



SAP BO PCM: a great solution to professionally manage IT costs



KENEOS

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From knowledge to solutions

Keneos helps large and medium enterprises to realize the full potential of SAP based solutions to optimize their business

The Group,
Keneos and
affiliates

| | | | |
|--------------------------|--|-----------------------------|------------------|
| Over 350 SAP consultants | Belgium, France, Luxembourg, Switzerland | Multilingual, multicultural | 70% senior level |
|--------------------------|--|-----------------------------|------------------|

6 Business
Units

| | | | | |
|--------------------------|-------------------------|---------------------------------|-------------------------------|------------------------------|
| Human Capital Management | Sustainable Development | Performance and Risk Management | Customer Lifecycle Management | Corporate Finance Management |
| New Technology | | | | |

Customers

| | | | |
|--------------------------|-------------------------------|----------------------------|-----------------|
| Public Sector, Utilities | Manufacturing, Consumer Goods | Pharmaceuticals, Chemicals | And many others |
|--------------------------|-------------------------------|----------------------------|-----------------|

Services

| | | | |
|------------------------|--------------------------------|---------------------|------------------|
| full project lifecycle | SAP expertise SAP Solutions | Business consulting | Support Services |
|------------------------|--------------------------------|---------------------|------------------|



Agenda



KENEOS

- **The challenge for IT and shared service function today**
- **Activity-based costing and the foundation for IT performance management**
- **SAP BusinessObjects Profitability and Cost Management**
- **Expected Benefits**
- **Return on experience**



Deloitte.



Agenda



KENEOS

- **The challenge for IT and shared service function today**
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- SAP BusinessObjects Profitability and Cost Management
- Expected Benefits
- Return on experience

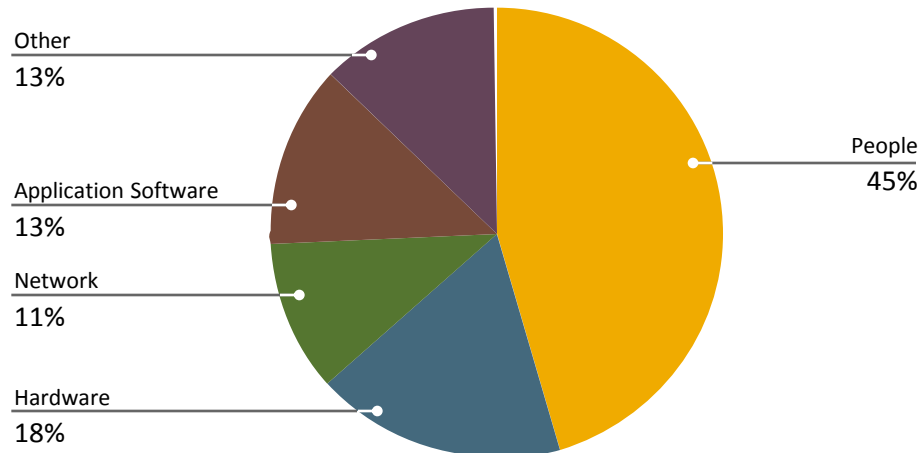


IT is a complex business



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Typical breakdown of IT expenses



Many would say IT Management has not kept pace with the demand for IT or the spending on IT

- Controls a myriad of assets, applications, technologies and skills
- Provides complex products, services and projects to a multitude of business users
- Face changes and new technologies (virtualization, mobility, internet...)
- Has a large amount of indirect costs that cannot be easily understood using traditional cost accounting:
 - Supervision and management
 - Infrastructure
 - Systems architects
 - Security



Questions that IT often struggle to answer



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- Where can IT find cost savings without compromising service levels?
- What exactly is the total cost of projects, applications and services once IT support costs have been factored in?
- How do we resolve all the internal dissent around cross charging?
- What information can IT provide to business units to help them make informed decisions about their consumption of IT services?
- Are there any pockets of excess capacity within IT?
- What information should IT provide to show the business that we are in control?

How much is compliance costing me?

How can we convince the business to get rid of redundant systems?

What are the cost benefits of consolidating suppliers?

What is the total cost of providing e-mail service?

How do we demonstrate that we are in control of IT costs?



Agenda



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Stove pipe or integrated?

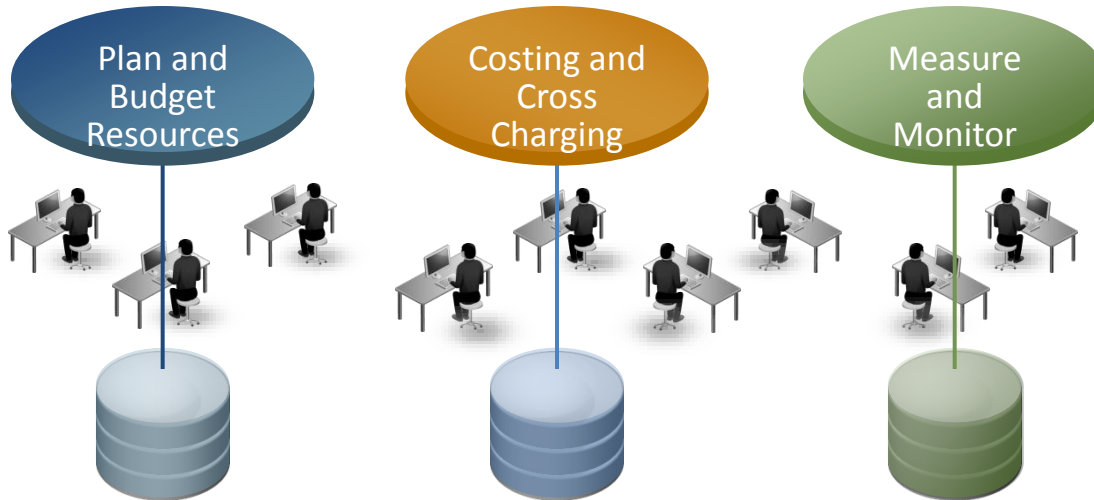


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- Line item budgeting as part of corporate budgeting process

