7 Steps to Migrating Off Apptio™

Your guide to advancing your TBM and ITFM goals while mitigating implementation risks

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Introduction

Former GE CEO Jack Welch once famously said, "Change before you have to."

It's a reminder that change is a constant, and those who are successful are the ones who lead change rather than just react to it.

IBM's recent acquisition of Apptio has raised big questions about what changes might be coming for users, especially for those already frustrated with Apptio's performance and usability issues*.

One global manufacturer, for instance, was struggling with:

- Extended processing times
- Problems loading data into multiple Apptio modules
- Having to continuously validate their data
- Lacking data automation
- No access to accurate actuals against their budget plan

When news of the acquisition surfaced, they wondered what it would mean to have all their pricing on vendors—many of which are IBM competitors—exposed to IBM. Add in a strained relationship over the fact that Apptio wouldn't prioritize their product requests, and it became clear it was time for change.

Their solution was to switch to Nicus, which allowed them to accelerate forecasting updates, unlock decision-ready insights and reduce ITFM costs— all while gaining a true partner who immediately delivered on a new feature request.

The lesson: while change is hard, there's no telling what results await beyond the finish line.

For those wondering if now is the time to migrate off Apptio, this seven-step guide explores key elements to consider throughout the process, including:

- The business case for change
- What to look for in a new solution and vendor partner
- One often-overlooked ingredient to ensure a successful software implementation

Assess Your ITFM Program

If you're thinking about migrating off Apptio, the first step is to assess your existing TBM or ITFM processes to gauge the need for change. Below are some questions to ask to determine the need and impetus for change.

Do You Have Executive Buy-In?

Executive buy-in is critical to any software implementation or migration initiative. It's especially important that the CFO and/or CIO are sponsors, since otherwise the project is unlikely to get off the ground. If the answer here is no, in Step 2 you'll find tips on how to build your business case to secure executive sponsorship.

What Are Your Goals?

Getting clear on your goals—and whether Apptio has helped you meet them—can provide important direction when you make the move to find a new solution.

From a high-level standpoint, every organization is typically looking to achieve one of three things with its ITFM program: efficiency, cost optimization or value. By value, we mean not only delivering value but being able to demonstrate value to other stakeholders beyond IT, including the office of the CFO. Identifying which one is your primary goal will help you build your business case and mission-critical use cases, while also helping guide conversations with vendors.

IT Efficiency Cost Reductions	IT Optimization Capacity & Utilization	IT Value Assessing the Value of IT
How can IT reduce costs?	Is our IT expense right for our company?	Are we investing in IT the right way?
What is the impact of cutting IT costs?	Do we have the right amount of IT?	Does IT align with Enterprise Strategy?
How can we provide IT expense driver transparency?	How can we address capacity and utilization?	Does IT align with Business Decisioning?
How can we expose cost reduction decision levers?	How do we expose decision levers to IT stakeholders?	How do we expose decision levers to the Business?

Where Are Your Gaps?

Here the goal is to identify the key reasons for change based on common Apptio gaps and what a better solution can deliver.

