Universitas Esa Unggul

Smart, Creative and Entrepreneurial

FINANCIAL MANAGEMENT FOR IT SERVICES

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Infrastruktur dan Manajemen Layanan TI (CSI 320)

Pertemuan 13

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Prodi Teknik Informatika - Fakultas Ilmu Komputer

PURPOSE

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The purpose of financial management is to ensure that:

- Money is managed and spent wisely;
- The financial resources available align fully with the organisation’s plans and requirements for IT service delivery;
- Investment decisions are sound and relevant to the organisation’s objectives;

PURPOSE

- Financial risks are identified and managed effectively;
- Governance arrangements are in place to ensure the effective stewardship of financial resources and to define clear accountabilities;
- The organisation complies with all relevant financial regulatory obligations and the overall financial policy and strategy

OBJECTIVES

OBJECTIVES

The key objectives are to ensure that:

- There is an effective system for financial planning and budgeting;
- Financial plans and budget allocations are aligned with the service portfolio;
- All proposed investments have a business case that meets the standards of the organisation;

OBJECTIVES

- All significant financial risks are identified and fully managed;
- There is an appropriate governance framework in place with clear accountabilities and all those who need to be are properly trained in relation to it;

OBJECTIVES

- All financial expenditure is properly accounted for and there is an audit process to ensure proper stewardship of financial resources;
- The costs and value of all IT services, processes and activities are monitored, measured and understood and appropriate actions are taken on the basis of their financial performance.

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Budgeting

- The product of this planning is a financial plan or budget covering expected expenditure and income for a specified period, usually a (financial) year.
- Expenditure and income will be divided into categories to facilitate financial planning, management and control.

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Budgeting

- The budget must reflect the services to be delivered, new projects, investments and other planned changes.
- Budgets should show how expenditure and income are likely to change during the budget period

FINANCIAL MANAGEMENT

Budgeting

- Sound financial management requires regular monitoring against budgets.
- It tells the organisation when action is needed to maintain financial control, giving early warning that expenditure is too high or income too low

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Accounting

- IT accounting allow the IT service provider to account for expenditure and income, providing a breakdown of how costs and income are divided between customers, services and activities
- This analysis helps determine the cost effectiveness of services to make sound decisions about them

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Accounting

- It provides details of how costs can be attributed to customers and customer groups, allowing the organisation to identify key customers and the impact of their service consumption

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Charging

- The decision whether to charge is a strategic decision to be taken with due care.
- Charging not only increases the operating costs of the IT service provider, but also increases accountability, exposure and transparency

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Charging

- Customers can compare what they get from IT with what they have to pay, and they can more easily compare their in-house IT provider with alternatives
- Charging provides a means to influence customer behaviour, shaping demand and usage to match capacity, thereby reducing costs and risk.

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Business case

- All organisations need to invest wisely and a key role of financial management is to evaluate proposals for investment to determine whether they are worthwhile
- Sound financial management will require all proposals for investment to include a clear case for making the investment.

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Business case

- A business case is a decision support and planning tool that projects the likely consequences of a business action.
- The core of the business case is usually a financial analysis, but the justification of investments frequently depends on more than financial considerations.

Terimakasih