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.
How to build a budget for cloud investments

Strategic theme

Core aims to underpin objectives

Success measures

- Rate of increase
- Rate of decrease
- Capex versus Opex
- Unit cost to support
- Unit cost to deliver
- Carbon footprint
- Compliance scores
- Market share
- Revenue margin efficiencies
- Market disruption rate
- Growth rate

Productivity

- Intelligent process automation
- Optimise service delivery
- Reduce capital spend & assets
- Optimise cost of delivery
- Optimise cost of capacity
- Improve risk management
- Improve green compliance
- Assure data compliance
- Grow revenues/optimise margins
- Optimise Go-to-Market
- Optimise fulfilment
- Optimise margin efficiencies
- Revenue & margin

Cost control

- Support resources required
- Improves risk control
- Optimise service provision
- Optimise user experience
- Unit cost to deliver
- Unit cost to support
- Capex versus Opex
- Improve risk management
- Improve green compliance
- Assure data compliance
- Grow revenues/optimise margins
- Optimise Go-to-Market
- Optimise fulfilment
- Optimise margin efficiencies
- Revenue & margin

Compliance

- Quality of Experience
- Strategic theme
- Improve risk control
- Optimise service delivery
- Optimise user experience
- Intelligent process automation
- Support resources required
- Unit cost to deliver
- Unit cost to support
- Capex versus Opex
- Improve risk management
- Improve green compliance
- Assure data compliance
- Revenue & margin

Revenues & margins

- Support resources required
- Improves risk control
- Optimise service provision
- Optimise user experience
- Intelligent process automation
- Support resources required
- Unit cost to deliver
- Unit cost to support
- Capex versus Opex
- Improve risk management
- Improve green compliance
- Assure data compliance
- Revenue & margin

Compliance

- Productivity
- Core aims to underpin objectives
- Success measures
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