

Basics of IT Financial Management

What you need to know and why

Jeff Ebbrecht

jebbrec@us.ibm.com

614-659-7043

Sig Puchacz

spuchacz@us.ibm.com

512-658-0758



Agenda

- **IT Financial management's growing importance**
- **IT Financial Management Basics**
 - ▶ **Asset Management**
 - ▶ **Strategy and Financing**
 - ▶ **Planning and Budgeting**
 - ▶ **Cost Accounting**
 - ▶ **Actual versus Budget and Exception Handling**
 - ▶ **Reporting and Chargeback**
 - ▶ **Investment Analysis**
- **IBM's Financial Management Solution**
- **Closing and Discussion**



The IT Management Imperatives

Align IT with the Business ...

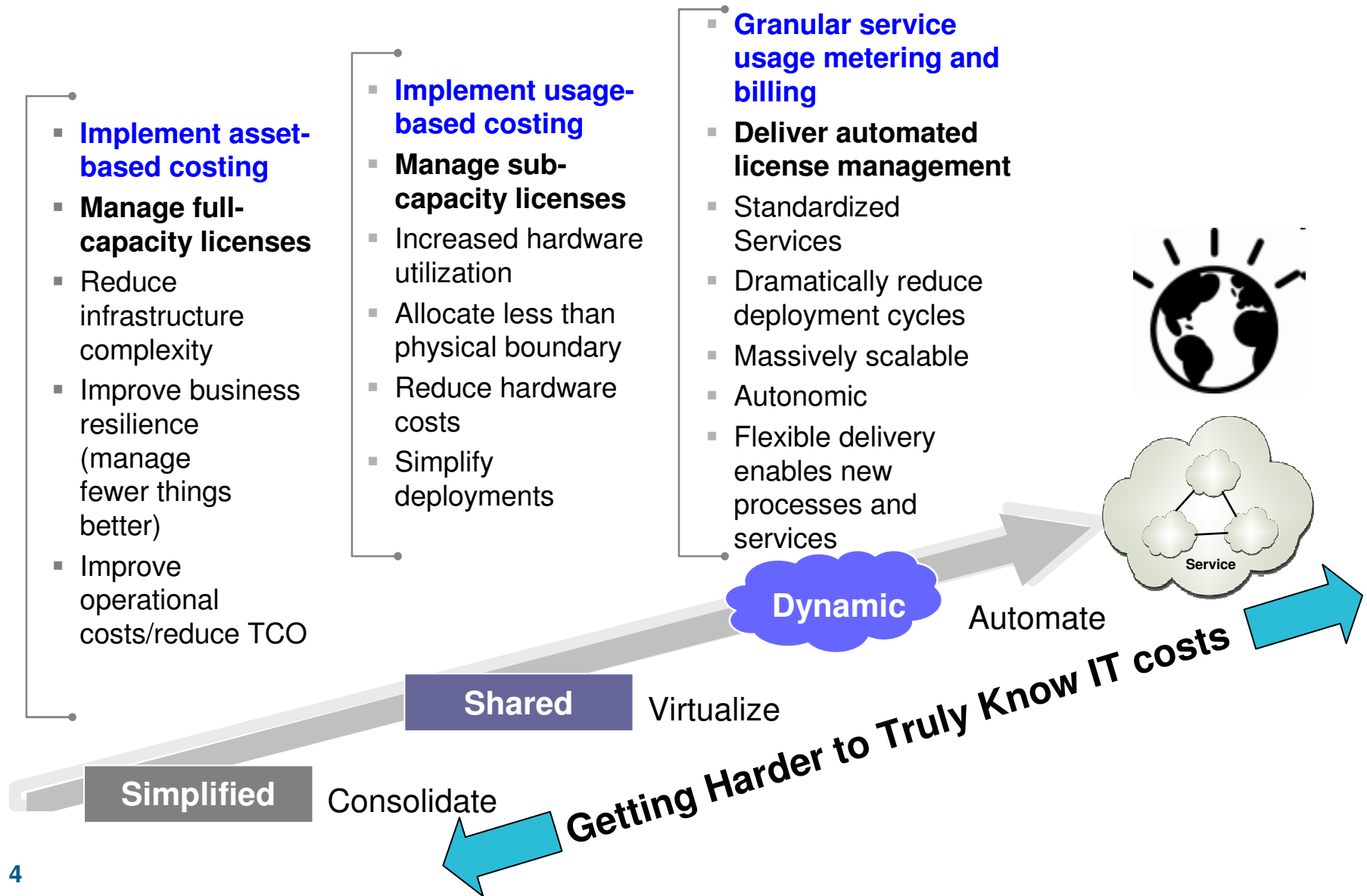
Generate Revenue

Reduce Costs

Keep Business
Out of Trouble



Plan your Financial Management Transformation Roadmap



According to Gartner, most IT organizations today have a billing and chargeback solution that does not meet the customer's expectations

Today's challenge

"Getting Chargeback right isn't easy. Most of the Gartner EXP members have it in one form or another, but few are happy with what they have.

Chargeback identifies, allocates and recovers the costs of IT services, but it can lead to political tensions, investment setbacks and distorted use of IT services ..."

*Quote from "Gartner – EXP Chargeback"



Potential Solution

1. Integrate established practices in process design and consulting with a strong software solution.
2. Install an IT Usage and Accounting Management product that:
 - Integrates IT Accounting and Chargeback
 - Acts as a virtualization engine component for metering
 - Feeds data into reporting tools and processes

