

The Measure of Your Success

A Gartner Measurement Case Study:

RAPID ASSESSMENTS

Gartner

In a slow economy, there are few enterprises that are not seeking ways to reduce costs and fine-tune the productivity of their assets. For the majority, IT is one of their largest ongoing budget items, yet one of the most challenging to control.

Gartner Measurement: Finding the Savings You Need

Gartner Measurement offers control. With our Rapid Assessment tools and analyst guidance, your organization can quickly understand its total cost of ownership and clearly see the obvious pathways to cost reduction or improved asset performance.

The case studies that follow demonstrate just some of the ways we work with our clients to improve their results.

**Confirming
\$25 Million in
Savings**

Gartner routinely studies proposed outsourcing deals to determine whether expected value can be achieved. In a recent engagement, a major enterprise was close to signing a desktop management contract involving more than 50,000 PCs. The CIO needed a respected, impartial, third-party assessment to justify the outsourcing to top decision makers. Using the TCO Manager modeling tool and proprietary Gartner data on distributed computing, a Gartner analyst completed the evaluation in a matter of weeks. Having established a baseline measurement of the current environment, he projected future savings based on the outsourcing, standardization, and best practices offered in the management contract. The result: confirmation that the deal was a good one, with potential **savings of \$25 million over the first year** and compounded savings thereafter.

**Restoring
Confidence in an
IS Organization**

Long dissatisfied with service quality, the business units of a major manufacturing company lost confidence in the company's IS organization. Application development was occurring independently. There was no standardization. Costs were mounting due to duplication and informal "shadow" support groups. On the brink of being outsourced, the IS organization hired Gartner Measurement to evaluate the problem and recommend solutions. In six weeks, Gartner **found there was significant under-investment in ERP development** (18 percent of the IT budget compared to 40 to 55 percent with peers) and a drastic need for improved communication between the IS organization and the business units. Gartner Consulting joined the engagement to help the CIO build a more competitive applications development group and provide greater value to the business units. There has since been a fundamental cultural shift through improved dialogue, with the IS organization now being considered less of a "utility" and more of a business partner.

**\$37 Million in
Potential Savings**

The CEO of a major manufacturer suspected that his company's applications costs were too high. He hired Gartner to identify cost reductions based on a best-in-class comparison study. Within eight weeks, Gartner analysts found opportunities that in aggregate **could save the company as much as \$37 million**. Recommendations included reducing contracted staff, standardizing software across the enterprise, and reducing the complexity — and hence the fixed costs — of the IT environment.

**\$3 Million
Savings Identified
in Four Weeks**

The IS organization of a major consumer goods company expanded its operations in anticipation of expected growth. When that growth failed to materialize, the CIO was under pressure to reduce costs without compromising service. He also wanted a more detailed understanding of his organization's cost structure. In only four weeks, a Gartner IT Overview Analysis quantified approximately **\$3 million in cost savings**, primarily through renegotiations of transmission costs and the leasing — rather than purchase — of equipment. An alignment gap analysis was also conducted, identifying areas of “high importance and low customer satisfaction,” such as linkages to customers and suppliers, project management, and applications support. Based on the analysis, Gartner suggested the reallocation of resources from areas of lower importance and higher satisfaction. As a result of his work with Gartner, the CIO had the data he needed for discussions with business leaders on improving service while lowering expenses.

**State Saves
\$3 Million in
Distributed
Computing**

A state government wanted a rapid assessment of its distributed computing in three agencies before creating a request for proposal from outsourcers. The state had previously used a competing firm but selected Gartner for our expertise in total cost of ownership modeling. Within eight weeks, Gartner identified over **\$3 million in potential savings** and created a benchmark for proposals from seat-management contractors. Key recommendations included the standardization of operating procedures among the three agencies (such as a centralized help desk), automation software to enhance responsiveness and diagnostics, investment in asset management tools, and a move toward best practices where appropriate.

**Immediate
Help Desk
Savings of 10
Percent Per Year**

Although Gartner Measurement ranked it in the top 25 percent of utility companies for IT performance, this company sought to improve its help desk. Gartner was hired to conduct a Total Cost of Ownership Analysis and find efficiencies. The study took eight weeks and resulted in identified **savings of 10 percent that could be realized immediately**. Recommendations included a greater use of automated voice response, and a “speed of answer” that would maintain customer satisfaction but not impose a needlessly expensive workload. A formal quality monitoring system was also needed to follow up on open-ended issues not resolved. While job satisfaction among employees was fairly high, Gartner also made recommendations that led to reduced attrition.

Improving IT Services With “Found” Capital

The CIO of a major national bank needed to get a better handle on his organization’s costs so he could justify process and organizational changes in an upcoming budget. Gartner did a rapid IT overview, collected the data in two weeks, and returned a full analysis in seven weeks. Along with establishing a baseline for future improvements, the analysis confirmed a number of weaknesses, including under-investment in IS support resulting in costly and unreliable “shadow” support in distributed computing, and dangerously low staffing levels, which not only compromised service but was causing burnout among valuable employees. It was demonstrated to the CIO that he could largely **finance key improvements by reallocating saved money**. He was also able to use the Gartner report to justify added funds in the budget year.

The fact is this:

within most IT organizations there is remarkable room for improvement, whether it be outright savings or the reallocating of funds to functions of greater importance. But getting there takes awareness. And awareness takes measurement. Gartner Measurement, with the most reliable independent data in the IT world and the industry’s most powerful suite of decision tools, can help you make the decisions that will make a difference.

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters
Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters
Level 7, 40 Miller Street
North Sydney 2060
New South Wales
AUSTRALIA
+61 2 9459 4600

Latin America Headquarters
Av. Nações Unidas 12901
19 andar –Torre Oeste
04578-903 Sao Paulo SP
BRASIL
+55 11 3443 1509