knowledge17

WORK at LIGHTSPEED

Financial Management Roadmap

Future Direction for ServiceNow Financial Management

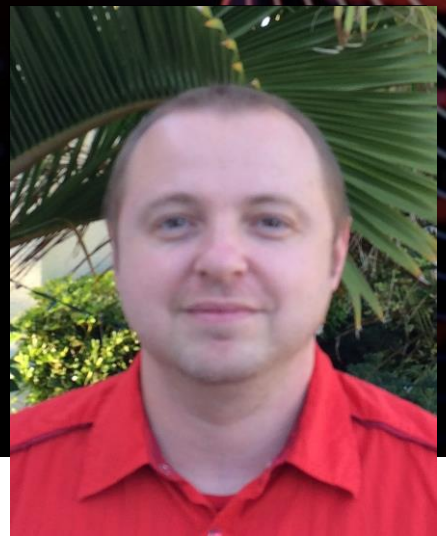
Youli Ashkelony
Sr. Outbound Product Manager
ServiceNow, Inc.

Alex Nesanelis
Inbound Product Manager
ServiceNow, Inc.

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servicenow

Speaker Introduction



Name: Alex Nesanelis

Title: Inbound Product Manager, Financial Management

Company: ServiceNow, Inc.

21 years of experience successfully leading ITBM and ITSM process, product and service transformations.

Based in Sarasota, Florida. Originally from Ukraine.

Joined ServiceNow in February 2012

Joined the ITBM Product Team in January 2015

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Speaker Introduction



Name: Youli Ashkelony

Title: Senior Outbound Product Manager, Financial Management

Company: ServiceNow, Inc.

Financial management expert with 11+ years of international experience including operations, PSO and pre-sales management.

Based in Mountain View California, previously lived in NY, London and Tel Aviv (Israel)

Enjoy hiking, Pilates, tennis.

Joined ServiceNow, February 2017

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Safe Harbor

This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms, although not all forward-looking statements contain these identifying words. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We cannot guarantee that we actually will achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We undertake no obligation, and do not intend to update these forward-looking statements, to review or confirm analysts’ expectations, or to provide interim reports or updates on the progress of the current financial quarter. Further information on these and other factors that could affect our financial results are included our filings we make with the Securities and Exchange Commission.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures in the Appendix.

The information in this presentation on new products, features, or functionalities is intended to outline ServiceNow’s general product direction and should not be included in making a purchasing decision. The information on new products, features, functionalities is for informational purposes only and may not be incorporated into any contract. The information on new products is not a commitment, promise, or legal obligation to deliver any material, code or functionality. The development, release, and timing of any features or functionality described for our products remains at ServiceNow’s sole discretion.

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3 Simple Steps

Financial Modeling



Visibility

Understanding your service cost and consumption

Financial Planning



Context

Smart consumption based budgeting

Financial Reporting



Action

based on insights

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IT Finance Challenges



#1 IT is perceived as expensive low value provider

#2 No consumer accountability

#3 No data to support decision making

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Financial Management Data Sources



GL Data



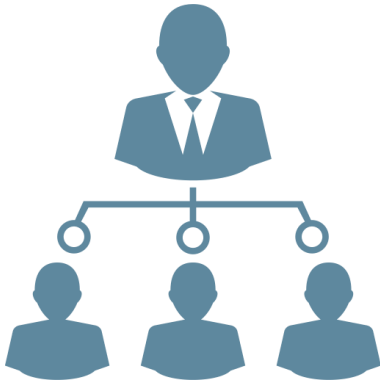
Consumption Data



Service Catalog

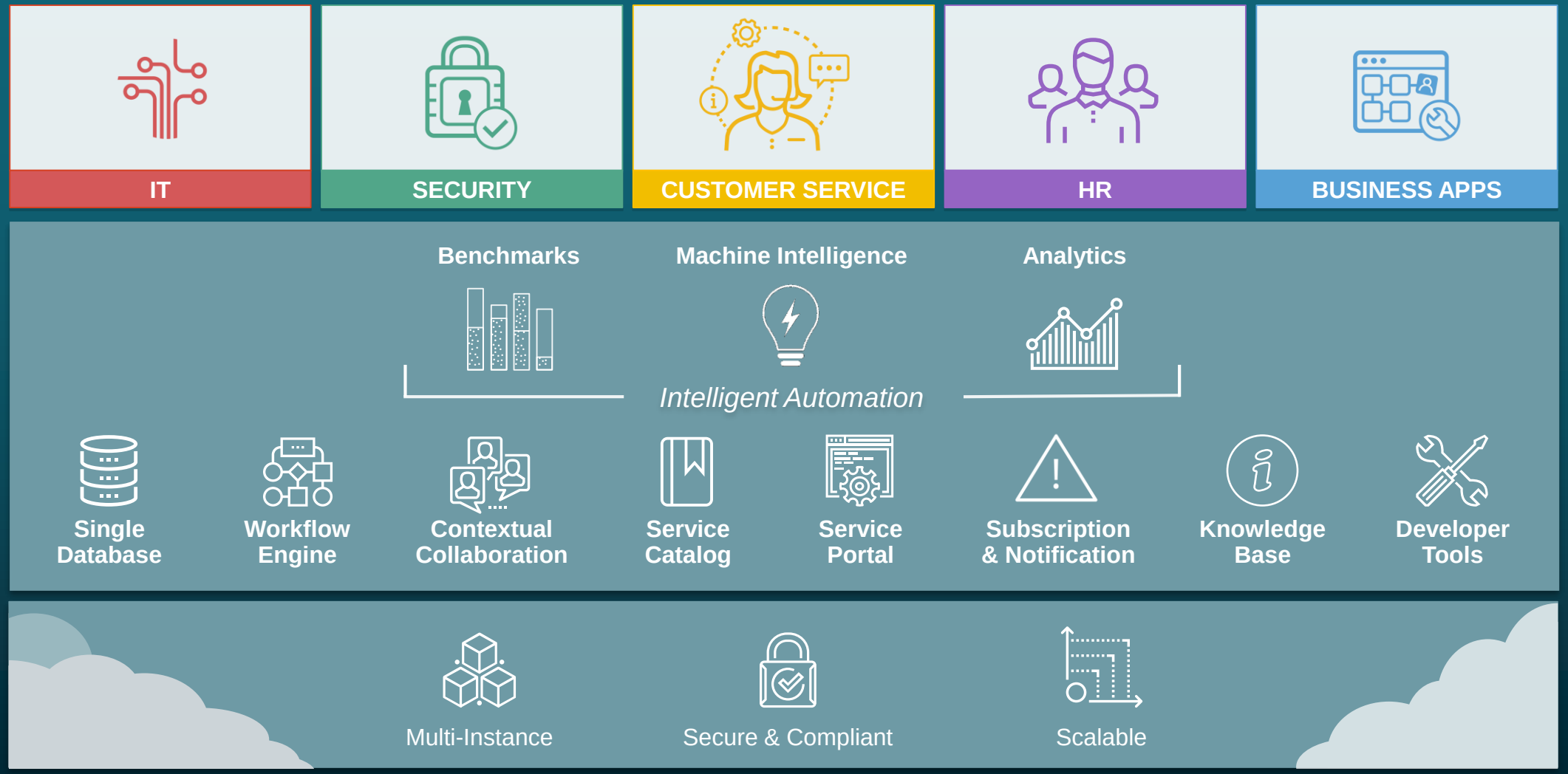


Infrastructure Data



Organizational Data

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Create Your Lightspeed Enterprise™ With ServiceNow

