knowledge17

http://clabs.link/lab132028

WORK at LIGHTSPEED

# ITFM 201: Show Me the Money! ServiceNow Service Charging


Youli Ashkelony
*Sr. Outbound Product Manager, Financial Management*
ServiceNow

Alex Nesanelis
*Inbound Product Manager, Financial Management*
ServiceNow


© 2017 ServiceNow All Rights Reserved

servicenow

# 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)

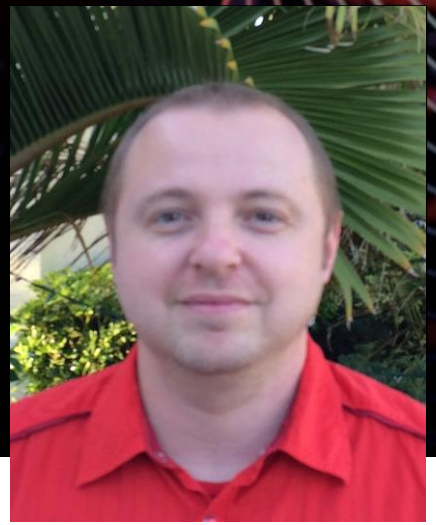
Enjoys hiking, Pilates, tennis.

Joined ServiceNow in February 2017



© 2017 ServiceNow All Rights Reserved

# 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



© 2017 ServiceNow All Rights Reserved

# Agenda

- Introduction & Overview
- Cost Modeling Lab
  - Lab 1-3: Data Preparation
  - Lab 4-5: Cost Pools Bucketing
  - Lab 5-6: Cost Allocations
- Lab Wrap-Up
  - Review Cost Model
  - Reporting Demo
  - Q&A


