Business Alignment Award

More and more, the transformation from a technology provider to a service provider is accelerated by the cloud. Not only does the public cloud delivery model put internal IT services in a new light, private and hybrid cloud adoption provides benefits for cost and agility that are needed by your business. This transformation requires a mental shift that starts with the customer's needs, and then drives a cultural shift in how technology is offered and consumed, sourced and delivered, measured and managed. This award recognizes IT organizations who have successfully applied technology business data and processes to deliver an IT services portfolio aligned with business needs and increase flexibility and transparency of cost, consumption and quality. Your team has changed the conversations with the business from cost to value, guides investments, and drives innovation.

Key Attribute: Shifting IT from being an expense center to delivering services with greater flexibility (e.g., on demand) and transparency of cost, consumption and quality

Successful nominees can demonstrate how they and their teams used TBM data and processes to:
- Define and deliver a portfolio of services for which business value is clearly articulated
- Align the IT services portfolio to the needs of the business, including strategies for growth, business cost reduction, transformation and others
- Design and offer differentiated levels of service with clearer cost/quality choices to the business or end customers
- Shift to a service-oriented consumption model to hold business partners (e.g., LOB leaders), application owners, and other consumers accountable for the costs they drive
- Empower service owners to manage the business side of their services including setting rates (prices), managing service cost (total and per-unit), shaping demand and consumption, and measuring quality and value over time
- Drive service efficiency improvements, such as per-unit cost reductions, in a sustainable fashion (i.e., without assuming undue risks)
- Establish a business relationship model with formal responsibilities for engaging internal customers, discussing consumption/demand/costs, and ensuring value delivery

Business Alignment Pacesetter Award

For each TBM award (IT Optimization, Strategy & Planning, Business Alignment), the TBM Council will recognize two teams that have made a significant impact to their business with TBM in a short period of time (<18 months). In doing so, their TBM programs have set the pace for the industry, demonstrating a preference for moving fast (through iterations) over a cautious, get-it-right-the-first-time approach. Successful teams are recognized not for having years of experience but instead for making progress, including measurable results, in months or quarters instead of years.

Key Attribute: Establishing a TBM program and making demonstrable progress in the award category in less than 18 months

Successful nominees must meet many of the award criteria but must also demonstrate they have:
- Implemented TBM tools, data and processes rapidly over the 18 month period
- Established their TBM office within the last 18 months, including a program director and any existing TBM analysts
- Relied upon the TBM program to enable or make possible many of the results achieved in the given award category (i.e., the TBM program must be a clear success factor in achieving the results claimed in the award category)
- Established key TBM processes, such as month-end close, monthly operating reviews, quarterly business reviews, etc., in the 18 month period
- Created and maintained a roadmap for improved capabilities and value from TBM

NOTE:

If you select <18 months for the question #5 "How long has your organization had a formalized TBM capability?", you will automatically be placed in the Pacesetter award designation.

TBM Awards Nomination Questionnaire

SECTION I: Company Profile

Nominator Information: Full name, email address, company, role, industry, and number of employees.

1. Select your IT Budget range:

   ☐ <$30M ☐ $100-249M ☐ $250-499M ☐ $500-999M ☐ $1,000-1,999 ☐ $2,000-4,999 ☐ $5,000+

2. Select your IT Employee range:

   ☐ <100 ☐ 100-199 ☐ 200-499 ☐ 500-999 ☐ 1,000-1,999 ☐ 2,000-4,999 ☐ 5,000+

3. The TBM Awards are designed to recognize teams! Please list all team members who are applying for the award. Include full name, title, and TBM role.

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4. Who are your executive sponsors and/or champions of TBM?

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TBM Awards Nomination Questionnaire

SECTION II: Why TBM?

5. How long has your organization had a formalized TBM capability?
    - ☐ <18 months
    - ☐ 18 months - 2 years
    - ☐ 2 - 3 years
    - ☐ >3 years

6. Have you established a TBM office?

    ☐ Yes   ☐ No

    If yes, how many people work in your TBM office?   If no, do you have plans to establish one?
    - ☐ 1   - ☐ Yes
    - ☐ 2   - ☐ No
    - ☐ 3   - ☐ Not sure
    - ☐ 4
    - ☐ 5+

    How are roles defined?

