IT costs are a significant factor for the company as a whole. That’s why it’s vital to plan expenditures in detail and reliably and to observe them constantly. Depending on their economic objectives, the purchasers of services should coordinate their IT budget with the IT service organization at an early stage. Consolidation, standardization and detailing of cost data, as well as automated processing of it, place high demands on IT. They can only be met by a solution specifically for IT cost planning/calculation and budgeting.

**BENEFITS**

Valuemation enables you to

- Achieve high accuracy in your planning thanks to valid base values and reliable forecasts
- Make pricing easily understandable to service customers by taking into account agreed purchase quantities in cost calculation
- Speed up budget coordination with other business areas thanks to a common, detailed data repository
- Actively monitor and control IT costs, since you have an insight into the latest actual and planned costs at all times
- Respond in time and flexibly to changes, since you identify discrepancies between planned and actual figures promptly.

Planning and assessment of cost flows using the example of a standard workstation
Flexible Costing of IT Services

As part of IT cost planning and budgeting, you can use the Valuemation Planning & Calculation Manager to transfer already tied-up personnel/fixed costs from ERP systems and costs from existing agreements to planning. With the help of so-called distribution networks, you'll be able to flexibly allocate IT costs to IT services and visualize them in a multilevel process. What's more, you'll also be able to depict service modules that are needed for controlling internal IT costs and keeping them transparent. To simplify data input, the assignment network is loaded from a CSV file or the service structures defined in the Valuemation Service Portfolio Manager are used directly for service planning and service-cost calculation.

Calculating IT Service Costs on a Customized Basis

In calculating service costs and prices, you can allow for customer-specific purchase quantities and depict various scenarios in order, for example, to reveal the impact on unit costs if the customer's situation changes. You can simulate prices by entering percentage values, surcharges and specifying the rounding method to be applied. The pricing process is also supported by previously calculated unit costs for service modules. In this way, planned incomes fully reflect anticipated usage levels: An income simulation allows you to check your price structure to make sure that you will, in fact, achieve your desired earnings. This allows you to verify whether anticipated income levels are proportionate to the defined budget. Depending on your business model, you can then set your price structure. With flexible rolling planning you can readily update your data to reflect changes in general conditions.

Analysis and Forecast of IT Costs

Flexible reporting functions support you in depicting various scenarios and coordinating budgets with the relevant planners. This means that your discussions about IT investments and their impact on other cost centers will be based on solid data. Predefined, role-based standard reports enable fast data preparation. The forecast function lets you see discrepancies between planned and actual figures and so derive forecasts for the remaining planning period. This means that you'll be able to detect budget overruns early on and respond in a prompt, timely manner.

INFO
Other relevant modules:
• Costing & Charging Manager
• Service Portfolio Manager