# Tivoli Usage and Accounting Manager

**Transcript**

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Welcome to the IBM Usage and Accounting Manager's presentation. This short presentation describes the unparalleled pressure IT departments are under today to operate as a service business, and how IBM can help by providing the essential information needed to align IT costs with your company priorities.

To survive in today's competitive environment, businesses must understand and manage their costs. To help your business not just survive, but thrive, IT must know its costs. Managing IT operations as an efficient service for your business requires that you collect, analyze and allocate costs appropriately. The simple truth is, you can't manage what you don't measure. When running business operations, nothing matters more than knowing what drives your costs. IT departments face unparalleled pressure to operate as service businesses and align IT costs with company priorities.

For most IT operations, it's difficult to relate IT costs to business value due to the lack of usage-based accounting infrastructure. There are many different platforms, environments, subsystems and users; many are costly to own, maintain and operate. One of the difficulties of relating costs to business value is that each environment has its own unique metering record format. For example, in the mainframe environment, software that is designed to work together, such as IBM CICS® and IBM DB2®, each record the source of usage in different ways. The challenge is to turn on the lights in your diverse and compatible unrelated accounting record environments: your UNIX®, Linux®, Windows® and mainframe servers, storage and timesheet systems, your databases, networks, Internet, e-mail and invoices. This is an especially challenging problem because today's IT environments are increasingly complex, diverse and changing.

This challenge is compounded by server proliferation. Organizations have found that even though the initial cost for an additional server is low, each individual server requires skilled technical support. In addition, these servers that typically run at 10 – 20 percent of capacity create additional demands for real estate and energy. The result is that the cost for this growing number of servers is rapidly becoming unsustainable for many organizations.

There are many motivators for server consolidation and creating virtualized environments.

However, there are inhibitors to achieving these server consolidation and virtualization benefits. The most significant are: ability to quantify value, organizational barriers to fairly allocate virtualized server cost to the appropriate user groups, plus the challenge of providing charge-back and billing to end users.

An effective usage and accounting capability can help organizations realize immediate benefits. It is very frustrating trying to figure out complex bills that appear not to relate to what you actually used. A good cost allocation system is fair, understandable and accurate. With these qualities, business units have accepted accountability that results in improved services and IT costs becoming aligned with the business value. Lowering infrastructure costs is the goal of all IT organizations, and successful server consolidations with the associated reduction in technical support costs requires business unit support. This support is gained through their acceptance of fair cost allocation in the new virtualized environment. With usage and accounting capabilities, organizations can continue to improve their infrastructures. Understanding your costs is the first step in managing these costs. Understanding your cost usage pattern helps you make more effective investment decisions for your business. When running a business, nothing matters more than knowing how much something costs. In other words, you can't manage what you don't measure.

IBM Usage and Accounting Manager helped solve this problem by collecting, analyzing, reporting and billing based on usage and cost of shared computing resources. IBM Usage and Accounting Manager processes incompatible usage data from different operating systems, databases, storage networks, etc. IBM Usage and Accounting Manager collectors extract the unique identifiers in each system and map into

an organization's reporting structure. This can be by application, by business unit, division, department, cost center or project. IBM Usage and Accounting Manager then takes financial data, such as IT supplier invoices, budget data and service costs, and allocates these costs based on actual resources consumed. This information is consolidated, aggregated and organized to enable knowledge of IT costs. This allows IBM Usage and Accounting Manager users to bill back actual costs to their customers (also called charge back) or they may want to use it internally to understand where the costs are going. IBM Usage and Accounting Manager helps to dispel the myth that IT is just a "black hole" of costs. IBM Usage and Accounting Manager's extensive data collection cost allocation and reporting flexibility answers many questions as to the who is consuming what IT resources and related costs within the enterprise.

