



The stories we tell The secrets we keep

The World of IT Financial Management 2025

Penny Collen

pennylcollen@aol.com

Abstract

- Join your peers in an open discussion of proven practices and challenges in the areas of Budget Processes, Financial Controls, and Cost Models. Here is your opportunity to seek confirmation of your current processes as well as learn new solutions for your problem areas. Tools are emerging to make data collection and presentation easier and yet, EXCEL rules! Cloud charges are having major impact on forecasts and the explanations required.
- No matter how perfect the model you still need a great story to sell your budget and get the funds you need, Learn tips to raise your credibility and show the value IT brings.

Budget
Processes

Financial
Controls

Cost Models



**Do you view your
budget is tactical or
strategic?**

The top IT budget priorities include:

[Source: ITtoolbox.com](https://www.ittoolbox.com)

- Cutting IT costs and related expenditures
- Improving workplace and IT management productivity
- Delivering new or improved technologies
- Eliminating technology problems
- Improving IT service delivery and related customer service satisfaction
- Improving performance of in-place technology systems and solutions
- Improving network and internet security
- Cloud services
- Digital transformation
- Employee training
- IT modernization
- EIS migration
- Data analytics
- Cybersecurity
- Internal hardware and software purchases
- Expanding digital initiatives
- Enhancing customer experience

Budget Processes

Basic approach

- Zero based
- Base (KBR) + new projects
- Bottoms up
- Tops down

Planning Horizon

- One year
- Three Years
- Five Years
- Less than one year

How do you know if your budget process is successful?

Financial Controls

Budgets

- How many budgets
- Assumptions package
- Compliance with assumptions

Spending

- Approval Authorizations
- Variance Analysis
- Enforcement

Cost Models

Expenses

- Automated modeling
 - MS Excel
- Corporate input sources
 - HR systems
 - Project Business Cases

Cost Transparency

- Rates
- Usage volumes
- Ownership
- Assignment and aggregation

TRUTH OR DARE

1. Where do you hide the Padding? The Slush fund?
2. What is the most successful justification you've given?

- Business Alignment
- Continual Evaluation
- Recognize most valuable assets
- Financial Transparency

Telling your story

Sharing the right data at
the right time to the right
audience



Telling your story

Better ways to share your
information



Look how far we've come

Look how far we've come



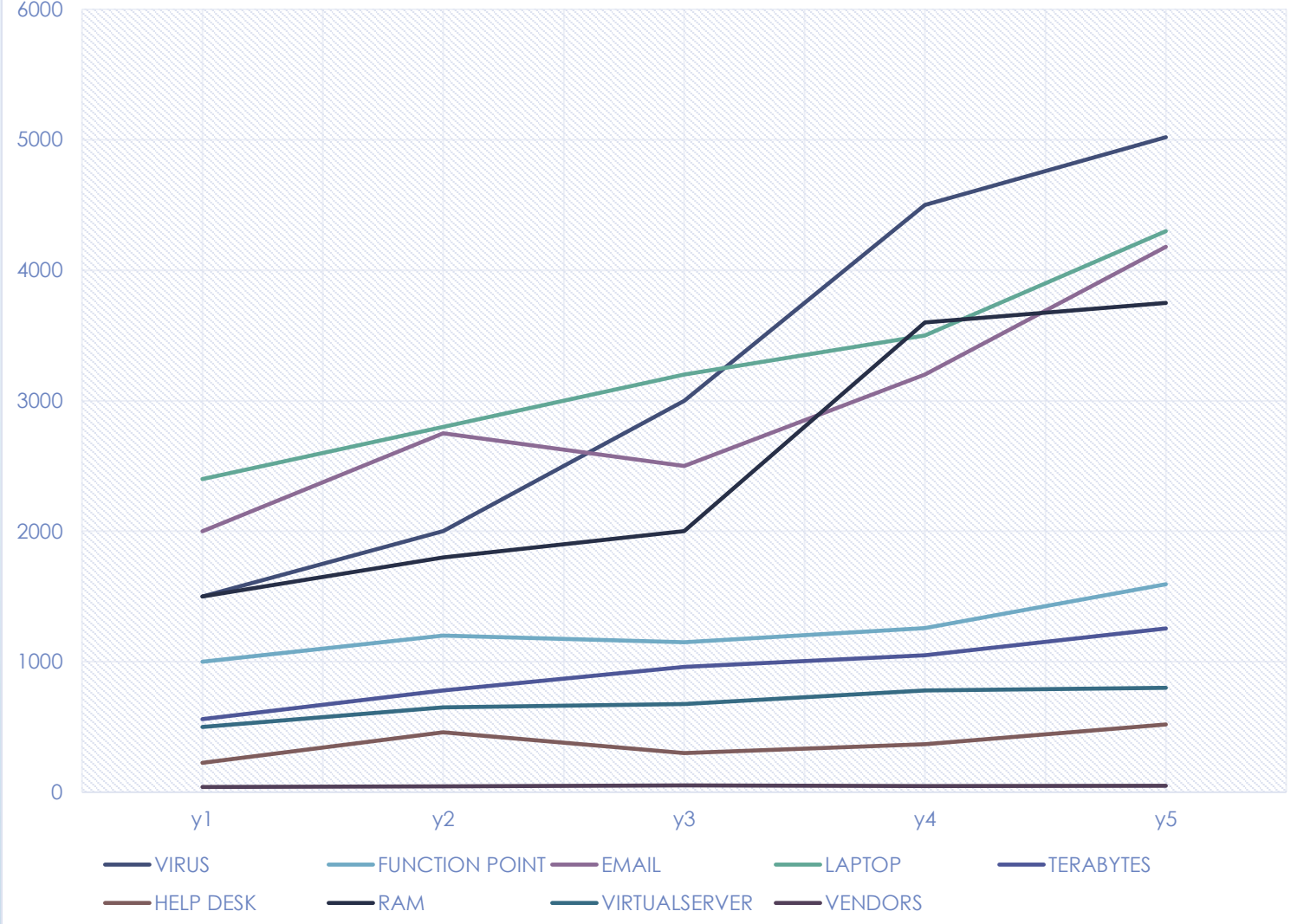
Provide a quick review of accomplishments