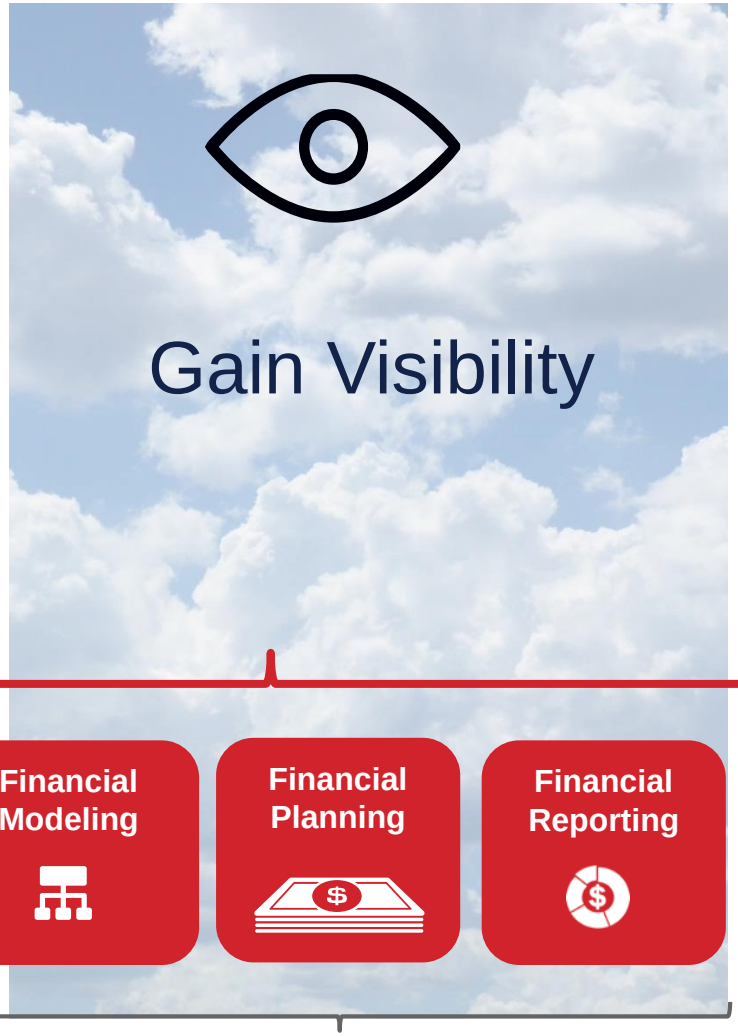
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The ServiceNow Advantage

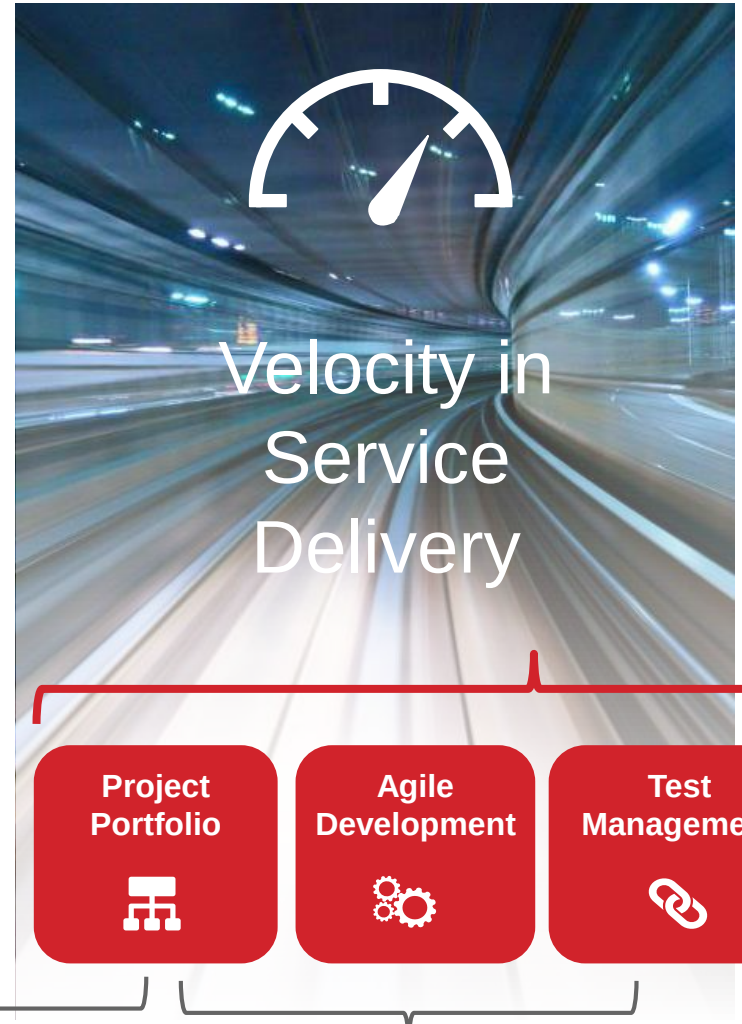
- One source of truth, connected (vs automated)
- Fast time to value, leveraging existing platform
- Trusted vendor

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ServiceNow IT Business Management Suite







Financial Modeling | **Financial Planning** | **Financial Reporting** — IT Financial Management

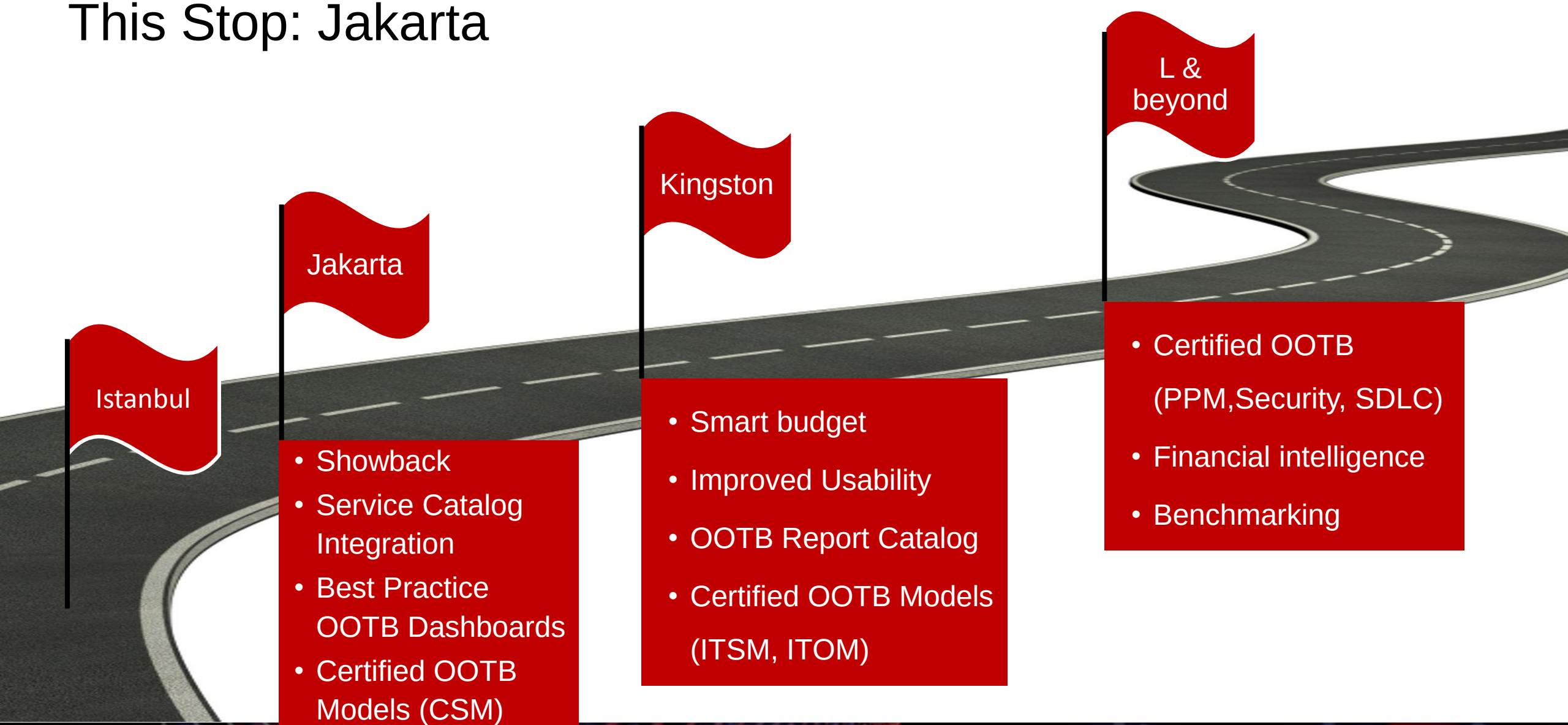
Application Portfolio — Application Portfolio Management

Demand Management | **Resource Management** — Project and Portfolio Management

Project Portfolio | **Agile Development** | **Test Management** — Portfolio Delivery Execution

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This Stop: Jakarta



- Showback
- Service Catalog Integration
- Best Practice OOTB Dashboards
- Certified OOTB Models (CSM)

