

Technology business management

Bridging the strategy gap



Ben Allard is vice-president APAC at Apptio and regional vice-president APAC of the TBM Council, a non-profit organisation with 10,000 members.

The Technology Business Management Council has formed an APAC chapter and appointed a regional advisory board, to drive better collaboration between local IT leaders and business partners.

The council is a not-for-profit independent body with more than 10,000 members across North America, Asia-Pacific and Japan (APJ), and Europe. Its focus is on developing a definitive technology business management (TBM) framework, to help organisations better align technology investments to business outcomes.

This value management framework is used by CIOs, CTOs, CFOs and their teams around the globe to translate technology investments to business value, achieve organisational alignment and accelerate data-driven decision-making.

The TBM Council's new APAC regional advisory board comprises financial and technology executives from leading banks, government agencies and consulting organisations based in Australia and Singapore. The board is co-chaired by ANZ Bank group executive technology, Gerard Florian, and KPMG Australia CIO, Craig Wishart.

The concept of technology business management is based on three pillars, the first of which is articulating the value of technology investments. The second is accelerating decision-making through improving organisational and financial agility. The third is facilitating the organisational change and alignment required to achieve these goals across business, technology and finance stakeholders.

The TBM Council's mission aligns with one of Gartner's key 2021 recommendations: for

organisations to increase the financial "bench strength" of their teams, improve critical thinking about funding priorities and model long-term impact of investment decisions.

CIOs gained credibility with their response to COVID-19, according to Gartner, which has given them an opportunity to lead digital business acceleration. Despite an expected average increase in IT budgets of 1.2 per cent for ANZ CIOs in 2021, 66 per cent of those CIOs also expect to increase funding for digital innovation – which will require reallocating resources.

To address these challenges, organisations need to improve organisational and financial agility. This includes changing funding models through modernising operating models, scaling agile practices and aligning investments to value streams.

Implementing the TBM framework requires business, technology and finance teams to have access to a common trusted source of data. They must be able to articulate the business value of technology investments, identify opportunities to improve efficiency and rapidly model both the short and long-term impact of their decisions. Along with this, they must be able to track whether the expected benefits are being realised.

The TBM Council's formation of the APAC regional advisory board demonstrates the appetite of senior IT leaders and finance managers to embrace these ideas and work together to drive business transformation, says Ben Allard – vice-president APAC at Apptio and regional vice-president APAC of the TBM Council. "Technology spend across APAC is tipped to

"The ... TBM Council provides a forum and framework to help organisations avoid ... operational disruption."

Ben Allard

exceed the \$US1 trillion mark by 2024, but it takes a defensible plan to deliver on the intended outcomes of those investments," Allard says.

"The APAC chapter of the TBM Council provides a forum and framework to help organisations avoid the operational disruption, cost overrun and project delays that have become prevalent alongside increasing technology spend in this part of the world."

A key part of this transformation is for organisations to move away from operating in functional silos, in favour of a more customer-centric operating model.

The pandemic has already forced many companies to rapidly modernise their operating models, according to McKinsey. Moving to small teams removes organisational layers and empowers them to make quick decisions. This can result in faster time to market through rapid product development cycles and increased productivity.

Smaller teams also lend themselves to a more

agile approach. The TBM framework espouses expanding the use of agile practices across more aspects of organisations, to allow greater alignment with value streams.

With this comes the need for organisations to change their funding model, Allard says. Traditional funding models tend to focus on specific segments of an organisation, or specific assets such as infrastructure and application development.

Within the TBM framework, funding should focus more on product teams – teams that might consist of a mix of different resources that are responsible for development as well as ongoing support, maintenance and operation.

This change in funding is often linked to an accelerated move to public cloud, both to increase agility and to take advantage of the economics of the cloud in terms of managing demand and capacity.

With this comes a rationalising of the application portfolio to address technical debt. CIOs reported that 10 to 20 per cent of technology budget dedicated to new products is actually diverted to resolving issues related to technical debt, according to Boston Consulting Group.

"Once you have delineation as to exactly what technology is running, what purpose it serves and who is taking advantage of it, then you have the ability to be able to determine the true impact of that technology on the business when making key decisions," Allard says.

"This requires visibility so business, finance and technology stakeholders can all better align technology investments with business outcomes."



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