© 2017 ServiceNow All Rights Reserved

# What Are You Paying For?

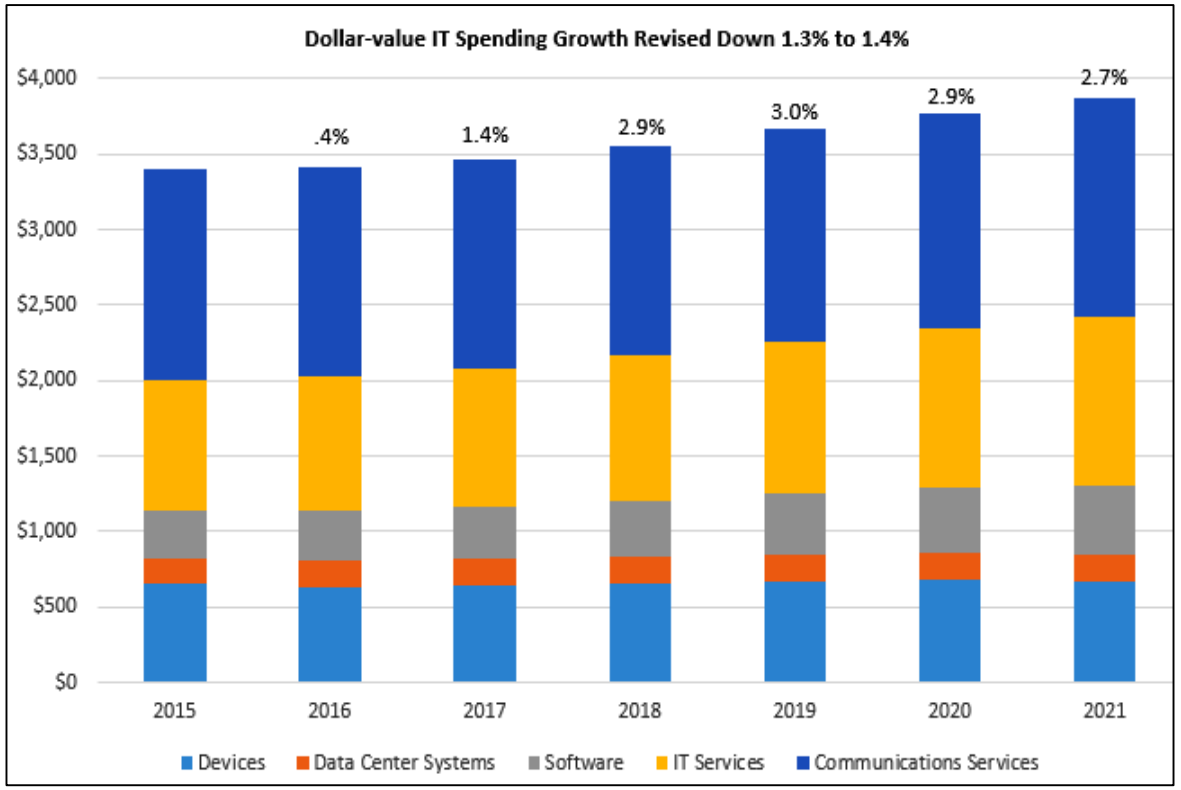




© 2017 ServiceNow All Rights Reserved

# Continuous Rapid Growth








© 2017 ServiceNow All Rights Reserved

# Counter-Intuitive Increase in Spending

If the Beetle improved at the same rate as microchips….



The VW Beetle would go 300,000 miles per hour at two million miles per gallon of gas, and all that for the mere cost of 4 cents."

(Brian Krzanich, Intel CEO)



© 2017 ServiceNow All Rights Reserved

# IT Finance Challenges



#1 IT is perceived as expensive low-value provider

#2 No consumer accountability

#3 No data to support decision making

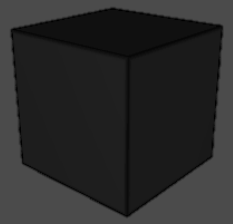


© 2017 ServiceNow All Rights Reserved

# It’s Time to Update the Menu

## MENU

**All meals come with a side of spreadsheet Kung Fu**



**Black Box**

Inaccurate

Complex

Not scalable

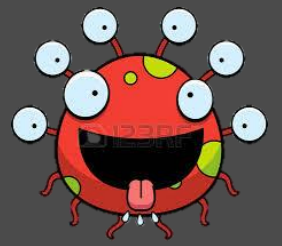


**Peanut Butter Spread**

Simple

Unfair

No value



**Hungry Monster**

Low Value

High cost

Time-consuming



© 2017 ServiceNow All Rights Reserved

# 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



© 2017 ServiceNow All Rights Reserved

Financial Modeling

# Replace the Black Box

Expenses Source

Expenses
$$$




Consumers
(BU/ Department)