- IT services costing and cross charging

- Key performance indicators
- Performance metrics
- Benchmarking



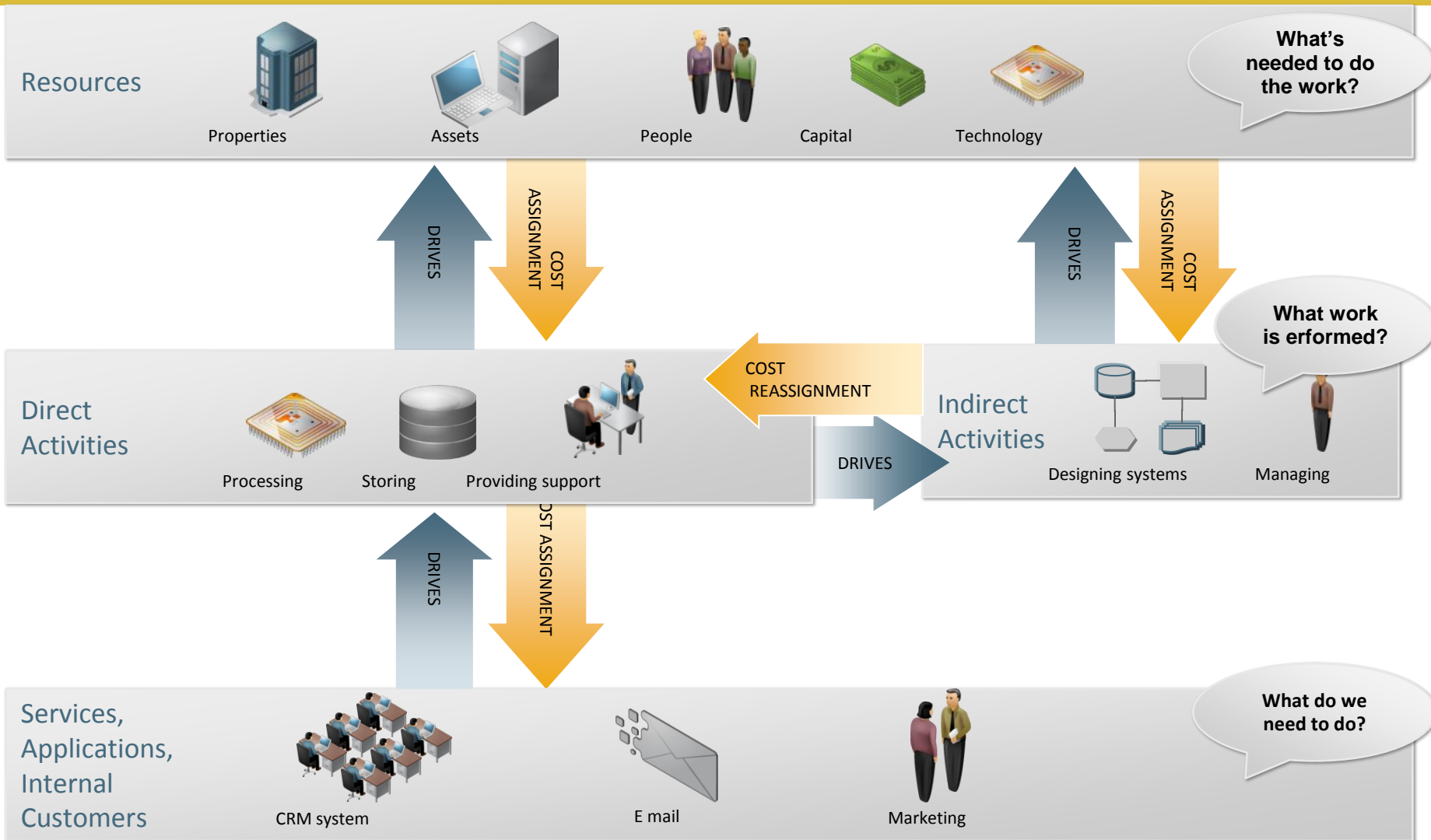
- Separate implementations – frequently supported by a myriad of offline spreadsheets
- Data management and data integrity issues
- Tend to be historically focused



Activity-based Costing (ABC) is the key



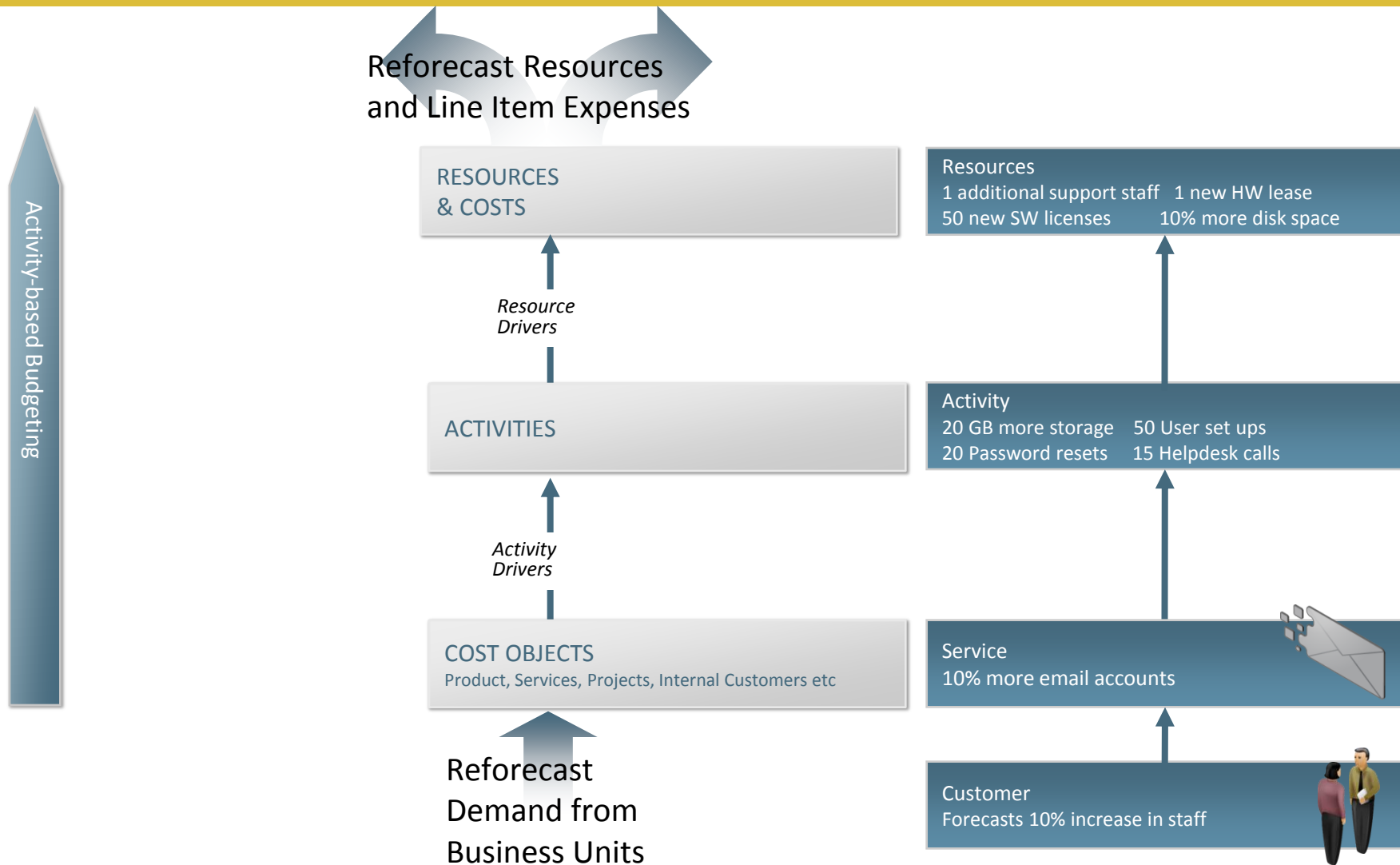
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Activity-based budgeting