Common Apptio Gaps	Questions to Ask
Responsiveness	• Do the levers you pull to impact cost drive the change you expect to see in the numbers? • When leadership makes a decision, do you see the results in your modeling change? • Is "peanut butter spreading" of costs diminishing the impact of your decisions? Example: The cost of a CIO is spread across all applications, but removing an application doesn't remove the allocation of CIO costs to that application since you still have a CIO!
Flexibility	• Are you able to tailor reporting outputs to your unique business needs? • Can you provide stakeholders with granular, drill-down reporting that enables deeper data analysis?
Performance	• Are you happy with Apptio's processing time? • Can you scale your program at speed? • Does your Apptio cost model take hours to run when simple changes are made? • Can you answer leadership questions in a timely manner?
Credibility	• Can you show the detail behind the numbers when team members have questions? • Do your reports only show expenses, or do they combine expenses with operational detail? Being able to show unit costs lets you demonstrate how you're driving efficiencies to the organization, regardless of if your budget is going up or down.
Defensibility	• Does your cost model deliver inaccurate data that results in stalled business decisions? • Are the numbers accurate and therefore defensible to your stakeholders?
Repeatability	• Do you waste time loading data into different modules within Apptio? • Is your ITFM process repeatable without a heavy lift? • Is data import, validation and processing automated so you can focus on the results, or is each step a manual process that takes hours of your team's time?
Roadmap	• Are you comfortable with the Apptio roadmap now that it's part of IBM? Acquisitions like these often mean drastic turns for applications, with some phased out entirely.
Sustainability	• Is your program sustainable in terms of the time and resources required to keep it running? • Can you leverage the staff you already have to run your ITFM program, or do you need additional employees to run it?
Vendor support	• Do your feedback and requests to Apptio translate into actual product improvements? • Do you feel like Apptio works for you, or does it feel like they only do what's important to them?
Data privacy	• What does having your vendor pricing exposed to IBM, which recently purchased Apptio, mean for your business?

Build the Business Case

Building the business case is central to securing executive sponsorship and creating organizational momentum for change.

As you look at the costs, you'll need to consider three areas:

- Software purchase costs
- Budget for implementation
- Change management costs

These costs must be weighed against the potential benefits of switching from Apptio.

These benefits broadly fit into four categories, which we discuss in more detail below:
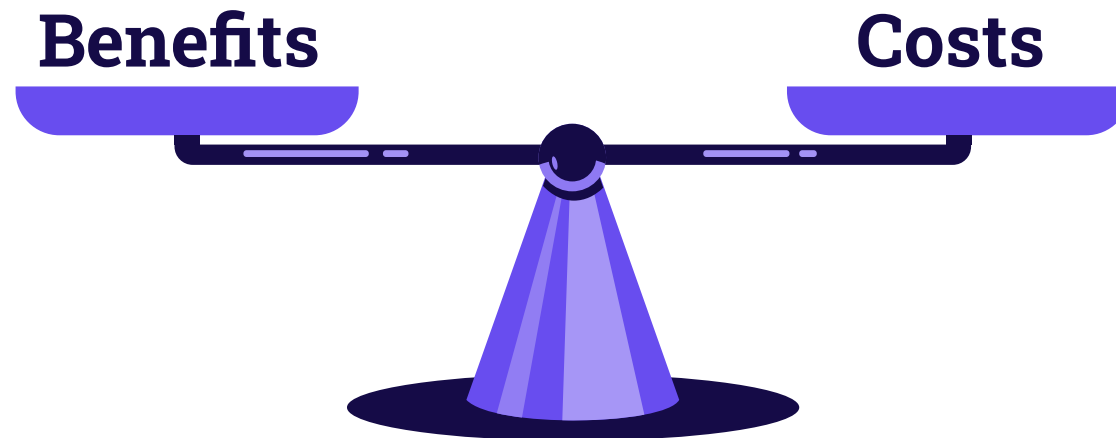
People

Technology

Process

Data

Benefits

Costs

People

In terms of people, you'll want to consider two key elements: the cost of hiring someone with specific Apptio development experience, and whether your vendor relationship is a true partnership.

Specialized Labor Requirements

Managing Apptio can require expertise not just in Apptio, but in the Apptio syntax, creating a bottleneck when only one person on your team can customize the software. This is because Apptio is not built on standard technologies such as a SQL relational database. In some cases, organizations hire Apptio to manage the solution. However, this means linking your ability to grow your ITFM program to Apptio's availability.

A solution like Nicus has a set of best practices that the team recommends and the out-of-box solution enables. If

anything needs to be tailored to your organization, Nicus can easily flex to your requirements. That's because it's built on universal languages such as SQL and Java, and most organizations already have SQL or Java developers in-house if additional customization is necessary.

Vendor Relationship

Some companies find there's very little actual partnership with Apptio in terms of how customers can influence product development.

