



Derive actionable financial information for effective financial control

HP IT Financial Management solution

ITFM from HP offers a smarter way to achieve IT finance insights like service-based costing

Actionable information is difficult to obtain.

IT and the rest of the organization must work together to improve IT services. This requires a service-based approach to finance which is different from regular financial reporting around cost centers. The HP approach to IT Financial Management (ITFM) provides information in a meaningful way to business, accounting, and IT management stakeholders with prebuilt reports and ad hoc analysis. Along the way, it supports financial management process improvement by providing unprecedented visibility into process effectiveness and efficiency. Feedback from a wide variety of HP customers highlights the following key problems in managing IT finances today:

- The financial information needed to make better IT investment decisions is difficult to accumulate
- The available data is spread across many different systems, lacks key governance controls, and is not meaningful
- Putting together a comprehensive view of the cost of an IT application or a service is time consuming and expensive
- Data reports thus produced tend to be too infrequent or are delivered later than the business would like

Many companies use manually crafted spreadsheets or expensive homegrown systems to provide critical planning information for budgeting, decision support, or to prepare for chargeback. With these antiquated solutions, the cost of supporting the informational needs of business, accounting, and IT management stakeholders is high and the information quality is uncertain at best. Organizations end up spending more time gathering data than actually using it.

The HP approach is to build on the financial data that already exists in your IT management and financial tools by automatically pulling it into the HP IT Executive Scorecard. The IT Executive Scorecard has been enhanced to include capabilities dedicated to those who are managing financial data; such as an allocation engine and a budget assistance tool. (This was formerly available from HP in a separate product called HP Financial Planning and Analysis.)

The IT Executive Scorecard draws on data from multiple sources to provide easier and automated access to that data with embedded analytics, advanced graphical representations, and customizable views. By providing this capability in the IT Executive Scorecard, managers can build views of financial data alongside other performance data that the IT Executive Scorecard tracks.

Empower your organization with actionable information.

The HP ITFM approach utilizing the IT Executive Scorecard provides:

- Simplified integration of plan and actual data to help eliminate the effort involved in consolidating data from multiple sources.
- Self-service access to trusted information to provide stakeholders the visibility they need.
- Dynamic allocation aimed at reporting at a program or a business service level to make better business decisions.
- Multidimensional cost views to enable variance analysis, and help stakeholders understand cost drivers.
- Budgeting and planning features that utilize prior data to help automate the budget building process.

With prebuilt data integration, data cleansing, and a central repository for cost information, the IT Executive Scorecard helps you significantly reduce the effort involved in transforming cost and budget data into easy-to-understand information.

Figure 1. A single pane of glass based on multiple data sources showing a cost of services summary view



Key features and benefits

Rapid start: Get started using data that you already gather in Microsoft® Excel, then draw on tools like HP Asset Manager or HP Project and Portfolio Management, or other similar sources to automate end-to-end data gathering.

IT cost consolidation: The IT Executive Scorecard allows your organization to automate the process of consolidating planned and actual costs in a single system. It gives you the big picture as well as the detail needed to manage budget performance effectively.

Service-based costing: The IT Executive Scorecard uses information from the data sources (including services information if available) to help sort costs appropriately. The IT Executive Scorecard has a sophisticated metric-based allocation engine, so you can help validate that a cost is correctly attributed based on a metric that may change frequently. This allows data to be explored in detail and reduces the requirement for ongoing maintenance of the data sources.

Allocation scenarios: You can create multiple “what-if” allocation scenarios and use the results to compare budget versions against actual.

IT cost dashboard: The IT Executive Scorecard IT Cost Dashboard helps to highlight areas that might need attention. It lets you view planned performance against the actual scores for the overall IT, customer, IT organization, service, program, and project. Your IT executives may also see the areas with the highest variance to help them focus their management attention on areas of potential concern.

IT performance management: The IT Executive Scorecard can utilize financial dimensions to allow correlations between investment and quality or other performance information.

