER DATA App Consumer = APPLICATIONS MASTER DATA Application ID

Add relationship

▲ **Notes**

| Source | Destination | Servers Master Data | | | | | | Cost | Allocated |
|--------------|-------------|---------------------|-------------|-------------------|----------|----|-------------------|--------------------|------------------|
| | | App Consumer | Application | Environment | Location | OS | Object Identifier | | |
| 100% | App - 5278 | Acme.com | Production | us-west-2a | | | Amazon Web Se... | \$28,621 | \$28,6 |
| 100% | App - 754 | Oracle CRM | Production | us-west-2a | | | Amazon Web Se... | \$24,080 | \$24,0 |
| 100% | App - 5278 | Acme.com | Production | us-west-2c | | | Amazon Web Se... | \$22,028 | \$22,0 |
| 100% | App - 754 | Oracle CRM | Production | us-west-2c | | | Amazon Web Se... | \$18,987 | \$18,9 |
| 100% | App - 5278 | Acme.com | Development | us-west-2a | | | Amazon Web Se... | \$16,448 | \$16,4 |
| 100% | App - 1508 | Aspect eWorkfor... | Production | us-west-2a | | | Amazon Web Se... | \$14,246 | \$14,2 |
| 100% | App - 754 | Oracle CRM | Development | us-west-2a | | | Amazon Web Se... | \$13,670 | \$13,6 |
| 100% | App - 5278 | Acme.com | Development | us-west-2c | | | Amazon Web Se... | \$13,332 | \$13,3 |
| 100% | App - 754 | Oracle CRM | Test | San Francisco, CA | Unix | | QUXDHRPS302 -... | \$13,103 | \$13,1 |
| 100% | App - 8671 | SAP Order Mana... | Production | San Francisco, CA | Unix | | PWADAALB003 -... | \$13,103 | \$13,1 |
| 100% | App - 5278 | Acme.com | Production | us-west-2a | | | Amazon Web Se... | \$12,898 | \$12,8 |
| 100% | App - 1508 | Aspect eWorkfor... | Production | us-west-2c | | | Amazon Web Se... | \$12,455 | \$12,4 |
| 100% | App - 14326 | Applicant Tracking | Production | us-west-2a | | | Amazon Web Se... | \$12,369 | \$12,3 |
| 100% | App - 754 | Oracle CRM | Development | us-west-2c | | | Amazon Web Se... | \$12,223 | \$12,2 |
| 100% | App - 754 | Oracle CRM | Production | us-west-2a | | | Amazon Web Se... | \$12,060 | \$12,0 |
| 100% | App - 14326 | Applicant Tracking | Production | us-west-2c | | | Amazon Web Se... | \$11,031 | \$11,0 |
| 100% | App - 5278 | Acme.com | Test | us-west-2a | | | Amazon Web Se... | \$10,941 | \$10,9 |
| 100% | App - 5278 | Acme.com | Development | us-west-2a | | | Amazon Web Se... | \$9,347 | \$9,3 |
| 100% | App - 1508 | Aspect eWorkfor... | Development | us-west-2a | | | Amazon Web Se... | \$9,004 | \$9,0 |
| 100% | App - 5278 | Acme.com | Test | us-west-2c | | | Amazon Web Se... | \$8,912 | \$8,9 |
| Total | | | | | | | | \$1,497,075 | \$1,464,5 |

| Source | Destination |
|----------|-------------|
| Complete | Complete |
| Complete | Complete |
| Complete | Complete |
| Complete | Complete |
| Complete | Complete |
| Complete | Complete |

| Mainframe LPARs Master Data | | Cost | Allocated | % |
|-----------------------------|--|----------|-----------|---|
| Object Identifier | | | | |
| FA0015-1 | | \$29,204 | 100% | |
| FA0015-3 | | \$19,812 | 100% | |
| FA0015-2 | | \$18,090 | 100% | |

Destination rows for FA0015-1

| Applications Master Data | | Actual Units | Cost | |
|--------------------------|--|--------------|----------|--|
| Object Identifier | | | | |
| App - 37323 - TS-05 | | 331308 | \$25,369 | |
| App - 5278 - BAS-14 | | 24677 | \$1,890 | |
| App - 1131 - BAS-12 | | 20382 | \$1,561 | |
| App - 4901 - BAS-23 | | 3445 | \$264 | |
| App - 24128 - BAS-07 | | 1431 | \$110 | |
| App - 21866 - BAS-19 | | 108 | \$8 | |
| App - 13195 - BAS-22 | | 46 | \$4 | |
| Total | | 381397 | \$29,204 | |