If your feedback isn't incorporated into product improvements, it can feel like a very one-sided relationship. Given IBM's recent purchase of Apptio, how likely is it this will improve—or get worse?

Partnering with an ITFM vendor like Nicus that translates your input and requests into product enhancements is vital. Not only does your voice deserve to be heard, but you also deserve a long-term partner committed to collaboration and adapting the solution to your needs.

Process

Apptio is built around the TBM methodology, which can be helpful for those just getting started with ITFM. In fact, one former Apptio customers described Apptio as "a great stepping stone to Nicus." For those looking to grow their ITFM maturity, the TBM methodology can become a hindrance, creating limitations around flexibility and responsiveness.

Flexibility

It's not uncommon for companies to discover that Apptio isn't built to flex to their process. Questions to explore here include:

- How having to fit your process to Apptio's limitations may be impacting efficiency

- Whether Apptio can support the customizations you need, and how customizations may be slowing down the software's performance

- Whether tooling issues are creating an upper limit on ITFM maturity in your organization

With a solution like Nicus, there is no limit, as the software is built to flex to the specific processes you need to enable. Ultimately, it's this flexibility combined with industry best practices and guidance that makes Nicus exceptionally powerful.

Responsiveness

Apptio is built on the TBM model, which often gets implemented as a one-size-fits-all approach in terms of how companies allocate costs.

When your cost model isn't aligned with how IT delivers to the enterprise, however, this creates a disconnect between the intent and the actual value that stakeholders derive from IT. That disconnect comes in the form of false levers where changes don't drive the intended results, damaging the credibility of your ITFM program as a whole.

For example, imagine you spread network costs across applications and one particular application has 3% of network costs allocated to it. When you turn off that application, though, your network costs don't go down by 3% because the network still costs as much as it did previously. This is an inherent failing of how the TBM model is often implemented, which in some cases recommends "peanut butter spreading" of costs.

Creating cost models that are accurate, credible and responsive requires three things:

1. Numbers must be aligned accurately, which requires detail in terms of how you categorize them.

2. Teams must be able to drill down into the details behind the number to know that it's credible.

3. When you pull a lever to reduce costs, the costs should actually go away. In other cases, you might expect certain costs to increase due to investment, such as when addressing technical debt results in costs increasing in one area but decreasing elsewhere. In all cases, the model needs to respond as expected.

The bowtie effect (above) creates a disconnect between IT and the business that negatively impacts decision-making and the credibility of your IT financial management (ITFM) program as a whole. See Bowtie effect blog.

All of this requires a solution like Nicus that's designed to handle large amounts of information, which is simply not the case with Apptio. Apptio users often must shed detail due to performance issues in Apptio, so even though they have critical detail behind the numbers that could be included, they cannot use that detail in their model. This detail is of course necessary for a robust, defensible and credible ITFM program.

The big question here is, if the levers you pulled helped achieve your goals in terms of efficiency, optimization or value, what dollar amount would that deliver?

