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 thechnology 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 leaderss 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.

CORF 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, cashbased, 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.

	Rate of increase	Rate of decrease				Growth rate	
	Response & satisfaction metrics	Capex versus Opex		Risk register		Market	
Success measures	Quality of Experience	Unit cost to support		Carbon footprint		Market disruption rate	
	Support resources required	Unit cost to deliver		Compliance scores		Revenue & margin efficiencies	
	Intelligent process automation					Extend market reach	
objectives	Optimise user experience	Reduce capital spend & assets	Improve risk	Improve risk managemen		Optimise Go-to- Market	
Core aims to underpin objectives	Optimise service provision	Optimise cost of capacity	firmise	Improve 'green' compliance	^	Optimise fulfilment	
Core aims t	Optimise service delivery	Optimise cost of delivery		Assure data compliance		Grow revenues/ optimise margins	
					•		
Strategic	Productivity	Cost control		Compliance		Revenues & margins	

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