G-Cloud 14

Service Definition - Wipro Economics of IT

Wipro Economics of IT

IT Finance Management (ITFM) - establishes cost transparency of IT assets, mapping services to business demand

IT Cost Reduction - implements cost saving initiatives for lasting value realization

Service Features and Benefits

Features

- ITFM design assessment
- Define ITFM strategy, then plan & operate
- ITFM tool assessment & implementation
- IT simplification & optimisation
- Accelerated cloud adoption
- Improved sourcing strategy
- Optimization of delivery models

Benefits

- Bringing clear lines of sight around IT expenditure and investment
- Reducing IT service costs
- Simplifying and optimising the IT landscape
- Eliminating wasted spend
- Providing a framework for successful IT investments

Copyright © 2024 Wipro. All rights reserved.

The ITFM and FinOps Challenge

The IT organization faces consistent pressure from the Finance organization and the Lines of Business, centered on the business value of IT

FINANCE ORGANIZATION

1. Can we get meaningful perspectives of our technology investments, capacity and performance?
2. What is the value that IT is delivering, for all the money they're spending?
3. Are we spending in the right areas compared to our peers?

Group IT

Answers to address these questions is driving the focus on the following disciplines…

Cost Transparency
Create transparency and develop a fact-based method to collect and communicate IT spending

Value Communication
Use improved transparency to alter behavior and decisions with business partners while effectively managing the supply/demand of IT services

Process Repeatability
Develop a common framework that supports successful IT investments and fosters replication of best practices

IT is looking for insights:

- Where do I spend?
- Where do I not spend EFFECTIVELY?
- Do I have access to reliable/accurate data?

BUSINESS UNITS

1. Can you be more transparent with why allocations keep going up every year?
2. Why are we spending so much money and still can't affect real digital transformation / change?
3. I'd like to see how much am I spending weekly, monthly, yearly? Show my costs in a form I can understand…I don't speak IT

Copyright © 2024 Wipro. All rights reserved.

IT Finance Management Outcomes

Typical Desired Outcomes

- Achieve Cost Transparency & Identify Cost Drivers
- Improve Operating Efficiencies
- Enable Service Owners to Recover Costs
- Communicate the Value of Services
- Manage Demand and Consumption
- Benchmark IT Shared Service Costs

How We Achieve These Objectives

- A continuous focus on **sourcing the right data** that ties actual consumption to cost pools.
- Leverage our **libraries of successful use cases and adoption strategies** to make a difference.
- Apply different **"fit-for-purpose" allocation** methodologies
- Enable the Line of Business adoption efforts with the **right messaging and change strategies**
- Drive integration between the Back Charge office and Enterprise Architecture to **streamline buying**
- Leverage IT benchmarks to provide a **macro view to the IT leadership**

Copyright © 2024 Wipro. All rights reserved.

Typical ITFM Use Cases

Automate the allocation process

A scalable cloud solution, leverage multiple connectors, rapidly produce a granular cost model. Embedded analytics allow for end users self-serve. Inward & outbound APIs. Remove manual excel work and key resource dependency

Enable multiple views of Spend

Create transparency of spend, follow frameworks such as ITFM & TBM. Show spend through multiple views such as Assets & Resources/Cost Pool, IT Towers/Technical Services, Application TCO, Business Services, Business Consumers. Leverage to optimize cost and reapply elsewhere

Consolidate spend

Provide a consolidated view of spend across organisations and regions regardless of different ERPs. Provide a single place for a repository to view all spend with history. Form the single source of truth, be the billing repository

