

Getronics

Global IT Solution Provider Uses Unified Project Management Platform That Reduces Internal IT Operations Costs by 10 Percent

Situation

In the global IT services industry, enterprise customers make their IT infrastructure outsourcing decisions based on fractions of a dollar per PC. Global IT service providers constantly search for a means of gaining—and retaining—a competitive advantage.

Surviving in a Tough Business Environment

As a leading global IT service provider, Getronics has extensive experience in using IT to maintain its competitive edge. Although Getronics already operates its IT processes very efficiently, to continue growing revenue, the company must reduce costs by improving the efficiency of its internal and customer-facing business and IT processes.

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Berend van der Zwaag
Director, ICTO Project Management Office
Getronics

Efficient project management is essential to maintaining high levels of customer service that Getronics customers expect and to controlling costs, which keeps the company competitive.

The Getronics Information and Communications Technology Organization (ICTO) provides IT services to company subsidiaries and introduces software applications, technologies, and best practices that can improve the productivity of project consultants and technical specialists at company engagements.

Berend van der Zwaag, Director of the ICTO Project Management Office at Getronics, comments, “Because services generate most of our revenue, and labor represents most of our total costs, everything that we can do to help our employees work more efficiently has a direct, positive effect on our bottom line.”

However, keeping project participants productive and project operations costs low had become increasingly difficult. Each year, Getronics manages an estimated 1,100 projects in 25 countries. Many Getronics subsidiaries were used to operating on their own, with limited visibility for corporate headquarters. The lack of standardized software applications and IT processes were driving up project operations costs.

The ICTO team started evaluating software solutions that would help make project management more efficient and project participants more productive. The team identified several business challenges that affected project management. One issue, a lack of standardized project management tools, had consistently high impact on revenues throughout the company.

A Challenge to Growing Revenue and Protecting Margins

Managers at each subsidiary were used to managing projects and using project management tools such as Microsoft® Office Project Professional and Microsoft Excel spreadsheets in their own way. Some used project management software only for time tracking; others used it to report project status or forecast resource requirements. As a result, company executives could not always find time data, status reports, and resource requirement information they needed to make timely, accurate business decisions. Specifically, the lack of accessible, complete, and accurate project information made it difficult for company decision makers to identify which projects were—or were not—profitable. As a result, unprofitable projects were retained and eroded company margins.

Mr. van der Zwaag knew that delivering efficient, cost-effective enterprise project management (EPM) services throughout the Getronics organization required standardized software and IT practices. However, to keep user productivity high and IT and user labor costs low, an effective EPM solution also had to be easy to integrate into current project processes and back-end IT systems and provide flexibility that would serve the varied requirements of different subsidiaries.

Solution

The ICTO had been using the 2003 Microsoft Office EPM solution successfully since 2004. Now, the ICTO needed:

- A single solution with separate functional modules, which different Getronics subsidiaries could use as their needs required.
- Additional time tracking and project status reporting capabilities that project managers and team members could use to reduce reporting cycle time, IT labor costs, and project operations costs.
- The Microsoft EPM Solution 2007 is an out-of-the-box solution based on Microsoft Office Project Server 2007, Office Project Web Access, and the Office Project 2007 Professional client. Core EPM capabilities are supported and extended by integration with Microsoft Office System applications, Microsoft Windows® SharePoint™ Services, and other Microsoft server applications and technologies.

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The ICTO evaluated Microsoft EPM 2007 by running a pilot program to see whether the EPM 2007 solution could provide the flexibility and powerful capabilities that would satisfy Getronics functional requirements.

In the EPM 2007 pilot, ICTO project managers used the rich Project Professional 2007 client to design, create, and manage their project plans quickly and easily. Project team members reduced the time and effort of status reporting by using easy-to-use, template-based forms that were updated on Microsoft Windows SharePoint Services workspaces.

After a successful pilot, Mr. van der Zwaag scheduled deployment of Project Server 2007 to more than 500 users in the ICTO. This deployment was completed at the end of the first quarter of 2007. ICTO managers expect that deployment of EPM 2007 to the remaining 2,500 users of EPM 2003 throughout Getronics should be complete by the end of calendar year 2007.

Mr. van der Zwaag and the ICTO team chose the EPM 2007 solution in part because it enabled Getronics executives to make more accurate resource allocation decisions. Getronics executives needed project management capabilities that could help them decide which projects to implement or retire, within the constraints of limited budgets and resources.