- Smart budget
- Improved Usability
- OOTB Report Catalog
- Certified OOTB Models (ITSM, ITOM)

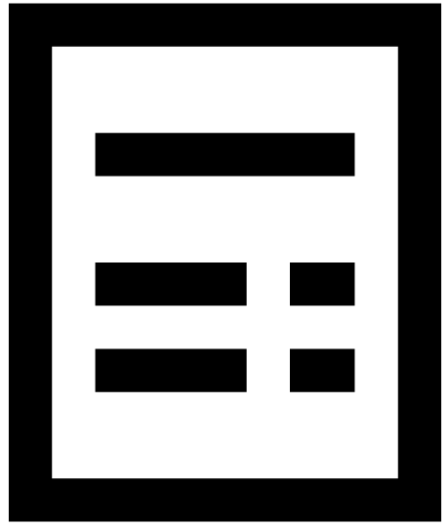
- Certified OOTB (PPM,Security, SDLC)
- Financial intelligence
- Benchmarking

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Cost vs. Charge

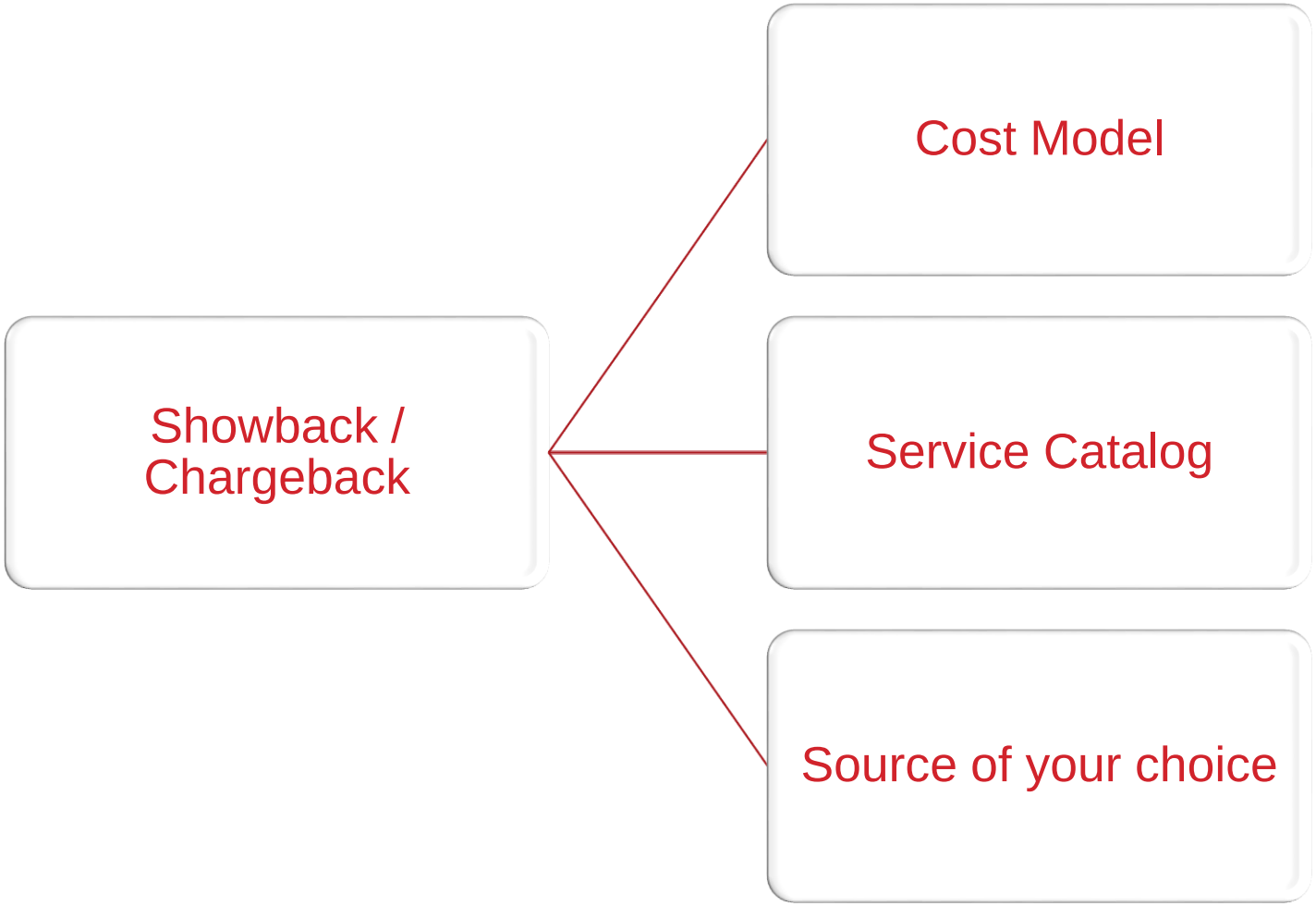


VS



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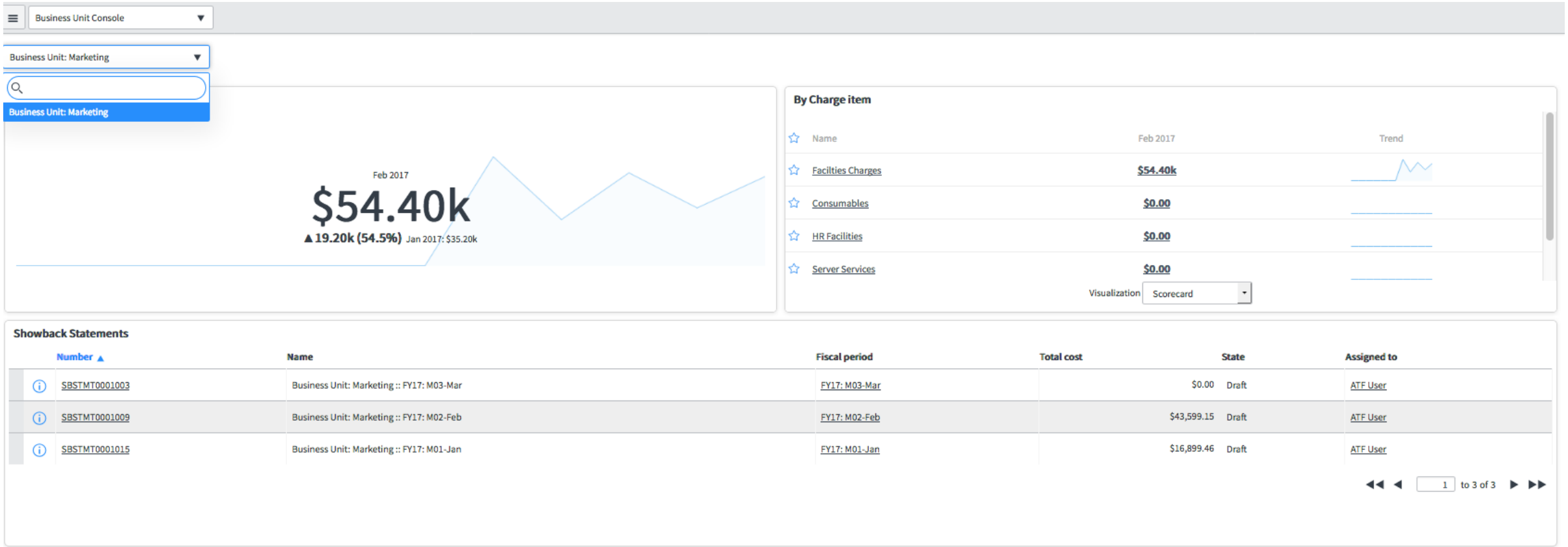
Showback / Chargeback– you can start anywhere