Allocation & Drivers View

The screenshot displays the 'Allocation & Drivers View' interface with several overlapping 'Show/Hide Columns' dialog boxes. The background interface includes a top navigation bar with 'Home', 'Project', and 'Build' tabs. A warning message states: 'This document is read only - check it out to m...'. The 'Model' section shows 'Allocate costs and other val...'. A 'Select a metric:' dropdown is set to 'Cost'. The 'OBJECT:' section is titled 'IT Resource Towers' and includes a 'Tier for System Generated Overviews:' section with a 'System generated model overviews will automatic... categorize this object into the following tier. This affect the default metric overview, and traces from model overview reports.' section. Below this, there are 'IT Resources' and 'New' buttons, a 'Use object identifier' checkbox, and an 'Object Identifier' dropdown. The 'Rows' section is partially visible.

The 'Show/Hide Columns' dialog boxes are organized into two main sections: 'Tables' and 'Metric Fields'. The 'Tables' section includes a 'Filter:' input and a 'Select: All / None' option. The 'Metric Fields' section includes a 'Filter:' input, a 'Select: All / None' option, and a 'Revert All' button. The 'Tables' section lists various metrics under the 'IT Resource Towers Master Data' table, including 'Annual Unit Cost Target', 'Asset_Resource Key', 'Asset_Resource Key Metafield', 'Benchmark Annual Unit Cost', 'Benchmark Avg Unit Cost', 'Benchmark Enabled', 'Benchmark FTE Efficiency', 'Benchmark FTE Efficiency UoM', 'Benchmark IT Resource Tower', 'Benchmark IT Resource Tower Quantity', 'Benchmark Lookup', 'Benchmark Mapped Sub-Tower', 'Benchmark Mapped Tower', 'Benchmark Sub-Tower Lookup', 'Benchmark Tower Lookup', 'Benchmark Towers', 'Benchmark UoM', 'Benchmark UoM Lookup', and 'Benchmark UoM Mapping'. The 'Metric Fields' section lists various metrics under the 'Metrics' table, including 'Labor People Tower Mapping', 'Cloud Service Provider', 'Other Cost Pools.Other Cost Pools_1', 'Fixed Asset Ledger', 'Vendors', 'Time Tracking.Time Tracking to IT Resource Tower', and 'Time Tracking.Time Tracking'. The 'Metric Fields' section also includes a 'Revert All' button.

At the bottom of the dialog boxes, there are 'OK' and 'Cancel' buttons. The 'OK' button is highlighted in blue.