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7. Has anyone in your organization received the TBM Executive Foundation Certification?
    - ☐ Yes
    - ☐ Scheduled to take the course
    - ☐ No
    - ☐ Not Sure

    If yes, please list names and titles:

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8. What were your organizations top motivations to adopt TBM? Select up to three choices.

☐ Better financial transparency
☐ Increase cost efficiency
☐ Change conversations with the business
☐ Improve demand management
☐ Understand cloud costs and usage
☐ Increase quality of services
☐ Improve planning (capacity, capital, financial)

☐ Improve investment allocation
☐ Improve business interaction and alignment
☐ Accelerate move towards service-oriented model
☐ Drive agile transformation
☐ Drive digital transformation
☐ Others

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For your organizations motivations selected above, please indicate where you fall on the scale below:

Motivation 1
☐ Not Started
☐ In progress
☐ Complete & value realized

Motivation 1
☐ Not Started
☐ In progress
☐ Complete & value realized

Motivation 1
☐ Not Started
☐ In progress
☐ Complete & value realized

Strategy & Planning Award

9. How have you measured the impact of TBM?

☐ Only qualitative measurement so far; no plans to deploy quantitative assessments	☐ Only qualitative measurements so far; **organization is deploying a quantitative benchmarking on qualitative dimensions**	☐ **Measured with ad-hoc internal benchmarking on some of the performance drivers** (e.g. productivity, cost, quality, availability, timeliness of deliver). **Comparison with former figures is sometimes missing or not meaningful** (e.g. because partial misalignment in scope).	☐ **Measured with regular internal benchmarking on some of the performance drivers.**	☐ Measured with regular internal benchmarking on key performance drivers. **Value realized and results are compared with external best practices/peer results (e.g. external benchmarks).**

10. What processes or tools does your organization have in place for financial management?

☐ Very basic or no tool in place to provide transparency into holistic IT cost structure. Most services still out of scope of the financial transparency tool. Most data updates into tool are still manual.

☐ **Tool in place to create transparency into holistic IT cost structure, including application costs; tool does not yet decompose costs into fixed cost, and variable cost made up of unit volume and unit costs. Business in process of developing understanding of data/business rules used to calculate costs.** Most data updates into tool are still manual. **Metrics and data refreshed at least once every six months.**

☐ Tool in place to create transparency into holistic IT cost structure, including application costs; tool does not yet decompose costs into fixed cost, and variable cost made up of unit volume and unit costs. **Shared understanding of data/business/rules used for calculating costs between IT and business.** Most data updates into tool are still manual. **Metrics and data refreshed at least *once a quarter*.**

☐ Tool in place to create transparency into holistic IT cost structure, including application costs; **tool decomposes costs into fixed cost and variable cost made up of unit volume and unit costs.** Shared understanding of data/business rules use for calculating costs between IT and business. **Process in place to automatically refresh most of the data that feeds into financial metrics; several data sources uploaded manually. Metrics and data refreshed *at least once a month.***

☐ Tool in place to create transparency into holistic It cost structure, including application costs; tool decomposes costs into fixed cost, and variable cost made up of unit volume and unit costs. Shared understanding of data/business rules used for calculating costs between IT and business. Process in place to automatically refresh data that feeds into financial metrics. **Metrics and data refreshed at near real time or *at least daily granularity*.**

11. Describe how your organization has adopted the TBM taxonomy, model, and/or other methods to translate costs data into meaningful perspectives for technology and business decision makers. Include the standard metrics and KPIs used to measure and manage IT cost and value.

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12. How has TBM affected the run-the-business vs. change-the-business spending mix of your organization?

☐ Significantly increased the run-the-business component	☐ Increased the run-the-business component	☐ Did not affect the spending mix	☐ Increased the change-the-business component	☐ Significantly increased the change-the-business component

If TBM has increased the change-the-business component, please provide an example/s.

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13. Please describe your company's initiatives that are supported by TBM? How is TBM helping to accelerate and complete those initiatives?

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14. What are your end-state aspirations for where you want to take TBM?

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SECTION III: Category questions

15. What kind of IT operations management model and organizational structure does your organization have in place?

☐ Limited or no separation between supply (build, run) and demand (business interaction, solution design) activities.