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BU Owner Showback Statement

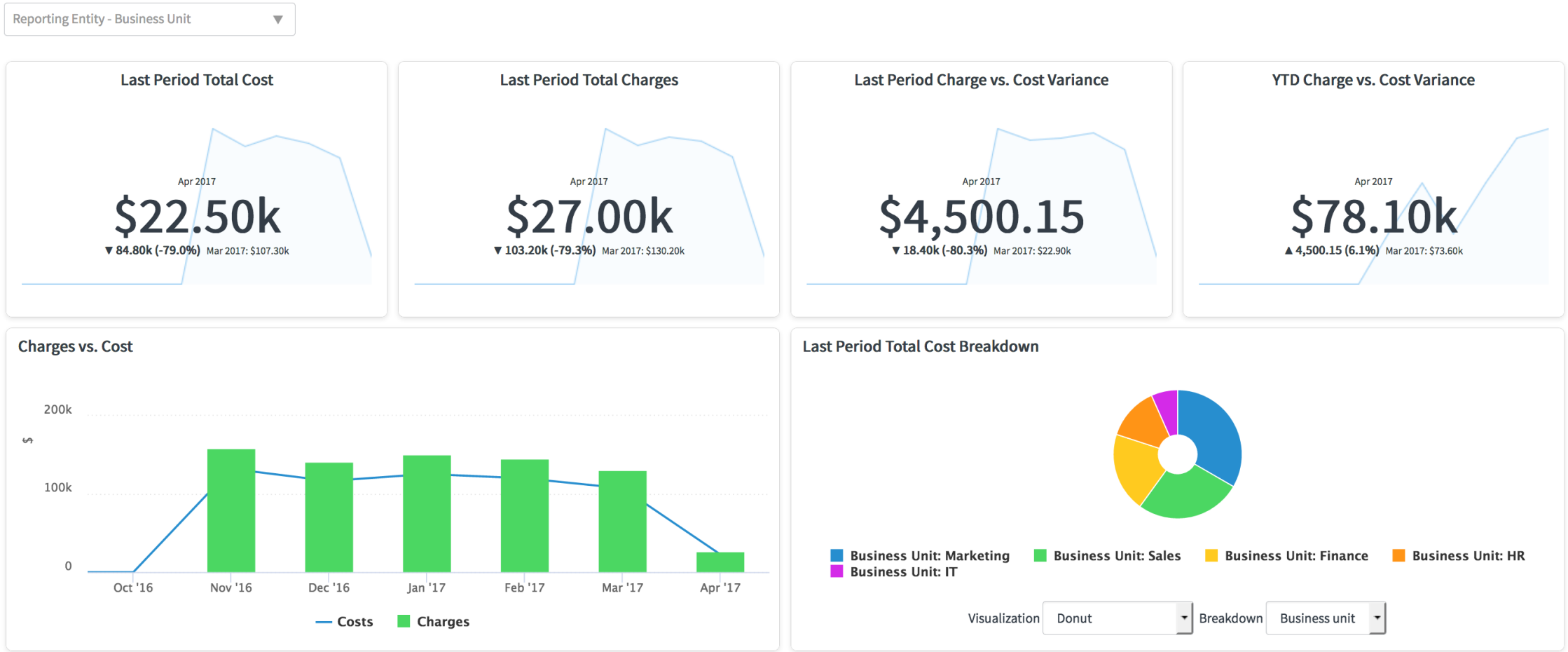
Leverage actual charges to understand cost and charges by Business Units and services



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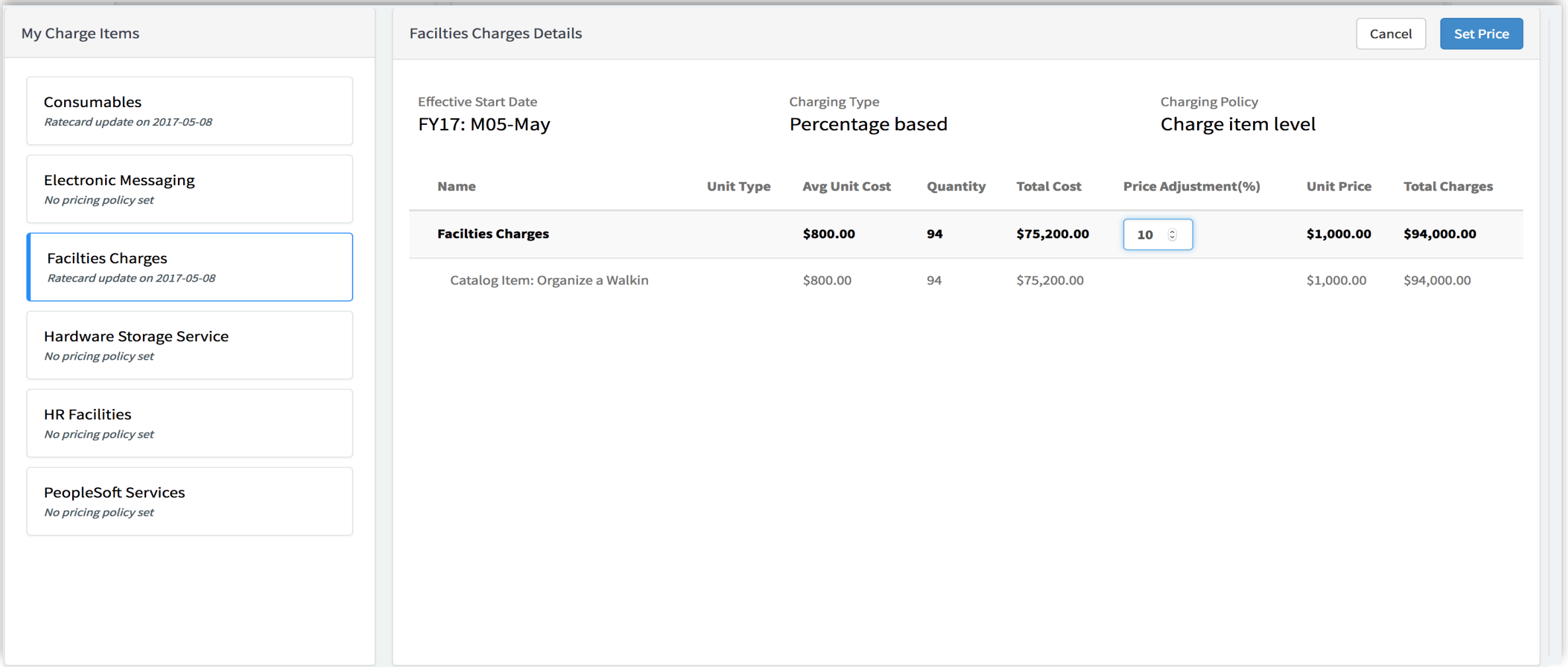
Financial Analyst Dashboard

Recover spending by tracking cost vs. charges by BU or consumed services



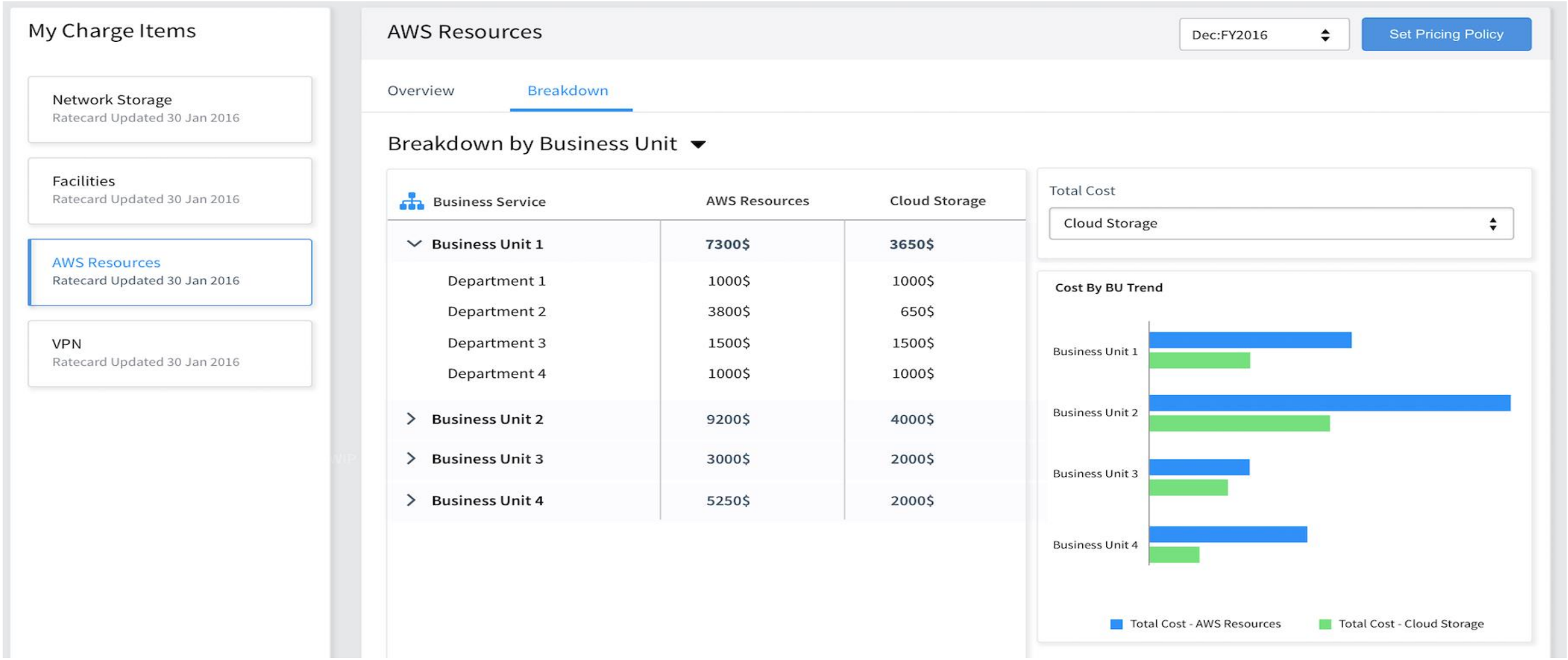
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Service Owner Console – Catalog Connected