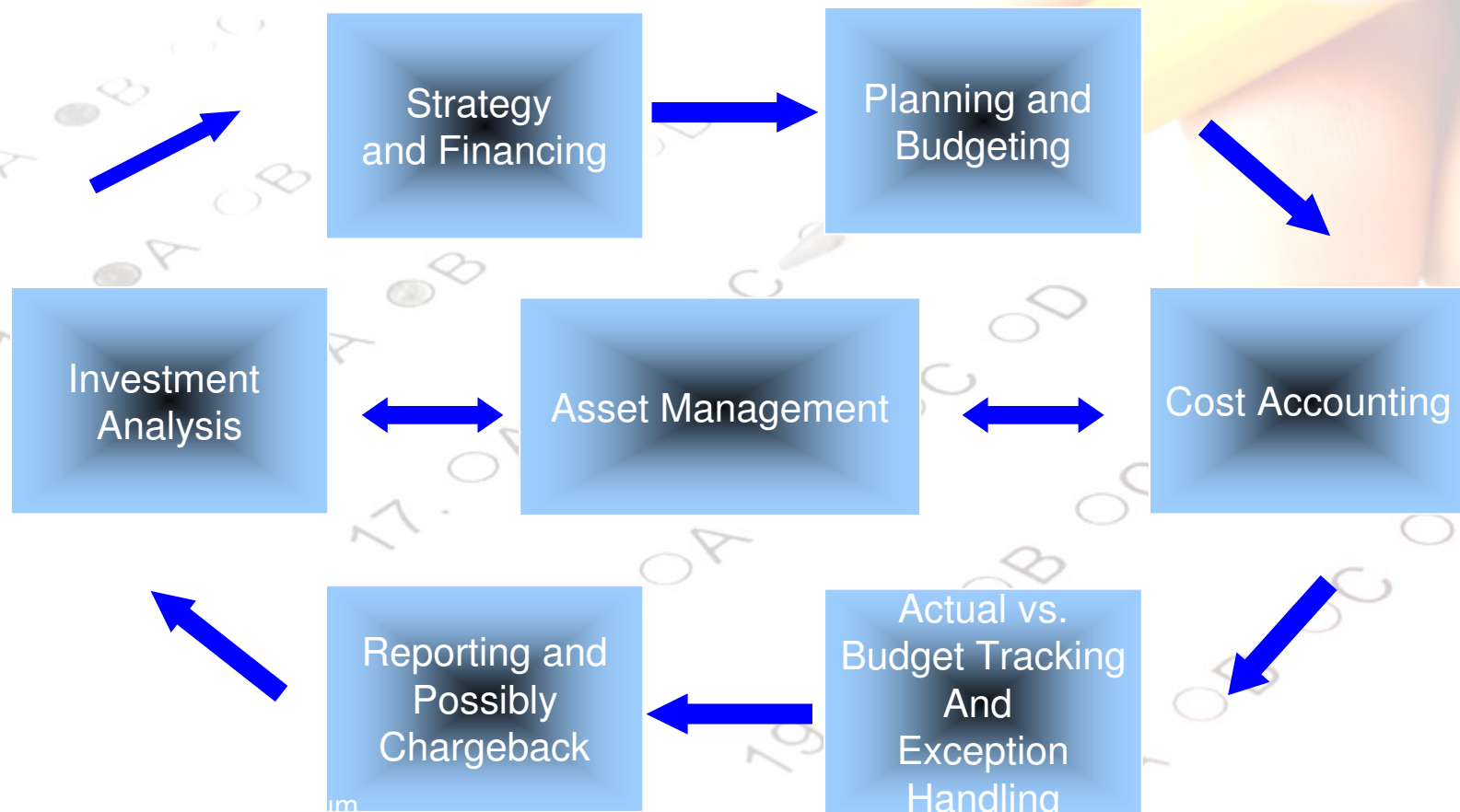
Sample Real World Questions


- Do we have unused capacity and why are we adding more capacity?
- Is an upgrade really needed?
- Who is driving capacity needs and why?
- What happens if I change my chargeback structure to provide incentives for non-peak utilization?
- What happens if I keep older technology beyond its maintenance period?
- What is the ROI of a new project?
- What is the ROI for new hardware?
- What is the ROI if I change software or move to a different OS or hardware platform?
- How do I know when an asset has reached its end of life? What should I do with that asset or resource?
- The business wants to expand a specific product line or service offering to other states.
 - ▶ What impact does that have on IT demands?
 - ▶ How much more capacity will be needed/used?
- The business is going to downsize a department or division.
 - ▶ What impact will that have on my current IT needs and demands?
 - ▶ Can those resources be used elsewhere when capacity is requested?



Definition of IT Financial Management (ITFM):

- ITIL* defines ITFM as “*the process responsible for managing an IT service provider’s budgeting, accounting and charging requirements*”





IT Financial Management is the set of tools, processes and procedures that help organizations answer the following questions:

- **What resources do we have today? (hardware, software, power, heating/cooling, floor space, people, etc.)**
- **How much of these resources are being utilized each day, month, quarter or year?**
- **Who is using these resources and at what level is that utilization?**
- **Does this utilization and current capacity demand align with stated business goals and direction?**

IT Service Management Financial Management Model



* It Service Management Forum

Asset Management

▪ Business Need

- Improve visibility and control of all IT assets through their lifecycle
- Obtain accurate asset data to enable appropriate and timely action across the business
- Accurate information about software inventory and usage in both distributed and mainframe environments

▪ Business Drivers

- Identify and eliminate low use software
- Optimize software and hardware capacity upgrades
- Strong vendor contract negotiation leverage
- Manage all software regardless of platform
- Improve planning capability
- Improve asset utilization by extending it's life

▪ Business Value Delivered

- Plan, Budget, Purchase, Analyze, Grow or End-of Life Software Asset Management
- Manage software inventory against contractual capacity through a GUI based system
- Reduce IT budget by accurate knowledge of current environment



“Enterprises that begin an asset management program experience up to a 30% reduction in costs the first year.. and continue savings of 5-10% for the next 5 years.” - Gartner

Strategy and Financing

■ **Business Need**

- The activity of Strategy and Financing can be looked at via several different paths depending on the companies overall goal. The outcome of this exercise is to determine where you are now and where you would like to be tomorrow.

■ **Business Drivers**

- Is IT to be run as a business?
- Are you doing some sort of chargeback/showback today?
- If so, Is it fixed or variable and why this is important?
- Reduction of duplication of services (multiple email systems)
- Ensuring that we are tracking our costs accurately so that the revenue producing projects get resources they need.

■ **Business Value Delivered**

- By running IT as a business, whether for profit or not, will make you more competitive in the marketplace.
- If you are not doing chargeback today, is it in plan?
- By reduction of duplicate services, companies can show significant savings by the elimination of un needed resources.

Strategy and Financing

- **No Chargeback**
 - ▶ IT Department is overhead
- **Overhead Allocation**
 - ▶ Based on head count, assets, revenue, floor space, and so forth (not usage)
- **Memo Record Billing**
 - ▶ We don't do this, but if we did . . .
- **Classic Chargeback**
 - ▶ End of year budget charge . . . zero cost.
- **Break Even (Year End Adjustment)**
 - ▶ Same as Classic except budgets are charged monthly . . . zero cost.
- **Budgeted Rates**
 - ▶ See Rates for Year, Quarter, etc.
- **Standard Rates and Negotiated Prices**
 - ▶ Similar to other inter-divisional accounting practices. Cost and price are two different things. The IT Department is run like a business
- **Functional Pricing**
 - ▶ Instead of CPU time, or disk usage, users are charged for functional items such as orders entered, claims processed, and checks written



As described by Professor Brant Allen of the Colgate Darden School of Business at the University of Virginia:

Planning and Budgeting

▪ Business Need

- Planning and Budgeting in our context is the activity ensuring that the correct financial budget is defined for the provision of IT services. (right sizing of IT spend)
- Obtain accurate asset data to enable appropriate and timely action across the business
- Accurate information about software inventory and usage in both distributed and mainframe environments

▪ Business Drivers

- A means of delegating control and monitoring performance against predefined targets.
- Budgeting of IT services should be integrated with the overall corporate budgeting and with financial management policies and practices.

▪ Business Value Delivered

- Plan, Budget, Purchase, Analyze, Grow or End-of Life Software Asset Management
- By understanding the question “How much of these resources are being utilized each day, month, quarter or year?”. We can plan and budget based on cost centres and profit centres.



Budgeting Areas That Need to be Considered

- Server hardware & maintenance
- Storage
- Network, switches, routers, and cables
- Software
- Labor – management, administration, development, operations, help desk, and support
- Power
- Floor space
- Development / Test
- Backup and disaster recovery



Cost Accounting

■ Business Need

- Cost accounting establishes budget and actual cost of IT delivery and the analysis of variances, and profitability.
- This is critical to understanding the True Costs vs. Perceived costs in your environment.

