



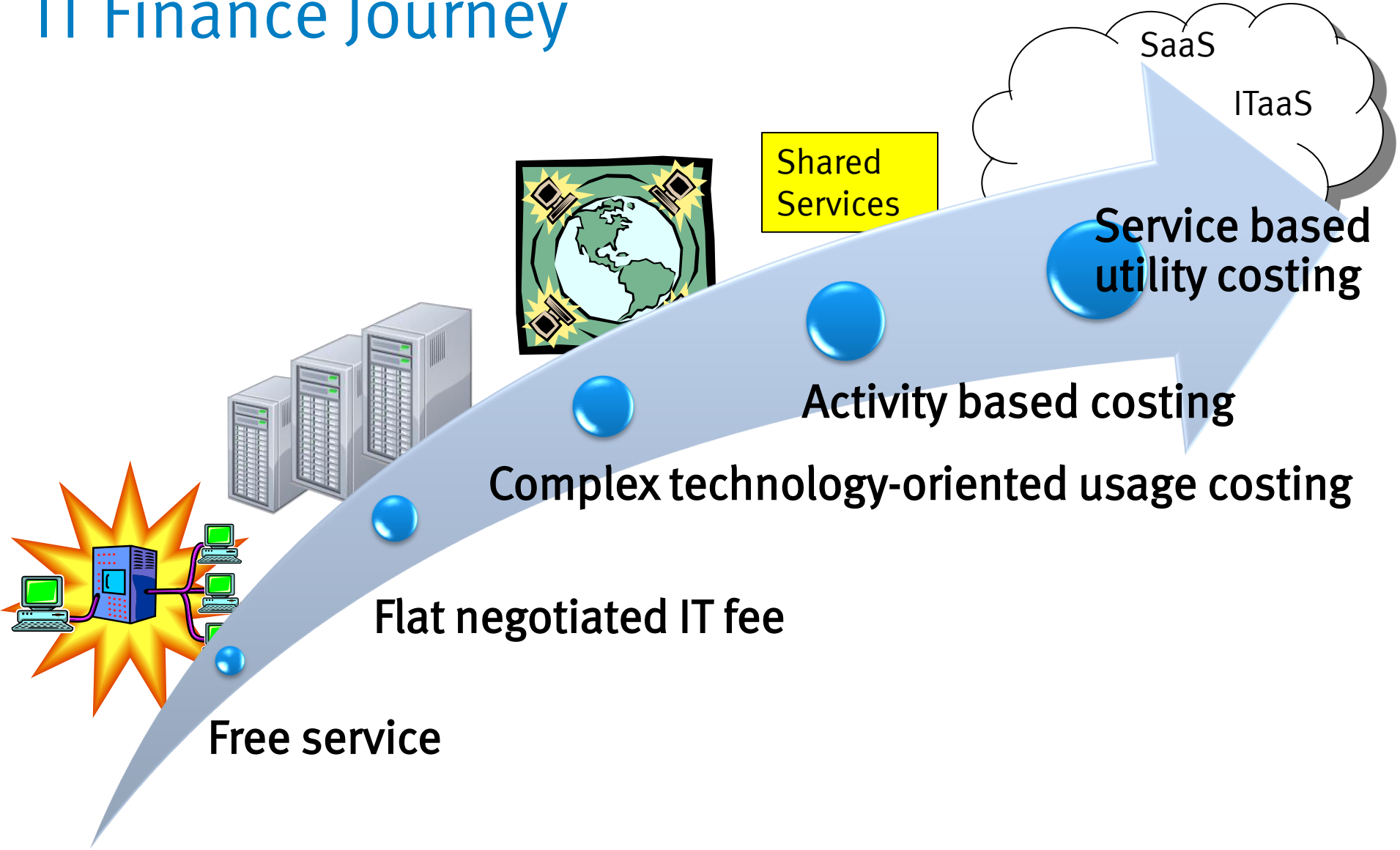
Transitioning IT Finance

Priority Discussion Topics

Topics we'll discuss in this session include:

- The journey from technology to service cost management
- The current state of EMC IT's Cost Transparency journey
- Where session attendees' organizations are
- Elements of the ideal target state
- How to get there

IT Finance Journey



What does IT Financial Transparency mean to IT and the consumer?