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Agenda



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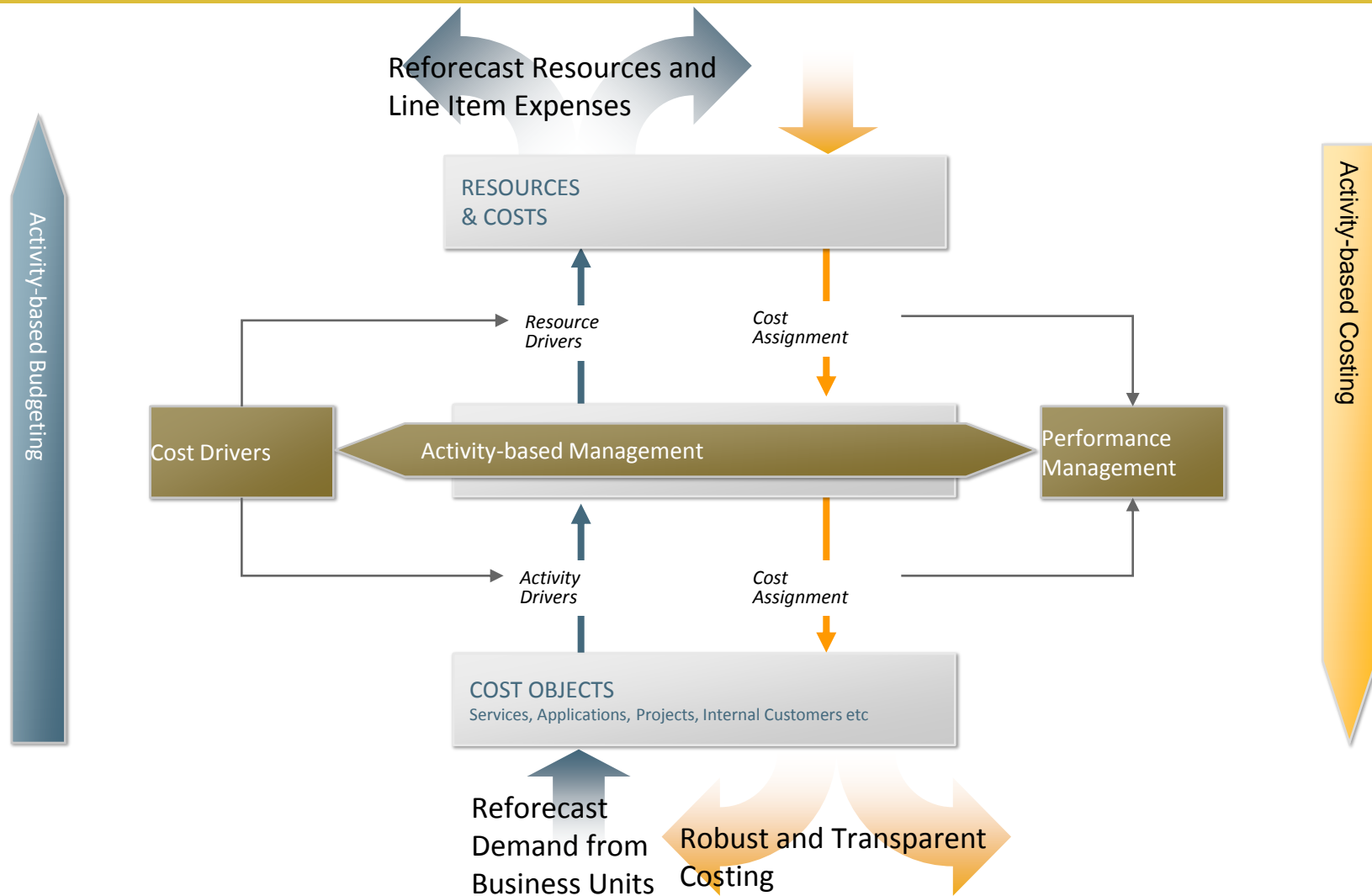
Deloitte.



