

KPMG – Combining Leadership in Tax, Audit, and IT Advisory

The financial management savvy embedded within KPMG LLP’s well-recognized tax and audit leadership, combined with our deep Information Technology (IT) know-how, uniquely positions KPMG’s CIO Advisory practitioners to offer clients market-leading Technology Business Management (TBM) services.

With a bias for the pragmatic, KPMG builds on our alliance with Apptio, a leading TBM solution provider, to help clients realize value at each step of their TBM journey.

KPMG offers a wide range of services that can help Apptio’s customer executives improve the value they receive from their TBM initiatives and investments. These services are built upon KPMG’s long-standing experience with TBM and our extended capabilities with Apptio.

5 Key KPMG Services That Help Apptio Customers Achieve TBM Excellence

TBM Readiness Assessment

Setting the table for a successful journey is one of the highest value investments an organization can make. Experience has shown that businesses explicitly addressing specific elements in their TBM journey derive more value faster and have greater sustained success.

KPMG helps clients assess their readiness to ratchet up their TBM capabilities, against known leading practices, and identify specific actions for success that can be built into their TBM implementation plans.

TBM Optimization

Implementing a TBM solution is only part of the journey. Yet, many businesses’ plans and actions fall short in addressing important elements of a successful TBM program, leaving them frustrated and questioning the value of their TBM initiatives.

KPMG helps clients prioritize their TBM program and drive actions needed to maximize business results, accelerate the time-to-value, and where needed, get a stalled program back on track.

IT Portfolio Management

Today’s IT executive must effectively manage complex and often interrelated sets of projects, applications, technologies, and service providers. Successful management of these portfolios, their interdependencies, and alignment with business needs are essential for effective IT cost optimization.

KPMG’s IT portfolio management service helps clients link business demand to streamlined investment governance to develop meaningful portfolio views and create a common platform to maximize business value of the IT estate.

IT Cost Takeout

A TBM solution typically offers businesses a fast path to IT financial transparency. But few businesses are satisfied with the short-term money-saving opportunities readily identified in the early days of transparency. Sustainable savings are highly desired, but often elusive.

KPMG has adapted our proprietary Sustainable Value Improvement (SVI) approach to IT. We call it SVI4IT. Initially built to help private equity firms quickly build and test hypotheses for cost optimization as part of deal planning, SVI4IT helps clients identify ways to sustainably optimize IT costs against business value using similar techniques.

IT Financial Engineering

As an accelerator to better insight and decision-making, TBM is a powerful enabler to both IT and Finance. Once transparency is achieved, the integration of TBM principles into finance, accounting, product management, and contracting is critical. Many organizations struggle to create a meaningful link between the IT and Finance functions, often overlooking considerations such as tax, regulatory, and accounting implications of IT decisions.

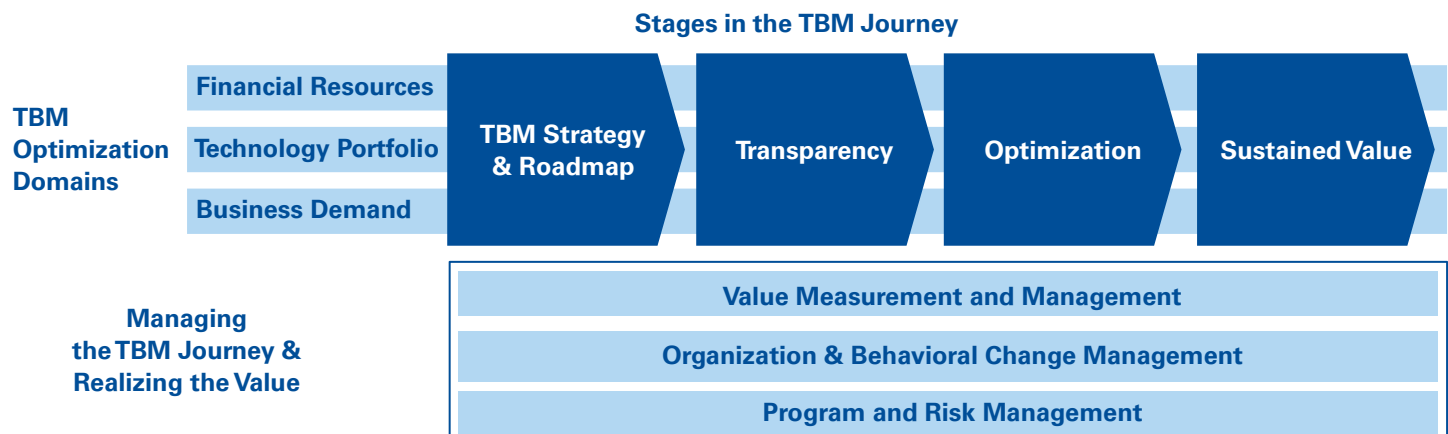
KPMG’s IT financial engineering service helps client executives apply leading practices and approach IT investment holistically. We help clients factor insights into tax, product pricing, showback and recovery models, cost allocation techniques, accounting treatments, and contracting impacts while incorporating IT financial process leading practices early in the product management life cycle.