Details

Requests

Delivery

Reporting & Analytics

Variances

No Drivers

Need Insights
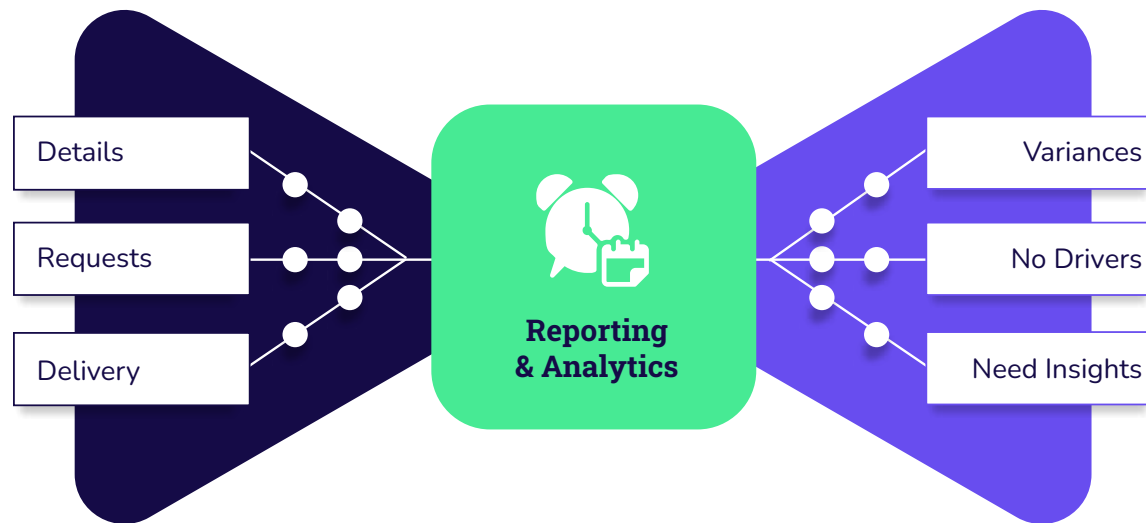
Technology

Technology limitations are a core driver of why many organizations ultimately switch from Apptio. To understand where Apptio may be holding you back—and what that's costing your company—you'll want to ask the following questions:

What's your speed to market on analytics?

Many users discover Apptio has serious performance and speed issues when trying to grapple with large volumes of data. When leaders have questions, a solution that requires days or weeks to get an answer can prevent you from making the best decision.

Are you wasting time on repeat work?

If you have to make cost center adjustments multiple times in Apptio because it isn't a relational database, what does this mean for you in terms of labor costs?

How does the lack of granularity in Apptio reporting impact your business?

Detail in the numbers is what drives defensible decisions, but Apptio wasn't built to handle the volume of data required to show that level of detail. Are you running multiple cost models for performance reasons and therefore not able to drill down into the numbers from a single dashboard?

How much is IBM likely to invest in Apptio product development?

When a large company acquires a small one—and in this case, likely for a different part of the Apptio business—it's common for priorities to shift. Whether or not IBM will fund further investments in Apptio (or if it might go away altogether) remains to be seen.

Nicus solves all of these problems, delivering granular, decision-level insights at speed while also partnering with customers to continuously improve the software.

Is ServiceNow a critical part of your IT infrastructure?

If so, running ITFM on ServiceNow can help you consolidate IT platforms and deliver even more value from your ServiceNow investment. While Apptio has an application that integrates data with ServiceNow, processing time is slow, unlike Nicus which has built a native ServiceNow application that allows you to run your ITFM programdirectly within ServiceNow.

Running ITFM on ServiceNow can also help validate the value of your investment in ServiceNow by connecting that investment to the business outcomes you expect it to deliver. For example, let's say youinvested in ServiceNow's Now Assist for generative AI with the goal of increasing IT productivity or accelerating resolution of customer or HR issues. Nicus can track the application's total cost of ownership (TCO) against those expected results to prove the return on investment in generative AI.

Data

Having credible, defensible and responsive data is the cornerstone of a successful ITFM program. Unfortunately for Apptio users, the platform has serious issues with data around validation and privacy. Questions to consider here include:

Can you validate the data and tie it to the source of record?

If you truly want to optimize your expense footprint, you need a system that provides the detail behind the numbers. As mentioned earlier, Apptio customers often have to sacrifice detail for performance reasons, which ultimately prevents effective decision making.

Is your team required to continuously validate the data rather than using it to drive decisions?

If data isn't credible, people won't want to use it to make decisions, as they won't want to be responsible for the result. Having to constantly validate the data calls into question whether it's truly credible, while also driving up labor costs to conduct this manual data validation step.

Can you afford a data breach?

IBM's recent acquisition of Apptio means your vendor pricing may now be exposed to IBM. Moving to Nicus can help protect your competitor data—and in turn your negotiating power—across your tech stack.

