

Technology Optimization Assessment- Case Study



OVERVIEW: With significant growth through the expansion of its charity programs, Silver Tree's Non-Profit client's IT staff, support services and thus budget dramatically increased to meet the increasing requirements of the organization.

HURDLE: As the IT organization grew in its importance to the business and new systems and services were added, the IT environment quickly became very complex with numerous interfaces and customizations to the applications. In addition, there was duplication of tools, adding to the complexity for end users. The national IT staff evolved into predominantly a support group to maintain the infrastructure and systems consumed by the organization. Most development and infrastructure operations had been sourced to high-cost domestic providers. IT reached an inflection point in terms of:

- The effectiveness of the IT operational model
- Resourcing
- An unfettered inventory of applications
- Growing licensing of applications, in some cases, oversubscribed
- Limited governance over demand and thus quality of service suffered
- Infrastructure operations inability to maintain the required quality of service

All resulting in a budget not optimized to support the financial goals of the organization to minimize administration costs while increasing the amount of incoming revenues/donations to the people it serves.

NEED/ASK: Reduce IT spend of \$12 Million by 25% through optimization and maximizing IT's value proposition to the organization.

ACTION

Silver Tree Assessed: Operating model, Service Management, Infrastructure, Staffing, Software Licenses, Contracts, Cybersecurity, Apps Development and Support, Operations of 3rd Party Provider

Scope: Reviewed costs, organization and processes, service delivery and technology as to its effectiveness and efficiency in delivering its services, and what the future state should look like to support organization objectives and long-term strategy.

Silver Tree also prepared the RFP for the client's Managed Services Sourcing.

OUTCOME

Silver Tree identified and implemented **savings of 40%** and helped this IT Department evolve to a **full managed services model for infrastructure and applications** – resulting in **better quality of service** at a **lower cost**.

Silver Tree discovered potential savings of \$3.3 Million on a total addressable spend of \$7.2 million, which as part of the total IT expense of \$12 Million. Not only was the analysis and data presented as to the areas where the savings would be realized, but a detailed action plan that the CIO was able to take to the executives and begin implementing for 2020 budget impact, including:

- Evolving to a new operational model that supports the strategic goals of the organization.
- Sourcing to lower cost providers
- Establishing a governance process for work requests
- Optimization of 3rd party vendor spend
- Assessment of software licensing to reduce licensing spend – consumption and contracts

Strong Roots Run Deep – It doesn't end with recommendations...

Silver Tree:

- Identified how to reduce targeted spend by 40%
- Silver Tree reviewed the findings and recommendations with the Officers of the company
- Provided a detailed roadmap the CIO was able to incorporate into 2020 planning to simplify organization and lower cost while increasing the quality of service.
- Revealed how to optimize and better deliver services to constituents through better utilization of resources at a lower cost, shifting IT spend to strategic activities including digital experience, business intelligence, architecture and security, and IT strategic business management
- As a partner – able to implement the recommendations for its client through our well thought out and proven IT Strategy & Execution Methodology to assure sustainability of benefits