

IAITAM ACE

KICKIN' ASSETS
SINCE 2002



Charging Ahead with Chargebacks

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About Jennifer Munson

- NOT a Finance person!
- Trainer, Desktop Support, Server Support
- Unix/Linux Engineer, Operations Team Manager, Change & Release Manager
- 10+ years IT Asset Management, started asset management programs at:
 - VWR International (now Avantor)
 - FIS
- 2 years at SoftwareONE



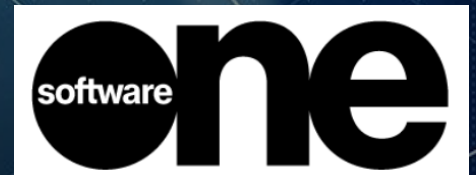
Software Sourcing & Portfolio Management
ITAM Team Lead

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About SoftwareOne



About SoftwareOne



Realized **over \$500 million**
of cost avoidance annually



Delivering SLM Consulting and
Managed Services across the globe in
90 countries



About SoftwareOne



FinOps Certified Service Provider
since 2020



SoftwareONE named a leader in
Gartner Magic Quadrant for
SAM Managed Services 3 years
running!





80 ITAM professionals in
North America

800 ITAM professionals
worldwide.

9,000 employees



Chargeback Strategies

1. Identify Roadblocks
2. Find your Use Case
3. Get agreement on your Slush Strategy
4. Establish the Cost Center and Budget
5. Make the initial purchase and do the cross-charges
6. Continuous Improvement – adjust, add efficiencies, apply to other purchases



Roadblocks

- People
 - One person who needs to be educated? A whole group?
 - Fragmented organizational approach?
- Process
 - Inflexible annual budget process?
 - No clear entry point?
- Tools
 - No tool exists?
 - Nobody wants to do the ongoing work?



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Drive straight towards the largest roadblock?

Pick a detour?

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Use Case



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- Look for an opportunity for \$\$\$SAVINGS\$\$\$ from purchasing in bulk
 - SaaS application or traditional software that has been purchased by multiple parts of the organization
 - Publishers that give deeper discounts for bulk commitments
 - Products where local managers have a stake in managing their cost
- You can always consolidate a publisher's software license purchases and move it to a single cost center along with the budget BUT
 - Distributing costs allow the organization to more easily calculate ongoing costs for an organizational function
 - Usage will (usually) be driven down if local managers have to evaluate the cost to their business
- Some opportunities are not worth the effort
 - Unlimited/entire organization licenses (unless there is future potential to move off that license model or move off the product entirely)



Slush Strategy

- You won't be able to match down to the penny
Finance People do not like to hear this!
- In order to accommodate this, you need to agree to what to do with the “slush”
 - i.e. Cost center that is charging out to other business areas might have a ~5% slush fund budget to cover 5% extra capacity
 - Make your finance people happy & get back to 100% when allocating cross-charges:



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(total spent) – (total charged to other organizations) = (slush)



Cost Center and Budget

- Choose your Cost Center with an eye to the future
- Start before budget for following fiscal year is set
- Communicate the anticipated chargeback estimates



Purchase and Cross-Charge



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- Communicate approach and estimated costs to all business areas affected beforehand
- Make the initial purchase and do the cross-charges
- Validate afterwards with business areas that they:
 - Are aware of the cross-charge
 - Understand how it was calculated
 - Agree that the calculation for their area is accurate



Continuous Improvement

- Adjust
- Add efficiencies
- Apply to other purchases



- IT Bundles – what does IT pay for that could be charged out if grouped together as a service?
 - Per User
 - Per Server (Physical or Virtual) – add-ons for Database, Storage, etc



Questions?



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Thank
You



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