



Improving Business, Financial and Acquisition Outcomes through Federal IT Cost Transparency

Goal Leaders

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Goal Statement

- Adopt Technology Business Management (TBM) government-wide by FY 2022. This approach will improve IT spending data accountability and transparency, empowering agency executive-suite leadership from across the enterprise to drive innovation, business transformation and mission value.



Challenge

- Congress and taxpayers have long pressed for better information about how Federal IT dollars are spent and the return on that investment. The FY 2017 President's Budget reported 84% of the total Federal IT budget categorized as "other", as opposed to being clearly tied to a specific IT category of spend. This lack of granularity makes it difficult to baseline Federal IT investments and show the public whether we are spending taxpayer dollars effectively in order to drive the large scale change needed to improve business transformation and citizen services.



Opportunity

- Using industry best practices, the Federal government has an opportunity to run IT like a business leveraging authoritative data, to make data-driven decisions, and analyze trade-offs between cost, quality, and value as we strategically modernize the IT portfolio.



The TBM Framework – an open source standard for IT costs – is based on validated best practices to communicate the cost, quality, and value of IT investments and broadly accepted across private and public sectors. TBM will:

- **Improve business, financial, and acquisition outcomes:**
 - Enable IT cost accounting and management,
 - Increase responsiveness to the market, and
 - Better leverage the buying power of the Federal government.
- **Increase efficiency in IT investments:**
 - On average, organizations achieve a 7% cost savings directly tied to implementing TBM.
 - Based on known Federal IT spend, cost savings are estimated to exceed \$6B.
- **Streamline IT reporting through technology:**
 - Future reporting will leverage service and tool solutions to automate the use of authoritative data sources and reduce agency burden for reporting IT budget, spending, and performance data.
- **Enable IT Benchmarking:**
 - Improved IT cost data and the use of a standard taxonomy will enable benchmarking across Federal government agencies and with other public and private sector organizations.



The FY 2017 President's Budget reported 84% of the total Federal IT budget categorized as "other", as opposed to being clearly tied to a specific IT category of spend.

Early use of TBM quadrupled the percentage of IT spending that could be clearly tracked to a specific cost category.

FY16 Projected IT Spend

Source: FY 2017 CPIC Submission, Agency Infrastructure Table



■ Data Center ■ Other ■ Desktop Laptop Systems ■ End User Devices
■ Telecom ■ Helpdesk ■ Mobile Devices

Reported FY17 IT Spend

Source: FY 2019 CPIC Submission*, Agency IT Portfolio



■ Data Center ■ Compute ■ Storage ■ Network
■ Output ■ End User ■ Application ■ Delivery
■ IT Security and Compliance ■ IT Management ■ Other

* Department of Defense IT Spending not included



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**Executive Councils
(Policy/Planning)**

Ensure strategy and implementation efforts are both attainable and consistent with other government-wide and agency goals.

**Office of Management and Budget
(Policy/Planning/Budgeting)**

Provide leadership for the policy, planning and budgeting aspects to ensure success. Develop strong data standards and implementation guidance.

**GSA Office of Government wide Policy
(Planning/Execution)**

Serve as a central program management office to integrate TBM efforts, support TBM community of practice, coordinate acquisition efforts with GSA Federal Acquisition Service, and assist with OMB TBM strategy and implementation efforts for all agencies.