Finance

Marketing

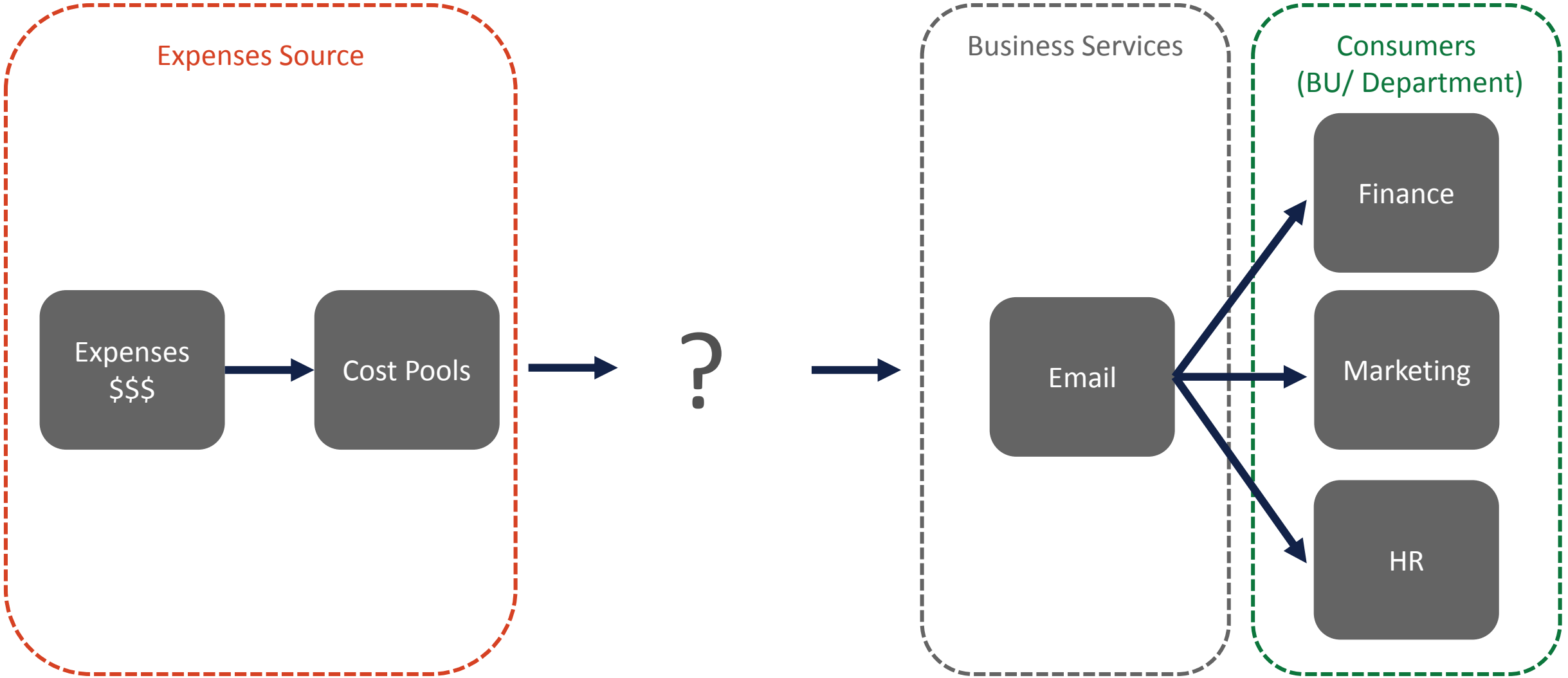
HR



© 2017 ServiceNow All Rights Reserved

Financial Modeling

# Map Your Expenses

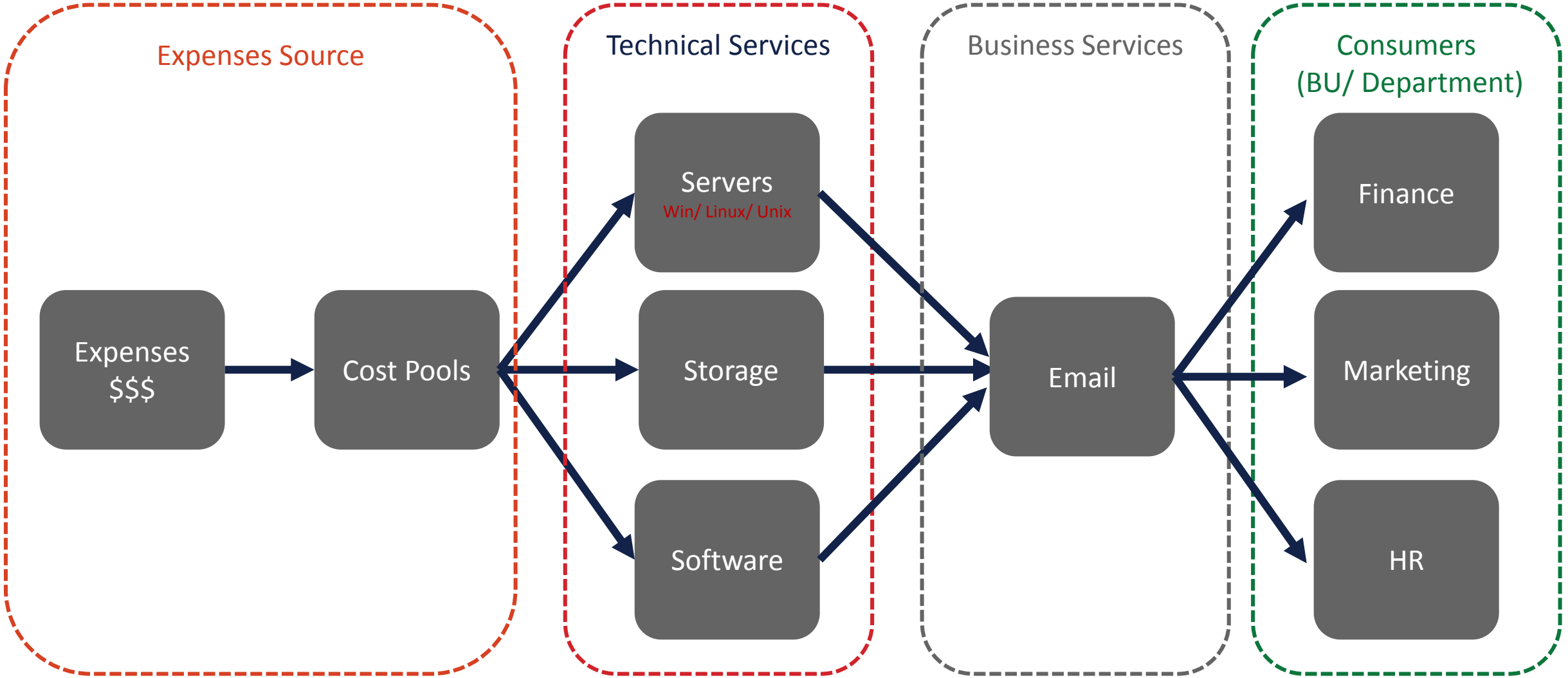




© 2017 ServiceNow All Rights Reserved