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Service Owner Console – Breakdown by consumer



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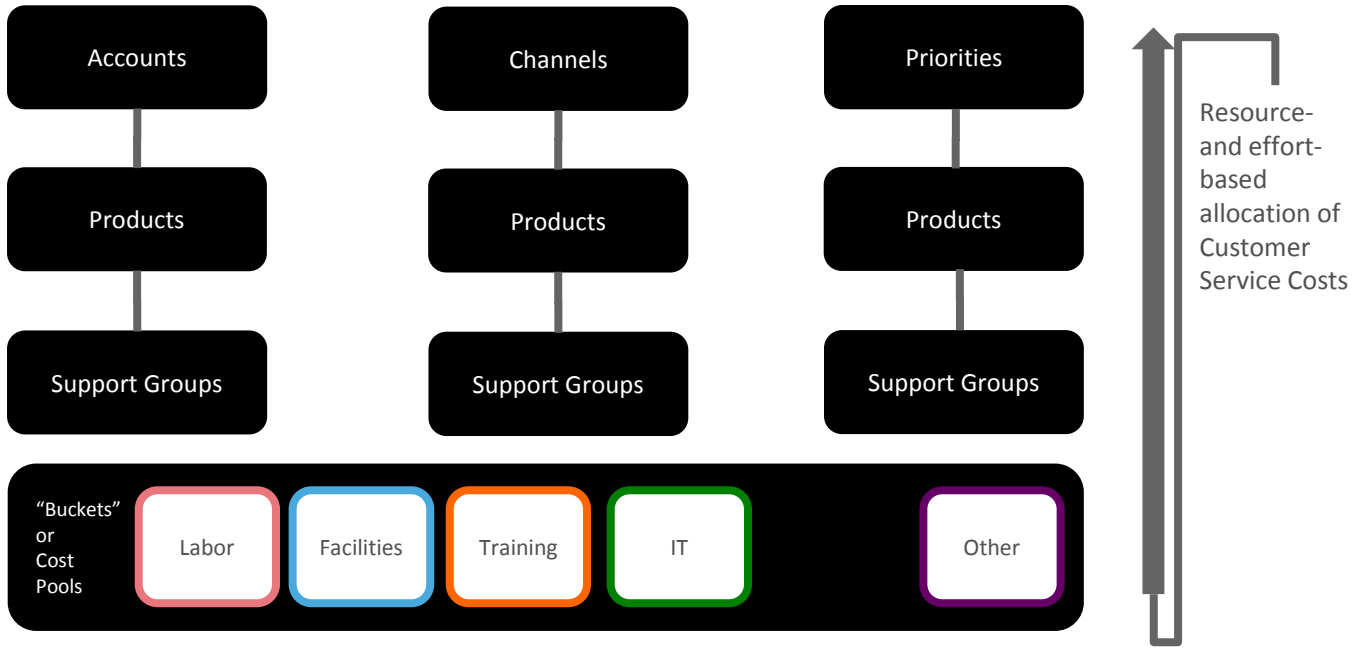
Summary for Service Charging

- Showback / Chargeback – based on cost model, service catalog or external source
- OOTB reporting for: consumers, service managers & IT analysts
- Service Catalog Integration
- Dispute process

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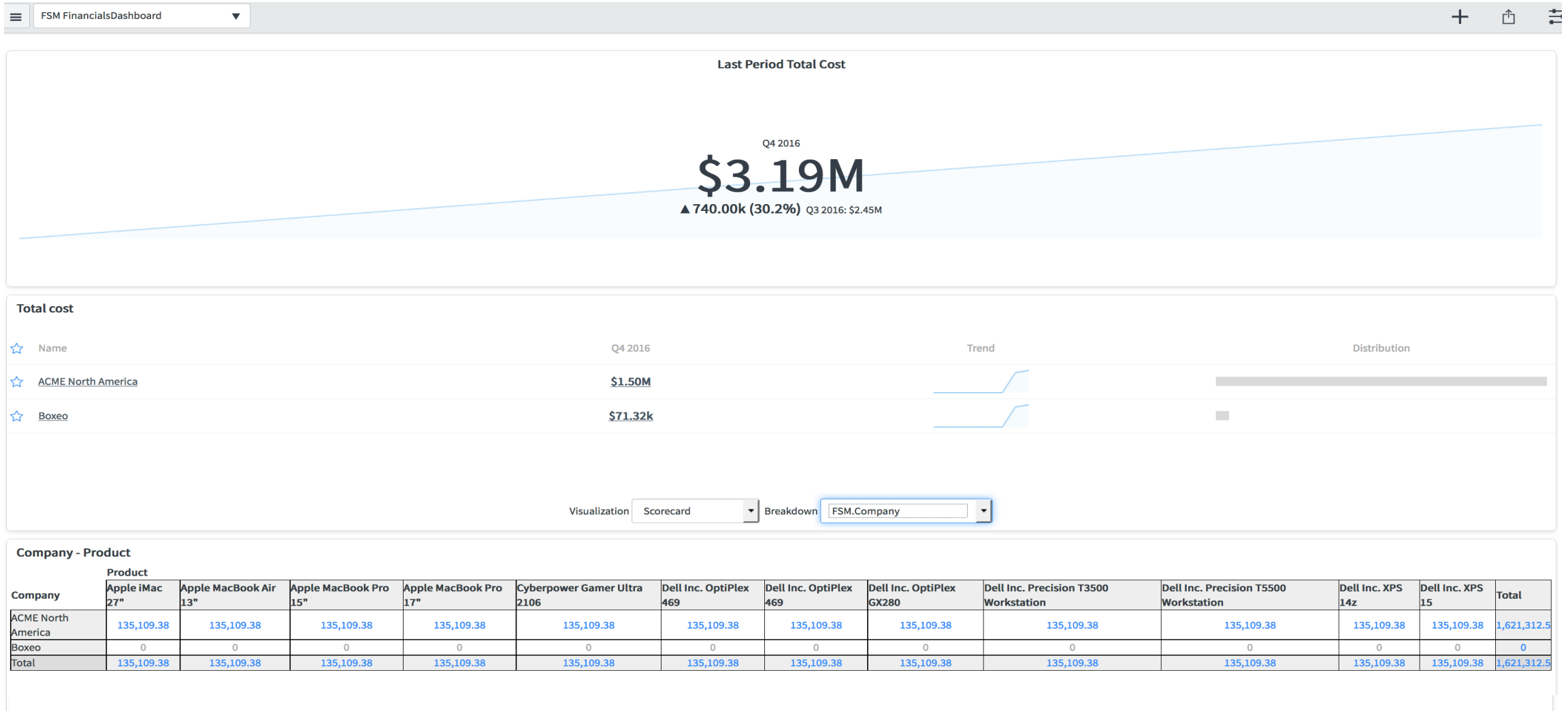
Cost Transparency for Customer Service Management

As Head of Customer's Services I suffer from poor operational efficiency and higher costs. High cost in providing support to customers. Product and Operations teams cannot get accurate insights to a cost of a technician and different cases. In addition It is also challenging to forecast required budget for supporting customers.