IT

“Consumerization of IT”: From point solutions to well-defined services

Standardization and automation of customer interfaces: Self service

Detailed tracking of cost and consumption: Service costing / pricing policies, methodologies

Optimized IT production: Process standardization, cloud-based delivery with elastic capacity

Internal Business Clients

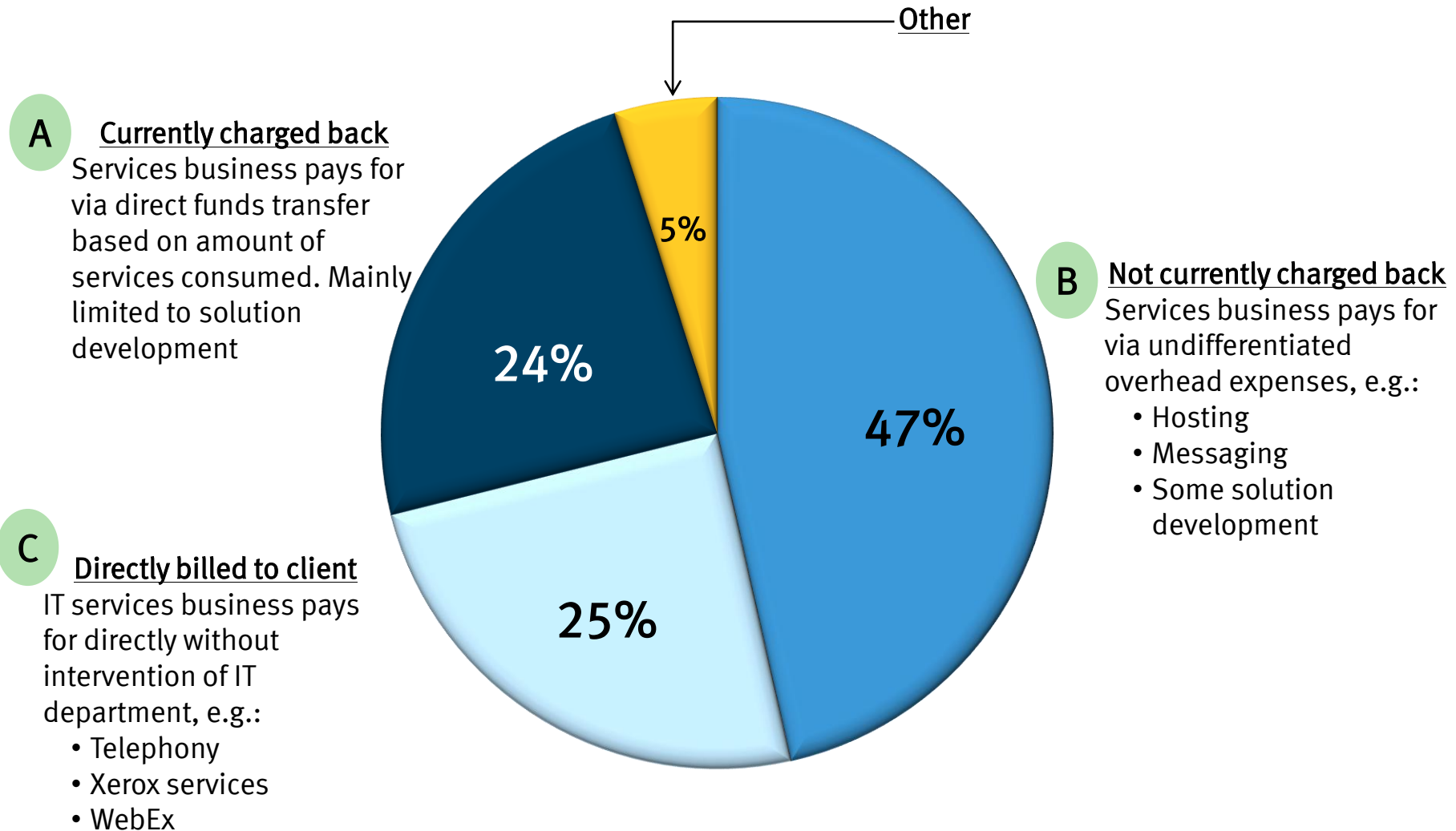
Business relevant services: Services aligned to business demand and their consumption requirements

Simplified engagement model: Self-service, one face of “IT” – user portal, easy to consume

Financial transparency: Informed decision making and consumption, predictability of pricing and charges