Allocation & Drivers View 2

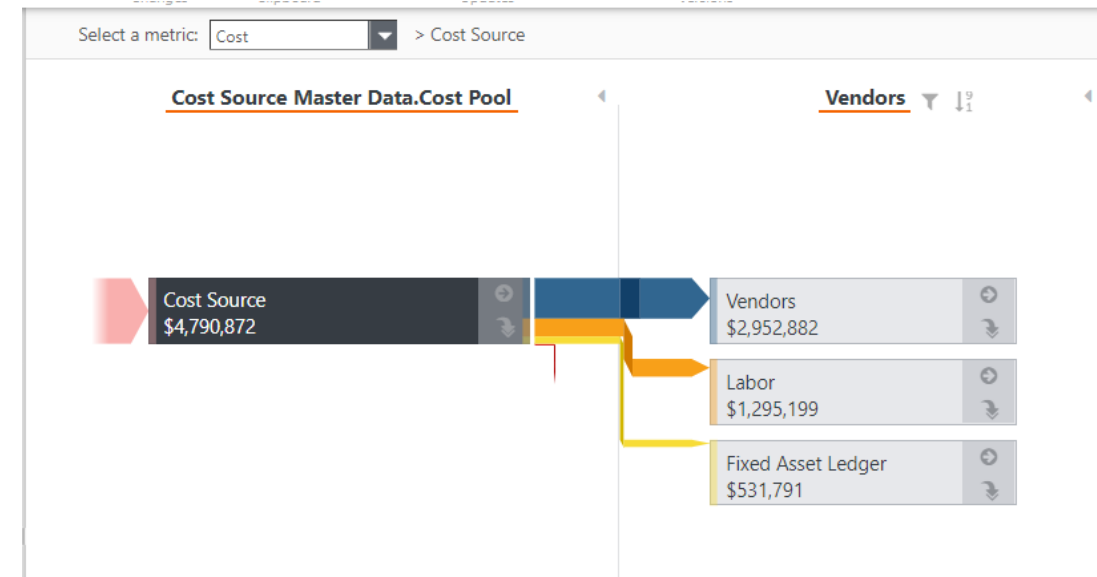
| Model ⓘ Allocate costs and other values. | | | | | | | | | | | | |
|--|----------------------------|-------------|--------------------|------------------------------------|--------------------|---|-----------|-----------------|------------------|-------------|-------------|------|
| Select a metric: Cost > IT Resource Towers | | | | | | | | | | | | |
| OBJECT: IT Resource Towers | | | | | | | | | | | | |
| Object: IT Resource Towers | | | | | | | | | | | | |
| Table | | | | | | | | | | | | |
| <div> <div> <div>Rows</div> <div>Complete</div> </div> <div> <div>Tier for System Generated Overviews:</div> <div>System generated model overviews will automatically categorize this object into the following tier. This will affect the default metric overview, and traces from model overview reports.</div> <div> <div>IT Resources</div> <div>New</div> </div> <div> <input checked="" type="checkbox"/> Use object identifier <div>It is possible to explicitly specify the columns that uniquely identify rows for modeling purposes.</div> <div>Object Identifier</div> <div>Add row filter</div> </div> </div> </div> | | | | | | | | | | | | |
| IT Resource Towers Master Data | | | | | | | | | | | | |
| Object Identifier | Labor People Tower Mapping | Vendors | Fixed Asset Ledger | Time Tracking to IT Resource Tower | Other Cost Pools_1 | Indirect Application Dev & Support Allocation | Servers | Storage Devices | End User Devices | Cost | Allocated | % |
| Compute - Unix | \$44,696 | \$0 | \$37,375 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$82,071 | \$82,071 | 100% |
| Network - Voice | \$29,167 | \$35,837 | \$0 | \$11,343 | \$0 | \$0 | \$0 | \$0 | \$0 | \$76,347 | \$76,347 | 100% |
| Compute - Servers | \$64,029 | \$61,792 | \$179,483 | \$17,013 | \$0 | \$0 | \$322,317 | \$0 | \$0 | \$322,317 | \$322,317 | 100% |
| Network - LAN/WAN | \$27,000 | \$58,760 | \$0 | \$13,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$99,260 | \$99,260 | 100% |
| Compute - Midrange | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Compute - Mainframe | \$0 | \$0 | \$206,088 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$206,088 | \$206,088 | 100% |
| Network - Transport | \$16,633 | \$386,625 | \$0 | \$12,097 | \$0 | \$0 | \$0 | \$0 | \$0 | \$415,354 | \$415,354 | 100% |
| End User - Workspace | \$48,554 | \$240,928 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$289,483 | \$289,483 | \$289,483 | 100% |
| Application - Database | \$0 | \$44,042 | \$29,692 | \$15,797 | \$0 | \$89,532 | \$0 | \$0 | \$0 | \$89,532 | \$89,532 | 100% |
| Output - Central Print | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| End User - IT Help Desk | \$30,946 | \$31,147 | \$0 | \$32,646 | \$0 | \$0 | \$0 | \$0 | \$0 | \$94,738 | \$94,738 | 100% |
| Application - Middleware | \$8,506 | \$0 | \$29,165 | \$0 | \$0 | \$37,671 | \$0 | \$0 | \$0 | \$37,671 | \$37,671 | 100% |
| Storage - Online Storage | \$8,119 | \$0 | \$23,754 | \$10,937 | \$0 | \$0 | \$0 | \$0 | \$0 | \$42,810 | \$42,810 | 100% |
| End User - Mobile Devices | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Network - LAN/WAN - Zones | | | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$36 | \$36 | 100% |
| Storage - Offline Storage | \$7,200 | \$37,333 | \$15,836 | \$10,937 | \$0 | \$0 | \$0 | \$71,306 | \$0 | \$71,306 | \$71,306 | 100% |
| IT Management - IT Finance | \$32,898 | \$0 | \$0 | \$9,870 | \$0 | \$0 | \$0 | \$0 | \$0 | \$42,768 | \$0 | 0% |
| End User - Deskside Support | \$89,275 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$89,275 | \$89,275 | \$89,275 | 100% |
| End User - Network Printers | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Network - Voice - PROJ-0005 | | | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Network - Voice - PROJ-0048 | | | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Delivery - Client Management | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Delivery - Operations Center | \$49,919 | \$23,178 | \$0 | \$81,299 | \$0 | \$0 | \$0 | \$0 | \$0 | \$154,397 | \$0 | 0% |
| End User - Conferencing & AV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| End User - End User Software | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total | \$807,956 | \$1,468,202 | \$521,392 | \$1,024,914 | \$0 | \$1,186,439 | \$322,317 | \$71,306 | \$378,758 | \$3,843,043 | \$3,281,388 | 85% |
| <div> <div>Page 1 of 10</div> <div>Displaying 1 - 26 of 239</div> </div> | | | | | | | | | | | | |

