

Company: Global Grocery Retailer / Wholesaler

Overview / Problem Statement

When a global grocer retailer/wholesaler needed to lower their IT operational costs, increase productivity, gain more flexibility, and move from a CAPX to an OPEX financial model, a solution was developed to meet these objectives.

Solution

Over a 9-month period a comprehensive assessment of every element of IT services was performed. The outcome of this was a comprehensive plan to address the company needs and provide the agility and capability to grow the capacity of IT services as needed while achieving the desired cost savings.

This solution included migration of workload from physical and virtual servers to a new private cloud with integrated management and a network refresh. IT Service delivery was changed from a staff augmentation model to a full managed services model based on Service Level Agreements. In addition, a full ITIL 3.0 process and tool implementation with standard IT delivery business process around all the ITIL process areas was included in the solution.

Benefits

Cost Savings

In moving to a managed services IT delivery model, the retailer could operationalize the IT service delivery and reduce the cost by 20% with further reductions planned for future years.

Productivity Gains

By operationalizing the IT service delivery and standardizing the process, the IT deliver productivity increased by 10% with further increases planned in the future.

More Standard and Disciplined Process

Clearly defined processes provided the ability to resolve IT issues faster, prevent recurrence, and gain insight into clear actions and paths to future improvement.

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Scalability and Flexibility

By moving to a cloud platform, the retailer could scale capacity for the higher volume periods automatically and scale the capacity back when the higher volume periods were winding down.

Predictability / Reliability

Reduction of severity 1 issues by 75%. Similar reductions in other issue levels. Allows IT leadership to spend more time on meaningful business aspects of IT services and contribute to the business.

Financial

By changing to an OPEX financial structure, the retailer was able to remove depreciating assets from their balance sheet and have a more predictable IT spend.