Washington Bridges the Gap Between IT and Business

Julia McCandless | September 1, 2017

If you're not directly involved in the field, IT can seem like a money pit. Requiring significant resources to run, the benefits can often get lost in translation, muddied by technical jargon that sounds like so much nonsense. That's why the state of Washington has implemented a Technology Business Management program from Bellevue, Wash.-based Apptio to improve transparency and communication around the costs and benefits of IT projects, bridging the gap between business and IT leaders.

Technology Business Management

Fully launched in 2015, the Technology Business Management (TBM) program helps the state look at IT through a business lens to effectively communicate the costs and business services that it provides. According to the state's website, "The primary goal of TBM is to provide IT and business leaders with the ability to have data-driven discussions about cost and value of IT to best support business goals."

The program meets a new statewide mandate requiring all departments with a budget exceeding $10 million to track expenses. The state CIO also developed statewide policy

to expand program participation to agencies who spend $250,000 or more on an annual basis, resulting in 44 current participating agencies.

By reporting and monitoring IT investments, the program aims to boost transparency, cost optimization and communication between business and IT sectors. It also aims to shift conversations from " cost" to "value" of IT services.

Cammy Webster, senior program manager in the Office of the Chief Information Officer (OCIO) helped launch and manage the Technology Business Management program, and notes that communication has been hugely important to helping leaders evaluate IT. "We bring a CFO and CIO together to have a conversation," she said. "You need a common language between them."

Derek Puckett, TBM consultant in the OCIO, agrees. "When I look at how enterprises work, IT is thought of as a component. As technology has grown, IT is what's running the business," he said. " Part of the education process around the program is being able to get IT to speak like business, getting a feel for business literacy in the IT department."

Bridging the Gap

Through TBM, leaders can easily track spending and see where value is being added by looking at data. Here's how it works: Monthly financial data sets for the state, enterprise labor systems and statewide asset management systems are analyzed to isolate just the IT spending. The system also recognizes relationships between data sets and effectively categorizes costs into Cost Pools (i.e., item that was purchased) and IT Resource Towers (i.e., detailed description of the type of item that was purchased).

This data comparison gives the state deeper insights into how to leverage resources to maximize cost savings. "We've seen a lot of cost avoidance where we can show that we can avoid cost by transitioning applications. We have enough data to be confident in decisions when we've made them. We're working on data to inform future decisions as well," Puckett said.

The program has also facilitated significant business impacts for the state. For example, the state's Office of CyberSecurity uses the statewide list of agency applications and application developers to optimize security training sessions across all state agencies. Agencies can also now see how they benchmark against one another across the IT Resource Towers and identify areas for improvement. Case in point: Webster recently worked with an agency that noticed one of its security categories was lower than that of everyone else, prompting agency officials to make assessments and business changes to prioritize security within their organization.

More broadly, the data has given CIOs and leaders exposure to technology costs, allowing them to better engage in IT conversations with their business peers. The cost of IT services can also be identified more easily, which aids in decision-making. For example, when leadership had questions about increases in cost, Webster was able to quickly refer to the TBM for context. "We were able to come back within minutes

to show the reasons for cost jumps," she said. Providing explanations for spending increases can give business and IT leaders a more well-rounded appreciation for value add when making long-term business decisions.

Looking Ahead

Moving forward, the state hopes to boost tracking clarity of project-based IT costs by linking the Technology Business Management program with the Decision Lens tool. The state currently uses Decision Lens to rank IT projects and provide information on how they align to the IT strategy before they go to the Legislature for funding support. The goal is to link the two systems in the future so that comprehensive information on project budgets, strategy and accounting is readily available.

As it stands, Washington's TBM program seems to be leading the way in providing a solution for an issue that states across the nation continue to face. "What we were finding in the industry is that there wasn't published taxonomy on business services. We are establishing taxonomy in the business services [i.e., cost pools and resource towers] to bring common languages," Webster said. "It feels like we're on the bleeding edge and breaking ground."

While that may be true, Puckett predicts that IT will only continue to gain value in the business world. "This manner of thinking about IT is where businesses are heading. IT needs to be able to speak to what they're doing for the business. It is without a doubt an overwhelming endeavor to wrap our hands around this because there are a lot of moving parts, but the fastest way to improve stuff is to show everything," he said. "You can't improve it unless the business tells you how."

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