

Improved Planning and Tracking Tools Help Large Utility Better Manage Costs & Operation of Contracted IT Services

The Client

A large utility company that engages in the natural gas and electric businesses, including generating, transmitting, distributing and selling electricity; transporting, processing, storing and marketing natural gas; and operating power plants.

What the Client Wanted

A better process was needed to monitor the operation and manage the costs of using contracted (outsourced) IT services across all business units. They needed to shorten the time it takes to make decisions on purchasing and allocating IT contractor services and devise a more efficient process in the Accounts Payable Department for reconciling hours worked with contractor invoices.

Challenges

The Client had six major service vendors supporting its IT organization, each segmented to support various business areas. Each business unit had its own unique needs that had to be factored into the decision-making process.

The Solution

LÛCRUM created a new application within the existing data warehouse that would automatically gather the necessary data such as "Committed," "Approved," "Actual" and "Forecasted" spending from sources throughout the enterprise, cleansed and merged the data; making it available to users throughout the company. The new process included an automated system that tracked:

- IT needs of each business unit
- Budgets versus money spent
- Results achieved and ROI on the cost of services versus the benefits received
- Contractor time involved by department; reconciling that time with bills received so that timely payments could be issued

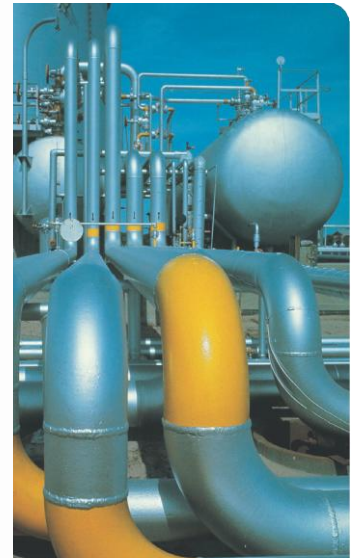
The new application supports decision-making on the assignment of the appropriate outside IT resources to help each department. User-friendly "canned" reporting tools were created, as well as, tools that can be used to create customized "slice-n-dice" reports.

Development and Implementation

In-depth meetings were conducted with all departments in order to understand each unit's needs so that the appropriate technology solution could be developed and deployed. The application developed utilized existing processes, hardware and tools. Following application development, LÛCRUM helped train users throughout the organization on how to utilize the new planning and management tools. The new application development and implementation was completed in six months.

Benefits

- Improved planning tools have helped the organization move from reactive management to proactive management of its outsourced IT services, saving the company significant time and money
- Improved financial controls over spending on outsourced IT services
- Increased data analysis capabilities now allow users greater flexibility in how they can "drill down" to the supporting detail they need to make better decisions
- Billable time on contractor invoices can now be reconciled more quickly and easily because the Accounts Payable Department has better and more timely access to key data such as number of hours and for which department each contractor worked
- Increased data quality
- Contracted IT partners now use the tool to manage their own interactions with the client



"Our project team leveraged the client's existing processes, hardware and tools to deliver meaningful and measurable business value. We then assisted business users throughout the organization with the transition from reactive to proactive management."

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