

# IT FINANCIAL MANAGEMENT SERVICES

Provide cost transparency for IT services

## ESSENTIALS

- Understand service costs and develop appropriate service pricing
- Track and allocate costs based on actual service usage
- Understand service demand to optimize operations and drive more effective use of IT resources
- Clearly communicate the costs and value of IT services to the business
- Invoice departments for services based on actual usage reporting

## Business Challenges

IT organizations are under increasing pressure to provide costing detail for the services they provide. However, many organizations have difficulty costing and pricing their IT services, understanding what components make up the service, and are therefore unable to clearly communicate service costs and usage to the business. Not providing the level of financial transparency that the business needs can result in increased frustration, and can actually encourage business owners to look to external service providers as alternative sources for IT services, creating a shadow IT environment.

When it comes to allocating service costs, many organizations rely on either yearly allocations or project-based allocations. There is little or no connection between costs and actual service usage. However, business units want to be charged only for the services they consume.


In addition, many organizations have challenges effectively balancing service supply with service demand. Insufficient capacity management and planning capabilities can result in over-provisioning, under-allocation, performance bottlenecks, and the inability to spin up/spin down technology services to handle future workloads, all of which can impact your ability to maintain proper production and service levels.

## Service Description

Dell Technologies offers a complete portfolio of services to help manage IT service lifecycle costs. From aligning assets, to service cost modeling and pricing with a Service Cost Rate Card, to understanding service utilization and balancing service supply with demand, to showback and chargeback, Dell Technologies can help.

**Align physical and financial assets with services.** Leveraging the service reference architecture from your service catalog, Dell Technologies Consulting Services identifies and maps your IT financial data assets and physical inventory assets to selected services to determine service component costs. Service component costs and service relationships (the mapping of services with their components) are then loaded into the CMDB. Governance policies, standard operating procedures and work instructions are developed so that you can maintain ongoing asset and inventory systems alignment.

**Determine service total cost of ownership (TCO).** This is done by developing a service costing process and cost models based on capital and operational expenditures for service component and projected service utilization. We then implement the cost allocation process and determine the TCO resulting in the cost rate per billable unit for selected services. We will also work with you on a pricing approach to help you determine appropriate service pricing based on your company's IT financial policies and objectives.



**IT Financial Management is only one element of an operating model**

Ensure you have addressed the key elements of your operating model to support your IT transformations.

**Support the enablement of showback and chargeback.** We use service pricing and service utilization information to calculate consumption-based service costs. This data can be stored in a showback/chargeback database. Standard reporting tools can then be used to run reports against the database to provide both summary level as well as drill-down details. We provide showback report templates as well as sample reports for selected services to get you started. We also develop a roadmap to implement chargeback that leverages your financial management processes and systems, as well as service utilization data mapping.

### Summary of Benefits

Dell Technologies IT Financial Management Services enable you to provide IT service financial transparency and accountability to the business. You will be able to better manage service lifecycle costs. Having a better understanding of service costs can help you develop more appropriate service pricing.

You will be able to track, allocate, communicate and invoice service costs based on usage, enabling better business alignment and mitigating the risk of shadow IT. As you'll be able to forecast service demand and growth, you'll know if services and supporting infrastructure are over-allocated or under-provisioned. You will be able to optimize operations and drive more effective use of IT resources to better balance service supply with demand.



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