TBM COUNCIL

2025 Award Winner Case Study: **Public Sector Excellence**

How the US Dept of Commerce Delivered Full Transparency to a $2.9B IT Budget with TBM

A United States Department of Commerce Case Study

Executive Summary

U.S. Department of Commerce was the award winner for the **TBM Council's 2025 Public Sector Excellence Award** for transforming a highly federated IT environment into a transparent, decision-ready financial ecosystem through Technology Business Management (TBM).

Through a phased TBM program spanning 13 autonomous bureaus, the Department delivered measurable public-sector value:

- **Established enterprise financial transparency across a $2.9B IT budget**, replacing weeks-long, error-prone analyses with decision-quality insight available in hours or minutes
- **Identified over $55M in potential cost reductions**, enabled by vendor- and product-level visibility, consolidation opportunities, and standardized benchmarking
- **Standardized IT financial management without mandates**, aligning disparate bureau systems to a common TBM taxonomy and eliminating $85M of previously unmapped spend
- **Strengthened stewardship and mission alignment**, enabling informed CIO–CFO tradeoffs, improved FITARA alignment, and more defensible, mission-aware budget decisions

2025 TBM Council Awards Winner
Public Sector Excellence

US Department of Commerce

Website
www.commerce.gov

Founding Date
1931

Headquarters
Washington DC, USA

Industry
Government - National/International

Employees
48,000

> "In a fiscally constrained, highly federated public-sector environment, TBM supplied the US DOC the standards, data quality, and governance needed to move from fragmentation to financial clarity."

Business & Technology Context

Before implementing Technology Business Management (TBM), The US Department of Commerce (DOC) faced unprecedented budget pressure and structural complexity. With potential cuts of up to 30% across multiple bureaus—and even the possibility of consolidations – leaders were asked to make rapid reductions without clear visibility into downstream mission impacts.

The $2.9B IT budget (20% of total appropriations) was spread across 13 autonomous bureaus operating with distinct systems, policies, and reporting standards. Purchases routed through value-add resellers (VARs) and integrators further obscured manufacturer spending and product detail. Inconsistent data, disparate processes, and the absence of shared standards made it difficult to benchmark services, identify redundancies, or align investments to mission outcomes.

Collectively, these issues hindered data-driven decisions, stewardship of taxpayer resources, and transparent articulation of IT value.

Severe budget constraints demanded near-real-time insight into where money was spent and what could be reduced with minimal mission risk. Yet DOC's fragmented bureau structure—13 budgets and financial systems with no central general ledger—prevented enterprise visibility. Historic autonomy left each bureau with its own ledger, procurement practices, and policies, mirroring a private-sector organization after a dozen mergers.

Without a unified framework or common taxonomy, cross-bureau comparison was impossible; vendor performance, internal labor, and shared services couldn't be benchmarked fairly. The result: duplication of effort and common services, uneven standards, and little ability to coordinate or scale.

TBM Benefits:

- $55M+ in potential cost reductions
- $85M reduction in previously unmapped spend
- Transparency into a $2.9B IT budget across 13 bureaus and 135 investments
- $2.1M cost avoidance from consolidation of business analytics tools
- $900K enterprise ATO-driven cost avoidance

TBM Solution

To overcome these public-sector realities, DOC executed a phased, collaborative TBM program focused on spend insight, standardization, and data quality.

Strategic Spend Analysis to Confront Budget Constraints. The team profiled more than 900 vendors and mapped spending to the TBM taxonomy, prioritizing software and outside services. Analysis revealed that the top 25 vendors each exceeded $20M in annual spend and together represented roughly 60% of total IT outlay; one major vendor alone had 70+ contracts spanning 27 contracting officers. This new visibility surfaced vendor concentration, overlapping portfolios, and immediate opportunities for consolidation and strategic sourcing.

Aligning 13 Bureaus on a Common Taxonomy. Without mandates, the program introduced standard TBM Cost Pools and Towers across DOC. Over two years, Budget Object Classes (BOCs) were mapped to cost pools and product

service codes (PSCs) to towers. Broad training, a TBM maturity model, and bureau-by-bureau engagement secured buy-in and aligned TBM standards with federal BOC/PSC constructs – creating a shared language for spend and performance.

Data Quality and Interim Integration. While a centralized general ledger is still in progress, Apptio was used to ingest bureau data and normalize it to TBM cost pools and towers. A cross-departmental working group designed and ratified a comprehensive tagging policy in under 90 days, covering both cloud and on-prem assets. The tagging architecture links towers and solutions to the TBM taxonomy, enabling total cost of ownership (TCO) analysis and accurate allocation to funding sources as Cloudability connections come online.

Embedding TBM into Financial Workflows. TBM principles were woven into the budget structure at the solution layer so investments could be split into components aligned to cost pools and towers. This embedded standardization now supports apples-to-apples variance analysis, performance benchmarking, and more transparent resource allocation across bureaus

Value Achieved

DOC moved from reactive, weeks-long, error-prone analyses to **decision-quality insight in hours - sometimes minutes**. During budget-cut scenarios, leadership could see exactly where each dollar went at the vendor and manufacturer levels and identify logical consolidation paths. This capability supported **$55M+ in potential cost reduction**s through vendor and product-level strategies.

Enterprise transparency advanced markedly: leadership gained a single view into the **$2.9B IT budget across 13 bureaus and 135 investments,** enabling informed trade-offs between the CIO and CFO during formulation. Standardization through TBM improved alignment with FITARA objectives, strengthened CIO authority, and established a clear path to reduce duplication and waste.

With Apptio at the center, bureau general ledger feeds are mapped and validated on load, then automated monthly once quality thresholds are met. The cross-department tagging policy—integrated with security and bureau CMDBs – enables consistent TCO views at the tower/solution level and reliable allocation to funding sources. For the first time, IT spend is visible across bureaus through **one interface**, making consolidation and economies of scale both feasible and defensible. Early initiatives include consolidation of business analytics tools **(≈ $2.1M cost avoidance)**, cloud contract consolidation **($400K)**, and enterprise ATO-driven cost avoidance **(≈ $900K)**.

Standards are now embedded in day-to-day financial management. DOC eliminated **$85M** of "Unmapped/Other" by correctly classifying spend to TBM cost pools and towers. Higher data quality and consistent tagging yield repeatable processes and trustworthy history, so year-over-year trend analysis now informs strategy rather than defending it. Looking ahead, the standardized TBM taxonomy is expected to **improve FY2027 investment prioritization by ~20%**, giving each bureau CIO a common, mission-aligned mechanism to assess risk and prioritize investments.

Conclusion

In a fiscally constrained, highly federated public-sector environment, TBM supplied the standards, data quality, and governance needed to move from fragmentation to financial clarity. DOC can now answer budget-critical questions quickly and accurately, benchmark across bureaus, consolidate vendors with confidence, and align investments to mission outcomes.

By embedding TBM into workflows and tooling – and by securing bureau-level adoption without mandates – the organization established a durable foundation for transparency, stewardship, and strategic reinvestment that improves both fiscal performance and mission delivery.

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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.

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