Allocation Trace Recap

- Are there rules set for the From and To allocation origination and destinations
- What is the weighting factor
- What is the data relationship
- When you click on an allocation, is it allocating to the expected destination

Model Report

- Create reports leverage the objects in TBM Studio and surfacing to the reporting layer
- Use to identify fallout
- Can filter on individual dimensions within the objects similar to model tracing
- WARNING!! Use sparingly. Calc intensive, can slow down STG calc.



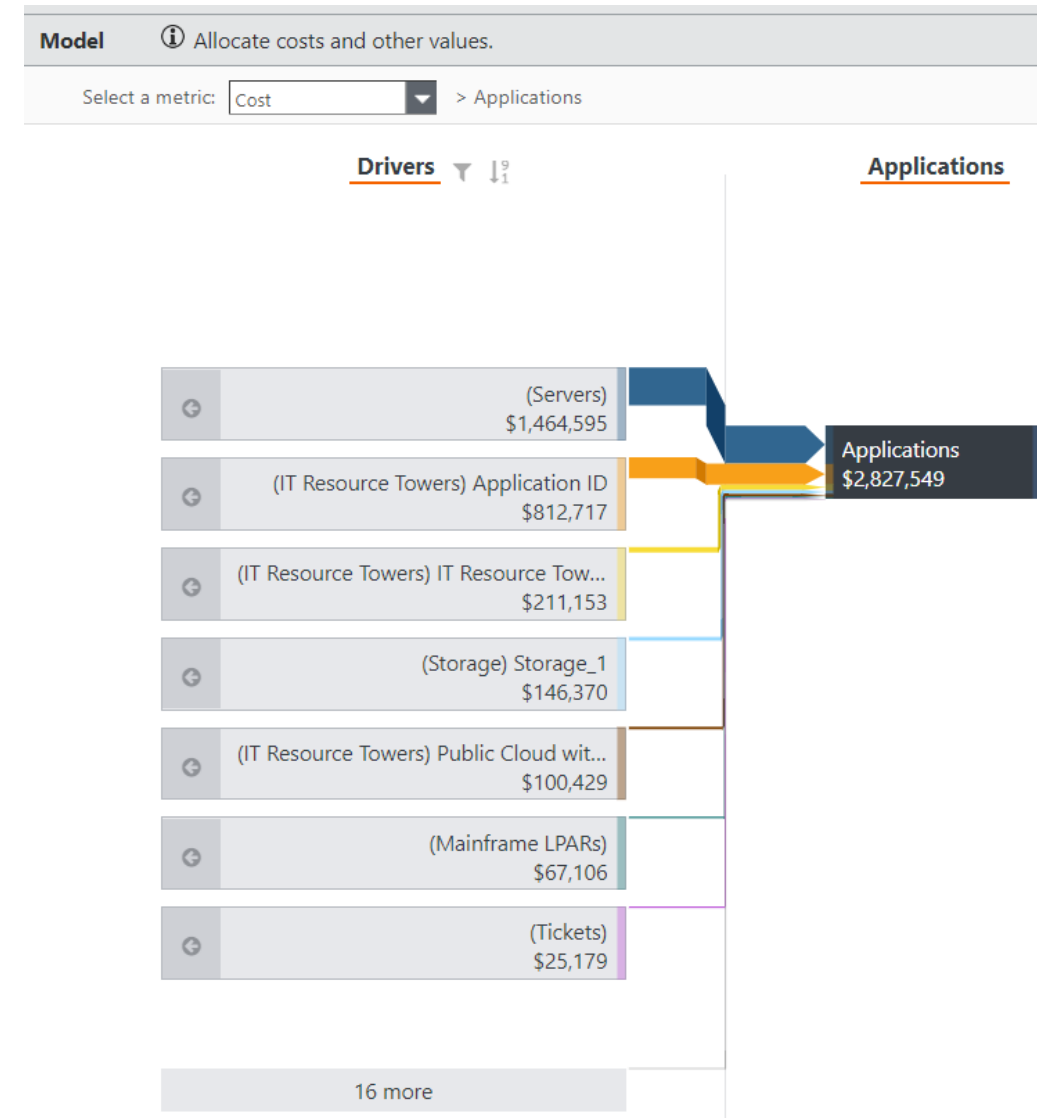
Quick Poll

- What has your experience been if any with driver reports?



Model Driver Report

- Look at your costs as addressable and non-addressable
- Group the drivers together
- Allow end users to easily see how much of their costs are within their control



Model Driver Report

24

Edit Column

Name:

Labor

Enter

Formula

Text Value

Account

Numeric Value

% Variable Cost

Modeled Value

Time Tracking (Cost)

Cost Source (Cost Source- Variable)

Cost Source (Cost)

Cost Source (Fixed)

Cost Source (Testing Modeled Metric)

Cost Source (Variable)

Time Tracking (App Dev_CapEx)

Time Tracking (App Dev_Cost)

Time Tracking (CapEx)

Time Tracking (Cost)

Time Tracking (Fixed)

Time Tracking (Testing Modeled Metric)

Time Tracking (Time Tracking- App Dev_CapEx)

Time Tracking (Time Tracking- App Dev_Cost)

Format:

Type:

Summable:

| Project Name | Labor | Vendor Support | Total |
|-------------------------------------|-----------|----------------|-------------|
| Oracle Shop Floor Ph 2 | \$119,296 | \$35,228 | \$154,524 |
| SAP Fin/HR Upgrade | \$52,270 | \$88,070 | \$140,340 |
| Build to Order Project | \$108,811 | \$17,614 | \$126,425 |
