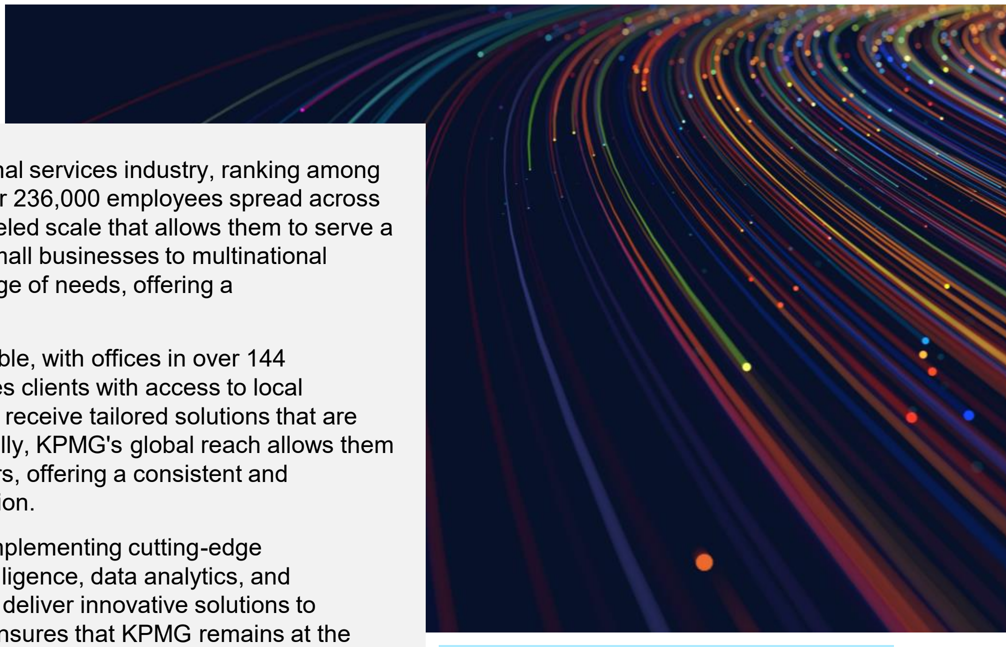
# IT Financial Management

## A KPMG Service for G-Cloud 15

# KPMG – About us



KPMG is a global leader in the professional services industry, ranking among the "Big Four" accounting firms. With over 236,000 employees spread across 144 countries, KPMG boasts an unparalleled scale that allows them to serve a diverse clientele. From individuals and small businesses to multinational corporations, KPMG caters to a wide range of needs, offering a comprehensive suite of services.

KPMG's global presence is truly remarkable, with offices in over 144 countries. This extensive network provides clients with access to local expertise and insights, ensuring that they receive tailored solutions that are relevant to their specific needs. Additionally, KPMG's global reach allows them to seamlessly serve clients across borders, offering a consistent and integrated experience regardless of location.

KPMG is a frontrunner in adopting and implementing cutting-edge technologies. They leverage artificial intelligence, data analytics, and blockchain to enhance their services and deliver innovative solutions to clients. This commitment to technology ensures that KPMG remains at the forefront of the professional services industry, constantly evolving and adapting to meet the ever-changing needs of their clients

**KPMG's combination of scale, global reach, and technological expertise positions them as a leading provider of professional services worldwide. Their ability to serve a diverse clientele, offer local and global expertise, and embrace innovative technologies makes them a trusted partner for businesses and individuals alike..**

## Additional points:

- **Services**: KPMG offers a wide range of services, including audit, tax, advisory, risk consulting, and financial services.
- **Industries**: KPMG serves clients across a variety of industries, including financial services, technology, healthcare, and energy.
- **Culture**: KPMG is committed to fostering a diverse and inclusive workplace culture. They have been recognized for their efforts in promoting gender equality and LGBTQ+ inclusion.
- **Sustainability**: KPMG is dedicated to environmental sustainability and has set ambitious goals for reducing their carbon footprint.