■ Business Drivers

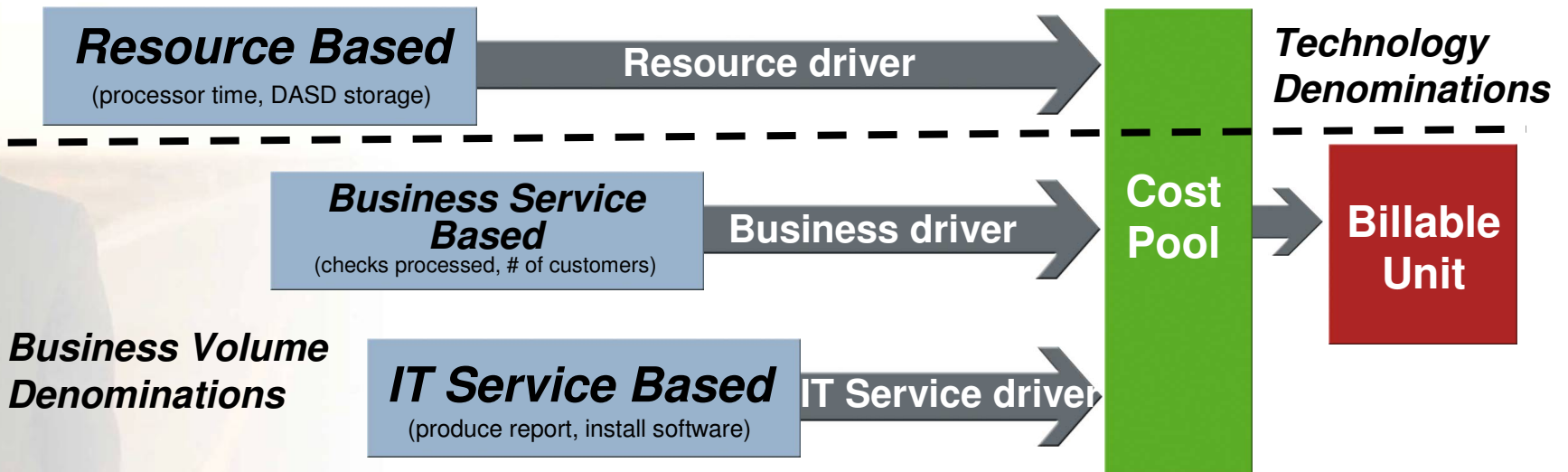
- Service Owners use cost accounting to support decision-making to cut LOB costs and improve profitability.

■ Business Value Delivered

- As an insurance company, I need to balance DB transactions with speed and affordability
- As a manufacturer I need to ensure my car parts business, which is currently losing money is not consuming more resources/costs than my aircraft business which is making money.



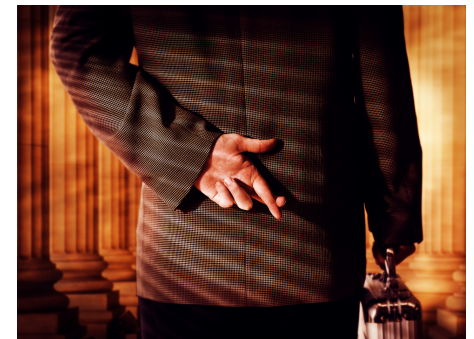
The “industry standard” starting point – establish a strong technology resource-based cost accounting system and then build upon that to a business service based or IT service based cost accounting system.



- **Resources** are the people and IT equipment, hardware and software.
- **Business Services** are the business units or volumes that result in resources being used and activities being performed.
- **IT Services** are all of the things done to carry out work related to the use and maintenance of IT resources and processes.
- **Cost Pools** are the components selected to quantify the cost and to account for costs.
- **Billable Unit** is the measured unit that is used to calculate the charge for either the resource, business item or activity being charged.

Typical Cost Allocations Use False Economics

- Rough estimates are used rather than true resource usage data
- Using linear costs rather than incremental costs for additional workloads
- Disproportionate or lack of allocation of all data center (e.g. power, labor) costs to the proper cost centers:
 - ▶ Server hardware
 - ▶ Storage
 - ▶ Network, routes, switches, cabling, etc.
 - ▶ Software
 - ▶ Labor – management, administration, operations, help desk, and support
 - ▶ Power
 - ▶ Floor space
 - ▶ Development / Test
 - ▶ Backup and disaster recovery



Actual vs. Budget Tracking And Exception Handling

■ Business Need

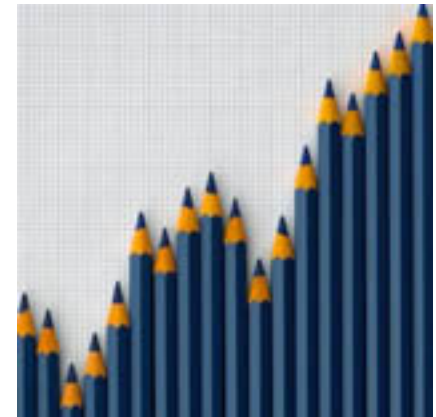
- It will not be possible to estimate all of the costs and revenues accurately at budget time. This is critical to understanding the True Costs vs. Perceived costs in your environment.

■ Business Drivers

- The business needs change over time (projects change)
- Tariffs and costs may vary because of external factors outside of the organizations control (downturn in economy)
- Some costs may depend on Usage and metrics that evolve over time based on the companies direction (downsizing, growth...)

■ Business Value Delivered

- This is a great example of the need for a granular tracking of IT cost vs. Company direction. Company X needs to be able to respond if there is a sudden need to expand or contract IT consumption.



Reporting and Possibly Chargeback

■ Business Need

- Terminology in this area is key. Whether you are using a traditional Chargeback structure or what ITFM refers to as Show back, it is critical to understanding how a business can be profitable

■ Business Drivers

- Find out how many resources actually support an application and what that application costs to process a transaction vs. another possibly less expensive platform.
- Find out how what Business Units are the largest consumers of IT Resources

■ Business Value Delivered

- Control IT expenses
- Accurately Account for & Chargeback Resources
- Accurately allocate IT costs based on usage
- Audit Ability: Point and click trace to actual usage
- Flexible Invoicing:
 - IT Costs, People Costs, Fixed Costs
 - Provide monthly forecast vs. budget



- Preview
- Northern California Branch Operati
- Total International Banking Char
- Total Global Consumer Charges
- Total Cash Management Charge
- Total Loan and Credit Charges
- Total Investing Charges

Usage and Accounting Manager

Invoice

Billing Period: 4/01/2005 to 4/30/2005

The Big Time Bank
Roseville, CA

AA - Northern California Branch Operations

	Units	Rate	Charge
Wire Transfers	50,093.00	0.35915890	17,991.35
Total International Banking Charges			17,991.35
ATM Transactions	61,612.00	0.10270120	6,327.63
Credit Card Transactions	607,268.00	0.03904900	23,713.25
Electronic Deposits	113,668.00	0.34680350	39,420.46
Online Electronic Payments	30,119.00	0.40732360	12,268.18
Telephone Transactions	47,590.00	0.52493710	24,981.76
Total Global Consumer Charges			106,711.28
Drafts and Collections	20,243.00	0.81939630	16,587.04
Secure Sales - Internet Commerce	7,457.00	1.54809300	11,544.13
Total Cash Management Charges			28,131.17
Commercial Loans	19,586.00	1.52999480	29,966.48
Mortgages	7,821.00	1.00992830	7,898.65
Total Loan and Credit Charges			37,865.13
Retirement	11,042.00	0.68262450	7,537.54
Total Investing Charges			7,537.54
Total for AA - Northern California Branch Operations			198,236.47

Investment Analysis

▪ Business Need

- There is a direct relationship between investments and service level agreements/objectives. Generally, to improve service levels, higher costs may be necessary. ITFM provides advice and guidance to both IT and service owners on how consumption of IT resources effects the bottom line.

▪ Business Drivers

- A granular IT management will allow for a stronger Investment Analysis by helping you answer:
 - Is my IT budget “right sized”
 - Is my current investment in SOA giving me the ROI I predicted?
 - Should I buy more Software/Hardware or can I further exploit what I currently have?

