

Technology Cost Optimisation

Case Study



for a
National
Public
Utility

- ▶ Technology Business Management (TBM)
- ▶ Vendor Management
- ▶ Contract Optimisation

August 2018

An Uphill Challenge

Our client, a large utility provider, is critically dependant on vendor-supplied services and contractual agreements underpinning key business processes that have a heavy reliance on IT, making technology costs a key contributor to the business bottom line. A particular challenge within this space is regulatory compliance, such as 'OJEU', which affects high-value contracts.

The business faced a mounting challenge to control their IT costs and rationalise their vendor landscape, but a lack of visibility or robust process meant this could not be done alone.

- ▶ Contracts, POs and Financial data not aligned; spread across disparate spreadsheets
- ▶ Little to no supplier governance due to weak process and poor data
- ▶ Low visibility on actual contract and vendor costs
- ▶ Unsanctioned purchases, out-of-compliance contracts and 'Shadow IT' hitting the IT budget



The Astute Way

StrataPrime assessed the current data and process maturity and began vigorous data consolidation exercises. We engaged with key stakeholders to understand their pain points and employed our agile sprint methodology ("The Astute Way") to re-negotiate contracts in quarterly rounds. We delivered quick wins while keeping the client in control, due to our weekly IT leadership Governance Forum. At the end of our initial 10 weeks, we began implementation of a market-leading vendor insights tool which consolidates IT and financial data to provide a transparent picture of the vendor and contract portfolio.

What We Achieved

Within our initial engagement, StrataPrime achieved high savings that impacted the IT bottom line across multiple financial years. On average, our team paid for itself roughly every 6 days of the engagement. We successfully implemented the vendor insights tool in just under 10 weeks, and were then asked to implement cost transparency and IT planning modules to further enhance the client's IT financial management.

Being agile makes us unique. Because we deliver our services in discrete engagements, we avoided the pain of long-term commitments and prioritised governance and reporting cycles. This allowed the scope of our engagements to be adapted on-demand and our TBM solutions could be implemented in simple steps.

“ Being Agile
Makes Us
Unique ”

10.1x

Return on
Investment

26%

Cost Reduction on
Agreed Baseline

10

Weeks

As a result of our engagement, the client SRM team now had a robust process for managing contract renewals and supplier negotiations which optimised their workload. They also now had a clean and reliable source of vendor data. The regular governance reporting we implemented meant IT leadership had a clear view of vendors, opening the door for ongoing cost optimisation opportunities.

Talk To Us

StrataPrime has the tools and expertise to provide a range of technology solutions.

If you would like to find out how StrataPrime can help your organisation, please reach out to tbm@strataprime.com. You can also visit www.strataprime.com



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