SAP BO PCM: Bringing it all together



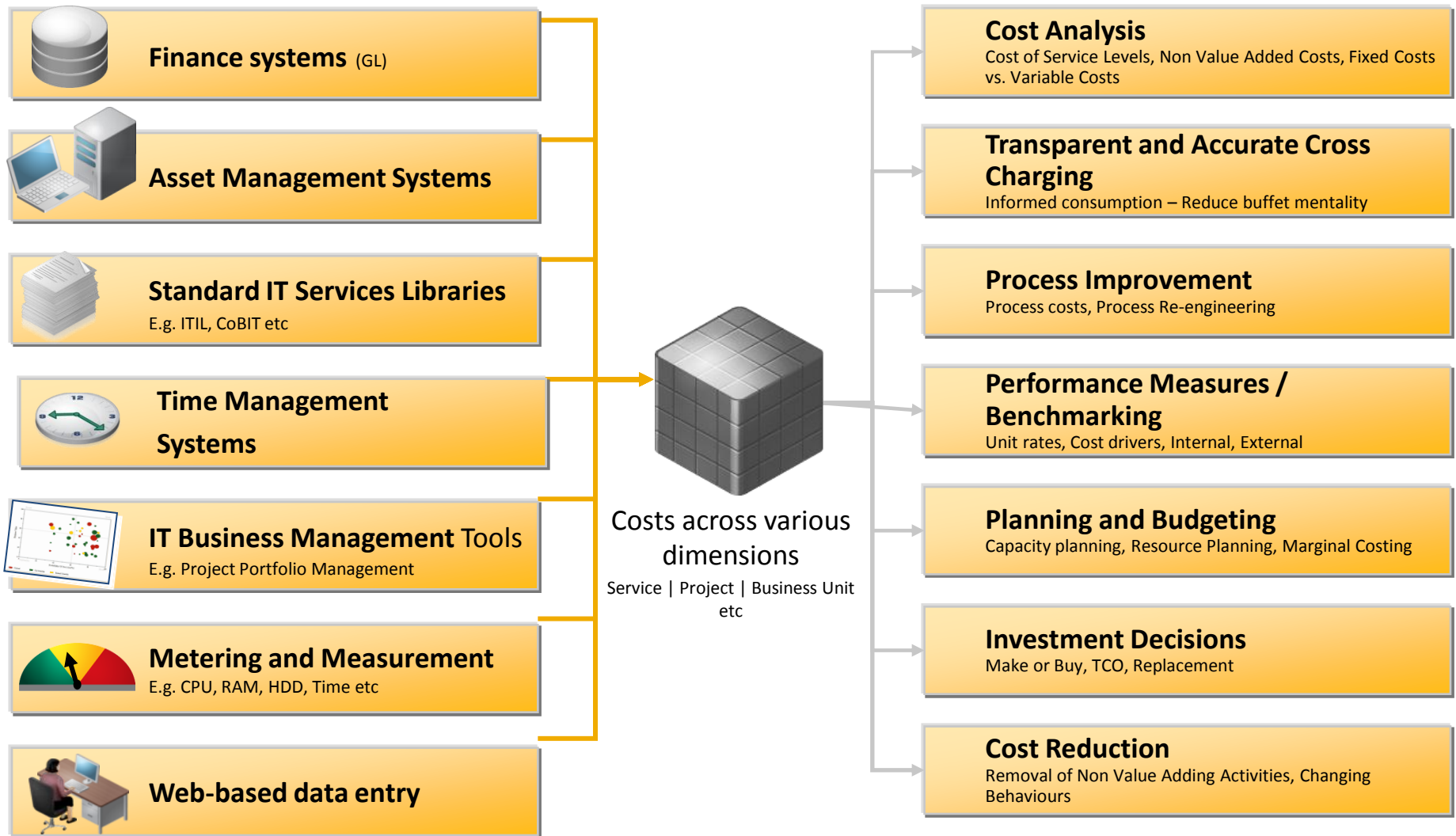
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SAP BO PCM: Inputs and Outputs



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Base Cost
Resource Drivers
Activity Costs
Activity Drivers
Output Costs
Profit
Department Entry
A view to maintain the expenses of one department by version, period and accounts

Department Entry

Quick Entry

Comparison to Budget

Book xx

Version

Actual

Period

2009

Department

IT Organization

| Line Items | |
|----------------------|--|
| [-] IT Expenses | |
| [-] HR | |
| + Internal personnel | |
| + Personnel expenses | |
| + External personnel | |
| + External Services | |
| + Equipment | |
| + Software | |
| + Facilities | |

| | 2009Q1 | 2009Q2 | 2009Q3 | 2009Q4 | 2009 |
|---|--------------|--------------|--------------|--------------|---------------|
| [-] IT Expenses | 8,997,500.00 | 8,997,500.00 | 8,997,500.00 | 8,997,500.00 | 35,990,000.00 |
| [-] HR | 3,887,500.00 | 3,887,500.00 | 3,887,500.00 | 3,887,500.00 | 15,550,000.00 |
| [-] External Services | 1,370,000.00 | 1,370,000.00 | 1,370,000.00 | 1,370,000.00 | 5,480,000.00 |
| External IT consultancy | 1,200,000.00 | 1,200,000.00 | 1,200,000.00 | 1,200,000.00 | 4,800,000.00 |
| Marketing and sales expenses | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 300,000.00 |
| Telecommunication/infrastructure expen... | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 200,000.00 |
| Facility management | 30,000.00 | 30,000.00 | 30,000.00 | 30,000.00 | 120,000.00 |
| Other expenses of external services | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 60,000.00 |
| [-] Equipment | 2,387,500.00 | 2,387,500.00 | 2,387,500.00 | 2,387,500.00 | 9,550,000.00 |
| [-] Software | 337,500.00 | 337,500.00 | 337,500.00 | 337,500.00 | 1,350,000.00 |
| [-] Facilities | 215,000.00 | 215,000.00 | 215,000.00 | 215,000.00 | 860,000.00 |
| [-] Other Expenses | 800,000.00 | 800,000.00 | 800,000.00 | 800,000.00 | 3,200,000.00 |

Base Cost

Resource Drivers

Activity Costs

Activity Drivers

Output Costs

Profit

Comparison to Budget Actual Expenses in comparison to Budget by Period and Department

[Department Entry](#)
[Quick Entry](#)
[Comparison to Budget](#)
[Book xx](#)

Period

2009

Departement

| Responsibility Centers | |
|------------------------|-----------------------------|
| [-] | IT Department |
| | Management |
| | Administration |
| | Solutions Engineering |
| | Operations & Infrastructure |

| Line Items | |
|------------|-------------------|
| [-] | IT Expenses |
| | HR |
| | External Services |
| | Equipment |
| | Software |
| | Facilities |
| | Other Expenses |

| | 2009 | | | |
|-----------------------|---------------|---------------|-----------|---------|
| | Actual | Budget | Var | A/B [%] |
| IT Expenses | 35,990,000.00 | 35,919,590.00 | 70,410.00 | 0.20 |
| [-] IT Expenses | 35,990,000.00 | 35,919,590.00 | 70,410.00 | 0.20 |
| [-] HR | 15,550,000.00 | 15,550,000.00 | 0.00 | 0.00 |
| [-] External Services | 5,480,000.00 | 5,484,000.00 | -4,000.00 | -0.07 |
| [-] Equipment | 9,550,000.00 | 9,489,990.00 | 60,010.00 | 0.63 |
| [-] Software | 1,350,000.00 | 1,350,000.00 | 0.00 | 0.00 |
| [-] Facilities | 860,000.00 | 860,000.00 | 0.00 | 0.00 |
| [-] Other Expenses | 3,200,000.00 | 3,185,600.00 | 14,400.00 | 0.45 |

