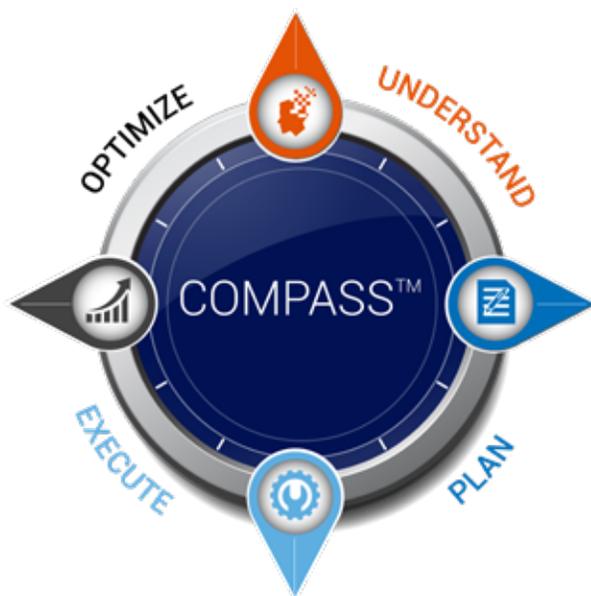# LMĨ

COMPASS™: A TBM Approach for Federal Agencies

The first step to controlling costs is understanding how much is being spent as well as where and why—not an easy task. Federal CIOs need support in capturing the full extent of the IT footprint within their agency. To address this challenge, CIOs are turning to Technology Business Management (TBM), "an IT management framework that implements a standard IT spend taxonomy."[1] Just as generally accepted accounting principles enable clarity in comparisons of financial reporting, TBM helps stakeholders understand an organization's IT portfolio, particularly in terms of cost efficiency relative to performance. LMI's TBM expertise and innate understanding of federal agency requirements will help you chart your IT cost transparency journey.

Find Your Way with COMPASS™

LMI's TBM advisory service approach, COMPASS™, blends best practices in IT financial management, governance, and management processes with lessons from our internal TBM implementation and that of customers. COMPASS™ focuses on the entire lifecycle of an IT portfolio, from data discovery and business case selection to budget execution and service delivery optimization. COMPASS™ puts leaders on the same page regarding the services provided and consumed and supports value-added management for defensible, data-driven decision-making.

Understand Your Data

We begin by using COMPASS™ in a comprehensive IT portfolio discovery and mapping process. We identify systems of record for IT financial and resource management along with other authoritative data sources. Then we perform extract, transform, and load processes to align data to the standardized TBM taxonomy—bringing disparate agency-wide data into a single enterprise snapshot. This snapshot affords agencies greater transparency into the cost, consumption, and performance of their IT resources and acquisitions, including services and applications purchased outside the CIO's office.

Bringing "shadow IT" to light ensures the most accurate accounting of an agency's total IT consumption. Reducing or realigning shadow IT helps an agency optimize its portfolio and find cost savings to address other resource challenges. Our data discovery and mapping process also enables leaders to identify data gaps—such as how spending fluctuates at different times of year—that, once remedied, improve allocation and tracking strategies.

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[1] "Technology Business Management," https://www.cio.gov/priorities/tbm/.

Plan Your Roadmap

Once mapped to the TBM taxonomy, projects, systems, and services can be allocated to investments, which can in turn be allotted in support of targeted agency business units and mission areas. But how do you know which areas deserve the most investment?

LMI leverages COMPASS™ to help agencies map their strategic plan, working with leaders and stakeholders to define TBM implementation objectives—what success looks like in the context of mission needs and agency priorities. We then establish guidelines that maximize strategic alignment of investments to business outcomes and evaluate business needs and requirements for operations and maintenance as well as development, modernization, and enhancement investments. We also advise on application rationalization, solution architecture optimization, and the development of defensible cost estimates, cost structuring, modeling, and the business case selection and review processes.

Execute the Roadmap

Following the established roadmap and guidelines, agency leaders can allocate funds and track their IT investment portfolio with greater confidence. LMI tracks spending against the planned budget and provides analyses such as industry-standard metrics, peer benchmarking, and the performance of investments throughout their respective lifecycles.

At this stage, LMI also incorporates TBM taxonomy into contracting and acquisition processes. Structuring contracts to capture the direct and indirect costs of individual components (e.g., hardware, software, and labor) within an investment reinforces the approach across other work streams. This benefits transparency and management efforts and positions the organization to pursue automated TBM processes as it matures.

Optimize Delivery

LMI's COMPASS™ method enables agencies to pursue continuous service delivery improvements. We advise agency leaders on ways to leverage enhanced cost transparency and operational efficiencies to add value for internal and external stakeholders. We also facilitate data-driven decision-making around IT modernization efforts such as cloud migration, change management, application rationalization, and enterprise architecture management.

Our COMPASS™ approach to TBM empowers agencies to have defensible, data-driven conversations throughout their organization, puts agency leaders and key stakeholders on the same page regarding IT, and enables the CIO office to become an effective partner to the agency mission. We understand the importance of a successful TBM journey for your agency. Let us be your COMPASS™.

About Us

LMI is a consultancy dedicated to improving the business of government, drawing from deep expertise in advanced analytics, digital services, logistics, and management advisory services. Established as a private, not-for-profit organization in 1961, LMI is a trusted third party to federal civilian and defense agencies, free of commercial and political bias. Headquartered in Tysons, VA, LMI has 1,400 employees nationwide.

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