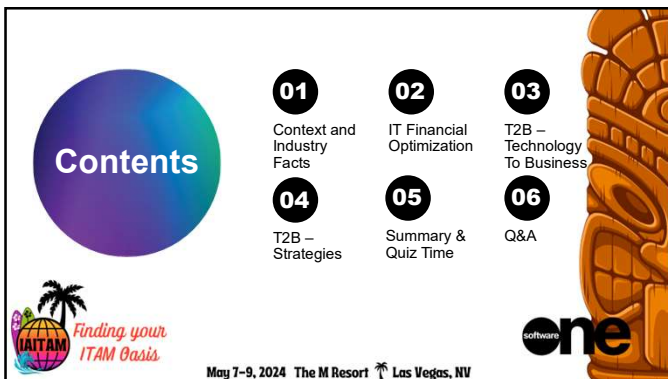


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IT Spending Forecast 2023 - 2024

Table 1. Worldwide IT Spending Forecast (Millions of U.S. Dollars)

	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	243,063	7.1	261,332	7.5
Devices	699,791	-8.7	732,287	4.6
Software	913,334	12.4	1,029,421	12.7
IT Services	1,381,832	5.8	1,501,365	8.7
Communications Services	1,440,827	1.5	1,473,314	2.3
Overall IT	4,678,847	3.3	4,997,718	6.8

Source: Gartner (January 2024)

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The Financial Challenge Behind Digital Transformation Journey

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IT Financial Optimization

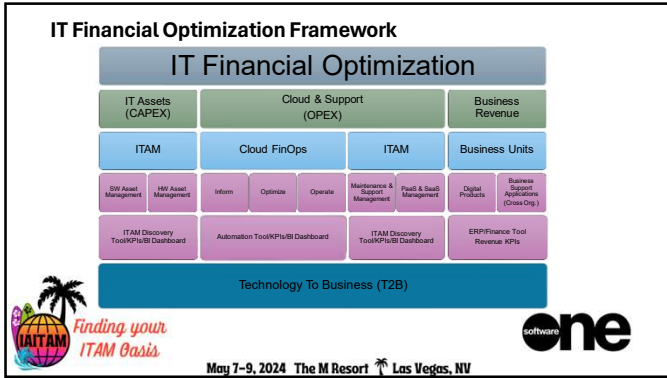
The primary goal of IT Financial Optimization is to improve the efficiency and profitability of IT investments. This entails intelligent budget management, cost control, identifying cost-saving opportunities, optimizing resource utilization, and maximizing the value of IT investments. IT Financial Optimization applies to **software assets, as well as cloud services and resources.**

FinOps
FinOps practices enables organizations to achieve financial control and optimization in their cloud environments. It helps them understand the costs associated with running workloads in the cloud, optimize resource usage, allocate costs accurately, and make data-driven decisions to maximize the return on investment (ROI) from their cloud investments.

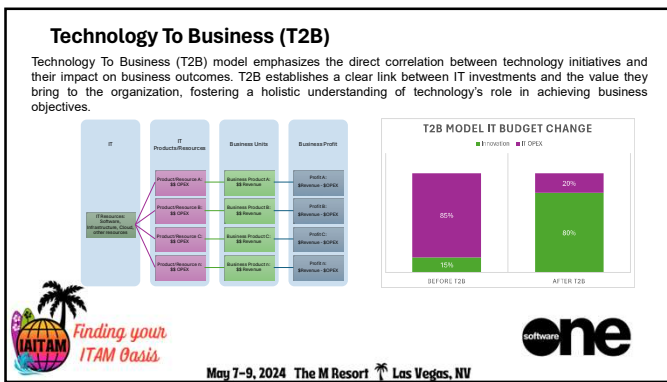
ITAM
IT Asset Management enables organizations to optimize IT asset usage, control costs, ensure compliance, mitigate risks, enhance security, and make informed decisions about technology investments, ultimately contributing to improved operational efficiency and better alignment between IT and business goals.

T2B
Technology To Business (T2B) model emphasizes the direct correlation between technology initiatives and their impact on business outcomes. T2B establishes a clear link between IT investments and the value they bring to the organization, fostering a holistic understanding of technology's role in achieving business objectives.