| Sales Pipeline Analytics | \$76,761 | \$17,614 | \$94,375 |
| Inventory Turn Reduction Initiative | \$0 | \$52,842 | \$52,842 |
| Eloqua Marketing Automation | \$34,240 | \$17,614 | \$51,854 |
| Workday HR Replacement | \$31,630 | \$17,614 | \$49,244 |
| Troux Implementation | \$27,282 | \$17,614 | \$44,896 |
| IT Service Transformation | \$27,282 | \$17,614 | \$44,896 |
| CMDB Upgrade | \$26,986 | \$17,614 | \$44,600 |
| Server 2014 Upgrade | \$26,686 | \$17,614 | \$44,300 |
| San Francisco Data Center Expansion | \$18,459 | \$17,614 | \$36,073 |
| BI Analytics 2014 | \$0 | \$35,228 | \$35,228 |
| Security & Data Privacy Protection | \$15,485 | \$17,614 | \$33,099 |
| Boston Data Center Expansion | \$15,120 | \$17,614 | \$32,734 |
| Total | \$625,814 | \$704,564 | \$1,330,378 |

Page 1 of 3 Displaying 1 - 15 of 32

Questions?



Surveys

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



Thank You For Attending Rego University

Instructions for PMI credits

- Access your account at pmi.org
- Click on **Certifications**
- Click on **Maintain My Certification**
- Click on **Visit CCR's** button under the **Report PDU's**
- Click on **Report PDU's**
- Click on **Course or Training**
- Class Provider = **Rego Consulting**
- Class Name = **regoUniversity**
- Course **Description**
- Date Started = **Today's Date**
- Date Completed = **Today's Date**
- Hours Completed = **1 PDU per hour of class time**
- Training classes = **Technical**
- Click on **I agree** and **Submit**



Let us know how we can improve!
Don't forget to fill out the class survey.



Phone

888.813.0444



Email

info@regoconsulting.com



Website

www.regouniversity.com



Let Rego Be Your Guide