



## IT baseline and operations assessment

A large (\$50B+) global pharmaceutical company hired its first Chief Technology Officer (CTO) with the intention of improving the efficiency and effectiveness of its information technology (IT) organization. IT had traditionally been decentralized at the company, although efforts to centralize many operational components had been in progress for a number of years. As a first step, the new CTO was interested in:

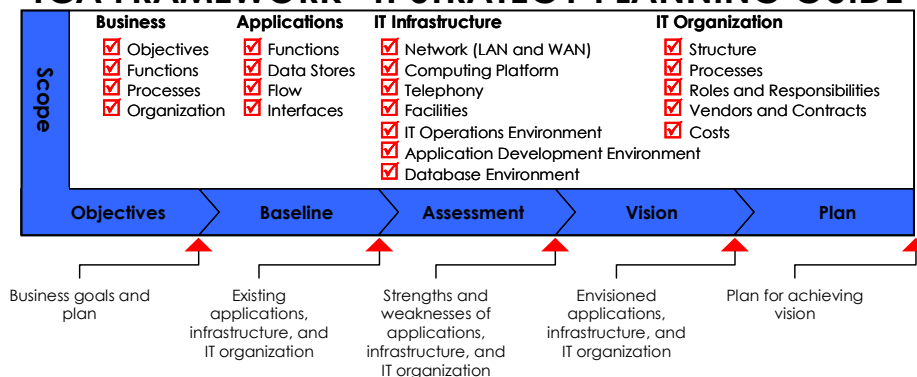
- Gaining an understanding of the current state of information technology at the company including:
  - Applications
  - Infrastructure
  - Costs
  - Organization
  - Ongoing and Planned IT Projects
- Assessing the company's IT infrastructure
- Assessing the company's IT operations
- Identifying opportunities for cost and service improvements within the IT infrastructure and operations area
- Developing an plan for achieving identified cost and service improvements with supporting business cases

Technology Consulting Associates, LLC (TCA) was hired to work with the new CTO's organization to acquire the required information, perform the operational assessment, and develop a plan to achieve the company's cost and service goals.

### vision

The project utilized TCA's IT STRATEGY FRAMEWORK<sup>®</sup> with its supporting aids and templates, such as TCA's Business Case Financial Modeling Tool.

### TCA FRAMEWORK<sup>®</sup> IT STRATEGY PLANNING GUIDE



The entire IT function at the company was taken through the *Baseline* step as depicted above. Scope was narrowed to IT Infrastructure and related IT Organization components for the *Assessment* step. Visioning and planning was limited to major opportunities identified during the *Assessment* step.

results

The project produced the company's first overall IT baseline:

- Identified and analyzed IT costs in excess of \$1.6 billion
- Inventoried over 3,000 production applications utilizing over a dozen operating systems and ten different data base management systems
- Documented the company's telecommunication network connecting over 500 physical sites around the world
- Detailed all IT organizations and their responsibilities

## DELIVERABLES

<b>TCA FRAMEWORK IT STRATEGY PLANNING GUIDE</b>	<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Business Function Inventory</li> <li>• Business Objectives Inventory and Definitions</li> <li>• Project Work Plan                             <ul style="list-style-type: none"> <li>✓ Schedule</li> <li>✓ Resources</li> <li>✓ Costs</li> </ul> </li> </ul>		
	<b>Baseline</b>	<ul style="list-style-type: none"> <li>• Business Process Flows                             <ul style="list-style-type: none"> <li>✓ Function</li> <li>✓ Organization</li> </ul> </li> <li>• System Maps                             <ul style="list-style-type: none"> <li>✓ Data Stores and Flow Diagrams</li> <li>✓ Interface Inventory</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Network Diagrams</li> <li>• Computing Platforms</li> <li>• Data Environments</li> <li>• IT Operation Environments</li> <li>• Development Environments</li> </ul>	<ul style="list-style-type: none"> <li>• IT Organizational Structure</li> <li>• IT Processes</li> <li>• IT Roles and Responsibilities</li> <li>• IT Contracts</li> <li>• IT Costs</li> </ul>
	<b>Assessment</b>	<ul style="list-style-type: none"> <li>▪ Functional Analysis</li> <li>▪ Technical Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Network Analysis</li> <li>• Platform Analysis</li> <li>• Data Environment Analysis</li> <li>• IT Operations and Development Environment Analysis</li> </ul>	<ul style="list-style-type: none"> <li>▪ IT Organizational Structure Analysis</li> <li>▪ IT Process Analysis</li> <li>▪ IT RACI Analysis</li> <li>▪ IT Contract Analysis</li> <li>▪ IT Cost Analysis</li> </ul>
	<b>Vision</b>	<ul style="list-style-type: none"> <li>• New Bus Process Flows                             <ul style="list-style-type: none"> <li>✓ Function</li> <li>✓ Organization</li> </ul> </li> <li>• New System Maps                             <ul style="list-style-type: none"> <li>✓ Data Stores and Flow Diagrams</li> <li>✓ Interface Inventory</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• New Infrastructure                             <ul style="list-style-type: none"> <li>✓ Network</li> <li>✓ Platforms</li> <li>✓ Data</li> </ul> </li> <li>▪ New IT Operations and Development Environment</li> </ul>	<ul style="list-style-type: none"> <li>• New IT Organizational Structure</li> <li>• New IT Processes</li> <li>• New IT Roles and Responsibilities</li> <li>• New IT Contracts</li> <li>• Target IT Costs</li> </ul>
	<b>Plan</b>	<ul style="list-style-type: none"> <li>• Gap Analysis</li> <li>• Prioritized Project Inventory</li> <li>• Business Case</li> <li>• Target Implementation Plan                             <ul style="list-style-type: none"> <li>✓ Schedule</li> <li>✓ Resources</li> <li>✓ Costs</li> </ul> </li> </ul>		

An assessment of the company's IT infrastructure and operations organization was completed. Cost reduction opportunities in excess of \$50 million a year out of a total budget of \$350 million were identified and plans developed to achieve them.

value

The company initiated the proposed cost reduction plans in the IT operations and infrastructure area.

Information from the baseline was utilized by executive management at the company to begin major restructuring and consolidation efforts within IT, resulting in anticipated annual IT cost reductions in the hundreds of millions of dollars.