

## Information Technology (IT) Strategic Planning & Execution

### Case Study

#### Solution Overview

##### Industry

Financial Services / Insurance

##### Development Time

One Year

##### Benefits

The specific company's IT function has consistently improved with the delivery of multiple major programs and ongoing business enhancement releases while operating within 1% of expected spend rates.

Additional benefits include:

- Improved understanding & reliability of the IT work plan
- Capability to model impacts across IT functions of varying workloads to forecast sourcing requirements and cost
- Sourcing capability with substantial use of flexible resources and concentrated use of strategic external relationships

##### Technology

Oracle Primavera, Microsoft Excel

A large firm within the financial services / insurance sector was challenged by a need to deliver large transformational programs to support critical business initiatives while also focusing on reducing costs to stay competitive with industry leaders.

Similar to oil in an engine, technology has become the pervasive capability that spans across most of the components of a business. This has led companies to intimately link the corporate strategic plan and in some cases actually manage the corporate plan through their technology planning.

In this case, the IT planning process needed to be upgraded to deliver the needed programs while optimizing return from ongoing technology investment.

#### Solution Challenge

While technology has continued to rapidly move forward the management and planning capabilities for corporate IT functions has progressed at a slower and more inconsistent rate. Some of the challenges are:

- A large portion of technology spend can become run-rate based where future resource utilization and spend is based on historic expenditures and trends greatly limiting flexibility & discretionary resource capacity available for business enabling initiatives
- The initiation of technology work can be done by relatively low level business management. While the resulting efforts can provide tactical benefits they usually do not result in measurable impact on either top or bottom line strategic corporate goals.
- Immature sourcing can result in a highly fixed workforce/cost. This also limits the ability to rapidly resize or re-tool capabilities
- Many IT managers are unfamiliar with standard planning / process tools & techniques

#### The Solution

The solution was for the IT function to move from a dominant Supply/Workforce based operation to one driven by strategic business Demand and fulfilled by a flexible, right-cost Supply/Workforce. The objectives of the IT executive leadership were:

- Improve the alignment of IT / Business work effort
- Enable strategic initiatives through elimination of lower priority work
- Reduce the amount of non-discretionary operational work demand
- Move to a more flexible workforce

An Encore consultant worked with the IT executives to identify the actions required to achieve the group's overall objectives.

#### Implement Operational Improvements

- **Deploy a comprehensive Supply/Demand** x-referenced view of IT to better understand & communicate the relationship between work tasks (demand) and resources (supply). This included the identification of measurable cost drivers for control of infrastructure/operational work categories.
- **Create an IT work plan** process which enabled forecasting of IT work demand & corresponding supply/\$ requirements at each functional work team with hierarchical management roll-ups
- **Implement Strategic Sourcing** group to optimize the workforce and vendor utilization
- **Utilize Executive Management Committee review & control** of spend allocations and Sr. Business Leaders to 'filter' work initiation for each portfolio

#### The Benefit

The specific company's IT function has consistently improved with the delivery of multiple major programs and ongoing business enhancement releases while operating within 1% of expected spend rates.

Additional benefits include:

- Improved understanding & reliability of the IT work plan
- Capability to model varying workload impacts across functions to forecast sourcing requirements and cost
- Sourcing capability with substantial use of flexible resources and concentrated use of strategic external relationships