▪ Business Value Delivered

- By having a solid ITFM foundation, You can answer these types of questions.
 - Should I be investing in FTE or automation?
 - ♦ “Automation is less expensive, and easier to get rid of should it not work out.” CIO Manufacturer
 - Should I invest in additional hardware?
 - ♦ “I purchased Hardware at the top of the financial boom, what do I do with it now?” IT Manager Financial services firm



Accurate Cost Allocations Usually Show a Truer Picture of Costs and Aid Investment Decisions

- Best practice allocation is to use actual distributed and mainframe costs
- In this example, the mainframe allocation decreased from 71% to 40%

	Typical Allocation – Management Estimates				Best Practice Allocation – Actual Costs			
	Distributed	%	MF	%	Distributed	%	MF	%
Power Cost	0	0	\$15,084	100	\$11,917	79	\$3,167	21
Labor Cost	0	0	\$350,000	100	\$210,000	60	\$140,000	40
Floor space	0	0	\$11,620	100	\$6,300	54	\$5,320	46
Software OTC depreciation	\$120,240	60	\$102,472	40	\$216,194	97	\$6518	3
Software S&S and MLC	\$168,783	50	\$168,783	50	\$181,242	54	\$156,325	46
Hardware OTC depreciation	\$103,691	25	\$311,074	75	\$184,435	44	\$230,330	56
Hardware Maintenance	\$20,276	25	\$60,829	75	\$37,151	46	\$43,953	54
Network	0	0	\$4,758	100	\$4,758	100	\$0	0
Total	\$412,990	29	\$1,024,620	71	\$851,997	60	\$585,613	40

Sample monthly allocation

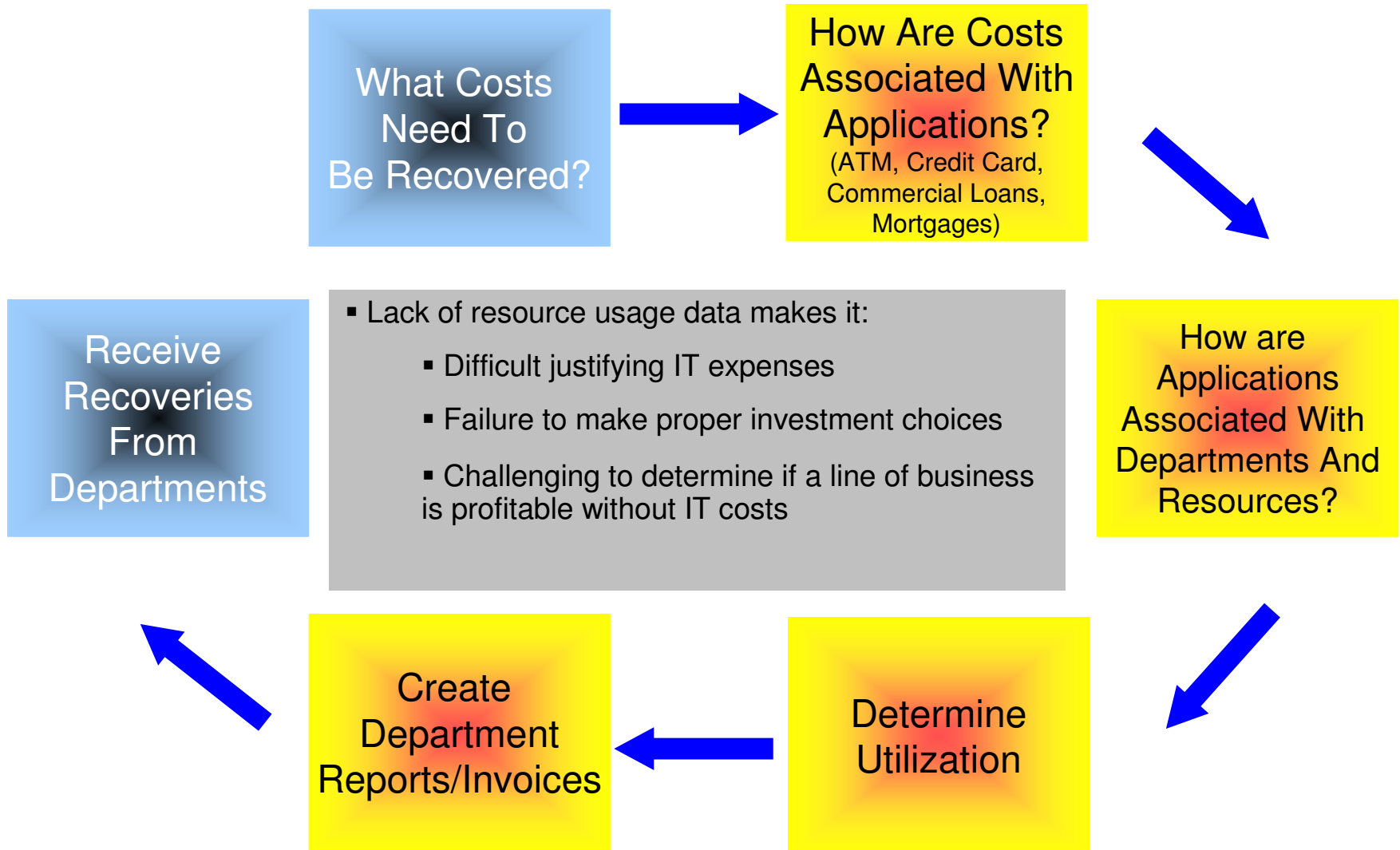
Total \$1,437,610

Total \$1,437,610

“Without reliable data, you are just another person with an opinion.”



Failure to Accurately Allocate and Distribute Costs can Lead to False Economics



When Developing Showback / Chargeback Models, Think Like A Utility Company

- Utilities are the model of a shared service chargeback
 - ▶ Electric, gas, telephone, cable
- Each utility bill has several components
 - ▶ Use electric bill as an example
 - ▶ Has data about usage (meter)
 - Measured in absolute units (kWh)
 - ▶ Includes fixed fees for service
 - Not based on usage
 - ▶ Includes delivery charges, taxes, etc. proportional to usage
- Each charge has an associated rate
 - ▶ Here, the metric is the same – kWh
 - ▶ The rate varies for each bill component (each service)

<u>Meter Information</u>							
Rate: 001	Meter #	Billing Period	Days	Meter Readings		Reading Type	kWh Use
	88528141	May 24 - Jun 24	31	Previous	Current	Actual	711
<u>Supplier Services Detail</u>							
Generation Services Rate: Transitional Standard Offer Service							
Generation Services Chg			711 kWh X	\$0.066350			\$47.174850
FMCC-Generation Chg			711 kWh X	\$0.002530			\$1.798830
**Energy Adj Clause Chg			711 kWh X	\$0.008160			\$5.801760
Total Supplier Services							\$54.775440
<u>Delivery Services Detail</u>							
Distribution Rate: 001							
Transmission Charge			711 kWh X	\$0.005420			\$3.853620
Distribution Charges:							
Distribution Customer Svc Chg							\$9.300000
Distribution Chg per kWh			711 kWh X	\$0.021600			\$15.357600
CTA Charge per kWh*			711 kWh X	\$0.010660			\$7.579260
Conservation & Load Mgmt Chg			711 kWh X	\$0.002030			\$1.443330
Renewable Enrgy Invstmnt Chg			711 kWh X	\$0.000670			\$0.476370
FMCC-Delivery Chg			711 kWh X	\$0.019160			\$13.622760
***2005 CTA Refund			711 kWh X	\$0.004440CR			\$3.156840CR
Total Delivery Services							\$33.582780

IBM Tivoli Usage and Accounting Manager is . . .

An integral part of an organization's management accounting and reporting system

(Shared Services, Reporting/Invoicing, ERP Integration, Product Profitability, Cost Allocations, Service Based Usage, Resource & Cost Trending, etc.)

