

# ServiceNow Financial Management

## The IT Financial Challenge

Today, organizations need to take a more data-driven ROI-based approach to managing IT services and achieving their financial goals. With pressure to reduce costs and increase innovation across all business units, IT needs a better way to make use of available financial data.

Corporate finance systems like the General Ledger do not provide information aligned to the way IT investments are managed, which also leads to a lack of financial information to drive conversations between IT and the rest of the organization.

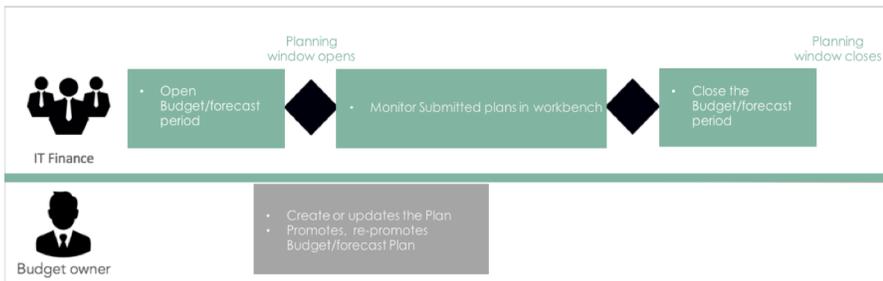
IT and technology users need to see financial data alongside service usage data to make more informed decisions. From incidents handled to project hours spent, they need to know if they are meeting SLAs at an appropriate cost.

Most organizations use a CRM system for sales or an ERP system for manufacturing. But until now it's been difficult to apply similar business management approaches to IT or to utilize IT data in typical business systems.

## The ServiceNow Solution

Like CRM and ERP, ServiceNow® Financial Management provides a single system of record to make understanding finance much easier. Financial Management shows usage data—incidents handled, servers used, project hours spent—in context with costs. This way IT can align their investments with business goals, and adjust appropriately. Furthermore, IT and the business can have more meaningful conversations based around a common language of services.

Financial Management is also one part of a comprehensive approach for driving the strategy of your services. ServiceNow's platform covers most aspects of service management technology providing a single source of truth for IT performance data. Thus Financial Management has the seamless ability to work with financial information while utilizing the rest of the platform. For example, it can apply an incident-problem-change type cycle to financial issues and set up and track tasks to deal with those issues. CIOs can weigh operational performance against spend to meet their business goals.



Overview of financial planning process

### Improve Visibility

Automated rule-bending for better insights in a controlled, repeatable, adjustable model mapping spend to services.

### Grow Credibility

Understand where the money is going and what is driving the costs to improve the business conversation.

### Align with the Business

Mapping financial insights to business services shows alignment to business priorities.

### Get More from Your Data

The more you are doing within ServiceNow, the more available data you have for financial planning and analysis. You can also bring in data from external sources.

### Fewer Errors, Better Governance

With Financial Management, it's no longer necessary to maintain huge spreadsheets or expensive specialty solutions that require an army of consultants to deploy. Financial Management offers powerful cost modeling and reporting plus a budgeting solution to ease the pain of the budgeting process in a package that is accessible to both experts and novices alike. By providing a friendly, attractive drag-and-drop workbench interface and eliminating the need for complex formulas or programming, ServiceNow Financial Management removes obstacles that otherwise prevent enterprises from achieving their goals of making better use of financial data.

### A Simpler Way to Understand Costs

Specialized costing tools rely completely on integration. They lack the breadth or maturity to make automation a reality and companies end up paying for a lot of function that they'll never use. ServiceNow Financial Management addresses the root cause by leveraging the same system that manages asset lifecycles, CMDB, service, and project management. Less time is spent gathering and transforming data, and more time is available to benefit from service delivery data—providing new insights on where and how to transform technology that drives the business. There's no more need for spreadsheet Kung fu; ServiceNow Cost Transparency provides a drag-and-drop interface to help determine the allocation rules and then run them

automatically for all future data. It can implement an existing costing model, utilize an industry-standard, or get started with a sample available with ServiceNow Financial Management.

### Centralized Budget Planning

Budgeting in IT can be a painful process. Manual budgets based on spreadsheets are highly error-prone and lack controls due to the proliferation of multiple offline copies. The end result is a distrust of budget data and drawn-out discussions about the quality of the data rather than what the data is intended to show.

The Financial Planning capability from ServiceNow provides transparency into budget composition while consolidating budget planning in one place. Budget owners can leverage their existing ServiceNow platform to provide collaborative and transparent analysis as a part of a consistent budget planning process.

Multiple budget models can be used side by side for different perspectives or departments providing simple budget functionality to leverage ServiceNow data and digitize budget planning activities.

View the budget and subsequent actual expense to spot anomalies before they become major issues.



Cost Model Breakdown by Category

