

BUSINESS DEVELOPMENT INSIGHTS

HOW TO BUILD A BUDGET FOR CLOUD INVESTMENTS

Building a budget that your CEO and CFO can support is one of the most important steps towards successful cloud adoption. This guide explains how technology leaders can create investment plans their boards will buy into.



Buying managed services is radically different from investing in on-premise technology. You are not just investing in a service providers' technical ethos and roadmap. You are buying into their culture and way of doing business.

This is why choosing the right cloud service provider is a decision that is increasingly being taken at board level.

As a result, today's CIOs need to present budgets that explain investments in terms of business benefits.

In this paper, we present a model for CIOs to build budgets their boards will support.

THE MODEL

The model, developed and tested by Larato, simplifies Total Cost of Ownership analysis.

We set out to build a template that technology leaders could use to model the return on investment potential from various ICT strategies.

The resulting template captures strategic vision, quantifies upsides and risks, highlights any missing information and helps replace technical speak with english.

Rather than creating a document or form, we created an image that is quick and easy to understand. In practice, this visual aid encourages discussion that generates buy-in from senior leaders.

STRATEGIC THEMES

Four strategic themes underpin the model; productivity, cost control, compliance and revenues and margins. These themes provide structure without stifling creativity.

The strategic themes are linked to core aims and success measures, proving a clear way of connecting strategy to objectives and results.

CORE AIMS

The core aims provide a framework to capture the objectives that will deliver the strategic gains.

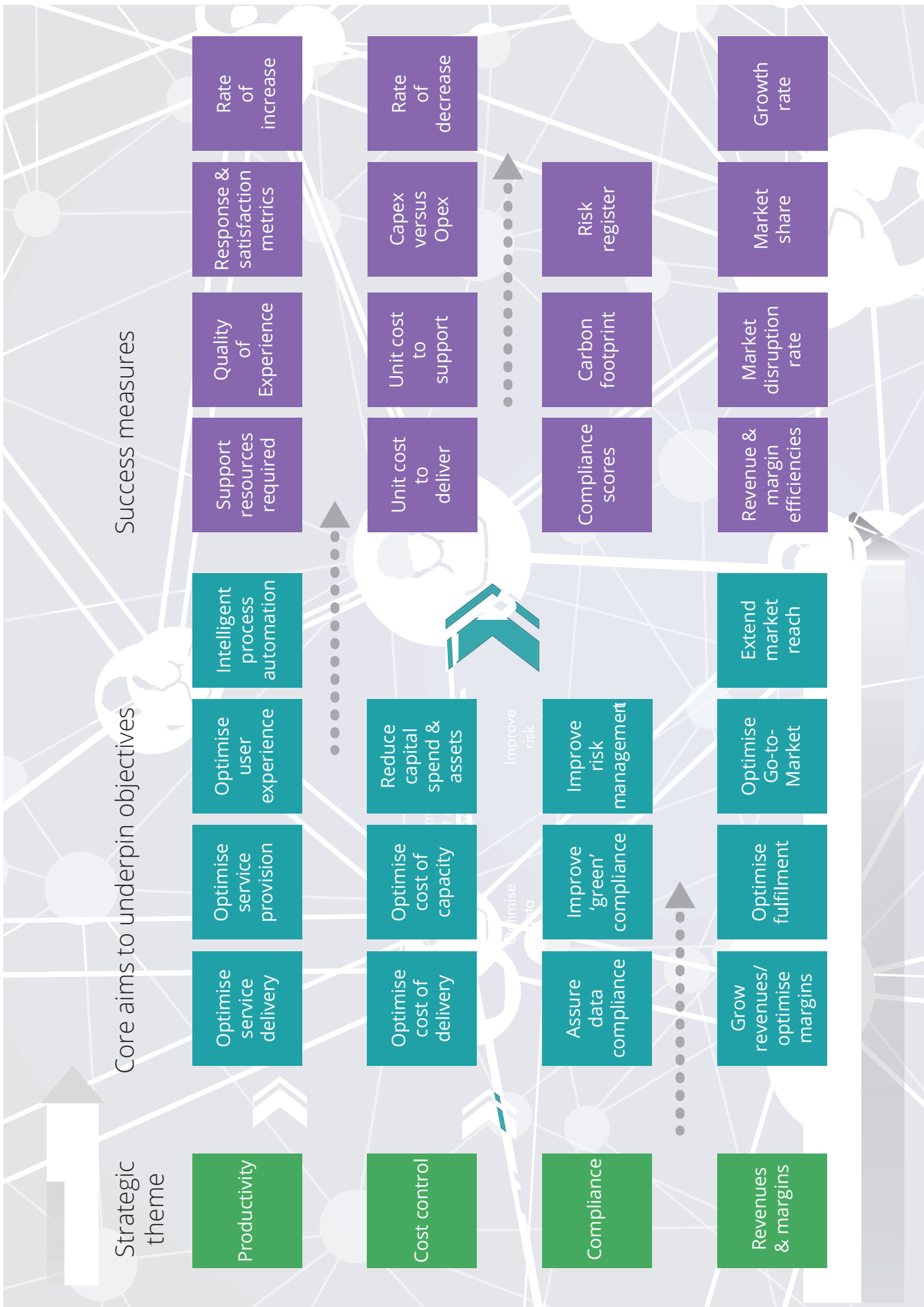
We have chosen these categories carefully to resonate with the CEO and CFO. They will need to sign the plan off, so model produces a business case that is "CEO-CFO ready".

SUCCESS MEASURES

The success measures correlate to the aims and strategic themes. It is these numbers that bring the strategy to life. They show in practical, cash-based, terms what gains can be made when.

SUCCESS

We've seen CIOs achieve fantastic results using this model. If you have any questions about the template or points you would like to discuss, please contact us.



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