**Agencies
(Execution)**

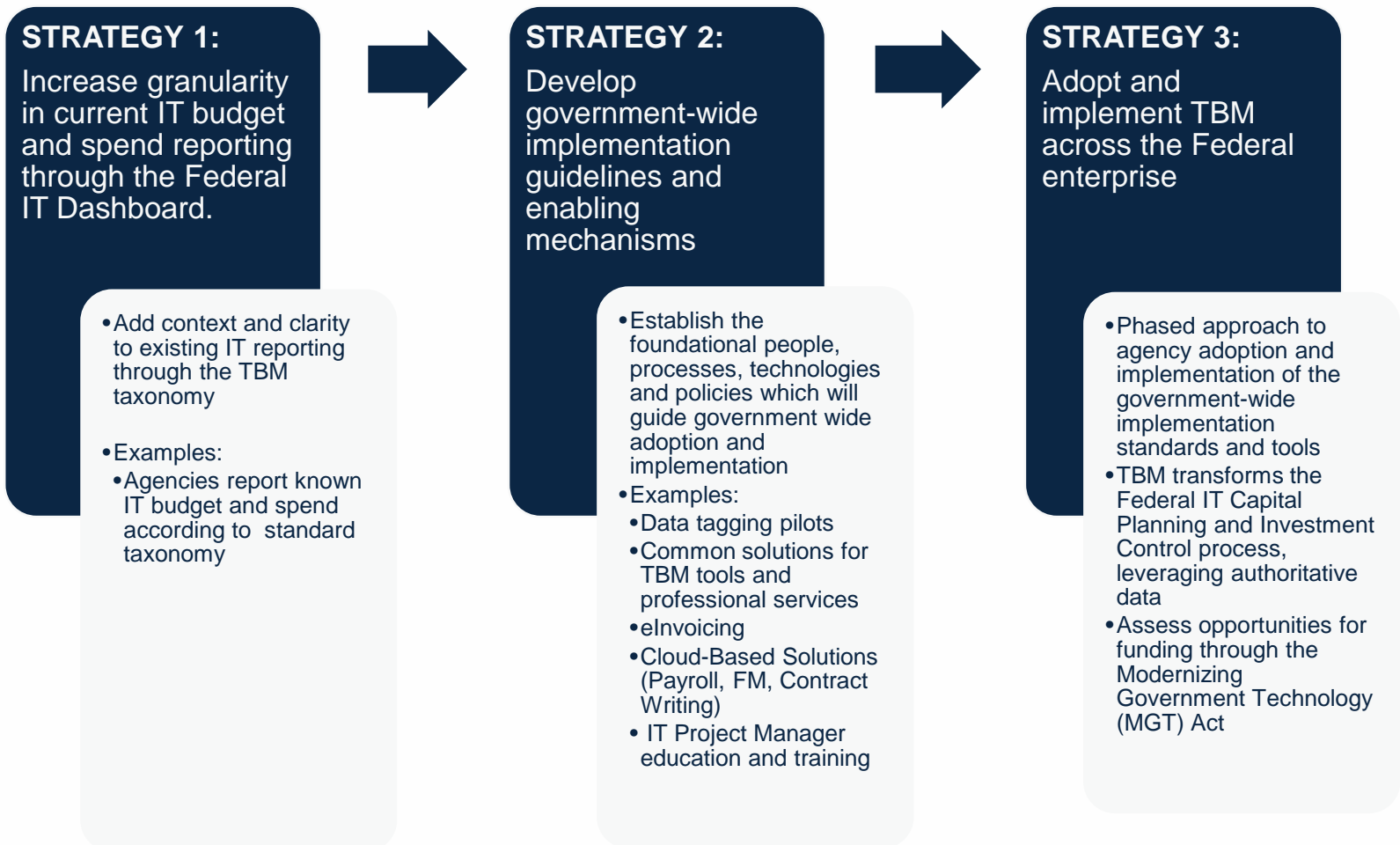
Serve on the TBM and Capital Planning and Investment Control (CPIC) Community of Practices to provide ongoing insights and input into CPIC Reform and TBM Strategy development and implementation.

Execute TBM implementation strategy and program maturation.



Goal Structure

Goal: Adopt Technology Business Management (TBM) government-wide by FY 2022. This approach will improve IT spending data accountability and transparency, empowering Agency executive-suite leadership from across the enterprise to drive innovation, business transformation and mission value.



