



## Global Shipbuilder

IT cost transparency & insights as a driver for the digital transformation process. IT cost allocation to over 50 services across 70 operating companies. Automation of management reporting, budgeting & forecasting.

### Industry Shipbuilding & Defence

Geographies Globally in 100+ countries

Employees 13.000

#### Challenges Cost Allocation:

- Little insight into cost drivers
- Highly manual
- Time consuming
- Error prone

#### Challenges Management Reporting:

- Time consuming
- Inflexible
- Static

#### Challenges Budgeting & Forecasting

- Time consuming
- Inflexible
- High aggregation level

#### Solutions:

- Apptio IT Planning
- Apptio Cost Transparency

#### Results Cost Allocation:

- Traceable cost allocation to over 50 services
- Clear insights in cost drivers
- Excel replaced

#### Results Management Reporting:

- 1 version of the truth
- Very quick: within 1 day after month closing
- Multi-dimensional, filtering, drilling down to source data
- Excel replaced

#### Results Budget & Forecasting process:

- Planning on multiple dimensions
- Automated version and variance reporting
- Multiple Budget versions supported
- Excel replaced
- Monthly rolling forecast

### Key Objectives

- Traceable cost allocation over 50 services
- Replace Excel as primary tool
- Clear insights into cost drivers for a service
- Monthly rolling forecast
- Management reporting: one version of the truth
- Management reporting: within 1 day after month-end
- Save 80+% of budget & forecasting process time

### Global Operations and Digital Transformation required IT cost optimization program

The Damen Shipyards Group is a Dutch defence, shipbuilding, and engineering conglomerate, based in Gorinchem, the Netherlands. Damen Shipyards Group operates 36 shipbuilding and repair yards, employing 13,000 people worldwide. Damen has delivered more than 6,500 vessels in more than 100 countries and delivers some 175 vessels annually to customers worldwide. Based on its unique, standardised ship-design concept Damen is able to guarantee consistent quality.

With 70 operating companies and a global drive to transform the company from shipbuilder to a maritime solution provider there was a need to get full grip on IT costs. The digital transformation process consisted of a four-layer cost optimization program:

- One global ERP and PLM (product lifecycle management)
- Customer journey from lead to decommissioning
- Connected co-systems, integrating the supply chain throughout the company
- Connected vessel platform through IoT

IT-cost insights and cost transparency are important drivers to give substance to this four layered cost optimization program supporting the digital transformation

### Damen selects Apptio and It's Value

Damen chose to partner with It's Value to design and implement the Technology Business Management processes for IT services charge-back to the operating companies and configure, implement and maintain the Apptio SaaS solutions modules which deliver the cost insights and cost transparency.



## Clear view on cost drivers / substantial expansion of service details

To give business units and IT management more control over and insight into their IT costs, a more detailed service catalogue and underlying cost allocation model was needed.

In an iterative process a new service and cost allocation model was developed. The already existing service catalogue was refined from 10 to over 50 services and allocation strategies were improved

The Apptio Cost Transparency module supports the data (transformation) functionality and modelling functionality needed for this, as well as the reporting tools to visualise the outcomes.

The implementation has resulted in:

- Traceable cost allocation to over 50 services
- Clear insights into cost drivers per service
- Insights into the interdependency between services sharing the same resources/semi-finished products.

## Automation of management reporting

Management reporting was done by Excel, combining multiple data sources for the management dashboard. The process was very labour intensive and questions on financial figures required separate analysis.

Data from relevant sources (general ledger, budget, HR and vendor systems) is loaded into Apptio Cost Transparency. With some custom reports, the standard KPI's and reports fulfil Damen's reporting demand.

The management reporting dashboard has many advantages:

- 1 version of the truth: The reports can be used cross functionally (finance/it-management/purchasing) all based on the same data.
- Quick: Reports are available within 1 day after month-end closing.
- Flexible: The same reports are used for data from multiple dimensions (department, vendor, cost saving initiatives, etc.).
- Transparent: Drill down to actual source data is now possible.
- Analytics: the automation frees resources to give business control more time to analyse and advise management.

## Automation of budget and forecasting process

The goal was a less labour intensive planning process (both budget and forecasting), delivering more insights into planned labour and vendor spend.

Implementing the planning processes in Apptio IT Planning gave possibility to allocate budget lines directly to IT services or semi-finished products.

The result has a number of advantages:

- Multiple planning dimensions: next to department/account group also on the dimensions vendors, contracts and labour roles
- Comparison: plans (and actuals) can be easily compared to other plan(version)s in the standard available reports
- Monthly rolling Forecast: because of the time saving process automation, forecasts are made on a monthly basis



“ **The automated cost allocation model, management reporting and Budget / Forecast processes give us the ability to analyse and optimise the IT spend to fund our digital transformation and to work together more closely with our Business units.** ”

Aart Rupert, CIO  
Damen Shipyards

It's Value is the European number one Technology Business Management (TBM) and Apptio partner. Interested in knowing more about what It's Value can offer you in IT-Finance process automation and cost savings? Visit us at [www.itsvalue.com](http://www.itsvalue.com)

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