

# Service Cost Analysis

*Develop informed investment strategies that reflect your business's values by revealing the true cost of service delivery*

## Challenges

The rise of commercially available cloud services has given business users direct visibility into the cost of IT service delivery. Internal IT departments rarely provide similar visibility concentrating financial analysis on technical components or on IT provision as a whole. The value of an unpriced service is impossible to measure leading many business users to procure services from external sources, bypassing IT altogether. While an effective tactical solution, the use of "Shadow IT" threatens governance, compliance and fragments IT budgets.

CIOs who are unable to quantify the cost of service provision are unable to determine its value, provide market comparisons, or align services with the strategic direction of the business.

## The Accordant Answer

Accordant offers its *Service Cost Analysis* service to help CIOs determine the real cost of a service including development, design, provision, and support. Using data from HR, external software and hardware providers, data centre management, service desk and development teams Accordant builds a flexible cost analysis model so show real service costs.

Accordant helps its customers compare cost with value to ascertain whether the service is over- or under-funded, and whether it is of strategic importance to the organisation, or should be decommissioned.

## Service Approach

Accordant uses a proven methodology to map your costs through the value stack. A typical engagement comprises the following key stages:

1. Understand or define the service portfolio
2. Determine costs for infrastructure, applications, development, support and maintenance, taking into account shared infrastructure and platforms
3. Establish a fully burdened service cost
4. Compare service cost to business value and determine its strategic importance to the organisation

## Key Benefits

- ✓ Cost transparency between IT and the business
- ✓ Direct assessment of a service's value to the business
- ✓ Enabled cost comparison between providers
- ✓ Enhanced IT financial budgeting
- ✓ Realignment of effort and investment to reflect business objectives