Used across multiple platforms

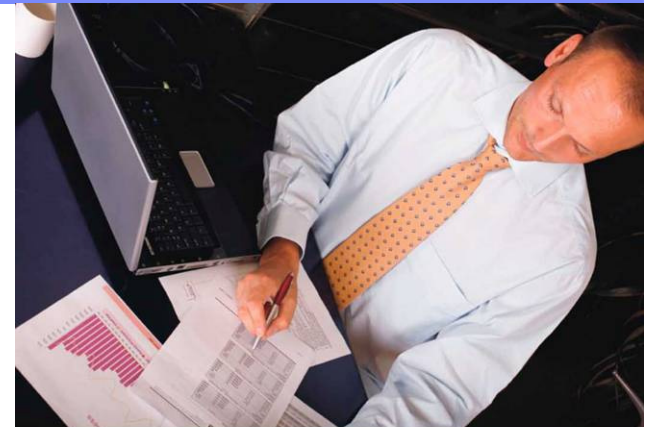
(Including Mainframe, Unix, Linux, Windows, "Cloud", etc.)

Supporting multiple sub-systems

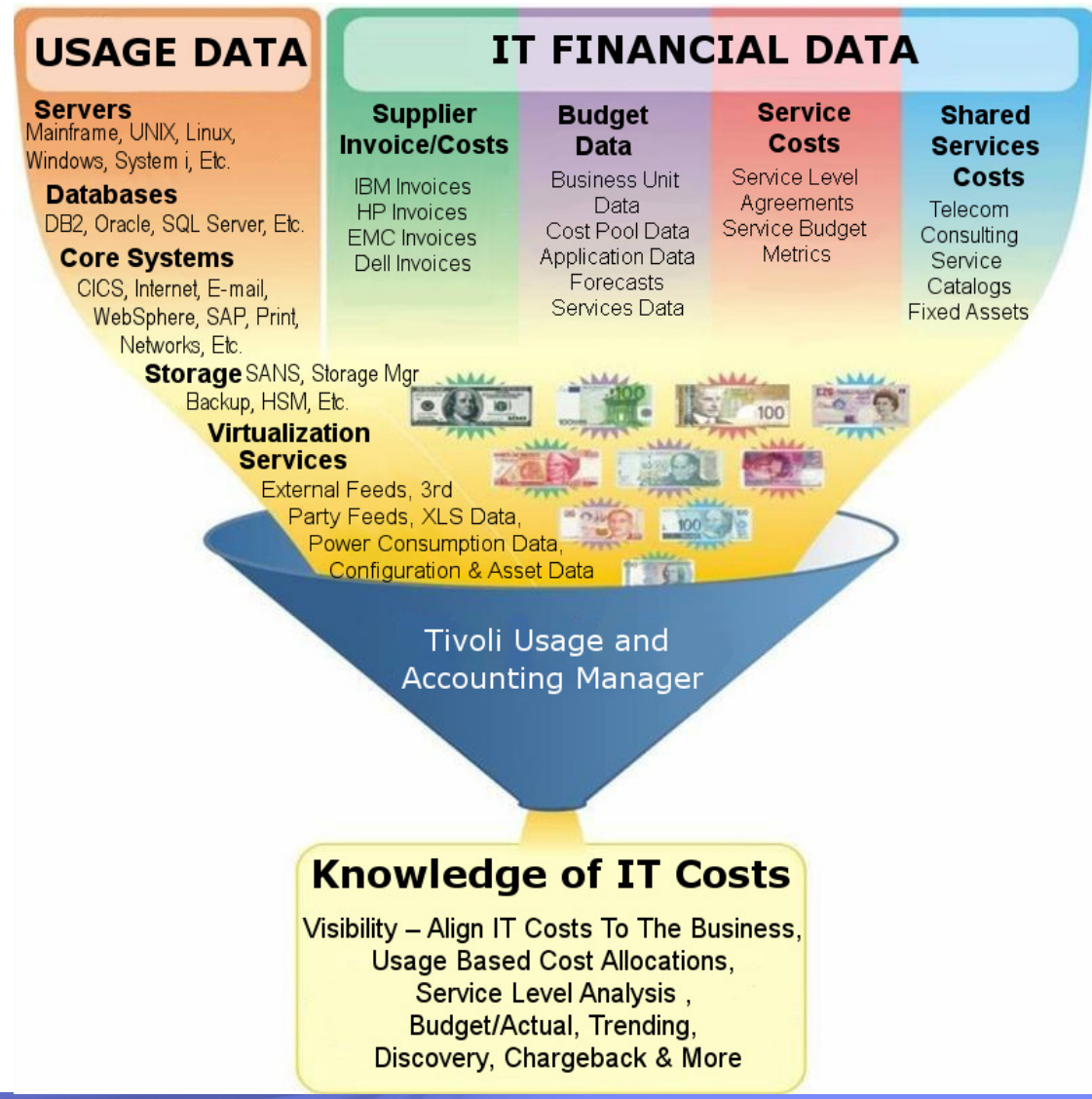
(DB2, Oracle, SQL Server, CICS, Virtualization, Energy, Web, E-Mail, Networks, Storage, Print Servers, etc.)

Internet enabled

(Web-Based Reporting & Drill-Down and multiple outputs)



Know What IT Costs!!!



Invoice by Account Level

Publish

Return

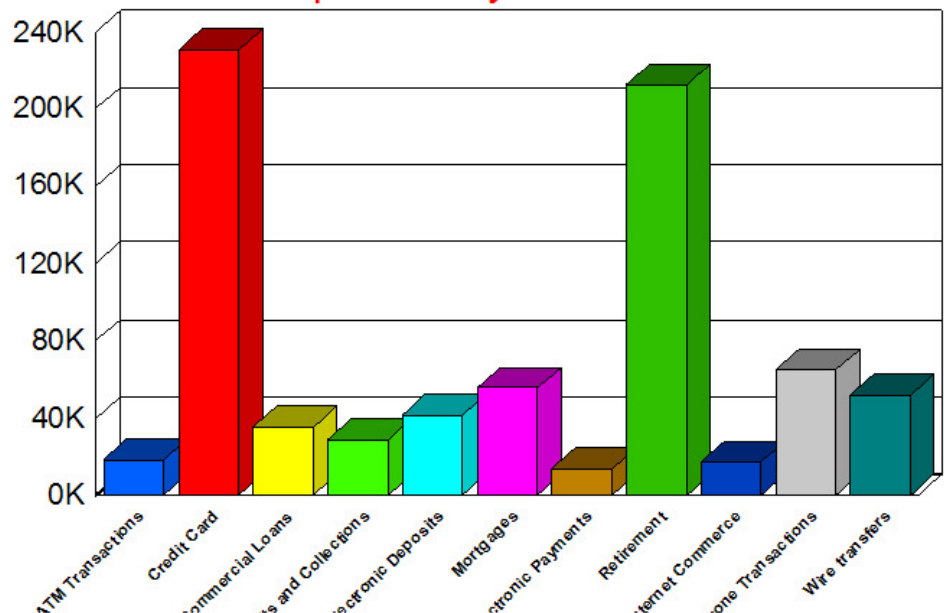
Help

- Preview
 - ATM Transactions
 - Equipment/Shared Services
 - Unix Process Charges
 - Unix Filesystem
 - Unix Oracle Charges
 - MS Windows Storage Charges
 - MS Windows SQL Server
 - MS IIS
 - MS Exchange Sent and Received
 - MS Windows Processes
 - MS Windows Print
 - Mainframe Printer/Reader Charges
 - Mainframe Storage Charges
 - Mainframe Print Charges
 - Mainframe CICS Charges
 - Mainframe DB2 Charges
 - Credit Card
 - Equipment/Shared Services
 - Unix DB2 Charges
 - Unix Process Charges
 - Unix Filesystem
 - Unix Oracle Charges
 - MS Windows Storage Charges
 - MS Windows SQL Server
 - MS IIS
 - MS Exchange Mailbox
 - MS Windows Processes
 - Mainframe Batch Charges
 - Mainframe TSO Charges
 - Mainframe Input/Output Charges
 - Mainframe Printer/Reader Charges
 - Mainframe Storage Charges
 - Mainframe Print Charges
 - Mainframe CICS Charges
 - Mainframe DB2 Charges
 - Commercial Loans