Comparison to Budget Actual Expenses in comparison to Budget by Period and Department

[Department Entry](#)
[Quick Entry](#)
[Comparison to Budget](#)
[Book xx](#)

Period

2009

Departement

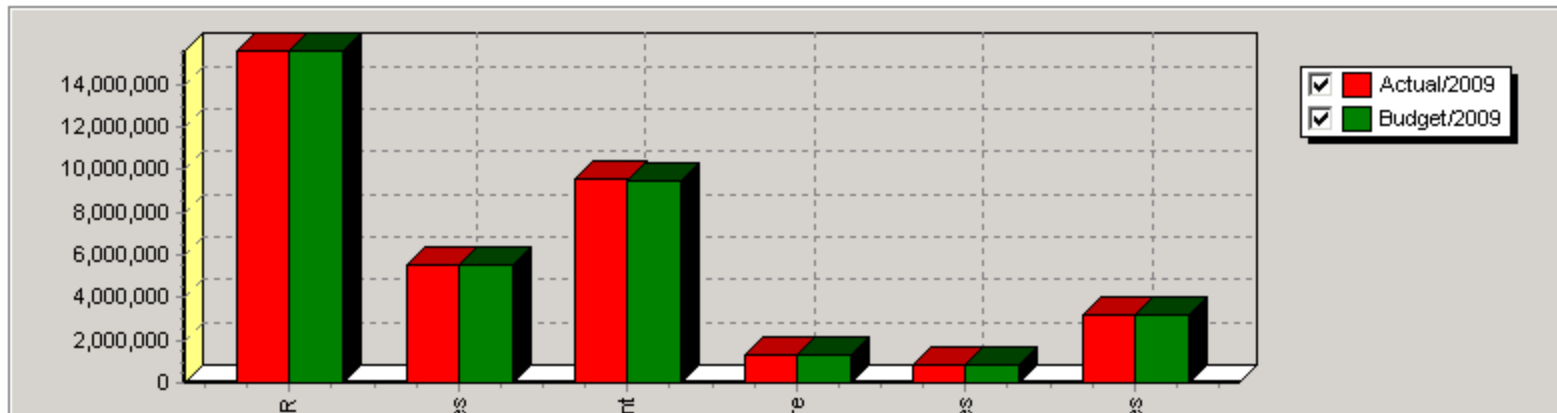
Responsibility Centers

- [-] IT Department
 - Management
 - Administration
 - Solutions Engineering
 - Operations & Infrastructure

Line Items

- [-] IT Expenses
 - [+] HR
 - [+] External Services
 - [+] Equipment
 - [+] Software
 - [+] Facilities
 - [+] Other Expenses

| | 2009 | | | |
|-------------------|---------------|---------------|-----------|---------|
| | Actual | Budget | Var | A/B [%] |
| IT Expenses | 35,990,000.00 | 35,919,590.00 | 70,410.00 | 0.20 |
| IT Expenses | 35,990,000.00 | 35,919,590.00 | 70,410.00 | 0.20 |
| HR | 15,550,000.00 | 15,550,000.00 | 0.00 | 0.00 |
| External Services | 5,480,000.00 | 5,484,000.00 | -4,000.00 | -0.07 |
| Equipment | 9,550,000.00 | 9,489,990.00 | 60,010.00 | 0.63 |
| Software | 1,350,000.00 | 1,350,000.00 | 0.00 | 0.00 |
| Facilities | 860,000.00 | 860,000.00 | 0.00 | 0.00 |
| Other Expenses | 3,200,000.00 | 3,185,600.00 | 14,400.00 | 0.45 |



Base Cost

Resource Drivers

Activity Costs

Activity Drivers

Output Costs

Profit

RD Splits Operations & Infra

A view to maintain Resource Driver Splits for Department Operations & Infrastructure per assigned Activity by Version and Period

Resource Driver Values

RD Splits Management

RD Splits Administration

RD Splits Sol. Engineering

RD Splits Operations & Infra

RD Splits by Dept. (dynamic)

Book xx

Version

Actual

Period

2009Q1

| | Operations & Infrastructure | | | | | | |
|---|-----------------------------|----------------|---------------|-------------------|-----------|------|------|
| | Days Internal | Days ext Staff | Days ext Mgmt | Days ext Consu... | Headcount | FTEs | Usag |
| PO02 Define the Information Architecture | 24.85 | - | - | - | 0.50 | 0.50 | ▲ |
| PO03 Determine Technological Direction | - | - | - | - | - | - | |
| PO05 Manage the IT Investment | - | - | - | - | - | - | |
| PO07 Manage IT Human Resources | 198.70 | - | - | - | 4.00 | 4.00 | |
| PO08 Manage Quality | 99.35 | - | - | - | 2.00 | 2.00 | |
| PO09 Assess and Manage IT Risks | 49.67 | - | - | - | 1.00 | 1.00 | |
| ME1 Monitor and Evaluate IT Performance | 49.67 | - | - | - | 1.00 | 1.00 | |
| ME2 Monitor and Evaluate Internal Control | 49.67 | - | 23.75 | - | 1.00 | 1.00 | |
| ME3 Ensure Compliance With External Req... | 49.67 | - | 23.75 | - | 1.00 | 1.00 | |
| PO10 Manage Projects | - | - | - | - | - | - | |
| AI4 Enable Operation and Use | 124.20 | - | - | 33.75 | 3.00 | 2.50 | |
| AI5 Procure IT Resources | 24.85 | - | - | - | 0.50 | 0.50 | |
| AI7 Install and Accredite Solutions and Chan... | 99.35 | - | - | 33.75 | 2.00 | 2.00 | |
| D507 Educate and Train Users (AM) | 24.85 | - | - | 3.75 | 0.50 | 0.50 | |
| D501 Define and Manage Service Levels | 99.35 | - | - | - | 2.00 | 2.00 | |
| D502 Manage Third-party Services | 49.68 | - | - | - | 1.00 | 1.00 | |
| D503 Manage Performance and Capacity | 99.35 | - | - | - | 2.00 | 2.00 | |
| D504 Ensure Continuous Service | 74.53 | - | - | 33.75 | 2.00 | 1.50 | |
| D506 Identify and Allocate Costs | - | - | - | - | - | - | |