Outline Mission-Critical Use Cases

Once you've built the business case for change, the next step is to get clear about the problems you're trying to solve with a new solution. A detailed requirements-gathering isn't necessary at this stage. Rather, identifying mission-critical use cases is enough to generate productive discussions with potential vendors.

Typical Use Cases and Challenges

Detail	Performance	Reponsiveness
You're currently limited in the amount of detail Apptio can run, blocking stakeholders from understanding how they can actually optimize their footprint.	Extended processing times are reducing your speed to market, requiring extended timelines to answer questions. This reduces your ability to rapidly iterate on various scenarios, with the time and effort to do so coming at significant cost.	The TBM methodology can limit the responsiveness of your cost model, making it hard to track whether the right results come from the decisions you've made.

Below is a mission-critical use case template that you can use as you evaluate alternatives to Apptio

| Use Case	Why it Matters to You	Required Outcome from Vendor	Current Challenges
Example: Optimize cost footprint Empower business leaders to understand their IT costs and which levers to pull to reduce their cost footprint (e.g., application TCO)	We can't optimize technology without partnering with the business leaders who understand the impact of IT services they consume. For example, is it ok for us to consolidate these applications? Is it ok for us to turn this application off?	Cost model accurately depicts the dollars leaving the business/budget	We don't have sufficient detail in the current ITFM solution to be able to validate the line items making up the cost. We are constantly "peanut butter spreading" due to limitations of current cost model

Assess the Vendor Market for Alternatives

As you assess the vendor market for alternatives, you'll want to use a two-phase funnel approach in conducting a vendor analysis against your mission-critical use cases.

In phase 1, you'll start with a broad list of six to eight potential vendors. Here it can be helpful to engage an industry thought leader with experience in the space.

In phase 2, you'll want to narrow the field to a subset of two vendors to schedule product demonstrations with. These should be focused demos showing the future state or playback centered on what your mission-critical use cases will look like in the solution.

Phrase 1

Vendor 2
Vendor 4
Vendor 1
Vendor 5
Vendor 3
Vendor 7

Phrase 2

Vendor 1
Vendor 7
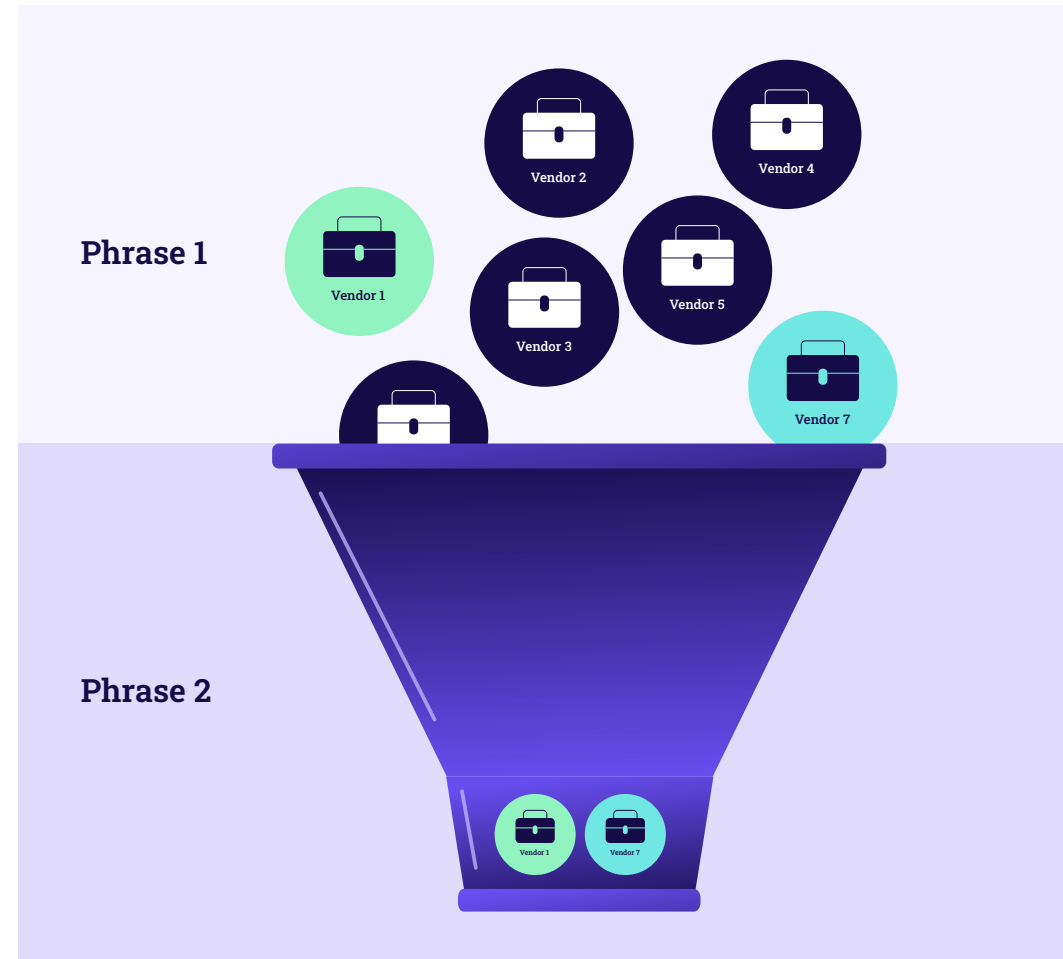
Solution Validation & Purchase

