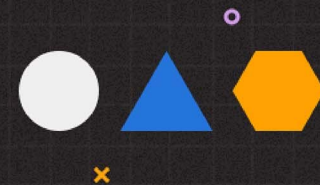
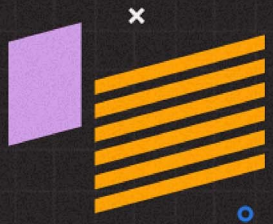
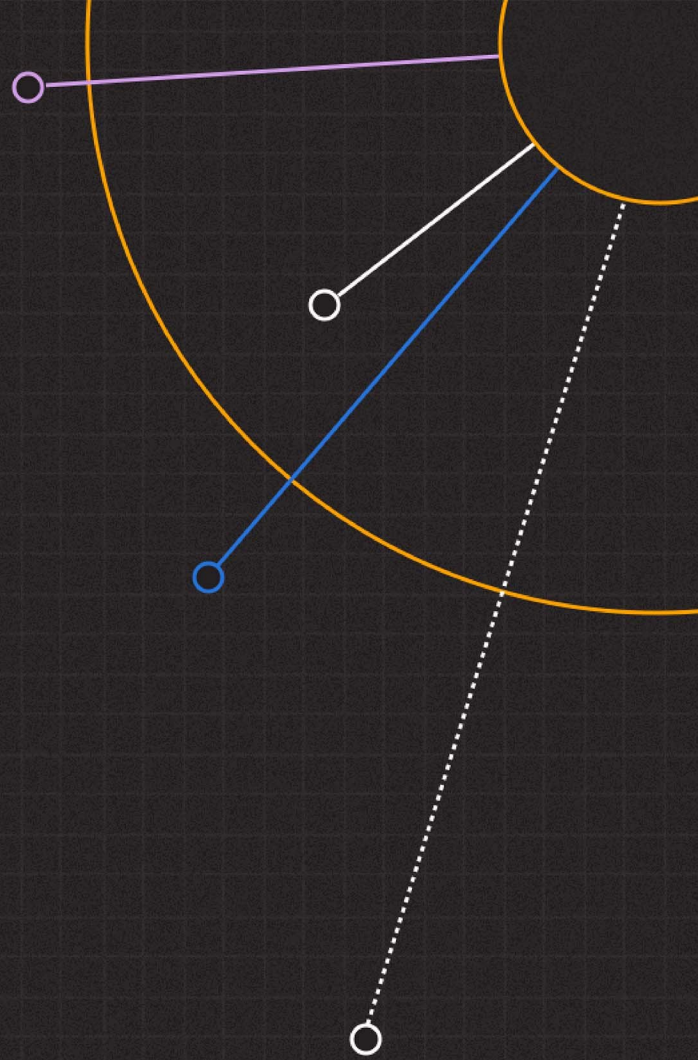




Upland

ITFMA San Antonio
Prepared by: Robert J Bracco

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Agenda

Our discussion today

Technology Expense Management – Show the Value IT brings to the business.

Showback and chargeback are effective ways to encourage departments to be accountable for their technology usage and lower your overall technology spend.

This session will provide attendees with a best practices approach to beginning their showback/chargeback journey, including recommended approaches to help drive adoption, improve data maturity, and ensure maximum results.



Bob Bracco

Senior Product Manager

20+ Experience in accounting,
financial planning & analysis.

20 Year + background in ITFM, TBM
and TEM consulting and Business
Process Management

Started on the client side moved to
the consulting end



Today's presenter





Value

•**Cost Awareness & Accountability**-Departments become more aware of their IT usage and costs, promoting responsible consumption.

•**Fair Distribution of Costs**-Costs are allocated based on actual usage, ensuring that high users pay more than light users.

•**Improved Budgeting & Forecasting**-Helps departments predict future IT costs based on current usage patterns.

•**Encourages Efficient IT Use**-Departments may reduce unnecessary services or find more cost-effective ways to use IT.

•**Supports IT Transparency**-Demonstrates the value IT provides and justifies IT spending to the business.

•**Enables Strategic Decision-Making**-Business units can weigh the cost of IT services against their outcomes, aiding in investment decisions.



Pro's

The Value of IT Chargeback



Cost Awareness & Accountability

Departments become more aware of their IT usage ad costs, promoting responsible consumption



Fair Distribution of Costs

Costs are allocated based on actual usage, ensuring that high users pay uore than light users



Improved Budgeting & Forecasting

Helps departments predict future IT costs based on current usage patterns



Encourages Efficient IT Use

Departments may reduce unnecessary services or find more cost-effective ways to use IT



Supports IT Transparency

Demonstrates the value IT provides and justifies IT spending to the business



Enables Strategic Decision-Making

Business units can weighthe cost of IT services against their outcomes, alding in Investmen t deci-



Challenges and potential Roadblocks

1.Lack of Accurate Usage Data-Without detailed, real-time tracking of IT resource consumption, accurate billing is difficult.

