Case Study: Assess to Automate to Source

Problem

Our client had seen a large amount of growth in their CapEx (116%) and OpEx (25%) budgets from 2020 to 2021. During that time their budgeted FTEs (full time employees) had increased by 23% and their IT portfolio was shifting, SaaS costs increased 150% and their innovation budget had gone from 5 million to 85 million. The organization was shifting away from stabilization and standardization to digital transformation with a focus on improving the customer experience.

During a contract negotiation they realized they were paying 16% more than market rates for a small and specific set of IT services including mainframe. That negotiation led to a realization that while they were growing rapidly so was their resource footprint, but it was growing without a consistent or scalable strategy. They needed to quantify the work being done by internal and outsourced teams to enable them to develop an automation and outsourcing strategy to maximize savings and quality.

What we did

6 Weeks

We delivered a six-week Assessment as part of our Assess to Automate to Source model, designed to understand current state. Once current state was understood, recommendations were made for automating current processes and migrating remaining IT services to other service providers and/or internal teams. The Assessment was comprised of two main components.

25+

The first was 25+ interviews with VP and Director level resources representing all facets of the IT organization. Discussions were centered on understanding the organization's people, process, and technology to identify and evaluate potential functions/processes which could become sourcing or automation opportunities.

The second component was focused on data gathering and analytics to uncover potential delivery improvements and savings which could be achieved through automation or sourcing. Budgets, approved projects, help desk tickets and call data were analyzed to develop recommendations which would reduce spend and improve performance.

What We Recommended

ISG recommended a 2-part plan to drive a 5-year savings of just over $110 million dollars.

1 Implementing an AI-driven service desk made up of a conversational AI component to reduce call volumes and respond to support questions faster along with an AIOps implementation designed to use analytics and machine learning capabilities to correlate and act on event data from a wide variety of monitoring systems and IT stacks. The AIOps solution enables effort optimization leading to automated remediation as the technology "learns" how to remediate issues and problems and becomes more efficient over time. Other components outside of AIOps will be automated using intelligent automations.

2 Functions and processes that continue to require human involvement will be sourced. Other solution options to drive improvements include reskilling, rearchitecting, and/or other niche solutions.