Usage and Accounting Manager 

Invoice
Billing Period: 04/01/2006 to 04/30/2006

IT Expenses by Account



- ATM
 - ATM Database
 - ATM Email
 - ATM Equipment
 - ATM Print
 - ATM Servers
 - ATM Storage
 - ATM Web
- CCX
 - CCX Database
 - CCX Email
 - CCX Equipment
 - CCX Print
 - CCX Servers
 - CCX Storage
 - CCX Web
- COM
 - COM Database
 - COM Email
 - COM Equipment
 - COM Print
 - COM Servers
 - COM Storage
 - COM Web
- DAC
 - DAC Database
 - DAC Equipment
 - DAC Print
 - DAC Servers
 - DAC Storage
 - DAC Web
- DEP
- MTG
- ONE
- RTM
- SSI

Usage and Accounting Manager 

Application View

Application	Charges
ATM - ATM Transactions	18,851.48
CCX - Credit Card	230,738.81
COM - Commercial Loans	35,078.06
DAC - Drafts and Collections	29,164.41
DEP - Electronic Deposits	41,420.42
MTG - Mortgages	55,540.55
ONE - Online Electronic Payments	13,637.31
RTM - Retirement	212,260.46
SSI - Secure Sales - Internet Commerce	17,449.17
TEL - Telephone Transactions	64,925.96
WTX - Wire transfers	51,639.48
Total	770,706.13

Application View

Application	Charges
Resource Group	
COM - Commercial Loans	
COM Database	8,306.59
COM Email	2,318.80
COM Equipment	399.00
COM Print	0.30
COM Servers	1,534.31
COM Storage	22,185.45
COM Web	333.61
COM - Commercial Loans	35,078.06

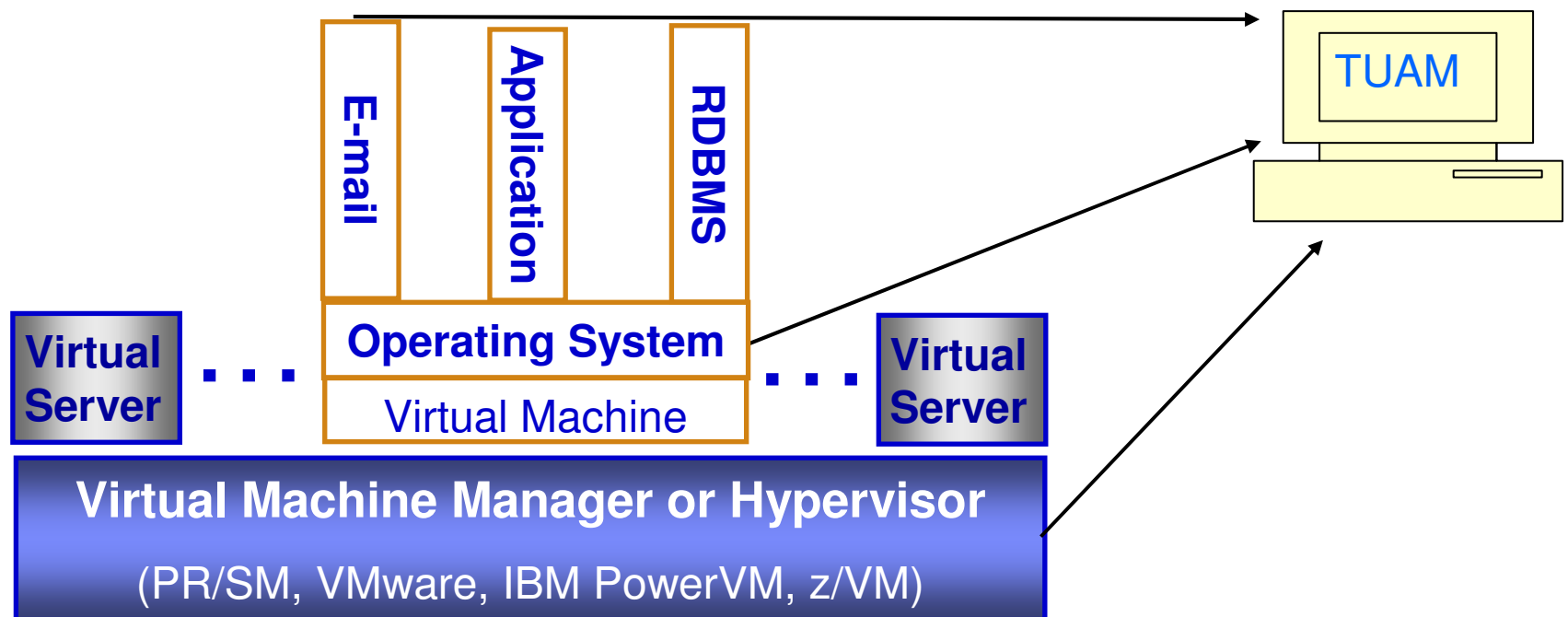
Application View

Resource Group	Platform	Charges
COM Database		
COM Database	Mainframe	3,639.90
COM Database	Unix	1,396.66
COM Database	Windows	3,270.03
COM Database		8,306.59

TUAM and Virtual Servers

TUAM can collect and report resource data from any combination of

- ▶ The virtual machine manager/hypervisor
- ▶ The operating system hosted on the virtual machine
- ▶ Applications hosted on the operating system within the virtual machine





Detail VMware

Account Range: All Accounts

Date Range: 5/1/2006 to 5/31/2006

Account Code	VMware CPU Usage	VMware CPU Usage Guaranteed	VMware Disk Kilobytes Read	VMware Disk Kilobytes Written	VMware Memory Kilobytes Active	VMware Memory Kilobytes Granted	VMware Network Kilobytes Read	VMware Network Kilobytes Transferred
ATM - ATM Transactions	60,940	309,648	44,186	22,740	61,567,961	538,701,536	15,488	66,219
CCX - Credit Card	32,940	316,807	75,743	25,939	47,804,496	323,615,668	59,813	567,798
COM - Commercial Loans	310,787	1,070,378	74,949	76,991	339,788,854	1,691,339,912	22,417	120,073
DAC - Drafts and Collections	16,576	123,328	7,839	11,699	29,095,887	215,481,272	1,723	8,780
DEP - Electronic Deposits	58,949	279,554	14,628	11,614	37,321,207	251,392,808	3,146	23,283
MTG - Mortgages	220,475	795,237	86,667	63,917	185,942,473	1,938,282,868	21,763	105,006
ONE - Online Electronic Payments	17,074	154,123	42,371	17,534	14,120,502	161,267,193	11,196	2,123
RTM - Retirement	444,417	515,898	134,759	63,255	122,419,670	1,042,730,216	14,588	155,275
SSI - Secure Sales - Internet Commerce	154,264	959,894	147,728	29,185	127,079,399	1,833,819,572	133,883	136,530
TEL - Telephone Transactions	50,134	314,557	95,565	44,785	50,117,052	537,463,572	39,072	113,553
Run Total	1,366,556	4,839,424	724,435	367,659	1,015,257,501	8,534,094,617	323,089	1,298,640