IBM Usage and Accounting Manager has a very flexible user interface that allows the user to get the information they need. One way to the Usage and Accounting account-level invoice is a bar graph displaying total cost by account. This makes it easy for management to determine, at a glance, the accounts consuming the greatest amount of resources, and thus, spending the most money. In the example shown, the credit card application is showing the greatest expenditures for the month of April. To inquire further as to the reasons for these high costs, it is possible to access the invoice with a credit card application directly from this graph. Place the cursor over the bar in the bar chart representing the account to be examined. In this case, it is the red bar representing the credit card application. Clicking the left mouse button will cause the Web reporting system to jump directly to the invoice for the selected account. Please note that the account name, "Credit card," is shown as the first entry in the left pane of the invoice

While reviewing the invoice, some items might be determined to require further examination. To show this possibility, we have selected the field "UNIX process memory megabyte days." To further review a single line item such as "UNIX process memory megabyte days," place your cursor over the utilization field and double-click. You are presented with a screen requesting the drill-down fields, which are to be used to further interrogate the system. You may select up to five drill-down fields, and each process has its own unique set of drill-down fields that can be used. There would be a specific set of identifiers used for IBM z/OS®, another set for UNIX, another set for Windows, and so on. We have selected the date used to charge the consumption of the resource and the name of the process that consumed the resource. This produces a report showing one page per charged data and all the processes that will be billed on that date, and the amount of UNIX process memory that was used. We can see that the greatest amount of UNIX process memory used on April first, 2006 was by the process "ARSAP_chec."

We see a different view of the data, but this time it is showing the dollars as they relate to each application. Well, if I am the VP at the bank in charge of commercial loans, and I see $35,000 in IT charges, I probably want to know what made up that $35,000. If I click on the report, it will drill down, and it will show me that I used $8,306.59 in database, $2,318.80 for e-mail. Equipment, print, servers, etc. are all listed. I can take this further and say, "Show me the database statistics." When I drill down on database, it breaks it down by mainframe, UNIX and Windows.

If I want to drill down further, I can say, "Show me the UNIX database activity." The system then drills into the database cost by server. I can then look at a specific server and look at the individual resource level for that server. We have gone from a very high-level view all the way down to the actual usage for one of my applications.

It is often desirable to determine the accounts that have the largest percentage of IT spend. The "Top 10 cost" report provides this type of information. The "Top 10" report comes in several formats, both linear and graphical. This is the "Top 10 cost" report pie chart. The accounts with the greatest amount of spend are displayed at the top of the report and a hyperlink is provided to the invoice for each account shown in the bottom section of the report. When the hyperlink is taken to the invoice, all the drill-down features are active for that invoice.

We are showing another form of drill down in this report. On the "Run total rate group percent" report we notice that the mainframe storage charges seem to be a bit high for this month. By clicking on the "Charge" or "Percentage" fields, it is possible to see the distribution of this resource by account. Once again, we are extracting important information about cost distribution with just a few mouse clicks.

This set of screens displays a list of the standard reports that are distributed with IBM Usage and Accounting Manager. The one constant in software development is that you can never have too many reports. Many IBM Usage and Accounting Manager customers have added their own custom format reports to this already extensive list.

IBM Usage and Accounting Manager is an integral part of an organization's financial reporting systems, such as shared services, invoicing, product profitability, enterprise resource planning, cost allocation, activity-based costing and resources and cost trending systems. IBM Usage and Accounting Manager is used across multiple platforms, including mainframe, UNIX, Linux, Windows, IBM System i®, VMware, etc. IBM Usage and Accounting Manager supports multiple subsystems, including IBM DB2, IBM CICS, Oracle, SQL server, virtualization, Web, e-mail, networks, storage and print servers. IBM Usage and Accounting Manager is Internet-enabled and has Web-based reporting and drill-down capability with multiple outputs.

IBM Usage and Accounting Manager helps you introduce new applications and systems. The product provides insights to current cost and usage, and easily facilitates IT's usage tracking and cost allocation of new applications and systems. IBM Usage and Accounting Manager helps integrate business processes with IT by providing the ability to report usage and service in business versus technical terms. You can see services delivered and costs by line of business. IBM Usage and Accounting Manager helps improve IT system utilization and productivity with reports like the "Top 10" list, which quickly identifies heaviest uses and potential abuses. IBM Usage and Accounting Manager provides better access to information: IT financial management, operations and users have easy and flexible access to the resource usage they need when and where they want it. With this product, IT can focus on service delivery and intelligent tuning versus data gathering and reporting. IBM Usage and Accounting Manager helps reduce or mitigate business operations risk and disparate usage data is turned into valuable, decision-making information. What it all comes down to: IBM Usage and Accounting Manager helps you know what IT costs.

For more information, contact your IBM representative or visit ibm.com.