Base Cost

Resource Drivers

Activity Costs

Activity Drivers

Output Costs

Profit

Activity Costs (Analysis)

A view to analyze Activity Costs (before and after reallocation)

LI & Activity Reassignment

Activity Costs (Analysis)

Process Costs (Chart)

Book xx

Version

All Versions

Period

2009Q1

Department

IT Department

| Activities | |
|---|--|
| [-] ITIL Processes | |
| [+] Plan and Organize | |
| [+] Monitor and Evaluate | |
| [-] Application Management | |
| PO10 Manage Projects | |
| AI1 Identify Automated Solutions | |
| AI2 Acquire and Maintain Application Software | |
| [+] Application Implementation | |
| [+] Service Management | |

| | IT Department | | | |
|---|---------------|---------------|--------------|---------------|
| | Actual | | Budget | |
| | Before | After Realloc | Before | After Realloc |
| [-] Application Management | 2,239,695.60 | 4,602,808.39 | 2,231,212.13 | 4,535,760.93 |
| PO10 Manage Projects | 472,825.40 | 976,562.74 | 484,628.97 | 1,006,951.39 |
| AI1 Identify Automated Solutions | 36,282.02 | 107,952.65 | 36,455.78 | 110,769.65 |
| AI2 Acquire and Maintain Application Software | 718,857.32 | 1,580,600.05 | 683,342.59 | 1,428,612.54 |
| [-] Application Implementation | 1,011,730.86 | 1,937,692.94 | 1,026,784.79 | 1,989,427.35 |
| AI4 Enable Operation and Use | 291,290.98 | 685,909.98 | 296,293.98 | 705,450.77 |
| AI5 Procure IT Resources | 78,587.84 | - | 78,912.64 | - |
| AI7 Install and Accredite Solutions and Changes | 436,906.01 | 939,296.47 | 447,193.66 | 968,086.76 |
| DS07 Educate and Train Users (AM) | 204,946.03 | 312,486.48 | 204,384.51 | 315,889.82 |

Process Costs (Chart) A view to analyze Process Costs

LI & Activity Reassignment
Activity Costs (Analysis)
Process Costs (Chart)
Book xx

Version

Actual

Period

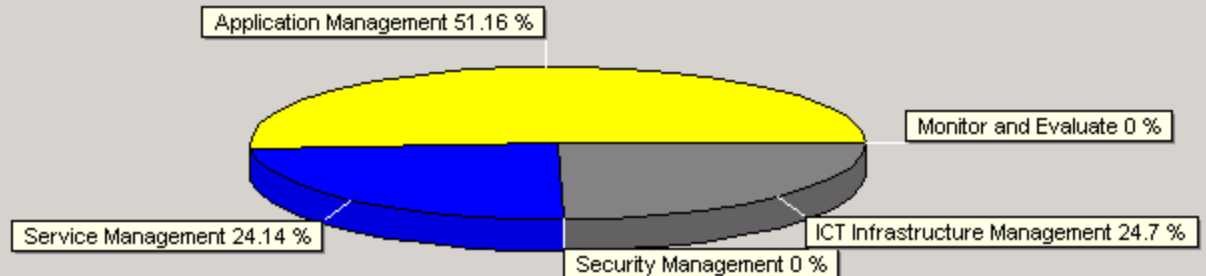
2009Q1

Department

IT Department

| Activities |
|----------------|
| ITIL Processes |

| IT Depar ... | ActivityValue |
|-------------------------------|---------------|
| ITIL Processes | 8,997,499 |
| Plan and Organize | 0 |
| Monitor and Evaluate | 0 |
| Application Management | 4,602,808 |
| Service Management | 2,172,263 |
| Security Management | 0 |
| ICT Infrastructure Management | 2,222,428 |



Base Cost
Resource Drivers
Activity Costs
Activity Drivers
Output Costs
Profit
**Activity Drivers Entry
Applic/Proj x Customer**
A view to maintain the Activity Drivers per [Application/Project] x [Customer] by version and period for SE

AD Entry App/Prj x Cstmr

AD Entry Eqp/Srv x Cstmr

Book 3

Book xx

Version

Actual

CO Customers

All Customers

Period

2009Q1

CO Applications/Projects

All Applications/Projects

Departement (pm)

Solutions Engineering

CO Equipment/ Services (pm)

Unassigned Equip/Serv

Activity Drivers

- [-] Activity Drivers
 - [+] AD Equipment
 - [+] AD HelpDesk
 - [-] AD Days
 - [+] **AD Acquisition & Implementation**
 - [+] AD Productions & Operations
 - [+] AD Acquisition
 - [-] AD Application
 - nb of trained users

| | Customer 1 | Customer 2 | Departement 1 | Departement 2 | Unassigned Cus... |
|---|------------|------------|---------------|---------------|-------------------|
| | Actual | Actual | Actual | Actual | Actual |
| Application 1 | 10.00 | - | - | - | - |
| Application 2 | - | - | - | - | - |
| Project 11 | 670.00 | - | - | - | - |
| Project 12 | 420.00 | - | - | - | - |
| Project 13 | 220.00 | - | - | - | - |
| Project 21 | 80.00 | 370.00 | - | - | - |
| Unassigned Appli/Proj | - | - | - | - | - |
| <input checked="" type="checkbox"/> All Applications/Projects | 1,400.00 | 370.00 | - | - | - |

Base Cost
Resource Drivers
Activity Costs
Activity Drivers
Output Costs
Profit
**Activity Drivers Entry
Eqmpt/Serv x Customer**
A view to maintain the Activity Drivers per [Equipment/Service] x [Customer] by version and period for O&I

