

A DATA-DRIVEN APPROACH TO IT COST OPTIMIZATION

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1. Introduction

As a component of our overall Enterprise Cost Reduction (ECR) service offering, we have developed an innovative approach to IT Cost Optimization (ITCO) using a highly data driven methodology to prioritize and quantify areas of focus within the IT organization. To meet the data needs of this approach we have built a custom analysis framework to increase the efficiency and effectiveness of the engagement teams performing the analysis. This tool leverages company data from various sources in order to paint a holistic picture of cost optimization opportunities, often overlooked by traditional cost reduction initiatives.

2. IT Cost Optimization Methodology

Our methodology utilizes a phased approach to assessing areas of focus for cost reduction, redirection or reinvestment. The first phase involves a rapid assessment of the client's operations via data requests. The nature of the data received drives additional client conversations and fact gathering. After the first wave of data is received, analyzed and compared against industry and competitive spend levels, a checkpoint is held with project sponsors to assess the appropriateness of the initial conclusions. The second phase consists of a deep-dive into the underlying IT spend drivers across the organization (as conveyed via data and client interviews). The service culminates with a series of quantified and actionable recommendations for areas of change. Our teams are structured with several key roles including the data liaison, data manager and data consumers. The roles have been structured to maximize the efficiency of teams. As a professional services firm, we have designed our approach to minimize rework and maximize data consumption; thus allowing us to quickly show value and achieve the immediate needs of our clients.

3. Spend Analyzer® Methodology

We have leveraged several best-in-class products and consolidated them into a common framework. Source information is rendered in such a way that the end-user is presented a consistent format to analyze client information regardless of source. Real-time updates are enabled via web delivery of the shared interface. End-users are presented with an intranet interface which allows them to modify and share results with the rest of the team in a collaborative environment. The Spend Analyzer® presents data in numerous formats to best suit the needs of the practitioner: grids, pivot tables, pivot charts (linked to pivot tables) and dynamic reporting interfaces. The tool was designed to be leveraged not just across the IT optimization reviews, but also across any data driven project with highly unique data inputs. The ultimate power of the tool lies in its ability to consolidate and link massive amounts of structured and unstructured data to show a business-centric view of IT and the various areas of cost savings. Since the recommendations are based on actual company spend data, results are indisputable and provide a clear roadmap for organizational change based on the report outputs.

4. Spend Analyzer® Tools

The current iteration of Spend Analyzer® leverages technology including Microsoft SQL Server, Analysis Services, Reporting Services and Office Web Components in a .Net framework. The tool presents user information in a cleansed analysis view as well as in a benchmark comparison report using 3rd party data.

5. Demonstration

We will present our methodology for a data-driven IT Cost Optimization project. We will also demonstrate the Spend Analyzer® tool including the various data and user interfaces.

6. Contribution

This methodology demonstrates a highly data-driven approach to IT Cost Optimization. Unlike traditional approaches to cost optimization initiatives, heavily leverage qualitative client interviews, our approach is supported by organizational data and industry benchmarks to support the qualitative stakeholder interviews. The tool demonstrates the enablement of data-driven analysis crossing numerous source systems in a common framework.

7. Results

Using our proven ITCO approach, methods and tools, we have demonstrated results in the real economy, identifying IT cost saving ranging from 15% to 30% for our clients. The Spend Analyzer® accelerates the data discovery and analytic process, allowing us to identify actionable IT cost opportunities within the first few weeks of an engagement.