The solution you choose should provide demonstrated capabilities to meet your mission-critical use cases and help you grow your ITFM program to the next level of maturity. You also want to make sure you choose a vendor that's a true partner, one who will use your input on their product roadmap and evolve in line with your organization's needs.

Once you've made your decision, you'll need to evaluate your runway time in terms of contract overlap and when you need the new solution up and running. Below are some general guidelines to consider:

6–12 months prior to Apptio contract expiration:

Start your assessment and reach out to vendors

4–6 months out:

Select solution and begin implementation of new solution

2–3 months prior:

Run Apptio and new solution in parallel to help de-risk the process and validate outcomes

30 days prior:

Notify Apptio of non-renewal (check your contract)

0 days

Sit back, relax and celebrate with a cake!

Implementation

Forklift vs. Uplift

Many organizations think they will simply forklift their existing system over to the new solution. During implementation, however, they invariably discover new options that allow them to uplift their ITFM process and capabilities.

You're best positioned to drive this uplift when switching solutions, so if you have a list of things you wanted but couldn't do in Apptio, now is the time to identify them.
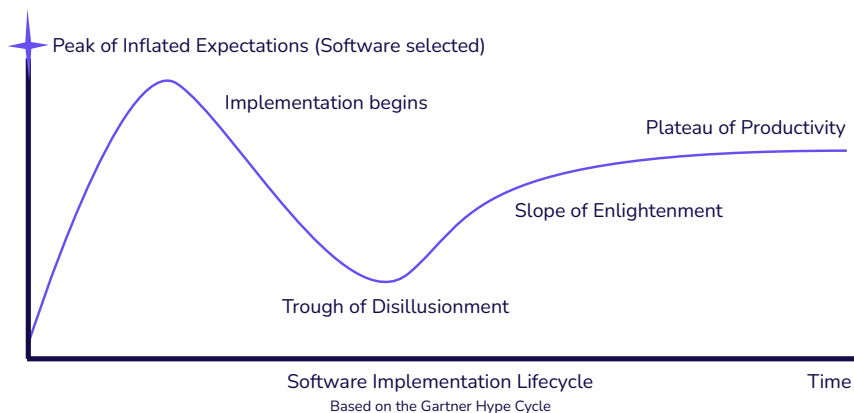
Avoiding the Trough of Disillusionment

In any software implementation, there comes a point where teams become disillusioned with the process.