☐ **Clear separation** between supply and demand (e.g. demand activities such as interaction with business solution design); **Supply activities such as Build and Run not segregated for most IT domains.**

☐ **Organization operating and structured around services (vs. technologies).** Clear separation between supply and demand (e.g. demand activities such as interaction with business, solution design); **Supply *further segmented* by Build and Run activities. Run organized in tiered support mode: L1 (Very simple/dispatch tasks), L2 (Simple technical tasks; limited pooling as each resource specialized in few technologies), and L3 (Some alignment by technology, but focus not on overall service).**

☐ Organization operating and structured around services (vs. technologies). Clear separation between supply and demand (e.g. demand activities such as interaction with business, solution design); Supply further segmented by Build and Run activities. Run organized in tiered support mode: L1 (Very simple/dispatch tasks), L2 (Simple technical tasks; *pooled resources as each one cross-skilled on many technologies*), L3 (Some alignment by technology, *and focus on overall service*).

☐ Organization operating and structured around services (vs. technologies). Clear separation between supply and demand (e.g. demand activities such as interaction with business, solution design); Supply further segmented by Build and Run Activities. Run organized in tiered support mode, with: L1 (Very simple/dispatch tasks), L2 (Simple technical tasks; *pooling w/ each resource supporting many technologies*), L3 (*Primary focus on overall service, some alignment by technology*). **Build operating in efficient/lean "assembly line factory" type mode, with teams organized by build services across technologies.**

16. What kind of services does your IT organization offer, and what level are these services defined?

☐ Service catalog with some level of maturity exists and is rudimentary. Catalog is defined at the IT component level (e.g. mid-range server, storage array). There is no linkage with cost and service levels.	☐ Service catalog with some **services at the IT and business consumption level defined. Services are not organized in a catalog with standard platforms/packages. No tiered service levels with relative cost.**	☐ **Services are defined across all types: end user, infrastructure, application.** *Very few services* (if any) are defined at a business consumption level. **Services are organized in a catalog with standard platforms/packages.** No tiered service levels with relative cost.	☐ Services are defined across all types: end user, infrastructure, application. *Some services* are defined at a business consumption level. Services are organized in a catalog with standard platforms/packages. *For some* of the services there are tiered service levels with relative cost.	☐ Services are defined across all types: end user, infrastructure, application. *Majority of services* are defined at a business consumption level. Services are organized in a catalog with standard platforms/packages. *For most* of the services there are tiered service levels with relative cost.

17. How aligned are the services with business needs?

☐ Defined services can fulfill **<40%** of the business and application needs. Frequent customization needed for services. Services are defined in silos; little collaboration with business.	☐ Defined services can fulfill **>40%** of the business and application needs. Frequent customization needed for services. Services are defined in silos; little collaboration with business.	☐ Defined services can fulfill **>60%** of the business and application needs. *Some customization* needed for services. Services are defined *in close collaboration with the business.*	☐ Defined services can fulfill **>80%** of the business and application needs. Some customization needed for services. Services are defined in close collaboration with the business.	☐ Defined services can fulfill **>90%** of the business and application needs. *Very little customization* needed for services. Services are defined in close collaboration with the business. **Services are constantly updated/revised as per changing business needs**.

Strategy & Planning Award

18. Describe how your organizations' services portfolio is aligned to the needs of the business and include strategies for growth, business cost reduction, transformation, etc.

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19. How do you set prices for the services that your IT organization offers?

☐ No formal pricing mechanism in place (costs only)	☐ **Pricing is based on unit costs that are calculated using an allocation model methodology**	☐ **Pricing determined by true driver based unit costs. Fixed costs are not priced.**	☐ Pricing determined by true driver based unit costs. *Fixed costs recovered by factoring them into prices.* **Prices lowered/raised regardless of costs to steer demand to desired area (e.g. raise old platform prices to move demand away).**	☐ Pricing determined by true driver based unit costs. Fixed costs recovered by factoring them into prices. Prices lowered/raised regardless of costs to steer demand to desired area. **Pricing has the provision for fluctuation in demand. Pricing has the provision for earlier adoption.**

Strategy & Planning Award

20. Describe your organizations' services pricing strategy and provide one to two examples on how it has changed demand and the business outcomes.