Implement Chargeback or Allocation process

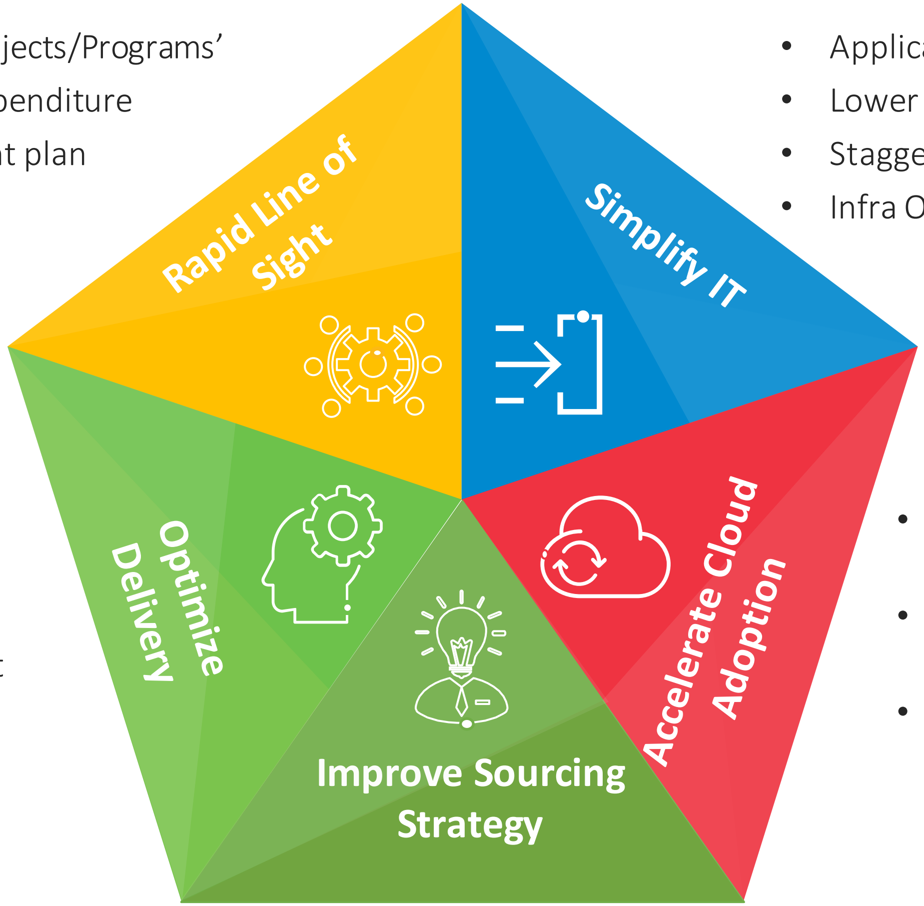
Create an auditable and defendable value chain to justify allocations. Give end consumers self service capability to understand their recharge

Copyright © 2024 Wipro. All rights reserved.

IT Cost Reduction

- Identification of 'Key Projects/Programs'
- Eliminate non-critical expenditure
- Re-evaluate IT investment plan

- Application Optimization
- Lower TCO
- Stagger Infra & Tech Upgradation & Automate
- Infra Optimization



- Restructure organization
- Implement new delivery models
- Adapt PMO and change management process, tools and resources

- Move to consumption **spend model vs. static costs**.
- Identify cluster of Apps for **'Lift and Shift'** to Cloud
- Future programs where **cloud** can be adopted more quickly

- Org and FTE rightsizing
- Outsourcing or In-sourcing
- Vendor Consolidation/Rationalization

Copyright © 2024 Wipro. All rights reserved.

Wipro Approach

Adopting ITFM & FinOps will introduce a new/different way for technology owners and consumers to interact in a supply and demand balance. Over time, we have perfected our simple implementation approach to bring the entire organization along.

01 GATHER

Develop baselines

Financials
General Ledger
Fixed Asset Register
Chart of accounts
Budgets

Portfolios
Applications
Labor
Projects
Vendors

ITSM
Usage
Tickets
Service catalog

Asset Inventories
Infrastructure (HW/SW/Network)
CMDB / End User
Cloud / SAAS

02 ORGANIZE

Fit to industry taxonomy

- Develop Product Towers cost categories
- Align costs to common terminology
- Automate categorization via mapping rules
- Customize / extend where necessary
- Select an ITFM Tool

03 ALLOCATE

Model costing / pricing rules to IT Categories

- Define allocation rules
- Apportion costs to consuming elements
- Weight costs by operational data
- Deploy the ITFM Tool
- Build reports / Run a pilot

04 TRACK & REPEAT

Develop metrics, identify insights, do it again

- Financial fundamentals (variance)
- Delivery financials
- Run vs Change vs Grow
- Annual IT Finance Cadence mapped to annual IT Project cadence

Copyright © 2024 Wipro. All rights reserved.

Thank you.

Kindly contact us at the following Wipro email id for any further information and engagement related details.

Email - publicsector-uki@wipro.com