

Case Study:

How insourcing led to annualised savings of \$9mill

Overview

Our client is one of the largest financial institutions in Australia, employing more than 30,000 employees across Australia, NZ and Asia. colB has a long-standing partnership with this client, where we have led several of the client's Workplace transformation initiatives.

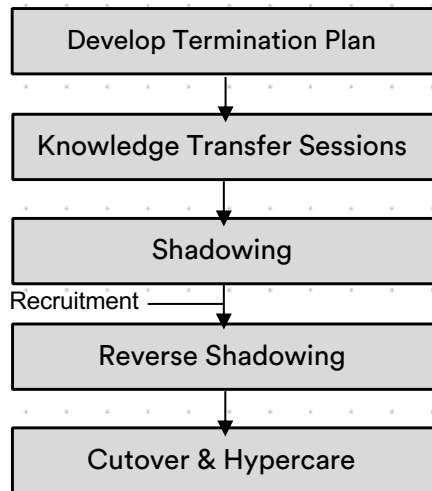
In 2018, the client reviewed their sourcing approach in order to align with their "right-sourcing" strategy. A decision was made to bring a number of the core foundational capabilities back in-house to provide the client with better control over their support systems and to deliver significant cost operational cost savings.

A vast range of services were selected for insourcing; ranging from simple, non-critical services such as Drop In Service Desk, Asset Management, Asset Build, Packaging and Deployment to more complex, critical services such as Active Directory/DNS, Email, Executive Support, Identity & Access Management.

colB solution and process

- **Commercial** – Working with the existing vendor, sourcing, commercial and legal teams to understand the nuances of the service "unwind" process and to develop a transition plan. This included negotiations on contractual terms, navigating disagreements, identifying and understanding stranded costs and payout figures.
 - **Technical** – Understanding the day-day operational activities underpinning the different services, running multiple knowledge transfer/shadowing sessions to capture information, identifying and implementing all required access the support staff needed to manage the service, reviewing and developing required documentation for future support.
 - **Recruitment** – This was a critical stream of work, which resulted in the recruitment of ~120 staff for the client. Activities involved developing the appropriate FTE model, creating job descriptions and positions, working with recruitment agencies to identify and interview candidates and then working with HR for the placement activities.
 - **Operations** – For each service, new operational model and process flows/maps were developed for the inhouse teams.
- colB has been a critical delivery partner, leading the client's workplace transformation journey from its inception 3 years ago. colB took the lead on delivering the insourcing program, which consisted of many different streams and activities.

Integration with Service Now for catalogue items, service management (incident, problem, change) and service requests was critical for success.



The transition process included sequenced activities to enable sufficient knowledge transfer between the support teams:

- **Termination Plan** – This was a legally binding document between the client and the current service provider that outlined the details of the transition process (timelines, transition process, roles and responsibilities of the two parties, commercials & stranded costs)
- **Knowledge Transfer Sessions** – These were technical workshops where the current provider walked the client through the day-day operations underpinning the service. This covered topics such as architectural overview of the service, health and monitoring reporting, access requirements for administering the service, overview of other hardware/software maintenance contracts & agreements, current team structures and roles/responsibilities of the team members, current service management (incident, change, service request) processes, SLAs.

- **Shadowing** – The client’s inhouse teams shadowed the current service provider over a period of 1-2 weeks. This enabled the client to get “on-the-job” experience with managing the service. This phase uncovered a number of topics/activities that required further knowledge transfer sessions.
- **Reverse Shadowing** – The client took on the primary role of supporting the service, with the vendor overseeing the client’s activities. This enabled the client to ensure that their teams were skilled and ready, before the cutover date. Both the shadowing and reverse shadowing stages uncovered a number of operational process changes that needed further review & clarification.
- **Cutover & Hypercare** – On the cutover date, the vendor stopped the support activities, with the client taking over the support role. A 2-week hypercare period followed, where the key vendor resources were available to assist with any critical incidents & issues.

Benefits and outcomes

The insourcing program delivered several benefits:

- Significant reduction (~\$9M) in annualised operating costs.
- Improved control of core platforms, which resulted in improved service to customers through quicker turnaround times.
- Ability to quickly scale up/down as needed, which proved critical in the COVID-19 situation. The Tech Lounge service that was brought in-house serviced large numbers of employees to enable remote working (~5500 Win10 laptops distributed during the lockdown months).