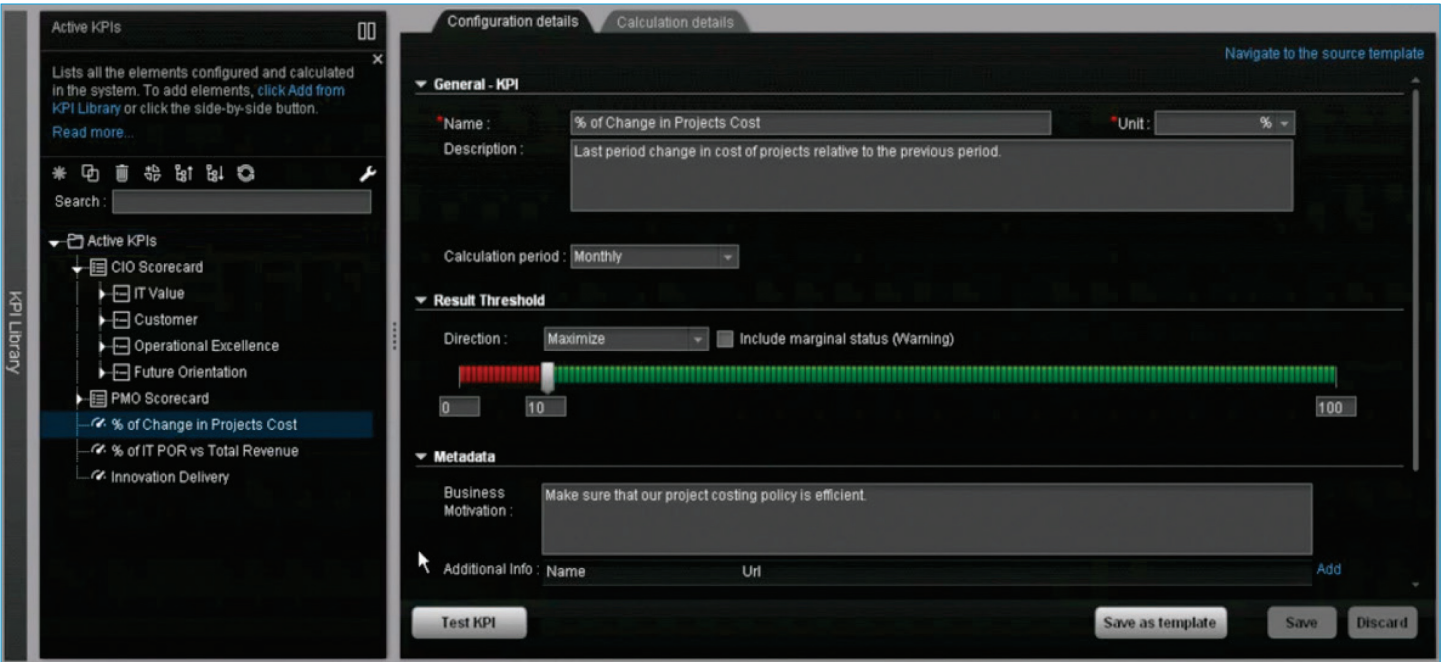
Cost Explorer: Once an area of interest is highlighted by the dashboard, the Cost Explorer allows you to understand the source data to explore cost variance systematically by multiple dimensions, including organization, business service, application, program, project, cost center, and cost category. With Cost Explorer, analysts can gain new insight into what is driving costs, where the largest variances are, and why these variances are occurring without having to go back to the source data systems.

Budgeting and planning: IT managers know that building a budget is a difficult process that typically involves a spreadsheet for each cost center and numerous problems as the budget sheets are brought together. The IT Executive Scorecard provides the template Excel spreadsheets for the cost center managers and then brings them all together again to form a single comprehensive budget. Managers can view last year’s data before entering the new budget and the entered data can utilize the usual IT Executive Scorecard allocation and analytics functions.

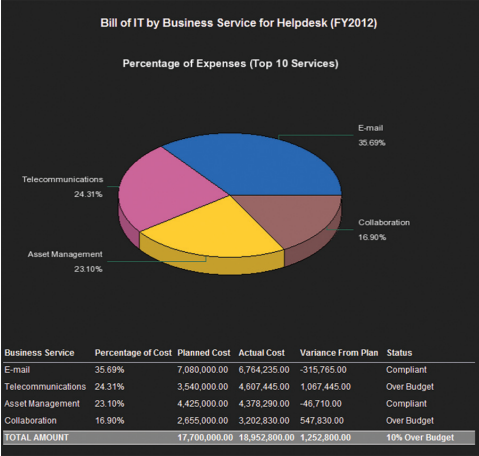
IT cost analytics: Your users can see daily updates on planned performance against actual data figures. They can modify the dashboards and out-of-the-box analytics, such as a Bill of IT as necessary, to support specific cost analysis needs. They can also perform ad hoc analysis of cost data to answer situation-specific requirements while knowing that the data they are seeing is consistent.

The HP approach to ITFM provides data management and amalgamation capabilities to bring in information from almost any source by building a conformed data model that draws on years of experience that HP has in business intelligence best practices.