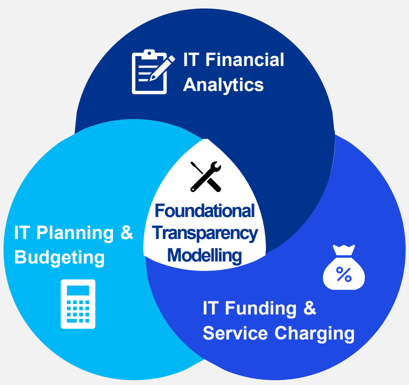
# IT Financial Management

## Service Description:

IT Financial Management is a set of disciplines focused on creating maximum performance of the IT investment portfolio by enabling collaboration between IT, finance and business partners.

By enabling IT organisations to ‘Run IT as a Business’, they can gain transparency into the cost, quality, performance and value of their services, and drive alignment between technology supply and business demand. This enables IT to talk with the business and board members in a language they understand – moving from a technology provider to a value creator for the business.

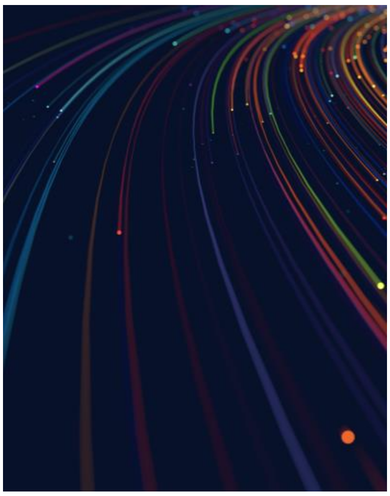
It is a combination of leading practice processes, proprietary KPMG tools and experienced IT Finance professionals to optimise the performance of the IT organisation, measured by a suite of CIO level KPIs.




**IT Financial Management Overview**

## Key service benefits

- Clear visibility and insight into IT spend enabling fact-based decisions, improving IT’s credibility as a service provider
- More effective partnering with the business through forecast-driven demand management and data-driven allocation strategies
- Increased performance of existing investments by understanding portfolio performance relative to expectations
- Clear and articulate value propositions for IT services and linkage to business spend
- Optimise resources to service “run the business (RTB)” and “change the business (CTB)” demands
- Fuel collaboration and innovation between IT, Finance and the business
- Improved budget cycle efficiency and accuracy with spending aligned to business priorities



## Key service features

**IT Financial Analytics**

- **Total Cost of Ownership (TCO):** Easily consumable analytics to understand TCO
- **KPIs and Metrics:** Identification and visualisation of key metrics
- **Scenario Modelling:** model impacts due to changes in vendors, sourcing strategies, expected demand etc.

**IT Planning and Budgeting**

- **Variance Management:** a systemic governance process to identify, explain and resolve variances to budget and forecast
- **Demand Management and Budgeting:** Ability to translate service unit demand into IT supply elements
- **Investment Portfolio Management:** analysis of incremental cost and benefits for integration into a value management and benefits realisation programme

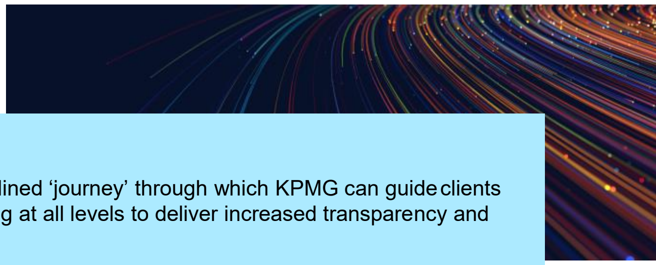
**IT Funding and Service Charging**

- **Service Costing and Pricing:** Visibility into fully loaded cost of service and flexible pricing mechanisms to drive demand/usage behaviours
- **Cost Recovery:** Access to published pro-forma cost and/or price for services consumed and recovery approach
- **Funding and Investment:** Funding and investment models used to source and optimize the supply of IT components