- What did you do with the funds you got last year
 - We were able to resolve issues
 - We were able to introduce new technology, new controls
 - We were able to maintain our leadership
 - We were able to strengthen our responsiveness
 - We were able to save money

A picture is worth a thousand words
...or several thousand dollars?

- Count things!

Activity Volumes



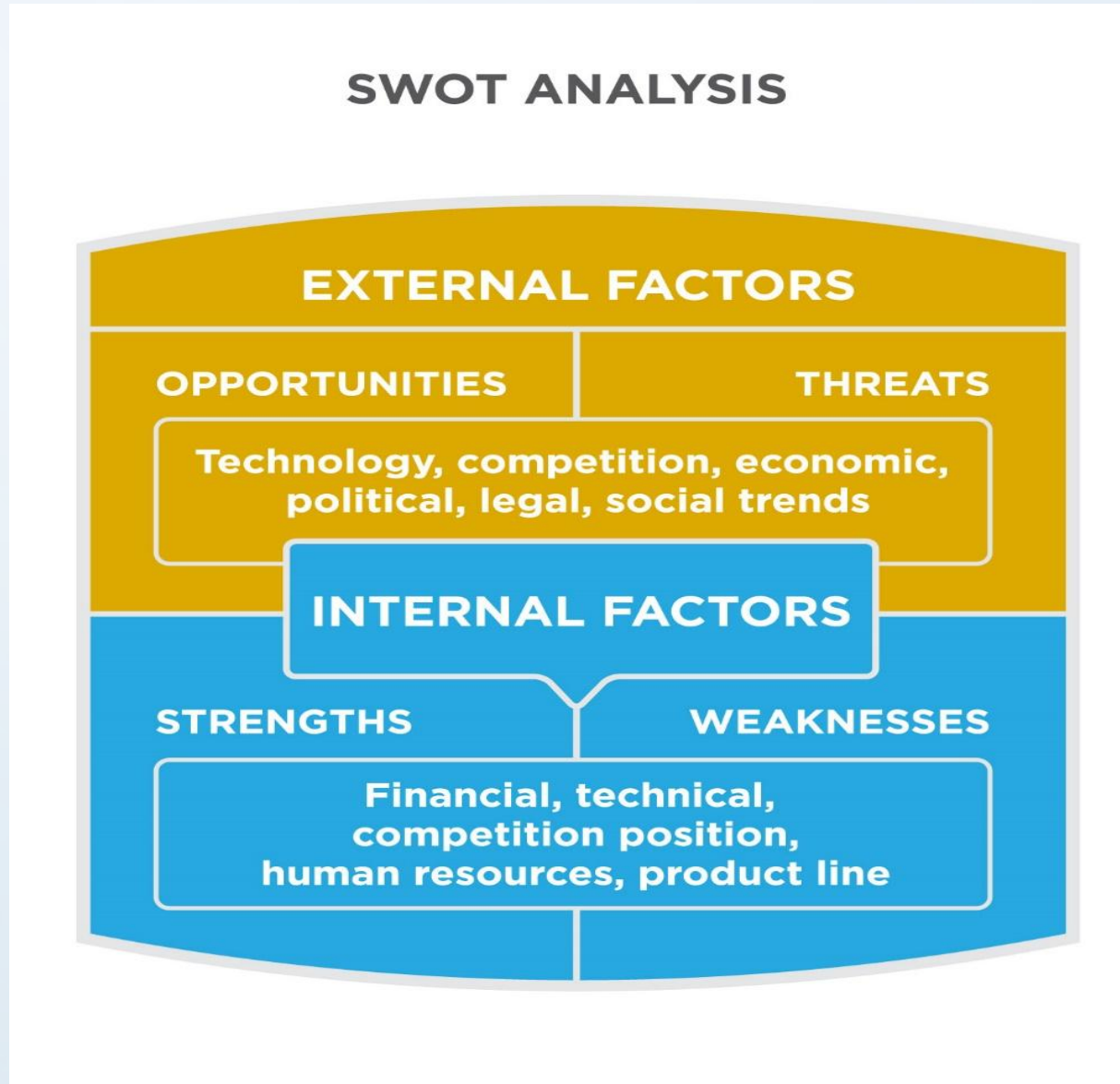
"What we learn from history is that people don't learn from history."

