

2025 Award Winner Case Study: **Financial Impact**

How Liberty Mutual Insurance Delivered Hundreds of Millions in Proven Savings with TBM

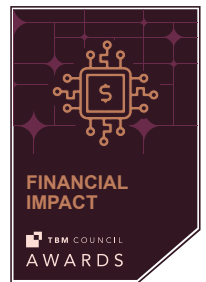
Executive Summary

TBM Council's 2025 Award for **Financial Impact** was awarded to Liberty Mutual Insurance.

Before launching its Technology Business Management (TBM) practice, Liberty Mutual was navigating an evolving technology finance environment that made it difficult to maintain a consistent view of IT costs.

As a result, opportunities existed to more clearly demonstrate business value, strengthen alignment between technology investments and innovation priorities, and optimize spend. Cost data was distributed across systems, governance models varied, and accountability for IT financials was shared across teams. Technology investment decisions were often made with limited visibility, creating opportunities for greater efficiency and alignment.

The adoption of TBM transformed this landscape. Over the past three years, TBM has served as a cornerstone for improving financial transparency, strengthening governance, and creating a clear connection between technology investment and business outcomes - resulting in **hundreds of millions in realized, verified savings and hundreds of millions more in identified cost optimization opportunities.**



2025 TBM Council Awards Winner
Financial Impact



Website

www.libertymutual.com

Founding Date

1912

Headquarters

Boston, MA

Industry

Insurance

Employees

40,000

Business & Technology Context

Liberty Mutual initially recognized opportunities to improve **cost transparency and inconsistent IT cost tracking**. Financial data was distributed across systems, which limited holistic visibility into how resources were used or which services and business units drove costs. Leaders lacked the information needed to make confident, data-based financial decisions.

Another opportunity involved strengthening alignment between **IT spending with business and innovation priorities**.

Technology investment decisions were not consistently linked to strategic objectives, with significant portions of the budget supporting legacy platforms critical to core operations. Without a consistent way to connect technology costs to outcomes, it was more difficult to prioritize investments that fueled innovation.

Liberty Mutual also saw an opportunity to enhance **accountability and governance over IT financials**. Cost ownership and allocation approaches varied, creating opportunities to bring greater clarity, control and consistency to financial management.

Additionally, **demonstrating the business value of technology investments** could be further strengthened. In the absence of standardized reporting or shared metrics, technology was not always fully recognized for its role in driving business outcomes.

Finally, **optimizing IT costs across the full lifecycle** presented challenges due to fragmented data and decision-making across teams. Identifying inefficiencies - such as underutilized infrastructure or overlapping

applications - often required manual effort, reinforcing the need for a more proactive and integrated approach.

TBM Solution

To address these challenges, Liberty Mutual launched a comprehensive TBM practice designed to unify cost data, strengthen governance, and embed transparency and accountability across all technology domains.

The first step was to **establish a centralized TBM cost allocation model**. Data from multiple financial and operational systems—including ServiceNow—was integrated into a single TBM platform, providing a single source of truth for technology financials. Public cloud SKUs were meticulously mapped to the service catalog via the TBM Taxonomy during annual planning, with trailing consumption averages used to project future costs. This process enabled precise cost attribution and improved forecasting accuracy, turning annual budgeting into a continuous, data-driven dialogue supported by real-time dashboards.

Next, TBM was used to **align technology spending with business and innovation priorities**. Quarterly review forums were established, bringing IT, finance, and business leaders together to evaluate spending plans against strategic roadmaps. These sessions, guided by TBM insights, enabled funding shifts from legacy maintenance to modernization and innovation initiatives.

To strengthen accountability and governance, a TBM-led Tech-wide Cost Optimization initiative was rolled out with a structured, stage-gated methodology to ensure rigor and traceability in savings realization.

Each initiative moved through defined stages

- Estimate, Planned, Executed, and Realized
- validated with documentation such as contracts or asset disposal confirmations.

Procurement and Talent partners played a pivotal role, jointly contributing to one-third of the total realized savings. This governance model embedded financial discipline and sustained savings over time.

Liberty Mutual also used TBM to **demonstrate the business value of technology investments**. Standardized reporting in their TBM platform combines financial metrics like cost per service and cost per user with business outcome data, producing clear, executive-ready insights. These reports reframed technology as a strategic enabler, facilitating funding approvals for modernization and cloud initiatives that had previously struggled to effectively convey their monetary value.

Finally, TBM insights powered **optimization across the entire technology lifecycle**. Comparative unit economics and scenario modeling were applied to identify underutilized assets, rationalize applications, and guide cloud migration decisions.

Value Achieved

The TBM program produced measurable, enterprise-wide impact. Financial transparency improved dramatically, replacing speculative annual analyses with reliable, replicable data and reducing reporting cycle times by 30%.

The program realized significant **cost savings** while identifying **substantial additional optimization opportunities**.

TBM's standardized reporting and analytics elevated the perception of IT across the enterprise, transforming financial discussions from reactive cost control to strategic value creation.

Most importantly, TBM established a foundation of accountability and shared financial stewardship. The stage-gated governance process not only validated savings but reinforced a culture of transparency and fiscal discipline across technology and business teams.

Conclusion

Liberty Mutual's TBM journey demonstrates how disciplined financial transparency and governance can unlock lasting enterprise value. What started as an effort to improve visibility into IT costs became a transformative operating model—one that fundamentally changed how technology investments are evaluated, governed, and optimized.

More importantly, it created a sustainable shift from reactive cost control to intentional, outcome-based investment - freeing capital for modernization and innovation without compromising service quality.

Today, TBM is embedded as a core management practice at Liberty Mutual, reinforcing shared financial stewardship and ensuring technology remains a strategic driver of business performance. This transformation exemplifies the financial impact TBM can deliver when adopted at scale and executed with rigor.



Join the TBM Council

Founded in 2012, the Technology Business Management (TBM) Council is a nonprofit business entity dedicated to advancing the discipline of TBM through education, standards, and collaboration. Governed by an independent board of global business technology leaders, the Council represents innovative companies across all sectors. The TBM Council provides best practices for leaders to leverage so they can react quickly to changing market dynamics and optimize cloud and agile strategies to deliver on business objectives.

Learn more and become a member at

tbmcouncil.org