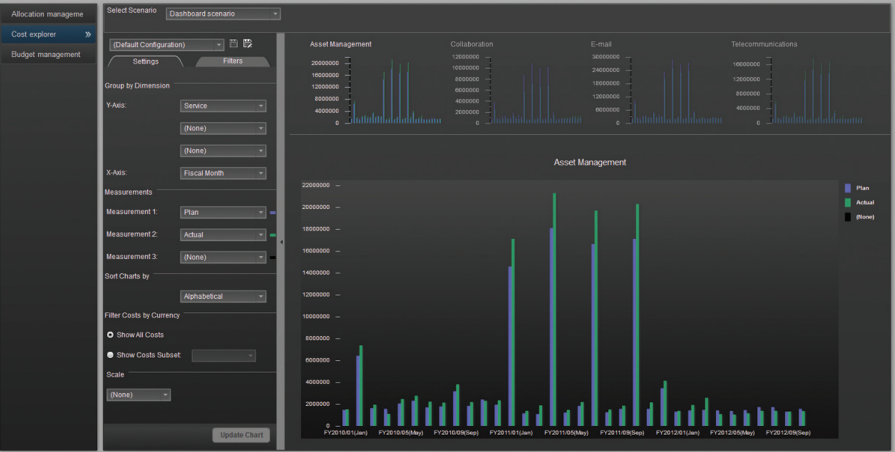
Figure 2. KPI Library, Bill of IT, and Cost Explorer



Bill of IT



Cost Explorer



ITFM is a key component to improve overall IT performance management.

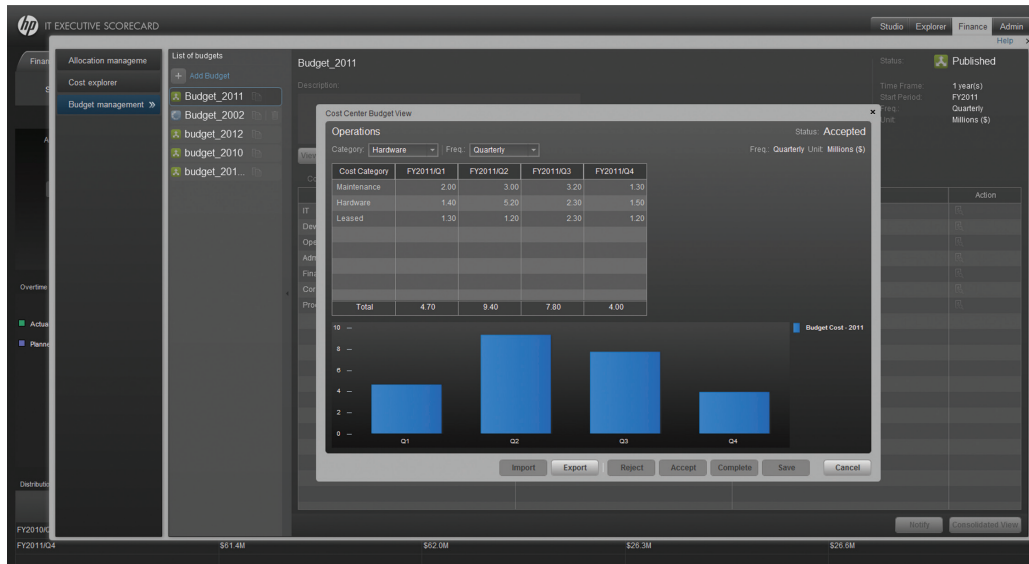
Most companies start investigating ITFM to get a better handle on cost and to improve transparency for those costs to the rest of the business. This leads to other initiatives such as chargeback or service-based pricing. This often leads to a realization that the company must also improve the way it manages key expense categories such as assets and labor. Many companies then move from spreadsheets and custom tools for managing assets, contracts, license agreements, IT demand, projects, and time tracking, and implement enterprise-wide solutions such as HP Asset Manager and HP Project and Portfolio Manager.

The IT Executive Scorecard is delivered ready to draw data directly from HP Asset Manager and HP Project and Portfolio Management (and many other products) and can be adapted to work with other similar systems. Even if you don't have an enterprise approach to asset or portfolio management today, you can start with the same data you are pulling together today into spreadsheets and then transition to enterprise systems as they are deployed. This further automates the whole cycle of managing items that have costs associated with them, including the management of the definition of services through a configuration management system.

This helps simplify and present complex data in a manageable way. An automated approach enables reporting in near real time through dashboards instead of waiting for an end-of-month report.

Figure 3. Budgeting and planning

Define a budget, collect information from cost center managers, combine it automatically, and exploit the IT Executive Scorecard analytical insights.



Make better decisions with the IT Executive Scorecard

The IT Executive Scorecard supports cost transparency for IT. It also supports the informational needs of IT management, accounting, and business leaders to help them make better investment and IT execution decisions. With highly configurable cost rules and direct integration to HP and other source systems, the IT Executive Scorecard simplifies and automates data consolidation and aggregation from multiple sources.

Figure 4. Mobile access to your data

Explore and share financial and performance information securely from a smartphone or tablet.



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For more information

Financial management processes can be improved to provide unprecedented visibility and insight into effective IT financial management. To know how HP can help you achieve this, visit hp.com/go/itfm.

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