**Foundational Modelling**

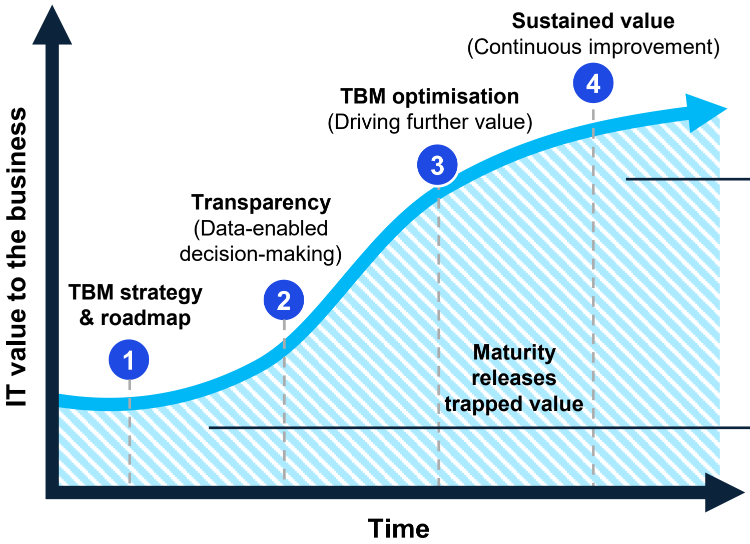
- **Taxonomy and Sources:** Establishment of a Common taxonomy, reliable sources of record, primary cost drivers and defensible allocation strategies
- **Continuous Improvement:** Continuous evolution of the cost model helps drive improvement in data quality and allocations resulting in a reliable single pane view of IT service costs that can be shared with the business

# Our Approach



## Context –the IT Financial Management ‘journey’

Our IT Financial Management service has been designed to be a holistic and disciplined ‘journey’ through which KPMG can guide clients across their Technology Business Management (TBM) activities – whilst collaborating at all levels to deliver increased transparency and value from IT Investments.




- Spending for “run the business” reduced as a result of efficiency gains, funding shifted for “grow the business”
- Investments optimised for “transform the business”
- IT portfolio rationalised and well-aligned with business priorities

- “Run the business” spending is draining most of IT funding and resources
- Substantial unsatisfied “grow the business” demand
- Redundant, poorly-aligned, under-performing IT portfolio

## How do we deliver the IT Financial Management transformation?

A well-planned IT Financial Management ‘journey’ helps organisations respond to business demand while effectively managing and allocating financial resources and continually optimising the technology portfolio. Our integrated approach supports delivery from strategy to achieving sustained value where TBM becomes the foundation layer for managing the business of IT.

**TBM optimization modules:** Financial, Technology, Business

### TBM Strategy and Roadmap

- TBM readiness and maturity assessment
- Strategic TBM planning and objective setting
- TBM Business case
- Operating Model assessment
- Data modelling to support cost transparency
- Business engagement- commitment and accountability from IT, finance and the business

### Transparency

- Technology enablement- tool accelerators.
- Service cost, allocation and price strategy / modelling.
- Service Portfolio alignment against ITSM Service Catalogue integration·
- Operating model implementation.
- IT Unit and Service Cost Modelling: driving TCO.
- Technology resource and service consumption.
- Demand forecasting and capture

### Optimisation

- Showback and Chargebeck.
- Budget/forecast automation.
- Service Performance integration to drive business insights.
- Financial engineering from TBM to support business change (RTB to CTB/GTB).
- Scenario-based planning“
- Application/infrastructure portfolio optimisation.
- Vendor rationalisation- strategic partner consolidation

### Sustained Value

- Rolling budgets and forecasts.
- Strategic budget/cost planning driven from TBM to support transformation of the business (TTB).
- Benchmarking.
- Cost effective IT Sourcing.
- IT Service and financial reporting.
- Model demand.
- Investment governance

