

Case Study: Government Agency's IT Operations Undergo Extreme IT Makeover

Comprehensive IT Transformation Enables Greater Than 25 Percent in Service Performance Improvements

At A Glance

Company Profile

The organization is a government agency with positions in countries around the globe.

Services Featured

- Assessment
- Internal Transformation
- Design
- Shared Services

Business Processes Involved

- Information Technology

Executive Summary

This government agency's IT operations were highly inefficient and decentralized. To combat such inefficiencies, the organization engaged EquaTerra to conduct an assessment. EquaTerra confirmed that the agency's approach to IT service delivery was lacking and was exposing the organization to security vulnerabilities. In response, the agency moved forward with a comprehensive IT transformation undertaking that involved a centralized approach to delivering IT services to the entire organization. This dramatic transformation enabled the agency to meet service delivery objectives, required 27 percent less manpower and drove service improvements of more than 25 percent.

Business Challenge

In 2002, the agency was in the process of making large investments in infrastructure upgrades to improve its capabilities. It recognized that its current organizational structure and approach was highly inefficient and that such inefficiencies increased the agency's security vulnerabilities. To fully identify improvement opportunities in its IT infrastructure, the agency engaged EquaTerra to perform an assessment of its IT operations in all regions.

How We Helped

EquaTerra's assessment confirmed what the agency had already suspected:

- Its current approach towards IT service delivery was highly inefficient and decentralized;
- The current support model required 25-30 percent more resources than a shared services approach; and
- Outsourcing was not a viable solution due to foreign nation hosting agreements and lack of data regarding the desired FMO.

Transformation of IT Operations

The agency, having come to agreement with EquaTerra's detailed assessment, soon began the process of moving forward with implementing a new Future Mode of Operation (FMO) for its IT organization. However, the agency realized that it did

not have the resources and knowledge to effectively transform its organization, so it retained EquaTerra to perform the initial design and build activities of its IT shared services organization. This included:

- The creation of a centralized single help desk, which would serve to resolve more than 80 percent of all reported problems. The Help Desk team would use remote control tools to aid in initial problem resolution.
- The Network and System Management Operations team would ensure that the central and remote servers and networks were operating at maximum availability. The team would proactively and reactively manage problems and requests. Above all, it would guard the production environment using disciplined change management processes.
- The agency's Field Services team would address moves and changes with the physical equipment in the field, and would take an active role in project teams.
- The Planning and Architecture team would develop a products and services catalog that would help standardize its offerings, thus making it easier to procure, support and install equipment.
- The Service Management Office would combine procurement, finance management, administration, metrics reporting and service level management functions – ensuring the proper tracking of progress and achievements.
- The Information Technology Infrastructure Library (ITIL) would serve as the global foundation of process development activities.
- Knowledge transfer would occur to ensure that best-practice service delivery and service management practices were in place.

Further, EquaTerra developed a transformation program that provided resources to aid the agency with its transformation initiative, which included resources that provided knowledge transfer assistance. EquaTerra also provided a deliverables-based contract, which defined what deliverables would be provided by what vendors and with what pricing structure.

The transformation process EquaTerra created involved seven stages over the course of the year-long IT operations transformation. The stages included:

1. Organizational Enablement
2. Ongoing Coaching and Mentoring
3. Process Development
4. Core Tools Enablement
5. Procedure Documentation
6. Formal Training
7. Transition

EquaTerra was further engaged to help transform the agency's Europe and the Middle East IT operations using the blueprint developed and being implemented in the U.S. EquaTerra's detailed assessment in this region confirmed that:

- The agency's European and Middle Eastern approach towards IT service delivery was highly inefficient;
- The current support model required 25-30 percent more resources than a shared services approach;
- Outsourcing was not a viable solution due to foreign nation hosting agreements and lack of data regarding the desired FMO; and
- The agency should approach transformation from an enterprise level.

Results

The IT organization's dramatic transformation enabled the agency to meet its service delivery objectives, which required manpower of 27 percent less than projected pre-transformation. It also served to drive service performance improvements of more than 25 percent. The project was considered a success by all – and even the executive who led the transformation effort in Europe (and who is now retired), told EquaTerra, "In my 20 years, this is the best money that we have ever spent."

Advisor Insights

This IT Operations assessment and transformation project had unique characteristics due to the nature of work with this government entity. Here are some key insights:

Be Patient Throughout Change Management Process:

One of the challenges for EquaTerra was trying to get buy-in from numerous sources across the globe, as there wasn't a single person charged with decision-making duties. Organizations should realize that change management processes can take longer than originally planned and they should therefore be prepared to spend more time facilitating the various rungs on the ladder.

Establish Governance Model Upfront: EquaTerra also advises that organizations establish and enable a governance model first and foremost. Unfortunately, without a firm governance structure in place, critical decisions impacting the enterprise were delayed even though they could have been prevented with the establishment of a governance structure upfront.

About EquaTerra

EquaTerra sourcing advisors help clients achieve sustainable value in their IT and business processes. Our advisors average more than 20 years of industry experience and have supported over 2000 transformation and outsourcing projects across more than 60 countries. Supporting clients throughout the Americas, Europe, Middle East, Africa and Asia Pacific, we have deep functional knowledge in Finance and Accounting, HR, IT, Procurement and other critical business processes. EquaTerra helps clients achieve significant cost savings and process improvement with internal transformation, shared services and outsourcing solutions.

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Contact Us

If you would like to know more about EquaTerra please contact us.

Europe/Asia Pacific	Americas
+44 (0) 845 838 7500	+1 713 470 9812
infoeuapac@equaterra.com	infoamericas@equaterra.com

For details of all our locations visit www.equaterra.com/locations