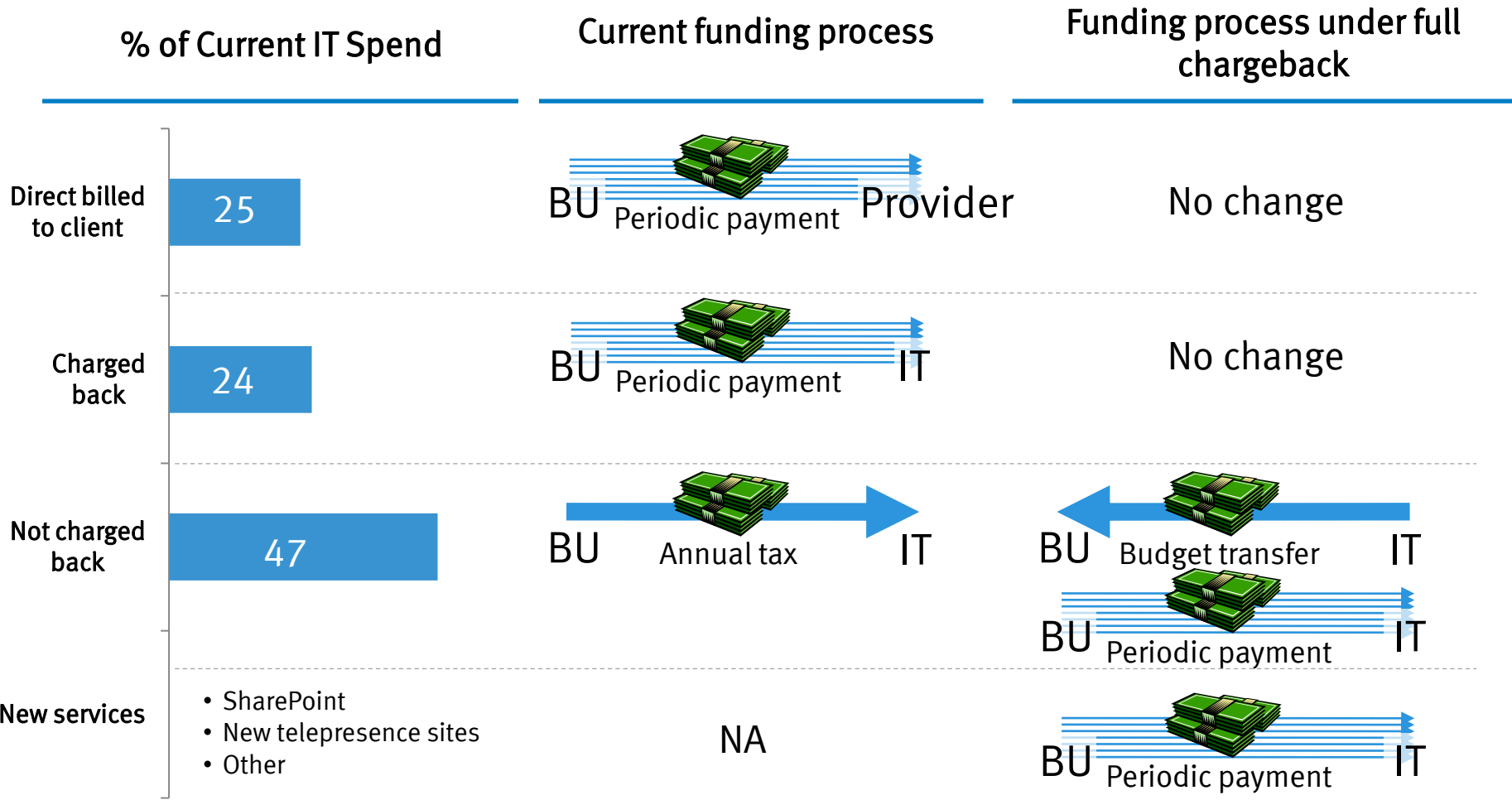
Operational accountability from IT: Agility, response time, QoS via SLAs

Current State – EMC IT Funding



Current State Transition – EMC IT

Proposed chargeback model – extension of current system



Transitioning EMC IT

What we've learned so far.... The Good....

Value
discussion with
clients

- **Early pilot of business application TCO**
 - Driving discussions of service levels and support to divert resources to higher value add activities

Cost vs. Price
analysis

- **Breakeven sensitivity analysis to determine policies**
 - Understand consumption/price/utilization to determine price
 - Determine early cancellation penalties

External
Benchmarking

- **How does internal IT compare to external service providers**
 - Drives focused deep dives into costing model
 - Helps internal clients to understand TCO of doing it themselves

Improved Real
time cost
monitoring

- **Service managers looking at TCO of service**
 - Challenge the status quo by understanding all resources allocated to a service

Strategic
Decisions

- **Maintain strategic conversations with IT vendors**
 - Reduces the amount of business facing conversations with IT vendors
 - Maintains negotiating leverage for EMC

Transitioning EMC IT

What we've learned so far... The Biggest Challenges?



- **Company Culture** – resistance to chargeback, “server hugging”, demanding custom solutions
- **Financial Systems** – clinging to the old cost levers instead of holding consumers accountable
- **The DNA of IT** – how to develop an organization comfortable with competing for business and thinking entrepreneurially ?

THANK YOU