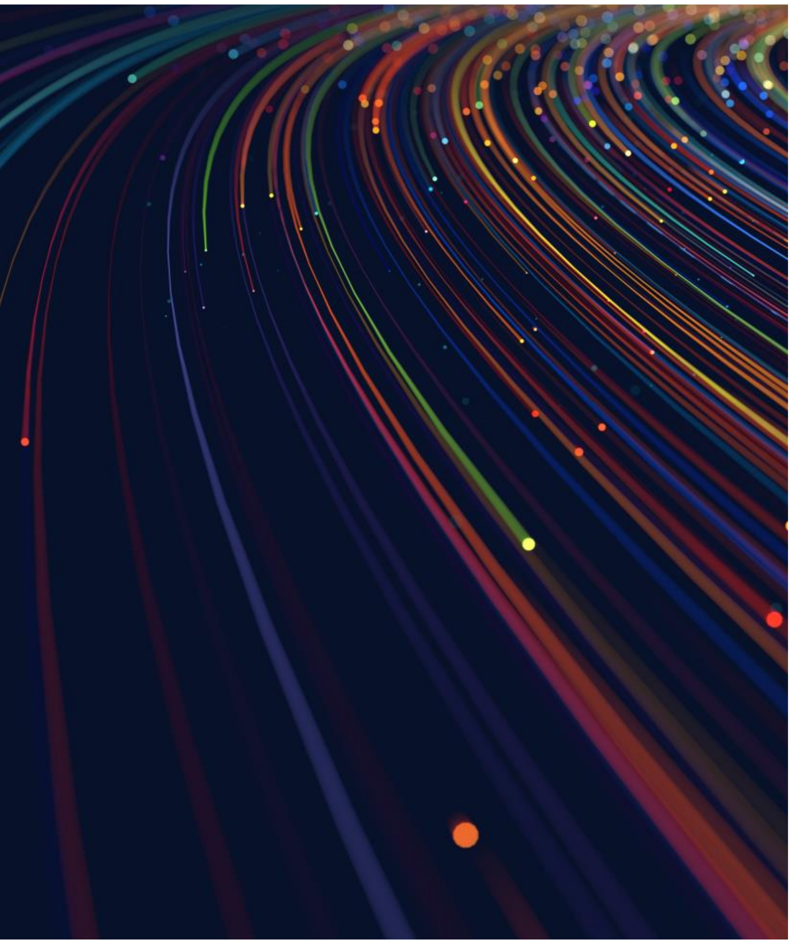
**Managing the TBM journey**

- Value measurement and management
- Operational and behavioural change management
- Programme and risk management

# Why KPMG

## Background

- KPMG was the first Principal Partner of the original TBM Council (IT FM community) and are leaders in IT FM services.
- The KPMG global practice has the capability to help clients define strategies, provide greater cost transparency and create sustained value, from our deep experience in IT and understanding of financial processes.
- KPMG member firms value independence and believe we are ideally positioned to support member firm clients in embedding the processes and driving the tool enablement/ acceleration required to achieve transparency, insights and hypotheses.
- KPMG member firms can deliver added value through collaborative working, using our experience, insights and market knowledge to address member firm client specific requirements and challenges.



## IT FM capabilities and experience

KPMG's member firms have helped many organisations on their IT FM journeys -below are just a few examples of the real and meaningful results achieved:

- KPMG in the UK conducted an $8 billion Fast Moving Consumer Goods (FMCG) organisation’s TCO review which supported the implementation of a transformation programme covering all aspects of IT supporting saving opportunities in excess of US$60 million per annum.
- KPMG in the UK assisted a European headquartered global natural resources organisation implement cost transparency tooling to drive out US$200 million per annum savings of the IT budget and channel the savings from “spend” to “invest”.
- KPMG in the UK helped a global FMCG organisation where a cost optimisation (TCO) review drove the implementation of IT cost transparency saving opportunities in excess of US$25 million.
- KPMG in the UK assisted a Global Manufacturing & Automation organisation to develop a strategy and roadmap, with sourcing and implementation of a cost transparency toolset in support of driving a robust and tax efficient cost/recharge model for IT services across 100+ operating countries.

# Contact Us

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CREATE. | CRT164925A January 2026