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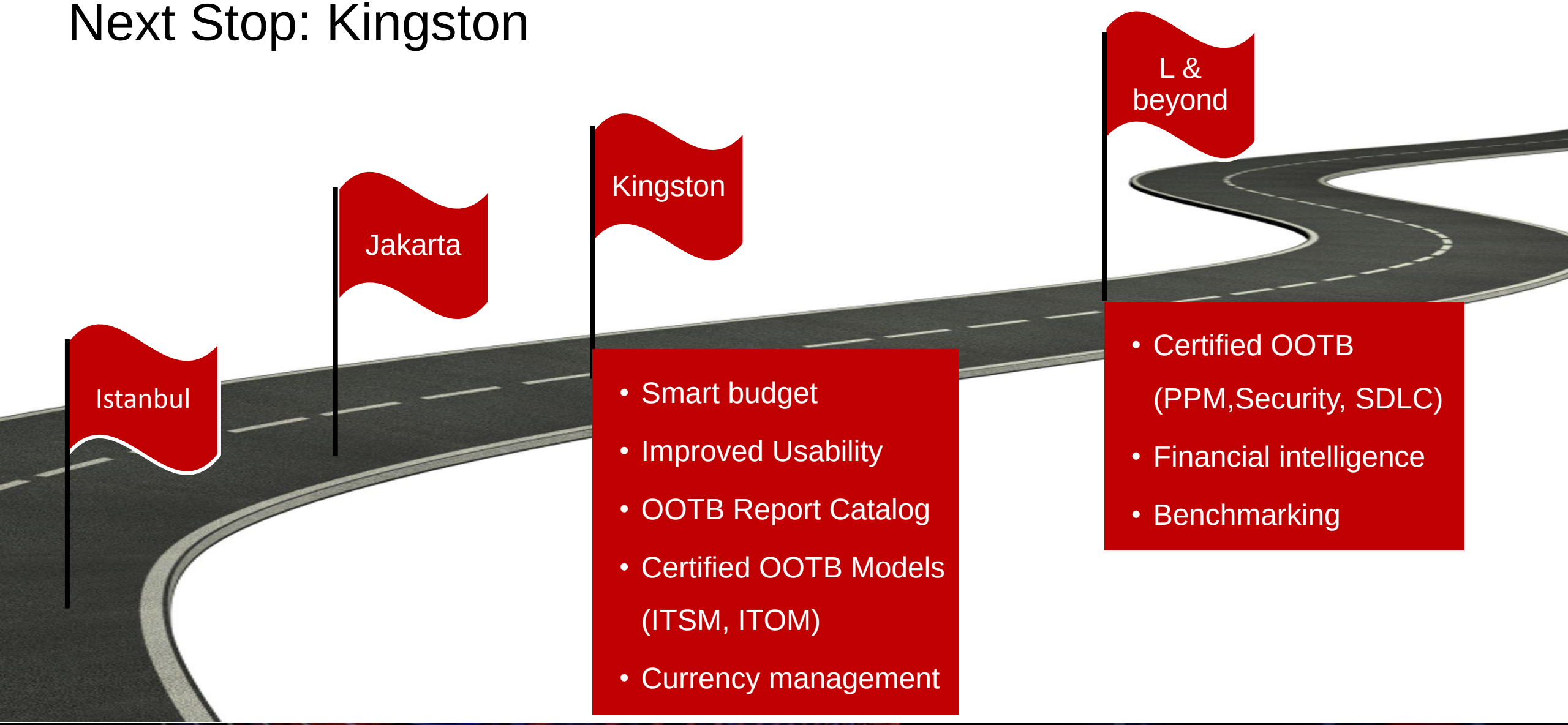
Financial Management for Customer Service Management



Company	Product: Apple iMac 27"	Apple MacBook Air 13"	Apple MacBook Pro 15"	Apple MacBook Pro 17"	Cyberpower Gamer Ultra 2106	Dell Inc. OptiPlex 469	Dell Inc. OptiPlex 469	Dell Inc. OptiPlex GX280	Dell Inc. Precision T3500 Workstation	Dell Inc. Precision T5500 Workstation	Dell Inc. XPS 14z	Dell Inc. XPS 15	Total
ACME North America	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	1,621,312.5
Boxeo	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	135,109.38	1,621,312.5

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Next Stop: Kingston



- Smart budget
- Improved Usability
- OOTB Report Catalog
- Certified OOTB Models (ITSM, ITOM)
- Currency management

- Certified OOTB (PPM,Security, SDLC)
- Financial intelligence
- Benchmarking

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Smart Budget – addressing the pain

Spreadsheet Hell

- 30+ tabs
- 4-6 months cross team effort
- Labor intensive
- Requires constant updates

Low Value High Risk

- Error prone
- Slow & Late
- Not scalable or secure
- Backward looking

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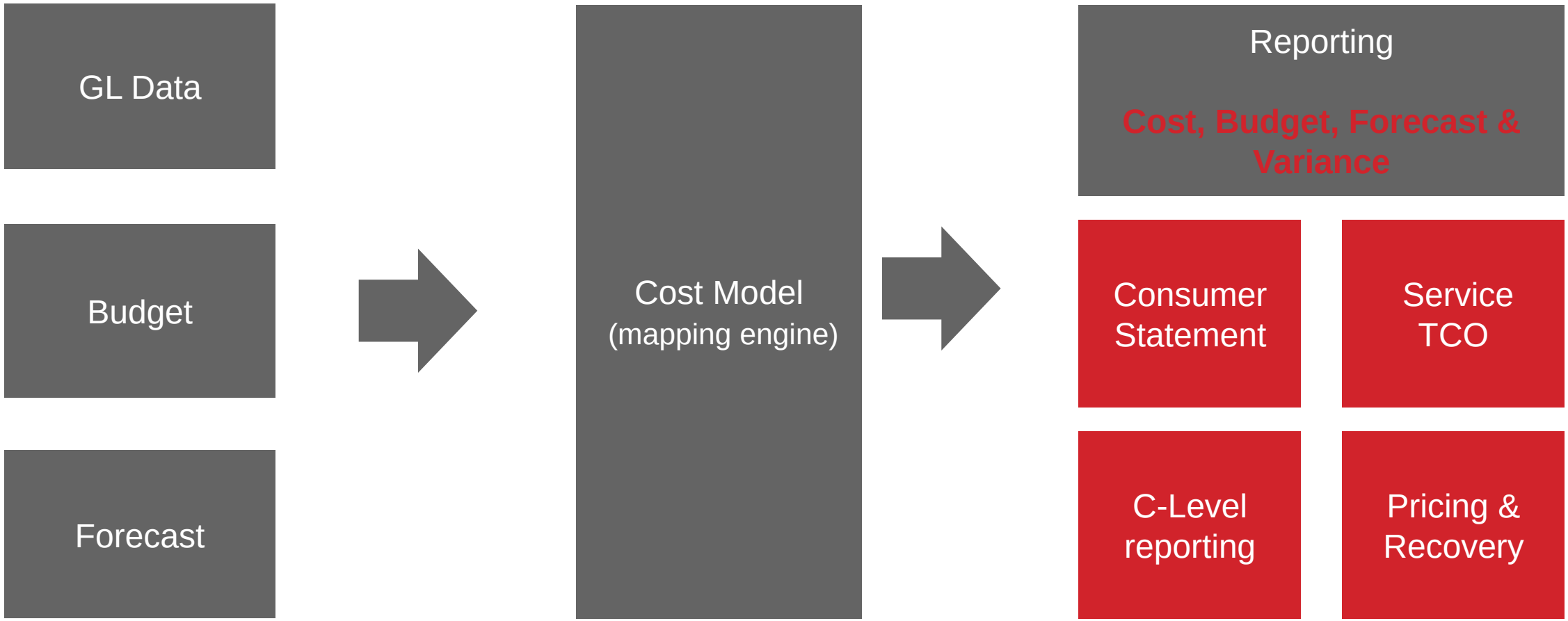
Smart Budget - dramatically simplify financial planning

- ✓ **Smart Forward Looking** – consumption based forecasting & machine learning insights
- ✓ **Secure** – role based access
- ✓ **Fast & Easy** - Workflow best practice standardized process
- ✓ **Controlled** – versions, approvals & timeline
- ✓ **High Value** - built-in insights & dashboards help you compare, analyze and communicate the new plan.