Financial Modeling

# Cost Your Services

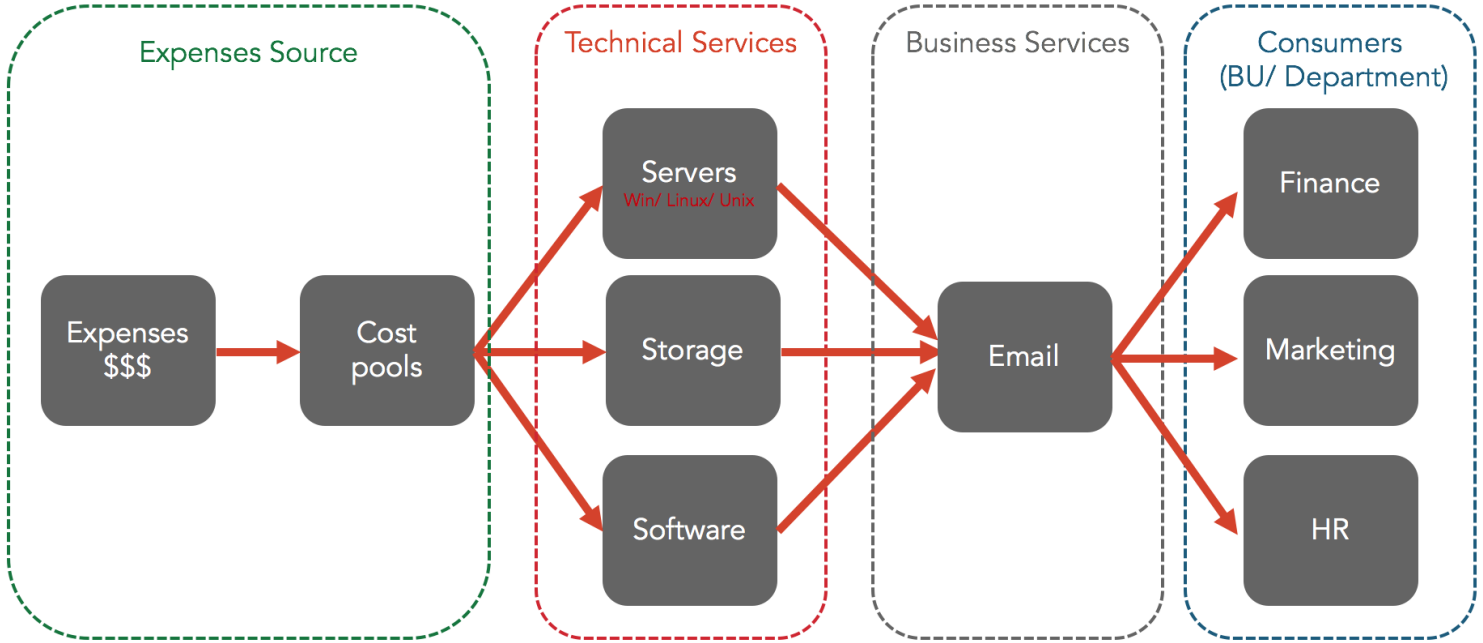





© 2017 ServiceNow All Rights Reserved

# Let's Get Started!

- Expense Sources
  - Lab 1: Review GL Data
  - Lab 2: Data Definition
  - Lab 3: Data Cleansing
  - Lab 4: Cost pools bucketing
- Service Allocations
  - Lab 5: Allocation data
  - Lab 6: Allocation setup
- Lab Wrap-up
  - Review cost model
  - Reporting demo