So how do you minimize this? Work with a vendor who has a proven methodology and full solution set—not just software—to help guide you down the path of what's right for your business. As for the software itself, a solution like Nicus that flexes to fit your needs is vital to avoiding many of the pain points inherent to software implementations.

Nicus starts with best practices and then tailors them to each client's unique needs and goals. Taking advantage of Nicus ITFM Managed Services isanother way to minimize or eliminate the trough of disillusionment, so you can focus on delivering results.

Ultimately, what you need is an implementation partner who's there for the long haul—not one who will disappear after implementation.

Peak of Inflated Expectations (Software selected)

Implementation begins

Plateau of Productivity

Slope of Enlightenment

Trough of Disillusionment

Software Implementation Lifecycle
Based on the Gartner Hype Cycle

Time

Stakeholder Training and Support

Stakeholder training and education is a crucial part of the process, and it shouldn't be just an afterthought. It's essential to mitigating implementation risks, so you can hit the ground running rather than stumbling along on your own.

Going that critical last mile requires a vendor with a robust stakeholder education program that ensures a smooth and successful transition.

Nicus Stakeholder Training Program

Administrator training	ITFM team members are trained up on the solution and receive full requirements documentation
External stakeholder training	IT leadership, service owners, and business users of the dashboards, for example, receive a 2-page how-to guide
ITFM team training	Deep dive how-to instructions for ITFM team members, who also receive a detailed manual for executing processes
Live training	Both groups can attend sessions offered multiple times where Nicus experts walk teams through the solution and answer questions
Office hours	After training is complete, users can join open office hours to get live support on the spot

Stakeholder Training and Support

White Glove Support

ITFM is not a native skillset, and it's not easy to find professionals with a long history of doing it well. For those who manage to develop these resources in-house, there's also the challenge of keeping them.

In addition to in-depth stakeholder training, Nicus provides a full range of managed services to help keep your ITFM

program moving forward, including:

- **Data management as a service** to run day-to-day ITFM operations and solution management
- **ITFM as a service** to provide turnkey strategy, data management and solution management
- **Strategy as a service** to clarify your team's goals and create a strategy that links ITFM with C-suite challenges and priorities. This is not just high-level strategy, but very detailed next steps to operationalize strategy.

Do You Need to Own a Solution at All?

One question to ask as you look to migrate from Apptio is whether you need to deploy a new solution at all. With Nicus **ITFM as a Service**, companies can hand off the entire process to a proven team of ITFM experts who provide turnkey ITFM strategy, implementation and data management.

Companies that go this route don't need to worry about software validation or requirements gathering. Instead, they can leverage Nicus resources, which include ITFM professionals with decades of experience who will help you:

- Clarify your goals and create a strategy that links ITFM with business challenges and priorities

- Manage the entire breadth of IT and finance data necessary to run successful ITFM programs

- Run the software for your team so they don't have to learn a new solution at all

An advantage of outsourcing ITFM entirely is that you don't have to worry about your internal experts leaving—you'll always have Nicus experts available to keep your program running smoothly.

Final Thoughts

The recent acquisition of Apptio by IBM has left frustrated users wondering what's in store for the future, and whether changing on their own timeline is the better move for their business. Creating momentum for change requires a clear view of what you're missing, and what you stand to gain by making a switch.

A vendor partner like Nicus that will partner with you throughout the implementation process and beyond is the best way to de-risk your migration initiative. In the end, the decision to move forward all boils down to one essential question:

What is the cost of not changing?

NICUS
SOFTWARE

Elevate IT. Ignite Possibility.

At Nicus, we empower organizations to realize their full potential by elevating IT. We're passionate advocates, providing financial management solutions that expand what's possible. We believe what we do with technology defines what we can do in the world.

*Note: The content in this guide is primarily focused on Apptio's ITFM product set, including Apptio Costing, Apptio Planning and Apptio Billing. It does not focus on Apptio's Cloudability and Target Process products.

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