Integration of EPM 2007 with the Microsoft Windows SharePoint Portal Server Accelerator for Business Scorecard Reporting provided executives and other Getronics managers with a centralized Microsoft SQL Server® data repository and easy-to-use tools that are tailored to each manager's role. Accessible information and tools helped decision makers create dedicated resource plans and monitor ongoing resource use, monitor new project requests, prioritize and run active projects, and retire underperforming projects or programs.

Mr. van der Zwaag commented, "EPM 2007 provides our executives with ongoing information about the types and costs of resources used in each Getronics project. By associating budgeted resources with a specific project and comparing forecast and real costs for each project, EPM 2007 enabled our managers to judge the effectiveness of resource allocation decisions and forecast future requirements more accurately."

Benefits

The EPM 2007 solution had many positive effects on Getronics' internal project management and ICTO operations and as a showcase of project management excellence demonstrated by customer-facing pilot projects.

Getronics Business Value

Internal Getronics projects benefited from using EPM 2007 in pilot programs. Results of these pilots showed how EPM 2007 could improve Getronics service levels, ensure competitive pricing, and reduce operational costs.

Fewer but Higher-Value Internal Projects

Getronics' use of EPM 2007 helped the company to protect its operating margins.

"Outsourcing generates an increasing portion of our total revenue. Our ability to meet planned goals often determines contract payments. As a result, our ability to compare actual versus planned costs has measurable financial value and is a critical part of our outsourcing operations."

Leo Stigter
Director and Partner Project Manager
Getronics

Mr. van der Zwaag describes this benefit, saying, "Now that we can access, view, and share detailed internal project data quickly and easily, we know where we incur cost overruns and how many people we need to deliver a service. Advanced EPM 2007 time tracking tools enable us to monitor time spent in projects consistently throughout the company. We can avoid the costs of hiring too many people for a project or avoid overtime costs if we hire too few workers."

Van der Zwaag continued, "Our EPM 2007 solution also helps our business decision makers price future services more accurately. By using EPM 2007 project monitoring and reporting capabilities, we can identify and avoid the sunk costs of underperforming projects early in the project cycle. Because it is easier to identify and retire projects when the return is not what we expected, we conduct fewer but higher-value projects. In this way, our EPM 2007 solution helps us provide outsourcing services more profitably."

Leo Stigter, Director and Partner Project Manager of the Getronics EPM Competence Center, added, "Outsourcing generates an increasing portion of our total revenue. Often, our ability to meet planned goals determines the size of contract payments. As a result, our ability to compare actual versus planned costs has measurable financial value and is a critical part of our outsourcing operations."

Efficient Provisioning that Reduces Human Resource Costs

EPM 2007 resource forecasting and allocation capabilities also help Getronics provision project workers more efficiently.

Mr. van der Zwaag explains, "Our ability to manage our human resources more accurately helps us avoid the unscheduled employee idle time that is typical in our industry. Now, schedules of our staff and contract workers are fully loaded with work. We expect to save 10 percent in human resource costs compared to last year, before we started using EPM 2007."

ICTO as a Showcase for EPM Excellence

Getronics knows that ensuring customer satisfaction with its services—at competitive price points—is the key to retaining customers and gaining new ones.

The EPM 2007 solution helped Getronics protect revenue by improving customer satisfaction with Getronics solutions in a wide variety of project management environments.

For example, Getronics implemented EPM 2007 at a university hospital in the Netherlands. Gauging IT staffing requirements, an essential part of hospital operations, was made difficult by the lack of accurate, up-to-date resource planning information.

Within a month, all 150 users (contract workers and members of the hospital staff) used pre-designed EPM 2007 templates and easy-to-use time reporting and tracking tools. These resources enabled managers to monitor and report labor requirements more quickly and accurately than was previously possible.

Mr. Stigter, explains, "The Microsoft EPM 2007 solution provided the hospital's IT managers with a clear view of the long-term revenue they could expect from their Service Level Agreement. The managers' improved ability to align the demand for resources with hospital staff levels enabled them to replace expensive contractors with newly hired staff members."

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Mr. van der Zwaag concludes, "Results of the hospital implementation validated internal cost reductions that we experienced in our internal projects. Our ability to use our EPM 2007 solution to project, compare, and track real and estimated project performance data will make a big improvement in our ability to control our internal costs and price our services more accurately. This and our ability to monitor, report, distribute, and act on project status information more quickly will help us run our operations even more efficiently than previously and improve our bottom line."

"Our EPM 2007 solution is a winning proposition. We can decide which investments to develop or retire, quickly and systematically, without costly add-in programs, lengthy deployments, and training."