ITUAM - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search

Address http://www.cimserver.com/ActiveXViewer.asp?Invoi

Run Total Rate

Preview

- Equipment/Shared Services
 - Credit Card
 - ATM Transactions
 - Mortgages
 - Electronic Deposits
 - Drafts and Collections
 - Commercial Loans
- Unix Process Charges
 - Telephone Transactions
 - ATM Transactions
 - Mortgages
 - Commercial Loans
- Unix Filesystem
- Unix Orade Charges
- MS Windows Storage Charges
- MS Windows SQL Server
- MS IIS
- MS Exchange Mailbox
- MS Windows Processes
- Mainframe Batch Charges
- Mainframe TSO Charges
- Mainframe Input/Output Charges
- Mainframe Printer/Reader Charges
- Mainframe Storage Charges
- Mainframe Print Charges
- Mainframe CICS Charges
- Mainframe DB2 Charges

Run Total Rate Group Percent

MS Windows Processes

Account	Charge	%
CCX - Credit Card	5,088.26	42.07%
RTM - Retirement	3,381.42	27.96%
TEL - Telephone Transactions	1,074.27	8.88%
MTG - Mortgages	625.20	5.17%
WTX - Wire transfers	520.03	4.30%
DAC - Drafts and Collections	439.60	3.63%
DEP - Electronic Deposits	432.04	3.57%
ATM - ATM Transactions	431.45	3.57%
COM - Commercial Loans	68.29	0.56%
ONE - Online Electronic Payments	22.32	0.18%

Total MS Windows Processes **12,094.19**

Rate Group	Charge	%
Total Equipment/Shared Services	3,977.00	10.16%
Total Unix Process Charges	19.76	0.05%
Total Unix Filesystem	169.86	0.43%
Total Unix Orade Charges	208.74	0.53%
Total MS Windows Storage Charges	1,517.58	3.88%
Total MS Windows SQL Server	1,164.82	2.97%
Total MS IIS	5,625.21	14.37%
Total MS Exchange Mailbox	17.40	0.04%
Total MS Windows Processes	12,094.19	30.89%
Total Mainframe Batch Charges	7,522.01	19.21%
Total Mainframe TSO Charges	2,186.31	5.58%
Total Mainframe Input/Output Charges	580.89	1.48%
Total Mainframe Printer/Reader Charges	75.76	0.19%
Total Mainframe Storage Charges	2,303.00	5.88%
Total Mainframe Print Charges	1.50	0.00%
Total Mainframe CICS Charges	1,690.80	4.32%
Total Mainframe DB2 Charges	0.00	0.00%

Run Total **39,154.83**

N=&ACRangeDisp Go

Help

powered by crystal

Document Map

- fdetr002
 - ATM - ATM Transactions
 - CCX - Credit Card
 - COM - Commercial Loans
 - DAC - Drafts and Collections
 - MTG - Mortgages
 - ONE - Online Electronic Payments
 - RTM - Retirement
 - SSI - Secure Sales - Internet Commerce
 - TEL - Telephone Transactions
 - WTX - Wire transfers

Usage and Accounting Manager



Detail By UNIX Filesystem
 Account Range: All Accounts
 Billing Period: 07/01/2007 to 07/31/2007

Account Code	UNIX Filesystem Size (512-Byte Blocks)	UNIX Filesystem Blocks Used (512-Byte Blocks)	UNIX Filesystem Number of Files	UNIX Filesystem Size (GB Days)	UNIX Filesystem Used (GB Days)			
SYSTEM_ID								
ATM - ATM Transactions	1,863,896,148.00	1,001,448,830.00	5,973,621	889	478	.00	.00	.00
eddie	1,223,589,888.00	584,352,528.00	2,140,444	583	279	.00	.00	.00
roxie	461,296,320.00	344,309,638.00	2,943,176	220	164	.00	.00	.00
ruff	179,009,940.00	72,786,664.00	890,001	85	35	.00	.00	.00
CCX - Credit Card	122,691,738.00	90,267,251.00	1,129,651	59	43	.00	.00	.00
dawg	58,191,420.00	49,612,027.00	505,573	28	24	.00	.00	.00
deptdog	5,425,218.00	3,500,722.00	76,357	3	2	.00	.00	.00
odie	59,075,100.00	37,154,502.00	547,721	28	18	.00	.00	.00
COM - Commercial Loans	541,488,960.00	244,375,751.00	2,251,782	258	117	.00	.00	.00
stimp	487,667,520.00	208,087,226.00	1,820,495	233	99	.00	.00	.00
underdog	53,821,440.00	36,288,525.00	431,287	26	17	.00	.00	.00
DAC - Drafts and Collections	130,940,928.00	102,000,911.00	822,435	62	49	.00	.00	.00
eddie	130,940,928.00	102,000,911.00	822,435	62	49	.00	.00	.00
MTG - Mortgages	2,563,526,712.00	1,053,501,911.00	5,824,097	1,222	502	.00	.00	.00
daisy	122,596,320.00	40,240,906.00	488,274	59	19	.00	.00	.00
deptdog	26,019,792.00	10,375,679.00	351,714	12	5	.00	.00	.00
duke	110,437,440.00	40,510,044.00	906,417	53	19	.00	.00	.00
garfield	2,304,473,160.00	962,375,282.00	4,077,692	1,099	459	.00	.00	.00
ONE - Online Electronic Payments	715,155,120.00	240,110,490.00	4,834,315	341	114	.00	.00	.00
mickey	232,243,200.00	67,016,418.00	766,988	111	32	.00	.00	.00
woody	482,911,920.00	173,094,072.00	4,067,327	230	83	.00	.00	.00
RTM - Retirement	1,411,172,742.00	345,880,212.00	2,075,590	673	165	.00	.00	.00
goofy	112,084,362.00	65,690,642.00	720,134	53	31	.00	.00	.00
ralph	56,762,580.00	43,361,300.00	636,427	27	21	.00	.00	.00

ITUAM - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <http://www.cimserver.com/ActiveXViewer.asp?Year=2006&ACRRangeDisplay=Account+Range%3a+All+Accounts&InvoiceLevel=1&AccountCodeStart=&AccountCodeEnd=zzzz&AccountStart=1&AccountLength=4&UserID=mark&Year> Go

