

## **TBM Adds to BPM Practices in Constantly Changing IT Framework**

**10/03/2017**

**Alex-Paul Manders**

Technology Business Management (TBM), a strategic framework for driving innovation through transparency in IT spending, promotes closer collaboration between IT and lines of business. TBM serves as an efficient complement to BPM, with both practices serving the goal of improving organizational workflow, promoting adaptability and agility, and keeping up with a constantly changing IT environment that is increasingly dispersed outside of the traditional confines of the IT department. TBM is built on a standard taxonomy created by the [TBM Council](#). The TBM Unified Model which is based on that taxonomy standardizes financial information, aligns benchmarking data, reduces the time required for data collection, and simplifies historical trending and analysis. As a result, TBM provides the ongoing comparison needed to align IT costs against those seen by industry peers, and makes stronger use of data analytics to allow leaders to close the gap which exists between IT and lines of business, and focus more on strategy and transformation.

The biggest role of TBM, and how it coincides with the goals of BPM, is to better understand the interplay between technology, and the business processes that the technology enables. This understanding is especially challenging in the current cloud-driven environment, in which IT has been redefined. No longer considered a stand-alone entity, IT has a more organic role to play, a broader scope, and more often than not, IT purchasing decisions are made by line-of-business decision-makers outside of the traditional realm of the IT department.

### **IT isn't just for the IT Department**

The traditional role of IT was to provide technology to power business processes throughout the organization, and IT was seen largely as an internal service provider, and all IT functions passed through a single, well-regulated and mostly isolated group. Procurement and implementation took place within a small area that was easily regulated. As such, IT accounting, and tracking IT spending on various departmental projects, was a simple matter.

Because IT has been to some degree democratized, several advantages have accrued, not the least of which is easier procurement. IT functions, frequently delivered more efficiently on an as-a-service basis, are sourced by those line managers, often without the guidance of IT. Because those functions are easily procured and managed by non-IT managers, that direct control on the part of IT is no longer necessary. Ongoing maintenance too, seldom requires IT intervention, since in the cloud model, maintenance and updates are done by a third-party cloud service provider.

Those advantages have made the enterprise a better-run place to do business, but at the same time, it has convoluted the ability to control, regulate, and account for IT spending. Transparency has become difficult to achieve. Obtaining that financial transparency in IT spending today goes beyond basic accounting, and requires a more defined process.

## TBM and the Business Process

Those in the IT department often adhere to methodologies which put programmatic approaches ahead of more business-focused problem solving, failing to make the connection between the requests for services they receive, and the business needs behind those requests. The combination of TBM and BPM establishes that link between IT process, and business value. In addition to considering this link, even greater insights can be derived from benchmarking, which is a key component of TBM, providing critical information that can be used in support of new innovation and investment decisions.

The key principle of TBM is cost transparency, which underlies the IT cost insights that are realized. The framework brings out the true business value of each technology process, both over time, and benchmarked against industry peers. The cost insights derived from the TBM framework, rather than just presenting static information, are action-oriented, and can be used to create an actionable plan for driving initiatives, accurately funding innovation, and cutting costs. The similarities between BPM and TBM are evident, and the two together even more powerful. TBM aligns software with strategic initiatives, provides deeper visibility into business processes, and enables better insights into the business value of IT spending.

## Multi-dimensional TBM Framework

Going further than traditional point-in-time snapshots, TBM offers a dynamic, multidimensional approach to managing IT costs. The strategic advantage of TBM is that it contributes to the goal of re-investing funds back into technology solutions. The multidimensional framework (MDF) of TBM includes six dimensions: People, Process, Strategy, Data, Analytics, and technology.

Each of those six dimensions interact. Coinciding especially with BPM, the Process dimension of TBM implements specific methodologies such as IT Financial Management (ITFM) and IT Service Management (ITSM). Business process typically relies on a framework which leverages human resources to create deliverables, with technology supporting that effort. Through the Process dimension of TBM, the more labor-intensive components are replaced with automation technology, which contributes to a more streamlined process, increased agility, and speedier time-to-value.

Implementing this MDF involves gaining a deeper understanding of how ITFM and ITSM are related to current processes, and understanding how greater cost transparency drives the entire TBM process framework.

## Author

11/26/2013 Alex-Paul Manders is a pioneer in the technology business management (TBM) space. As [ISG's](#) TBM Practice Lead for the Americas, he advises ISG's clients on TBM strategy and how to use this methodology to drive value in their organizations. ISG's TBM approach begins with fact-based, analytical strategies, supported by transformational IT initiatives that optimize the IT enterprise by running IT like a business. Alex-Paul has helped many clients use the TBM process,

with a focus on transparency, to drive planning, forecasting, and budgeting activities in the realms of finance and IT. Contact Alex-Paul at [Alex.Manders@isg-one.com](mailto:Alex.Manders@isg-one.com).

**Article Title Here Verdana 16**  
**11/26/2013**  
**Author Verdana 12**

**Heading 1 Verdana 13**

Body Text Verdana 10.

**Subheading Verdana 11**

***Subsubhead Verdana 10***

---

**About the Author. Bio and contact information. Verdana 10**

**Author Verdana 12**

## Heading 1 Verdana 13

Body Text Verdana 10.

### Subheading Verdana 11

#### *Subsubhead Verdana 10*

---

**About the Author. Bio and contact information. Verdana 10**