AD Entry App/Prj x Cstmr

AD Entry Eqp/Srv x Cstmr

Book 3

Book xx

Version

Actual

CO Customers

All Customers

Period

2009Q1

CO Equipment/Services

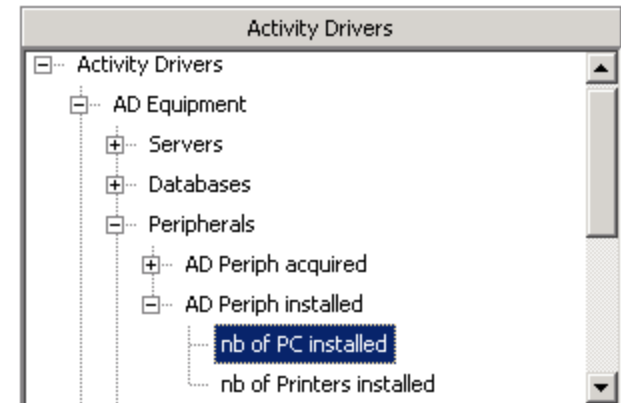
All Equipment/Services

Departement (pm)

Operations & Infrastructure

CO Applications/Projects (pm)

Unassigned Appli/Proj



| | Customer 1 | Customer 2 | Departement 1 | Departement 2 | Unassigned Cus... |
|--|---------------|-----------------|---------------|---------------|-------------------|
| | Actual | Actual | Actual | Actual | Actual |
| Equipment 1 (PC, Printer) | 400.00 | 1,200.00 | 120.00 | 60.00 | 1,600.00 |
| Equipment 2 (Servers) | - | - | - | - | - |
| Equipment 3 (Network/Telco) | - | - | - | - | - |
| Service 1 | - | - | - | - | - |
| Service 2 | - | - | - | - | - |
| Unassigned Equip/Serv | - | - | - | - | - |
| <input checked="" type="checkbox"/> All Equipment/Services | 400.00 | 1,200.00 | 120.00 | 60.00 | 1,600.00 |

Base Cost

Resource Drivers

Activity Costs

Activity Drivers

Output Costs

Profit

**Cost Object Total
Applic/Proj x Customer**

Total Output Costs on Applications/Projects in comparison to Budget by Period, Customer and Version

COT App/Prj x Customer
COT Eq/Srv x Customer
COT Customer List
Book xx

Period:
 CO Applications/Projects:
 CO Customers:

CO Equipment/ Services (pm):

CO Applications/Projects: *Hierarchy*

| | 2009Q1 | |
|-------------------|---------------|--------------|
| | All Customers | |
| | Actual | Budget |
| [-] A/P HIERARCHY | 8,997,500.00 | 8,979,890.00 |
| [-] SUM Appli 1 | 2,584,224.65 | 4,109,101.46 |
| Application 1 | 14,575.56 | 1,551,075.04 |
| Project 11 | 1,848,275.86 | 2,558,026.42 |
| Project 12 | 721,373.22 | - |
| [+] SUM Appli 2 | 915,528.72 | - |
| [+] SUM Appli n/a | 5,497,746.63 | 4,870,788.54 |

Base Cost
Resource Drivers
Activity Costs
Activity Drivers
Output Costs
Profit
**Cost Object Total
Eqmnt/Serv x Customer**
Total Output Costs on Equipment/Services in comparison to Budget by Period, Customer and Version

[COT App/Prj x Customer](#)
[COT Eqp/Srv x Customer](#)
[COT Customer List](#)
[Book xx](#)

Period

CO Equipment/Services

CO Customers

CO Applications/Projects (pm)

| | 2009Q1 | | | | | | | |
|--|---------------|--------------|--------------------|--------------|--------------------|--------|---------------------|--------|
| | All Customers | | External Customers | | Internal Customers | | Unassigned Customer | |
| | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| Equipment 1 (PC, Printer) | 678,186.65 | - | 331,253.19 | - | 120,740.97 | - | 226,192.50 | |
| Equipment 2 (Servers) | 923,130.60 | - | 475,856.84 | - | 447,273.75 | - | - | |
| Equipment 3 (Network/Telco) | 1,183,198.69 | - | 1,018,334.25 | - | 164,864.44 | - | - | |
| Service 1 | - | - | - | - | - | - | - | |
| Service 2 | - | - | - | - | - | - | - | |
| Unassigned Equip/Serv | 6,212,984.06 | 8,979,890.00 | 6,166,096.30 | 4,109,101.46 | 46,887.16 | - | 0.60 | 4,870 |
| <input checked="" type="checkbox"/> All Equipment/Services | 8,997,500.00 | 8,979,890.00 | 7,991,540.59 | 4,109,101.46 | 779,766.32 | - | 226,193.10 | 4,870 |

**Cost Object Total
Customer List**

Total Output Costs per Customer in comparison to Budget by Version and Period

COT App/Prj x Customer
COT Eqp/Srv x Customer
COT Customer List
Book xx

Version

All Versions

CO Customers

Customer 1

Period

2009Q1

CO Equipment/ Services

All Equipment/Services

CO Applications/ Projects

All Applications/Projects

| | | 2009Q1 | | | | | | |
|------------|--|---------------|--------------|--------------|--------------|-------------|--------|-------|
| | | A/P HIERARCHY | | SUM Appli 1 | | SUM Appli 2 | | ... |
| | | Actual | Budget | Actual | Budget | Actual | Budget | Ac... |
| Customer 1 | <input checked="" type="checkbox"/> All Equipment/Services | 5,415,940.21 | 4,109,101.46 | 2,584,224.65 | 4,109,101.46 | 30,843.62 | - | 2,8 |
| | Equipment 1 (PC, Printer) | 124,112.04 | - | - | - | - | - | 1 |
| | Equipment 2 (Servers) | 295,882.78 | - | - | - | - | - | 2 |
| | Equipment 3 (Network/Telco) | 745,757.04 | - | - | - | - | - | 7 |
| | Service 1 | - | - | - | - | - | - | - |
| | Service 2 | - | - | - | - | - | - | - |
| | Unassigned Equip/Serv | 4,250,188.35 | 4,109,101.46 | 2,584,224.65 | 4,109,101.46 | 30,843.62 | - | 1,6 |

| | | | | | |
|-----------|------------------|----------------|------------------|--------------|--------|
| Base Cost | Resource Drivers | Activity Costs | Activity Drivers | Output Costs | Profit |
|-----------|------------------|----------------|------------------|--------------|--------|

Contribution Report

A report to show the contribution by customer from Equipment/Services and from Applications/Projects