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GL based planning - High Level Architecture

Budget at the **GL level** but **leverage cost model** to generate budget for **ALL cost objects**



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Pre planning prep

Planning window opens

First version due

Plans due date

Commit budget



Finance

- Design planning template
- Set plan goals

Push template task to budget owners

- Monitor plan progress
- Approve/reject plans
- Rollup plans (single / multiple currencies)

Commit budget and sync with ERP



Budget owner

- Receive plan goal
- Suggest plan (smart budget/manual)

Submit plan

- Revise plan (if need)

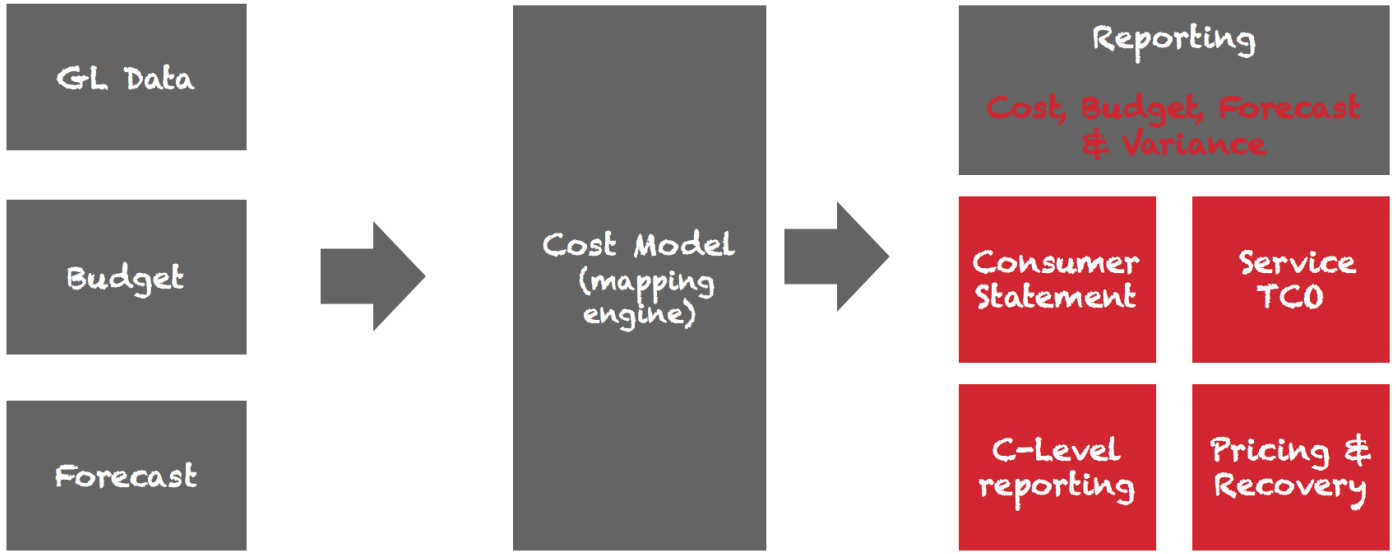
Submit plan

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Smart Budget: It's *your* choice

Option 1: Upload your own file

- Enable budget file upload to the cost model
- Enable Allocation Adjustment to future months (budget)
- Enable reporting on Budget and variance for each cost object



Option 2: Move away from spreadsheet acrobatics

- Replace manual error prone process with a single system of record
- Excel like interface keeps existing functionality, ServiceNow intelligence engine adds value
- Workflow, Role based process, OOTB reports and value

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Finance Dashboard: Now it's easy to lead

2017 Plan (vs baseline) :
$330M (+$30M)

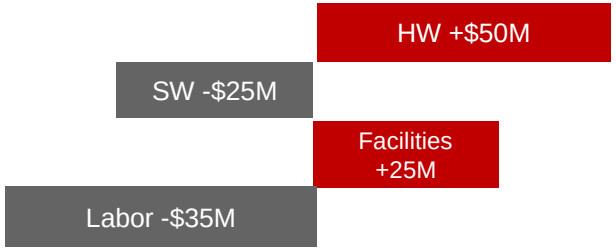
Variance from Previous Year Spend:
+$45M (15%)

% Complete: 65%

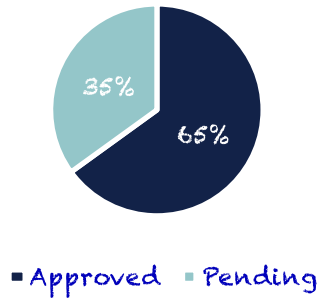
Plan Versions



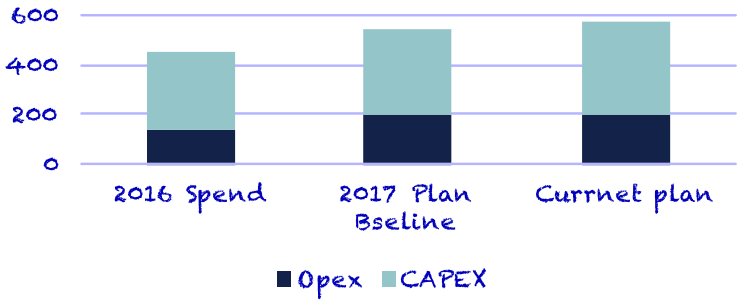
Variance by Expense Account



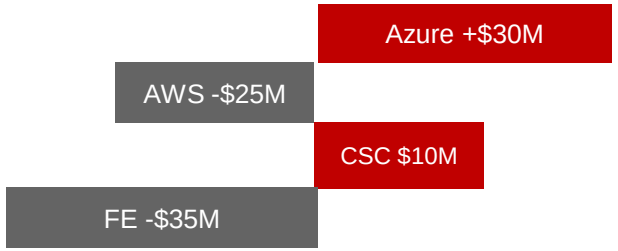
% Budget Approved



Opex vs Capex



Variance by Vendor



Pending Budgets per owner

Budget Owner	$ Pending	$ Approved	% Complete
Lord Voldemort	250	0	0%
Harry Potter	120	20	14%
Hermione Granger	80	10	11%
Ron Weasley	30	90	75%

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Improved Usability



Certified Out of the box models

Expert designed financial models, applied to your data



Simple. Easy. Familiar

Workflow based process, excel like functions



Action Based on insights

Role based Rich catalog with out of the box dynamic reports and observations

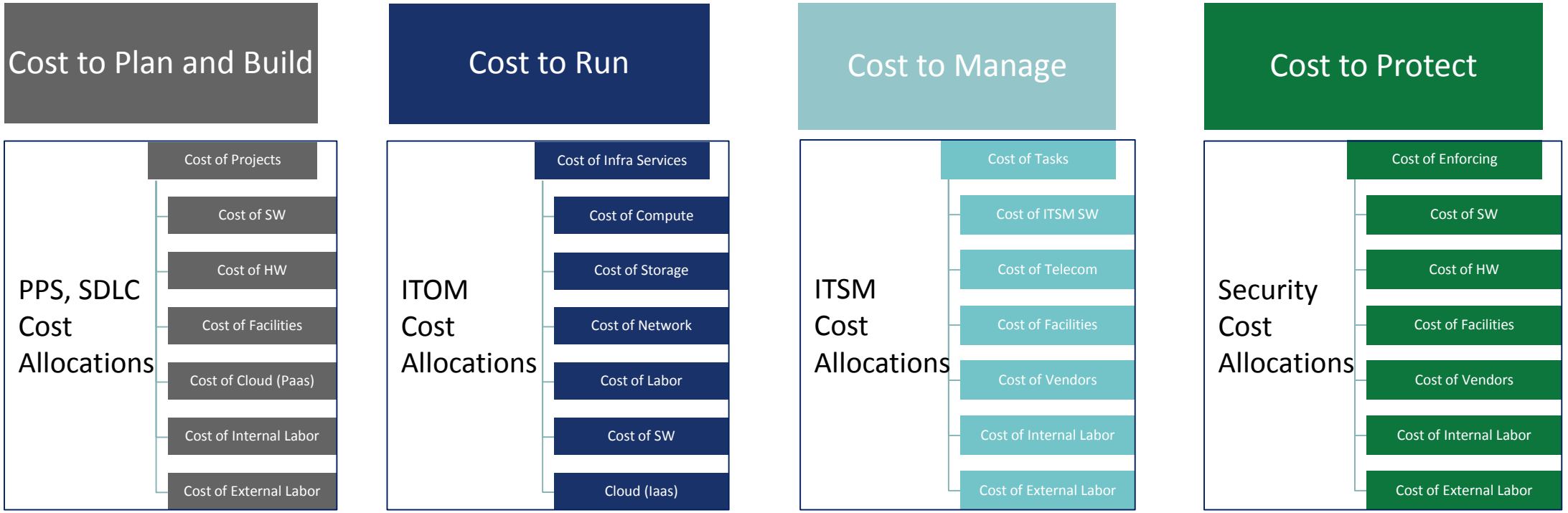
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Certified out of the box models