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21. What kind of service owners does your organization have in place?

☐ No formal service owner roles in place.	☐ **Informal service owner roles in place with duties often shared by multiple people. Service owners manage/monitor the service levels on an on-going basis.**	☐ **Service owner roles defined. Service owner managers are primarily responsible for defining the specs, SLAs, and costs. Active management of services and accountability is distributed across many groups (e.g. operations, build).**	☐ Service owner roles defined; **these roles are operating like the "general managers" of services who are managing service levels and costs in a commercial way. Service owners are focused on: defining services based on customer requirements which can meet >80% of customer demand, working with engineering to develop solutions which can deliver on SLAs at a given cost, working with engineering and operations to develop build and run books.**	☐ Service owner roles defined; these roles are operating like the "general managers" of products/services, who are managing service levels and costs in a commercial way. Service owners are focused on: a) defining services based on customer requirements, which can meet **> 90%** of customer demand, b) working with engineering to develop solutions which can deliver on SLAs at a given cost, working with engineering and operations to develop build and run books, **constantly benchmarking services at a granular components level and working with engineering/operations to improve service cost and SLAs**.

22. Describe how your organizations' service owners are empowered across the areas below and the business value they have delivered. Address the following areas that apply in your response:
    − Manage the business side of their services including setting rates
    − Manage service costs (total and per unit)
    − Shape demand and consumption
    − Measure quality and value over time

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23. How has TBM enabled the organization to optimize demand?

☐ No impact – Demand levels are not well known or understood and the organization operates in reactive mode to sudden declines or increases in demand.	☐ **Limited impact** – **Current demand levels are understood and tracked; sometimes non-financial levers (e.g. policies) are used to steer demand to right services based on business needs; future demand levels are forecasted but no action is taken to channel them into the right internal/external service.**	☐ *Medium impact* – Current demand levels are *well understood* and tracked; non-financial levers and *sometimes pricing* are used to steer demand to right services based on business needs. **Volume and unit prices are assessed as per the business needs with ad-hoc campaigns;** future demand levels are forecasted but no action is taken to channel hem into the right internal/external service.	☐ *High impact* – Current demand levels are well understood, tracked and *actively managed by pricing internal services* to steer demand to right services based on business needs. Volume and unit prices are assessed as per the business needs *on a regular basis* (e.g. quarterly); **allows users to go to external vendors when needed.** Future demand levels are forecasted but no action is taken to channel them into right internal/external service.	☐ *Very high impact* – Current demand levels are well understood, tracked and actively managed by pricing internal services to steer demand to right services based on business needs. Volume and unit prices are *constantly assessed* as per the business needs; allows users to go to external vendors when needed. Future demand levels are forecasted **and actions are taken** to channel them into right internal/external service.

Strategy & Planning Award

24. How are users billed for services?

☐ No chargeback or showback in place - users not billed for services	☐ **Internal showback to help optimize costs**	☐ *Showback or chargeback* **in place reviewing at least quarterly with Business Stakeholders. Limited visibility to impact spend targets.**	☐ *Chargeback* in place reviewing at least quarterly with Business Stakeholders. **Ability for users to have cost choices for more than 50% of services to impact spend targets.**	☐ Chargeback in place **based on unit rates where users can make cost choices based on demand.**

25. Please describe your organizations service-oriented consumption model and the impact TBM has on each of the following areas:
    − Communication with the business
    − Behavior and choice
    − Accountability for cost, consumption, and value

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26. What financial impact has been achieved relative to per unit cost of services/IT capabilities consumed?

☐ On average, **no reduction** of unit service cost

☐ On average, **up to 10%** reduction of unit service cos

☐ On average, *up to 20%* reduction of unit service cost

☐ On average, *up to 30%* reduction of unit service cost

☐ On average, *more than 30%* reduction of unit service cost

27. Describe how your organization achieved service efficiency improvements, such as per-unit cost reductions? How have you sustained these reductions?

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28. Describe the process and governance your organization has in place to align IT initiatives with the business. Be specific and provide an example of an initiative, how you aligned with the business, and the business outcome delivered.

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29. Describe how your organization has used TBM to change the conversations with the business? Provide one to two specific examples, which include the business relationship model to engage internal customers and the data and metrics reviewed (consumption, demand, costs).

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