- Revenue Report
- Contribution Report
- Price Analysis
- Book xx

| | | |
|---|--|--|
| Version | CO Equipment/Services | Department(pm) |
| <input type="text" value="Actual"/> | <input type="text" value="All Equipment/Services"/> | <input type="text" value="IT Department"/> |
| Period | CO Applications/Projects | Revenue Types(pm) |
| <input type="text" value="2009Q1"/> | <input type="text" value="All Applications/Projects"/> | <input type="text" value="Invoiced"/> |
| CO Customers | | |
| <input type="text" value="Customer 1"/> | | |

| | 2009Q1 | | | |
|--|-----------|-----------|------------|-------|
| | Actual | | | |
| | Revenue | TotalCost | Profit | GM[%] |
| <input checked="" type="checkbox"/> All Equipment/Services | 3,800,000 | 5,415,940 | -1,615,940 | -43 |
| Equipment 1 (PC, Printer) | 200,000 | 124,112 | 75,888 | 38 |
| Equipment 2 (Servers) | 300,000 | 295,883 | 4,117 | 1 |
| Equipment 3 (Network/Telco) | 300,000 | 745,757 | -445,757 | -149 |
| Service 1 | - | - | - | * |
| Service 2 | - | - | - | * |
| Unassigned Equip/Serv | 3,000,000 | 4,250,188 | -1,250,188 | -42 |

| | 2009Q1 | | | |
|---|-----------|-----------|------------|-------|
| | Actual | | | |
| | Revenue | TotalCost | Profit | GM[%] |
| <input checked="" type="checkbox"/> All Applications/Pro... | 3,800,000 | 5,415,940 | -1,615,940 | -43 |
| Application 1 | - | 14,576 | -14,576 | * |
| Application 2 | - | - | - | * |
| Project 11 | 1,600,000 | 1,848,276 | -248,276 | -16 |
| Project 12 | 800,000 | 721,373 | 78,627 | 10 |
| Project 13 | 600,000 | 646,506 | -46,506 | -8 |
| Project 21 | - | 30,844 | -30,844 | * |
| Unassigned Appli/Proj | 800,000 | 2,154,366 | -1,354,366 | -169 |

SAP BO PCM: Functionalities



KENEOS

- Costing and driver-based / activity-based budgeting in a single solution
- Reiterative reallocation for accurate services costing
- Services dimension for cross charging IT and other shared services
- User friendly, rapid and efficient model building incl. pre-defined dimensionability for ABC
- Complete flexibility with costing methodologies
- Totally flexible rules engine for bespoke model building
- Logical data structure for minimal model maintenance

... / ...



SAP BO PCM: Functionalities



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... / ...

- Web books for automated data collection direct to the database
- Single step multi-dimensional assignment
- Comprehensive user defined trace-back
- Comprehensive context-aware views, security and audit trail
- Multilingual aliases and multi-currency functionality
- Unique on-demand query and what-if? analysis



Agenda



KENEOS

- The challenge for IT and shared service function today
- Activity-based costing and the foundation for IT performance management
- SAP BusinessObjects Profitability and Cost Management
- **Expected Benefits**
- Return on experience



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Benefits



KENEOS

Benefits

User-friendly rapid and efficient modeling

Visibility

Scalable enterprise-class solution

Alignment

Reliable on-demand what-if analysis and scenario modeling

Incisive decision making

Extend the value of profitability and cost management

Optimize costs and profitability



Benefits



KENEOS

User-friendly rapid and efficient modeling

- Predefined logical data structure and point and click assignments means rapid model build and minimal maintenance reducing your total cost of ownership (TCO) and accelerating your ROI
- Model complex situations across multiple periods and versions
- Supports multiple ABC methodologies

Scalable enterprise-class solution

- Speedy deployment, training and user adoption; centralized model admin; Web books for collecting non system driver data from remote users
- Ability to process high data volumes without compromising accuracy
- Multi-currency and multi-language aliases support
- Enterprise class security and traceback – with full audit trail

Reliable on-demand what-if analysis and scenario modeling

- Unique on-demand query and what-if analysis, with web-accessible data allowing users to assess the impact of changes before committing to them
- Slice and dice data and analyze results, create charts, drill down to detailed cost data and link to related budgeting and metrics models
- Maintain data in central repository for greater efficiency and control

Extend the value of profitability and cost management

- Unique services costing and cross-charging
- Deliver activity-based and driver-based planning and budgeting models; change driver volumes and “back-calc” existing ABC models
- Rapidly reforecast; update driver data and align capacity with demand

Benefits

Visibility

- Broad insight into the true drivers impacting costs and profitability including IT shared services via user friendly interface

Alignment

- Keep operational capacity and support functions tightly aligned with both demand and strategy for flawless execution

Incisive decision making

- Rapid identification of underlying causes of changes in organizational cost and profitability with the capability to test out the impact of changes before committing to them

Optimize costs and profitability

- Detailed understanding of costs and profitability enables you to take action orientated decisions that reduce the cost to serve and improve the profitability of products, customers and channels



Benefits of sound financial management in IT



KENEOS

Costing

- Makes justified investment decisions
- Measurement drives cost effectiveness
- Have informed discussion with business users in financial terms

General

- Accurate costing information to support investment decisions and TCO
- More efficient use of IT resources
- Increase professionalism with peers

Cross Charging

- Charge out is equitable
- Drives accountability by business users
- Provides basis for balancing provision of services with needs of the business
- Encourages informed discussion about service levels and price



Budgeting

- Ensure funding is aligned with service commitments
- Ensures services can be maintained
- Provides early warnings of under- or over-consumption of resources
- Increased confidence in setting and managing budgets



Agenda



KENEOS

- The challenge for IT and shared service function today
- Activity-based costing and the foundation for IT performance management
- SAP BusinessObjects Profitability and Cost Management
- Expected Benefits
- **Return on experience**



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Return on experience



KENEOS

- Scalable approach / roadmap methodology
- Multiple models / flexibility
- Focus on key issues / efficiency
- Modern ABC approach
- Strong What – if
- SAP integration
- brings TCO and transparency
- Helps for budgeting / addressing organizational aspects
- Allows smooth introduction of cross-charging



Return on experience



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- Can be used for any other service (e.g. purchasing)
- Can be used wherever indirect cost block needs to be addressed
- Show profitability of own organization and products / services as well as customers



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WINNERS

always think several
moves ahead



Thank you!



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