ServiceNow Service Taxonomy Definition

Cost of Business Units

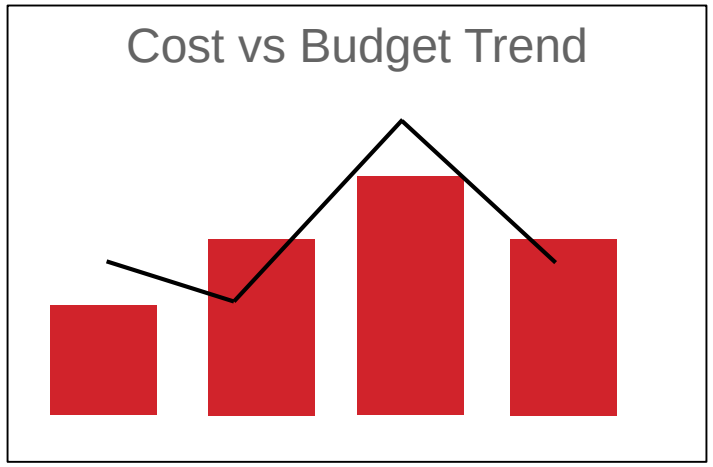
Cost of Business Services and Applications

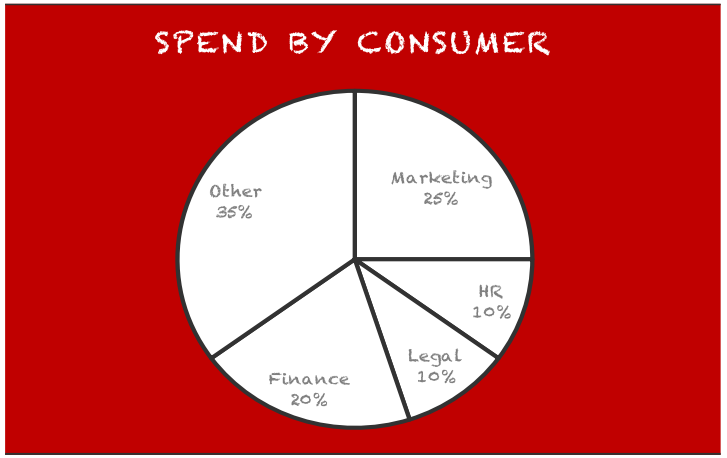


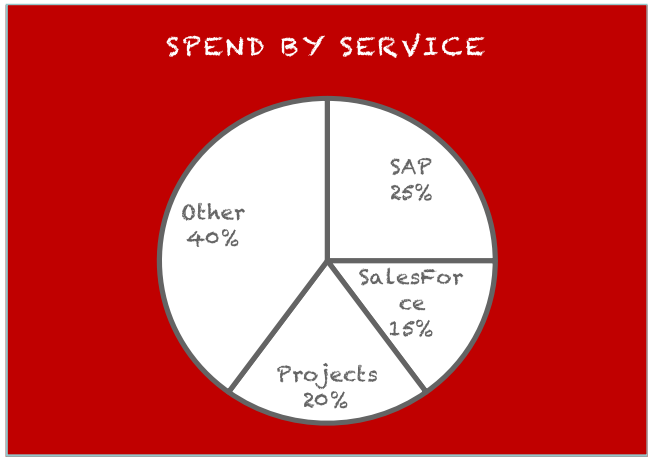
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Out of the box report catalog: CIO Dashboard

Current Month Cost $25M	Budget: $24M	Variance : **$1M (+4%)**







Department	Cost (vs budget)	YTD Cost	YTD Budget	YTD Variance	Adjusted FY Forecast
Finance	$350K (+$68K)	$1.2M	$980K	+$200 (20%)	$4.8M (+$800K)
Marketing	$242K (-$12K)	$800K	$790	-$10 (12%)	$3.1M (-$372K)

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Q & A

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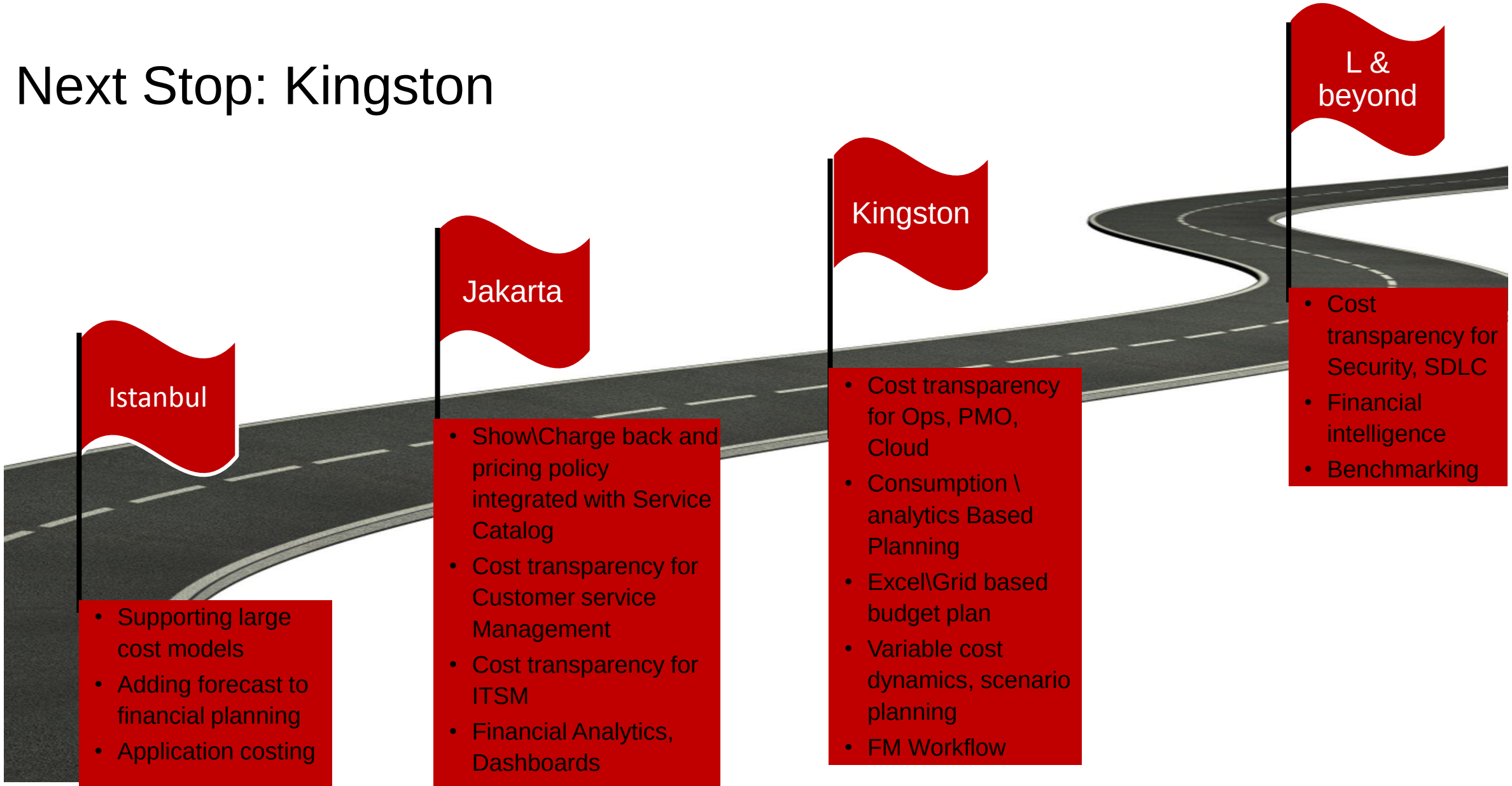
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More Questions?



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Next Stop: Kingston



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