

WHAT IS TECHNOLOGY BUSINESS MANAGEMENT? TBM EXPLAINED



Throughout our blog, we've talked a lot about a number of frameworks that can be applied with varying degrees of flexibility to your enterprise business model. Today, we are going to discuss Technology Business Management, or TBM. Unlike some other resources, TBM is a framework that helps businesses integrate IT into the whole. What's unique is that it doesn't assume businesses are already fully IT integrated; instead, it provides a pathway to do so.

The concept of IT as an integrated business unit is fairly new. Traditionally, IT typically functioned separately from a business's main goals, merely checking the boxes to ensure IT initiatives are met.

Only in recent years, and with the advent of cloud technology and [digital transformation](#), have businesses begun to acknowledge that the goals of IT are far more than creating user access, managing equipment, and troubleshooting problems. Today's IT departments create a foundation for a successful enterprise business and are the business unit at the core of all goals and objectives.

One way they can do that is with TBM. In the following article we'll discuss:

- What is TBM?;
- What are the advantages of TBM?; and
- TBM examples and educational opportunities

Stay tuned in to learn all about TBM and how to apply it to your business.

What is TBM?

Technology Business Management is a collaborative framework that helps businesses align their IT departments with overall business goals, an essential practice for today's digital enterprise.

It isn't prescriptive, per se; because it's solution-oriented, businesses can use it with a degree of flexibility like many of the other frameworks on the market (think ITIL). The goal is that TBM scales with your organization, and as you grow, so does your usage of this system.

Technology Business Management Council

The TBM Council is a non-profit organization comprised of technology leaders setting the groundwork for establishing a business unit out of IT. The council has almost 6,000 members that are C-level technology officers with titles like CIOs, CTOs, and CFOs.

The council, which began as bi-annual summit, was later turned into a non-profit, offering standardization to businesses in a collaborative setting. Membership gives executives access to a network of TBM leaders and standardized best practices that can be scaled to work with your business.

The TBM Council is responsible for the TBM Index, a standardized assessment that offers a benchmark for businesses using TBM. "The survey assesses a holistic set of capabilities that need to be in place to manage the business of IT. These include your IT operating model, service orientation, organization, tools and management capabilities. The survey also evaluates the financial impact and satisfaction from TBM," the TBM Council says of the assessment, [as reported by CIO](#).

To collect data for the assessment, 250 enterprises from North America, the EU, and Australia took a 30-minute assessment before the information was analyzed.

Core Tenets

There are [ten core tenets](#) of TBM. They are:

1. **Position your business for value:** define your value proposition. What value do you bring to customers, other businesses and end users?
2. **Continuous improvement:** integration into day-to-day processes is key for TBM to be successful.
3. **Create a culture of transparency:** use spending, consumption and capacity data to draw meaningful insights about the business.
4. **Create consumption behavior patterns:** use insights across the company to influence spending and consumption behavior.
5. **Deliver on value:** deploy cost effective methods to create value.
6. **Planning and governance:** have a strategic business plan that aligns budget and values.
7. **Know the cost:** to perform at peak levels, and how to keep costs low with best practices
8. **Optimize portfolios:** to ensure they deliver on value most efficiently.
9. **Invest in innovation:** requiring innovation to bring costs down while remaining competitive.
10. **Create an agile enterprise:** quickly responding to internal or external threats as well as changes in the overall market.

These tenets create a basis for the best practices of the TBM Council, index, and framework.

Advantages of TBM

If the core tenets show us anything, it's that TBM is hyperfocused on spending, budget, and cost-efficiency driving new innovation at the IT business-unit level. This is the primary way TBM encourages business leaders to align their IT departments with primary enterprise goals. In doing this, the framework emphasizes the importance of IT throughout the organization.

This results in a number of strategic advantages:

It Puts Value in Perspective:

Under TBM, the IT department understands its worth and position in the company, bringing into focus the monetary value IT provides throughout the organization.

Creates a Road Map for Improvement:

TBM is strategic and best practices mandate a roadmap be created where IT is the driving force for continuous improvement. Because of this, businesses who deploy TBM framework run more efficiently, rather than fast and loose, and every step along the way garners transparency through mapping.

Reap the Benefits of Knowing Cost and Consumption

TBM has a heavy focus on cost and consumption, and the role it plays in delivering overall value. Here are some ways utilizing cost and consumption data and insights benefits businesses within the TBM framework:

- Informs business demand, which allows companies to get ahead of customers needs;
- Uncovers the important cost of business data used by companies to save money and innovate their technology infrastructure; and
- Allows companies to align budget with IT goals, ensuring that the organization is IT-driven, while bringing value to customers within the monetary reach of the organization.

Foster an Agile Response Time:

Because TBM informs planning for governance and day-to-day operations, teams can respond quickly to threats and market changes that impact business, knowing they are following the right plan to be successful. This is driven by a culture of transparency.

Examples and Education

One example of TBM, spotted in the "enterprise wild," falls at the doorstep of JP Morgan Chase. According to [CIO](#), the company suffered because their IT functioned as a unit separate from their massive enterprise business. By using TBM, JP Morgan Chase was able to align their IT department's objectives with their core goals and company values.

The IT department at JP Morgan Chase now fits better within the organization as a whole because, from the top down, leadership has a better idea of how money is spent on technology infrastructure that facilitates communication while generating profit for the organization.

Another example is the State of Washington's government. Seeking to reduce the heavy costs burdening government agencies on technology maintenance costs, TBM allowed the government to coordinate and collaborate more efficiently at the state level, understanding their technology needs while ensuring technology dollars drive value.

How can you get started improving your companies results with TBM?

The TBM Council recommends specific education that can lead to certification. The Council offers TBM Executive Foundation Certification with an adjacent course that covers TBM, leaving no stone unturned. The classes are recommended for high ranking IT leaders, from IT managers to CIOs and beyond.

Those who wish to get certified will also need a bachelor's degree in a related field and five years work experience in IT as well as a qualifying referral letter. Once certified, you'll need to take continuing education courses every two years.