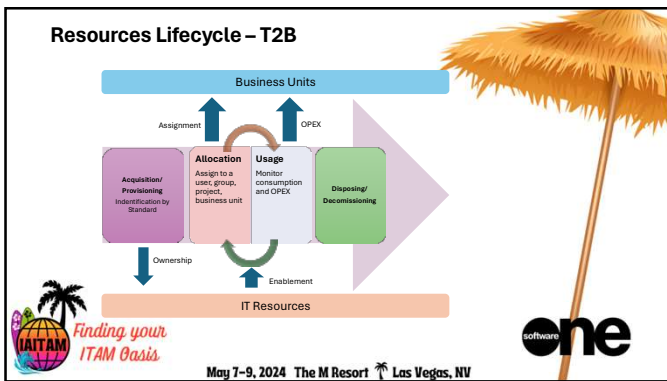
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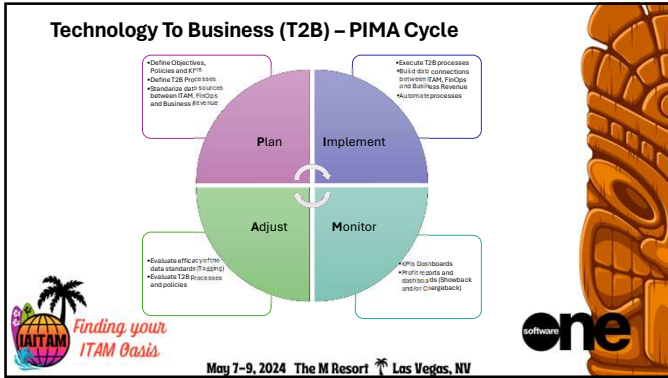
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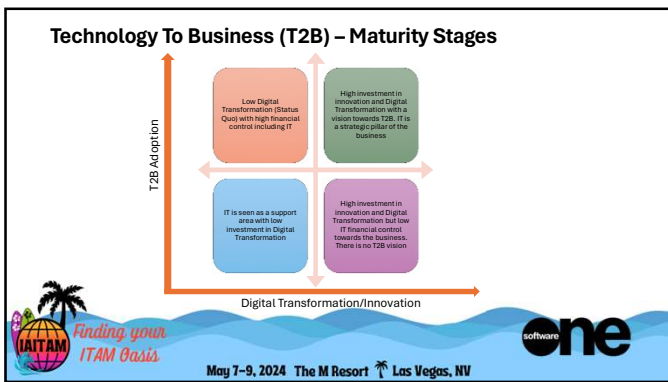
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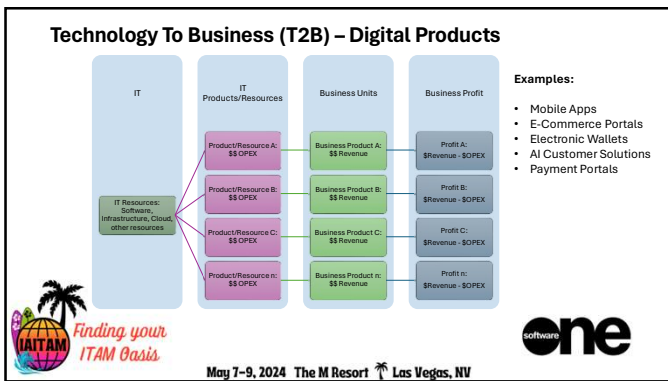
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Shared Products/Services T2B Strategies


The applications that are not directly related to digital products but are needed to support the business have a different behavior and require a different strategy to manage them within a T2B model. The following are some strategies that can be used to include these shared products/services in a T2B model:

- **By Transaction:** Define a value \$\$ for each transaction.
 - Business Unit A:
Shared Product OPEX = Qty of Transactions X \$\$ Value per Transaction
- **By Volume:** Define a value \$\$ for each unit assigned
 - Business Unit B:
Shared Product OPEX = Qty of Users X \$\$ Value per User
- **Fixed %:** Define a fixed % per each business unit
 - Business Unit C:
Shared Product OPEX = Fixed % X \$\$ Shared Product Value



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Summary

- **IT Financial Optimization:** Financial optimization of IT is key to improving efficiency and profitability of IT investments.
- **IT Financial Optimization** is driven by the best practices in the industry such as ITAM and FinOps working together to enable organizations to achieve financial control and optimization in their cloud environments and IT assets.
- **T2B Model:** The Technology to Business (T2B) model establishes a direct correlation between technology and their impact on business outcomes, helping organizations to transform IT budgets from a operations-oriented to an innovation-oriented perspective.
- **PIMA Cycle:** The PIMA cycle helps to establish a T2B practice within the organization. Throughout the cycle (Plan, Implement, Monitor and Adjust) the organization can define processes, data and tag standards, interactions between ITAM and FinOps, KPIs, Showback/Chargeback, and continuously improve it.



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ITAK Article: IT Financial Optimization

Unveiling the Synergy: IT Financial Optimization through ITAM, FinOps, and the Technology To Business (T2B) Model

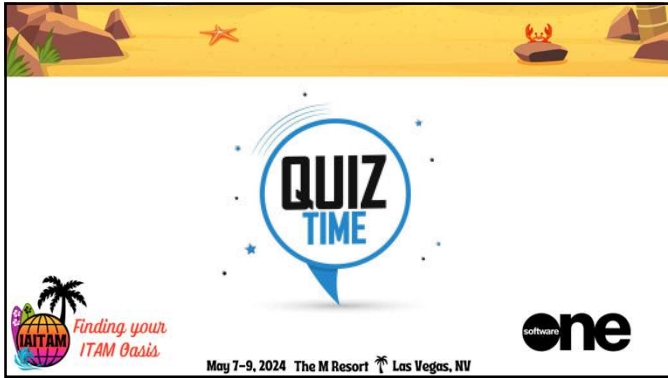



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