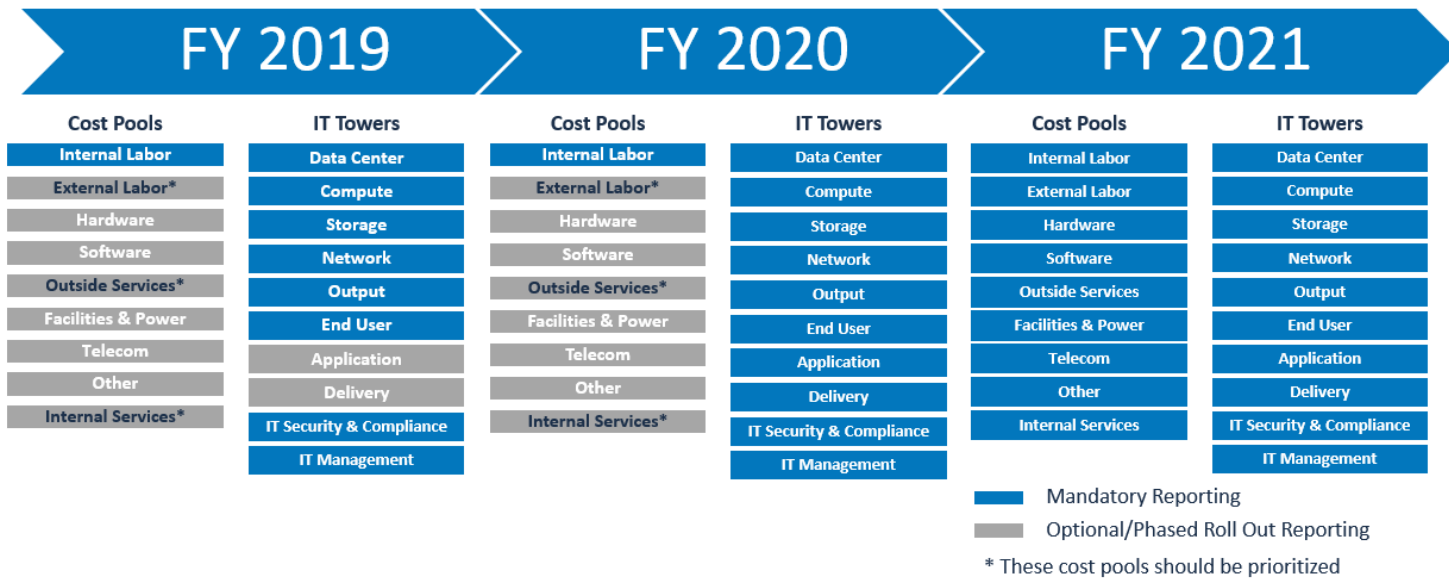


Strategy 1: Increase granularity in current IT Portfolio

The FY 2017 President's Budget reported 84% of the total Federal IT budget categorized as "other", as opposed to being clearly tied to a specific IT category of spend. Early use of TBM quadrupled the percentage of IT spending that could clearly be tracked to a specific cost category.

Goal: Achieve 100% granularity within the known IT Portfolio by Q4 FY2019.

Figure 3. Roadmap for CPIC Submissions by Budget Year



| Key Milestones | Milestone Due Date | Milestone Status | Change from last quarter | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
|---|--------------------|------------------|--------------------------|------------------|--|
| Agencies adopt TBM standard IT Tower and Cost Pool to report categorized IT costs across the entire spend of the IT Portfolio | Q4FY19 (September) | | | Federal Agencies | |



Strategy 2: Develop implementation guidelines and enabling mechanisms

Build TBM into the way that we do business to achieve the value, benefits, and desired outcomes – the foundational people, processes technologies and policies for budget, acquisition, finance and IT – leveraging and improving existing systems and processes. To most effectively implement TBM and maximize value across Federal agencies, OMB will coordinate with pilot agencies and industry partners to develop a common set of requirements.

Goal: Develop a government-wide strategy and implementation guidelines by Q4 FY2019 to support government-wide adoption.

| Key Milestones | Milestone Due Date | Milestone Status | Change from last quarter | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
|--|-----------------------------|------------------|--------------------------|--------------------|--|
| Complete Data Gap Analysis focused on authoritative data needed for the TBM cost pool layer | Q3 FY 2018 | | | GSA | |
| Determine authoritative data necessary to support TBM (Establish Inventory, Assess discrepancy, Develop Alternatives and Action Plan to address discrepancy) | Q4 FY 2018- Q3 FY 2019 | | | GSA | |
| Incorporate TBM data needs into next Gen Cloud-Based solutions for (Payroll, T&A, Contract writing, Financial Management) | Q4 FY 2018 to Q3 FY 2019 | | | OMB, SSGB | Related issue – decision on level of details in TBM to collect for implementation and analysis |
| Standardize Services and Business Unit elements for Federal | Q1 FY 2019 | | | OMB, GSA, Agencies | |
| Establish standards for government-wide TBM implementation | Q1 FY 2019 | | | OMB | |
| Establish TBM common solutions (tools & services) to support TBM adoption | Q3 FY 2019 | | | GSA | |





Strategy 3: Adopt and Implement TBM across the Federal enterprise

The TBM Framework will enable the Federal Government to better run IT like a business, drive innovation and business transformation, improve services to citizens, add cost transparency, and increase its accountability to taxpayers.

- Agencies will be required to submit individualized plans to explain how they will meet the deadline of adopting government-wide standards and implement Technology Business Management in a common way across the Federal enterprise.

Goal: Complete phased implementation for all federal agencies will take place between FY2021-FY2022.

| Key Milestones | Milestone Due Date | Milestone Status | Change from last quarter | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
|---|--------------------|------------------|--------------------------|----------|--|
| Agencies establish and deliver a multi year strategy to implement TBM | Q2 FY 2019 | | | Agencies | |
| Phased implementation between FY 2020-FY 2022 | Q4 FY 2022 | | | Agencies | |



Federal Agencies:

- Agency OCFOs and budget offices will need to track additional details on IT Cost Pools and IT Towers.

Program Activities:

- Mission Support Services
- eInvoicing
- DATA Act
- PMIAA implementation