- Warren Buffet

Validate your financial position

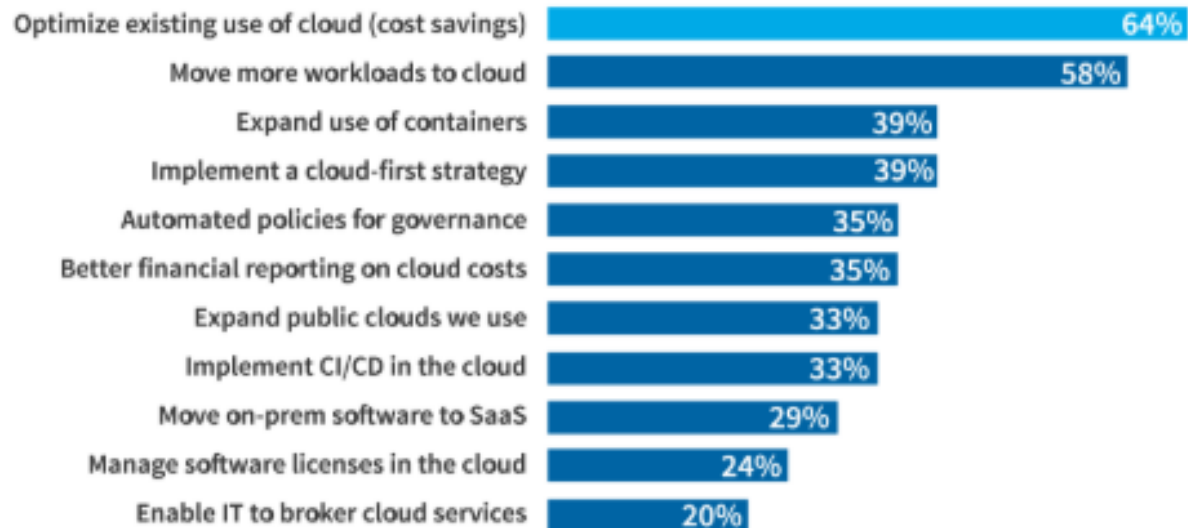
- Key Business Indicators
- Fixed vs variable is important but can sound like an excuse
- Comparative analysis
 - **Benchmarks**
 - **Service Plans**
 - **Published studies**

Show you know your place in the real world



Cloud cost savings is the top initiative for the **3rd** year in a row

Top Cloud Initiatives in 2019



Source: RightScale 2019 State of the Cloud Report from Flexera

Remind how IT investments flow through to corporate success

- Familiarize your understanding of Corporate strategies
- Showcase your contribution
- Speak Their Language
- Replace technical terms with business terms

Communicate

Meet with those who use your services

- Schedule an internal technology conference

Produce Annual Reports

Create Service Catalog

Educate

***“Price is what you pay.
Value is what you get.”***

- Warren Buffet

Show your contribution

- Collect stories
- Make friends
- Get endorsements
- Remind others of how you enable change

Imagine the Possibilities --- make them want to ask for more

- Express what could happen if money were allocated to new initiatives

It's not what you say it's how you say it-

Mae West

Perception is reality. Create your own reality.