2.Resistance from Business Units-Departments may push back against being billed for IT services they previously received "for free."

3.Complexity in Service Catalog Definition-Defining and pricing IT services clearly and consistently can be a major challenge.

4.High Administrative Overhead-Managing billing processes, handling disputes, and maintaining systems adds significant workload.

5.Risk of Inaccurate Chargebacks-Errors in tracking or allocation can lead to disputes and loss of trust in the system.



Where do I begin?

- + Define the Vision – strategy – execution
- + Clear organizational vision on current and future goals
- + Socialize with the business to ensure “buy-in”
- + Ensure Shared Services Teams are ready and support the vision



Framework

- + Develop a standard Product Catalog
- + Simplify Product Names & Service Offerings
- + Provide Clear Definitions
- + Speak in a language the business can understand
- + Make material actionable



Roadmaps

- + Do's
 - Ensure the roadmap is clear
 - Input from all parties
 - Is flexible
- + Don'ts
 - Develop in a vacuum
 - Make assumptions
 - Let it get stale



Roadshows

- Establish recurring roadshows to meet with business partners and continue to evolve
- Solicit input
- Sell, Sell, Sell and showcase the value



Potential Downside(s)

- **Complex Implementation**-Setting up tracking, reporting, and billing systems can be time-consuming and costly.
- **Internal Friction**-Departments may resent being billed, creating tension between IT and other units.
- **Overhead Costs**-Maintaining accurate usage and billing data can require extra resources.
- **Discourages IT Use**-If not managed carefully, it may lead to underutilization of beneficial IT services.
- **May Require Cultural Change**-Business units may not be accustomed to thinking of IT as a costed service.
- **Potential for Inaccuracy**-Poor tracking can result in incorrect charges, damaging trust.

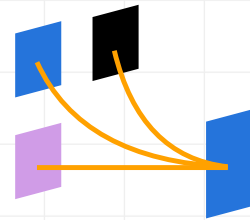
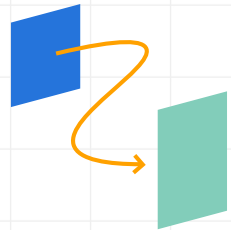
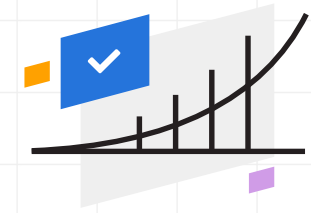


Comparison

Pros and Cons of Chargeback

✓ Pros	✗ Cons
<ul style="list-style-type: none">• Cost Transparency	<ul style="list-style-type: none">• Complex Implementation
<ul style="list-style-type: none">• Accountability	<ul style="list-style-type: none">• Internal Friction
<ul style="list-style-type: none">• Encourages Efficiency	<ul style="list-style-type: none">• Overhead Costs
<ul style="list-style-type: none">• Supports Strategic Planning	<ul style="list-style-type: none">• Discourages IT Use
<ul style="list-style-type: none">• Improves IT-Business Alignment	<ul style="list-style-type: none">• May Require Cultural Change
<ul style="list-style-type: none">• Promotes Fair Cost Distribution	<ul style="list-style-type: none">• Potential for Inaccuracy

Crawl-walk-run!



Accountability

- Who owns what
- Define Allocation models and ownership
- Ensure teams are engaged

Visibility

- Showcase with stakeholders
- Define an IT service catalog
- Provide information in a language the business understands

Vision

- Align services to industry standards and outcomes
- Explain how efforts will benefit all parties and align for growth

Strategy

- Align to organizational goals
- Continuous business optimization
- Move from Run to Grow and Transform

Outcome-based mindset for Chargeback



Build a foundation

Standardize the way you track and report in a language the business can understand



Clarify Spend

Define attainable metrics that allow for change (Pulling levers)



Manage Demand

Develop value-based options that influence behaviors



Demonstrate Value

Change the conversation through results that align to business objectives





Summary

- Don't try and "boil the ocean"
- Start small and progress over time
- Solicit feedback and improvement ideas from stakeholders
 - Utilize electronic Surveys or NPS Scoring
- Attend shows
- Talk to your peers

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Thank you

