

Transforming the role of IT

Our client needed to shift from cost-cutting mode to value-enhancer. We identified over **\$34 million** in initial value.

The CIO of a technology services provider needed help to shift his company's IT focus from incremental cost cutting, which had halved the IT budget in under five years, to value-driver for the business. Years of exclusive focus on cost had left the IT function only enough money for "run the business" functions; very little money or energy went to activities that would enable business transformation. The tipping point came when the business, under pressure to deliver more with fewer resources, needed to find **operational efficiencies** and **unleash trapped capacity**.

we took a
**strategic business
approach**
to address the challenge, instead
of a technology approach

Interviews with the senior leaders from the company's business and functional units helped us to uncover several opportunities:

- Drive **IT efficiency** through automation, application portfolio rationalization, etc.



Drive **business automation**



Unleash **productivity**

We then established a set of **foundational elements** that had to be implemented to take advantage of these opportunities:



A systematic process to regularly **engage with the business**



A clear set of **success metrics** aligned with the business' value interests



An updated financial process that creates greater **transparency** around **drivers of outcomes**



An updated business case process that includes **documenting the business value** generated by the IT initiatives

\$34+ million
in initial value

We were able to identify over \$34 million in initial value – a **combination of IT cost savings and business improvements or savings** – over a three-year period.

The value we identified was previously trapped within the organization because of IT budget constraints. By rethinking IT project business cases to account for business unit savings and productivity gains, business transformation projects that could not previously be supported by the limited IT budget became feasible – the return to the business more than justified the additional investment.

changed
thinking
to free
trapped value

We brought a unique perspective to this challenge:

- We have a deep understanding of the potential of technology to generate business value
- Insights from our broad and deep research support and confirm our findings
- Our intimate knowledge of sourcing enables us to paint a comprehensive picture of the IT capabilities across both internal resources and external service providers

Contact **Cecilia Edwards**, Partner, to learn more about how we can help you with your transformation challenges.
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