KPMG Survey: IT Value Dominates the CIO Agenda

“CIOs put IT value and their ability to better react to changing market conditions by using IT, highest on their agenda for the coming years. Eighty percent of respondents put this in the top three of the most important trends. IT value was followed by cost optimization (62 percent), portfolio management (52 percent), and risk and compliance (56 percent)... CIOs rarely mentioned any other major trends themselves.”

Survey responses from 450 CIOs in “From Cost to Value, 2010 Global Survey on the CIO Agenda,” KPMG 2011

TBM Journey – Pathway to IT Value Optimization



Client opportunity: Aligning IT capabilities with the organization’s strategic and financial objectives is a vital aspect of improving the performance of IT investments and effectively managing information technology services and costs. An Information Technology Business Management (TBM) Readiness Assessment is used when a client is considering efforts to provide transparency of IT costs and describe the value of IT services to the business. By assessing a client’s readiness to embark on a transformational journey, KPMG can assist in developing a road map to set the path for success.

Challenge: In many organizations, both IT and Finance are consistently running multiple improvement projects to address portions of the TBM challenge. Without a well-defined target operating model and transformation plan, efforts are often siloed or unsustainable.

KPMG’s TBM practice can help clients validate their organizational readiness stance prior to launching an TBM transformation program. By understanding the change impacts to process, technology, data, resource effort, benefits case, and risk landscape, KPMG can help prioritize continuous improvement programs for both near and long-term value:

- Strategy and framework to manage and monitor progress against your defined goals and objectives
- Execute against a road map laying out an implementation time line, resource requirements, prioritized projects, expected benefits, and implementation costs
- Communicate the value of TBM transformation in relation to the landscape of other improvement initiatives
- Align resources to manage risk

Approach

KPMG’s TBM readiness services are based on over 30 years of helping clients adapt to transformational change. Using our external insights and assessment framework we help clients:

- Analyze the current methods for costing and reporting the cost of IT services
- Help the client understand data sources required, allocations strategies, and cost pool concepts
- Evaluate the strength of the client’s resources to support an TBM effort
- Understand the portfolio of projects at a high level that may impact the TBM effort
- Data Quality and Completeness Assessment
- Organizational Capabilities Assessment
- Available Tool Assessment

Outputs

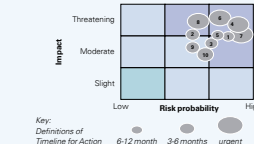
A readiness assessment focuses on multiple factors that can affect risk. KPMG’s approach will deliver insight and recommendations on how to best manage risk and prioritize investment.

Assessment Heat Map

D1: Programme governance	D2: Programme management	D3: Change management	D4: Performance management	D5: People	D6: Process	D7: Technology
Business imperative	Scope, planning and process management	Change approach and strategy	Goals and objects	Future state design	Future state design	Future state design
Leadership	Dependencies/assumptions	Change leadership	Business case	Competencies and evaluation	Process change model	Design authority
Set policy and direction	Risk/issue management	Change impact assessment	Benefit realization	Behaviour and values	Master data management	Infrastructure
Accountability and responsibility	Change control	Stakeholder engagement	Rewards and benefits	Education/development	Support management	Data conversion
Programme structure	Resource and cost management	Communication	Benchmarking	Outsourcing	Integration and interfaces	Interfaces
Monitoring and controls	Vendor management	Organisation and capability	KPIs	Job design	Security and controls	Release management
Portfolio management	Quality and deliverable management	Transition	Incentives to deliver	Training	Compliance	Operate
Go/No-Go readiness	Realisation and sustainability	Performance feedback post go-live	Testing			

Key: Green-Lowrisk, Amber-Moderate risk, Red-Serious risk, White-Not applicable/Out of scope, Grey-Asking information before providing a rating

Opportunity Scorecard



Key: Definitions of Timeline for Action: 6-12 months, 3-6 months, urgent

Executive Risk Report Roadmap



Related Offerings

- IT Strategy and Operating Model: linking near and long-term business demand and imperatives to IT capability investment
- Sourcing advisory and selection: rapidly shaping the TBM strategy to a short list of appropriate suppliers
- Transformation change management: holistic approach to making change stick through case for change, stakeholder programs, communications, engagement rollout, coaching, training, and organizational design

Representative Outcomes

- Leading utility provider: KPMG was selected as the company’s service provider:
- Helping IT define the right requirements and providing insights into how other clients have structured their costs
- Documented the TBM business requirements, captured TBM capabilities, and developed the straw man of the broader IT consolidation road map
- Captured the case for change, key stakeholders, risk matrix, and preliminary change network and prioritized the TBM efforts within the context of the broader IT consolidation roadmap initiatives

Some of the services described herein may not be permissible for KPMG audit clients and their affiliates.

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