



Utility company gains insight

and builds enterprise architecture practice

USD 2M savings

in software licensing
and maintenance costs

17% reduction

in applications

Full visibility

into software consumption and costs

Client

Utility Company

Industry

Energy

Services

Application Portfolio Management

Country

Canada

A utility company that operates in power generation and power distribution wanted to gain a better understanding of all aspects of its business. It was looking to achieve cost savings, but it also wanted to gain clear insight into its IT environment to better understand what applications it was using, who owned them and whether they were still necessary. Most significantly, the company wanted to use that information as a baseline to implement an enterprise architecture (EA) practice in the business. An EA practice would help the organisation create an IT infrastructure to align with business goals, gain insight and enable analysis to further define and refine goals, and that would help create a strategic vision for the future.

The challenge

Established business seeks to optimise application uses

The utility wanted to develop an EA practice so that it could make better, data-driven business decisions involving its IT environment. To do this, it needed to understand its existing environment so that it could analyse and optimise the number and use of applications.

It wanted greater visibility into its application portfolio, to understand what applications it owned, what was on its servers and its data centres, what it was paying for and what it was actually using. It also wanted to gain a holistic view of the portfolio and implement an EA practice to create a capability model, build its portfolio and perform a rationalisation analysis.

The company was aware of some duplication in its systems, which included legacy systems built up over decades. In addition to setting up an EA practice, its goals included driving down costs and optimising its application portfolio for a possible cloud migration.

After working with a large consulting company for about a year, however, the utility was no closer to its goals.

The solution

Integrated way of working delivers success

The utility company was eager to see results after a year of no progress. It asked SoftwareOne if it could help it achieve its goals of better insight into its IT environment, optimisation, cost savings and laying the foundation for an EA practice. It turned to SoftwareOne, which proposed a two-phased approach.

Phase one involved making an inventory of all the applications, building the business capability model and developing an initial set of recommendations and analysis. SoftwareOne analysed all of the applications to evaluate how they were being used and whether they were necessary. It also looked for duplicate applications that could be decommissioned without negative impacts. SoftwareOne ranked applications in terms of how easily each could be retired and what the benefits of doing so would be, and validated those recommendations with the business.

Phase two was the start of the business conversations. These included strategic decisions about which capabilities to aim for. During this phase, SoftwareOne consulted with the owners of various applications and capabilities.

The idea was to distinguish easy wins from more involved or complex cases and to manage optimisation or decommissioning without disrupting the business. SoftwareOne focused first on cataloguing and optimising applications, and then on looking for opportunities for savings. It also implemented the ServiceNow APM tool and sustaining processes. From planning to ServiceNow implementation, the project took about three years in total.

The outcome

Software licence cost avoidance

By implementing **Application Portfolio Management** with the help of SoftwareOne, the utility was able to identify and decommission unnecessary applications. This enabled easy wins, saving the company USD 2M in the first year. The company also achieved other, harder-to-quantify savings through – for example – shutting down servers made redundant when the applications running on them were decommissioned.

Increased visibility of IT landscape

The utility gained a deeper and more detailed understanding of its IT environment, including improved insights into application costs. Working with SoftwareOne, it was also able to identify customer-facing applications that could be spun down – these included customer billing and credit, customer contract management, project support services and customer relationship management (CRM) systems. Many of these represent multi-year decommissioning efforts that rank high in difficulty. The goal was not simply to cut applications but to consolidate and integrate applications so customers had a faster, better experience.

Reduced maintenance costs

By eliminating unnecessary applications and related hardware, the company was able to reduce the resources needed to maintain those systems.

Optimised IT environment to enable EA practice

The utility achieved its goal of a rationalised application portfolio that it could incorporate into an EA practice to help drive better decisions. It eliminated waste to achieve savings of more than 17%. The company also benefited from the knowledge transfer that came from working closely with the SoftwareOne team throughout the project.

Implementation of ServiceNow

By implementing ServiceNow APM and APM processes, the utility has gained the ability to maintain best practices in Application Portfolio Management for greater efficiency going forward.

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