© 2017 ServiceNow All Rights Reserved

# Lab 1.0: Review GL Data



© 2017 ServiceNow All Rights Reserved

# General Ledger Data in ServiceNow





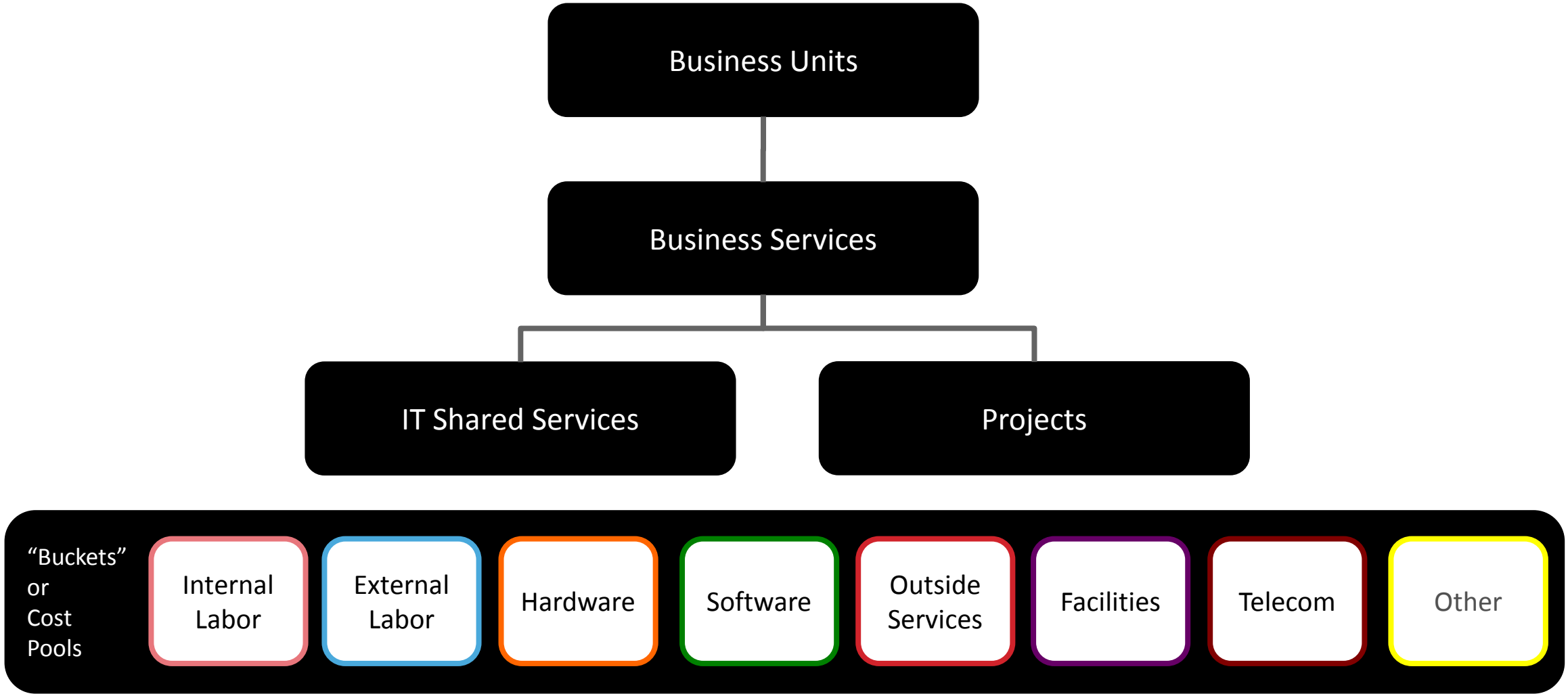
© 2017 ServiceNow All Rights Reserved

# Lab 2.0: Data Definition

#Know17 | http://clabs.link/lab132028

© 2017 ServiceNow All Rights Reserved

# Chart of Accounts Hierarchy





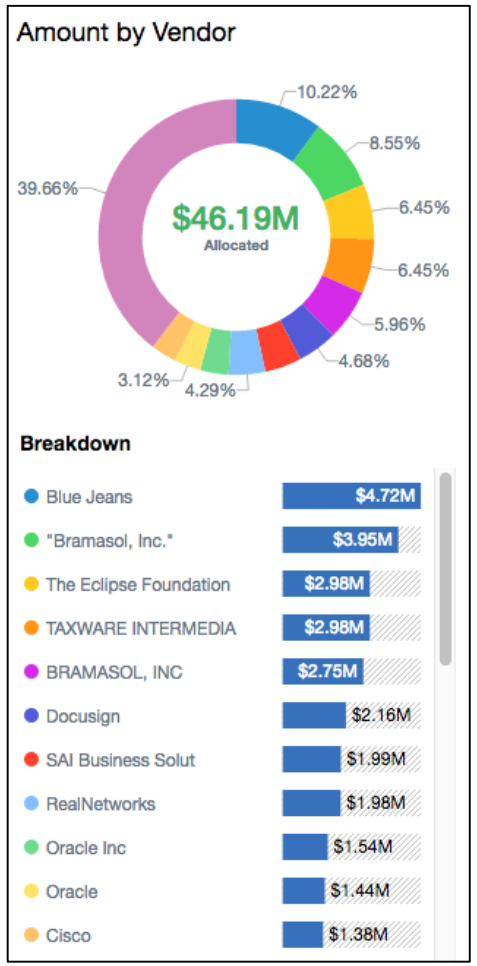
© 2017 ServiceNow All Rights Reserved

# Lab 3.0: Data Cleansing



© 2017 ServiceNow All Rights Reserved

# Data Cleansing - “Po-TA-to, PO-ta-to”




- Expenses posted from Accounts Payable are often inconsistent
  - “Acme Corporation”, ACME CORP, Acme Corp. International
- Sometimes it is used to help categorize spending
- Sometimes it needs to be allocated to specific departments, cost centers, or services