Usage Trend Graph Publish Return Help

57 of 135

powered by crystal

Usage and Accounting Manager

Resource Usage Trend

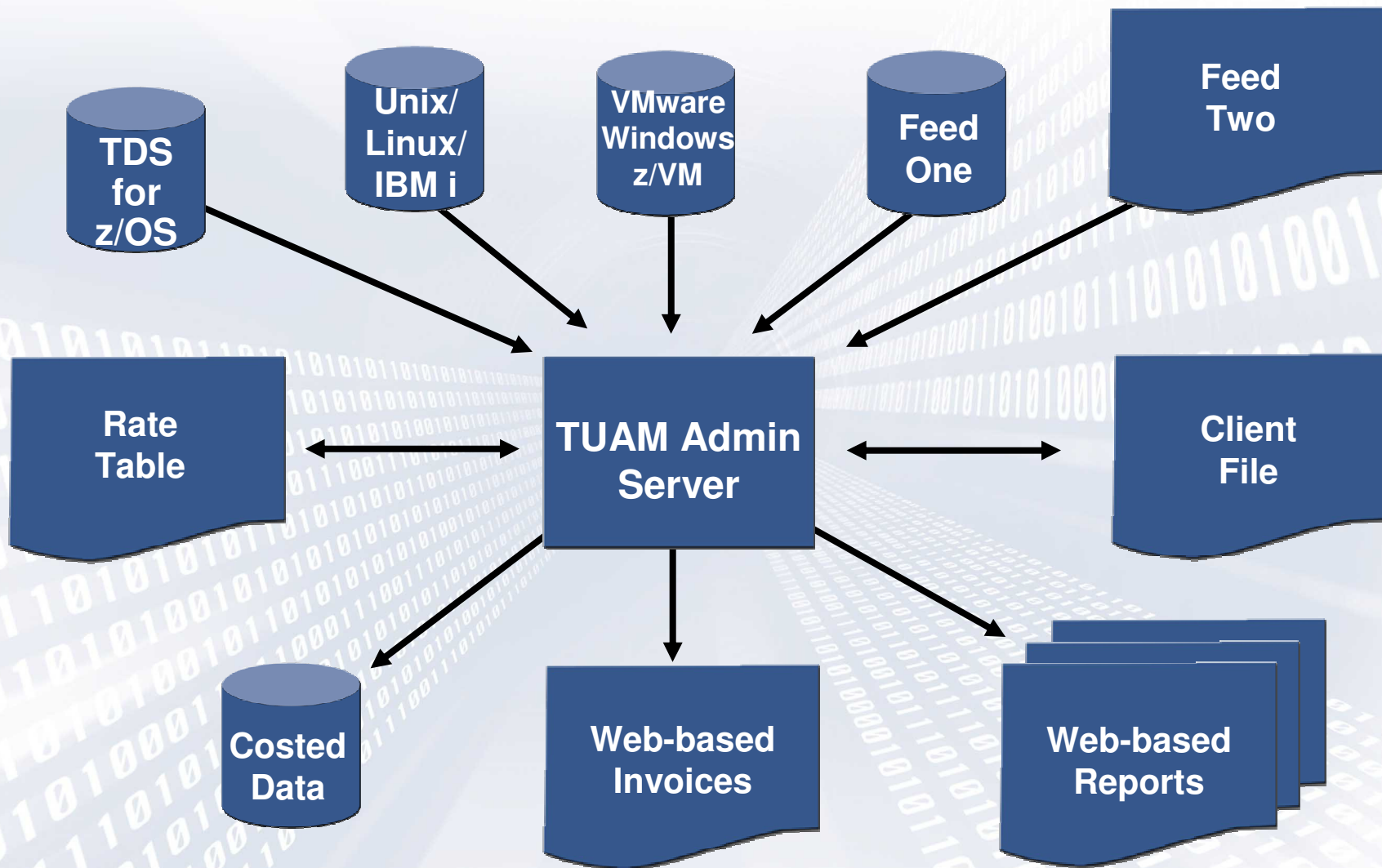
Account Range: All Accounts
Year: 2006
MS Windows SQL Server CPU (Seconds)

Resource Usage per Month

Month	Resource Usage
2006/01 January	19,545.66
2006/02 February	12,306.85
2006/03 March	16,959.50
2006/04 April	20,485.42
2006/05 May	17,487.22
2006/06 June	105.98
Total	86,890.62

Example of Resource Usage Trend report over a period of time

IBM Tivoli Usage and Accounting Manager



Report chart

(Partial list of categories)

- Budget Analysis Reports
- Database Reports
- E-Mail Reports
- Hog Reports
- Internet Reports
- Invoices
- Network Reports

- Operating System Reports
- Print Reports
- Resource Usage Reports
- Storage Reports
- Top 10 Resource Hogs
- YTD Reports

Some of the over 280 customers

Large healthcare insurer

- CICS/DB2/Batch/TSO & normalization between 2 System zs. Rolled out Unix and Windows. Over 168 Unix and 300 Windows Servers.
- Replaced 2 homegrown systems after merger. Corp. finance is the user and owner of the system. Wanted federated auditability. TUAM only product to meet all RFP requirements.

Insurance and Financial Product Broker

- z/OS, Linux for System z & Unix/Novell/Windows. Primavera importing for labor accounting. Inventory information, SAN, and Telcom.
- Doing memo billing now and will move to chargeback in the future.

Large aerospace manufacturer

- Both z/OS & distributed. Bill \$18-20M per month across 5,000 cost centers. 40K pieces of hardware. Do labor, WAN, assessments, and project costs. Feeding SAP GL and using Web reporting.
- Replaced homegrown system.

US Department of Interior

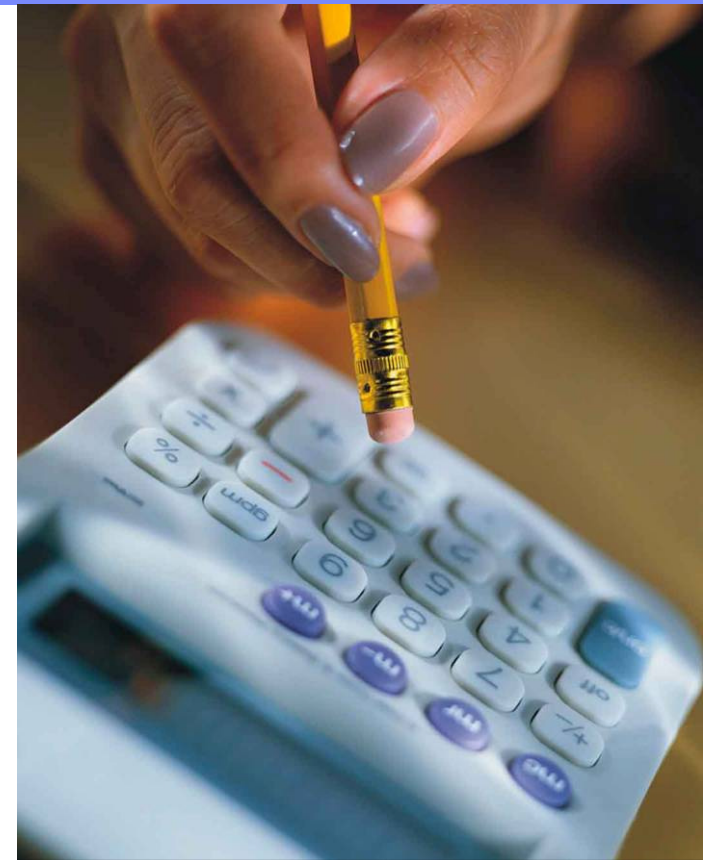
- First Federal cloud service for application developers using Linux on z, Tivoli Service Automation, and TUAM for service billing
- Wanted to raise reduce cost of services, increase resource sharing, and increase staff productivity through automation



TUAM capabilities can help realize immediate benefits

- **Increase Client (Business Units) Satisfaction**
 - ▶ Real Usage = Accurate Reporting
 - ▶ Accountability = Improved services
 - ▶ Alignment between Business and IT costs
- **Lower Infrastructure Cost**
 - ▶ Reduced server sprawl
 - ▶ Higher utilization
 - ▶ Rationalization of resources
- **Continued Infrastructure Improvement - understanding total costs of ownership and operation can lead to:**
 - ▶ Improved managing of costs
 - ▶ Usage comparisons can lead to more effective investments

For More TUAM Information



**When running a business,
nothing matters more
than knowing how much
something costs.**

***You can't manage what
you don't measure!***

End of Presentation

Thanks
United States

Obrigado
Portugal

Dankschen
Austria

Takk
Norway

Thank You
United Kingdom

Gracias
Spain

Danke
Germany

Bedankt
Netherlands

Tak
Denmark

Dekuju
Czech Republic

Merci
France

Engraziel
Switzerland

Tesekkür ederim
Turkey

Tack
Sweden

Dank u
Belgium

Grazie
Italy

Jag tackar
Finland

Dakujem
Slovakia

Спасибо
Russia