Applying Expense Management Principles ACROSS OTHER SPEND CATEGORIES

Technology evolves but enterprise goals remain constant

The past few years ushered in increased volumes of data and changed the way users consume technology. However, the organization's desire for visibility, control and cost mitigation persist, especially the data for expenses and inventory.

As enterprises utilize technology to create a competitive advantage, finding a partner to manage these complex relationships and deliver the clarity you need to manage your entire estate is more important than ever. **Organizations that continue to think, operate, and source in silos are at a disadvantage.**

Regardless of where you sit within the organization or what you manage, basic principles of expense management can be applied to all types of spend. **Below are the key areas and necessary questions you must ask yourself when embracing other technology spend categories so you can reach your enterprise goals.**

1 Understand the key drivers which impact success
- What are your pain points or program objectives?
- What external or internal forces could potentially impact success?
- How will you define success?

Emerging technologies like Cloud and IoT are often unmanaged expenses. The first step is program objectives commonly tied to visibility across categories, vendors, and regions. Once the baseline is established, you focus on underutilized inventory to right size the environment through optimization. You will also want a mechanism to accurately charge costs back to the business beneficiaries or consumers.

2 Think carefully about who adopts and supports the plan
- What key stakeholders will enable the implementation and ongoing support of the program regardless the expense category?
- How will you bring them together to meet objectives while eliminating silos?

Success arises when you allow the technical teams to focus on the technology while those with expense management focus on the fiscal responsibility. Removing the administration burden, is a compelling reason to centralized expense management.

3 Strive to centralize
- What are the common elements versus the category-specific data points?
- How will you bring all your data points together into a single location?
- What systems do I need to integrate with to get this information?

The core foundational set up work is already done through your TEM implementation. You leverage existing managed categories and share common data sets and processes such as organization information, cost allocation, budget management, accounts payable reporting and contract management The inventory is then supplemented with category specific data, such as Port and Access information on an MPLS service or the number of cores on EC2 instances.

4 Establish processes to account for dynamic enterprise technology environment

- What is an efficient method to keep the solution up to date?
- How much of this can be automated?
- How do you uncover unwanted or unnecessary assets?

Emerging technology suppliers offer several integrations. Vendor API's allow downstream systems to capture changes and understand consumption more frequently and automatically. Demand management and forward planning are centralized through a request portal (or by integrating with existing ITSM platforms). Orders are fulfilled through eBonding, and event-driven optimization removes the burden of manual process and administration.

5 Optimize through automated questionnaires, certifications, and end user visibility

- How will you certify technology is being used responsibly, in accordance with corporate policy and data security standards?
- Can you discover unmapped, decentralized spend by requesting business owners to make declarations relating to technology projects and assets?
- How will you interact with end users to retire legacy technologies and avoid unnecessary costs?

End user and stakeholder engagement tools like certifications and questionnaires tell you what technical resources exist, the business justification for the need, whether they comply with company policy and data privacy. It is scary to turn off assets with the lingering fear it may be empower a business-critical function. Understanding its purpose is important for both continuity and optimization purposes.

6 Use a single view of data to drive decisions

- How will you achieve a single view of overarching technology costs to enable data-driven decisions?
- How will you provide top down and bottom up reporting? Have you established data-visibility controls?
- How will you track your transformation program and key infrastructure refresh projects using real-time data from procurement to payment?

Management necessitates one place to provide a high-level summary (or lower level detail if necessary). This means you need insightful dashboards with mature expense categories like Telecom and Market Data alongside emerging expense categories like Cloud and IoT. In addition, documenting key projects, like a network refresh or a move to the cloud, on summary dashboards provides management with the reassurance that their technology spend is under control.

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[Fortune 50 High-Tech Company]

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[State Government Entity]

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