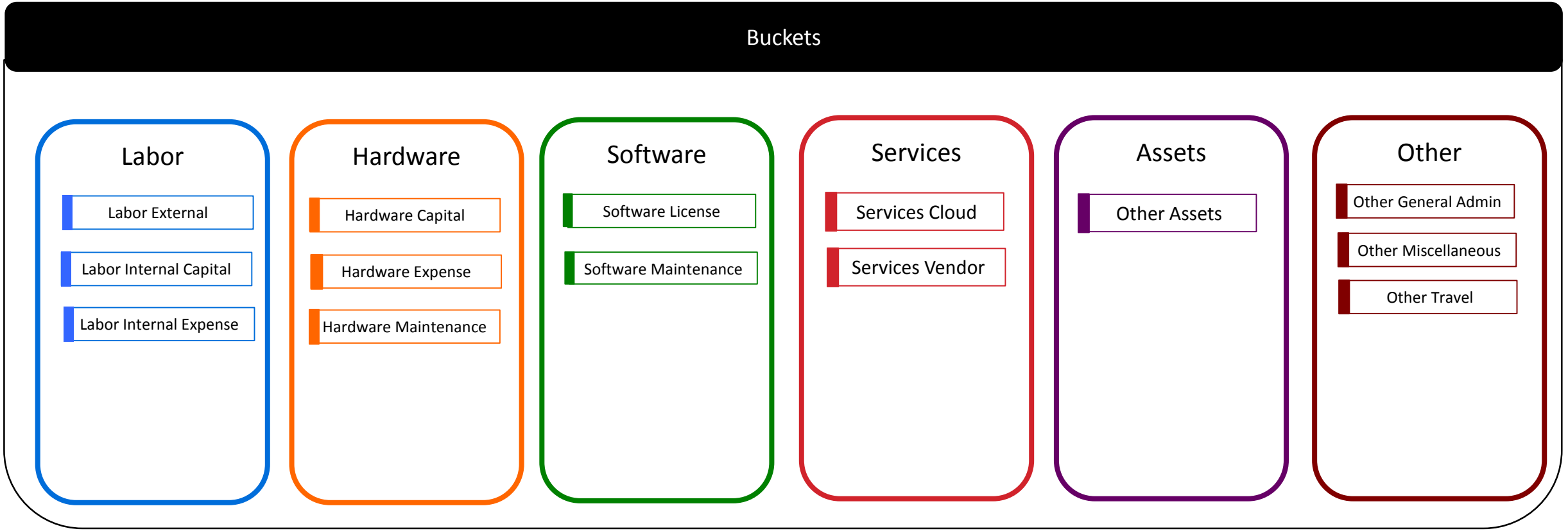

© 2017 ServiceNow All Rights Reserved

# Lab 4: Cost Pools Bucketing



© 2017 ServiceNow All Rights Reserved

# ServiceNow Default Buckets (Categories of Spending)





© 2017 ServiceNow All Rights Reserved

# Lab 5.0: Allocation Data



© 2017 ServiceNow All Rights Reserved

# Importing Consumption Information into ServiceNow

| | A | B | C |
|---|---|---|---|
| 1 | Business Unit | Headcount | |
| 2 | Finance | 19 | |
| 3 | HR | 134 | |
| 4 | IT | 233 | |
| 5 | Legal | 15 | |
| 6 | Marketing | 91 | |
| 7 | Sales | 296 | |
| 8 | | | |
| 9 | | | |
| 10 | | | |


© 2017 ServiceNow All Rights Reserved

# Lab 6.0: Allocation Setup



© 2017 ServiceNow All Rights Reserved

# Expense Allocation

ERP System

Actual
IT
Costs

Monthly GL
Extract

ServiceNow

Scheduled Import
Into ServiceNow

CMDB

Cleanse | Bucket | Allocate | Publish

ITFM

Consumption Metrics

**Reporting & Analysis**






© 2017 ServiceNow All Rights Reserved

# Now Show Me the Money!!!



© 2017 ServiceNow All Rights Reserved

# Thank You

**Lab Sponsored by Microsoft Azure**




Youli Ashkelony
*Sr. Outbound Product Manager, Financial Management*
ServiceNow

Alex Nesanelis
*Inbound Product Manager, Financial Management*
ServiceNow

#Know17 | http://clabs.link/lab132028

© 2017 ServiceNow All Rights Reserved