



AVOID EXCESSIVE IT COSTS
THROUGH EFFECTIVE IT GOVERNANCE

*The lack of IT governance results in a proliferation
of IT resources and excessive cost.*

COMPANY BACKGROUND

This \$4.5 billion manufacturing company is a leading provider of consumer goods operating in the global market space. Product diversification and global expansion caused several business units to grow independently and develop separate IT functions. What emerged were several independent IT functions spread across multiple locations totaling 430 people and \$115 million of annual IT expenditures. After the departure of the Corporate CIO, IMS was asked to review the situation and develop organizational and governance recommendations.

OBJECTIVES

Realign IT with the business and define a new IT Governance process including the role and function of Shared Services.

APPROACH

IMS assembled a senior project team to interview senior management, review the IT functions at headquarters and the business units, develop a series of realignment recommendations, and define and establish a new IT Governance process including the role of Shared Services.

OUTCOME FIRST MONTH

Assessed business requirements and future business direction. Reviewed the current support provided by IT, and identified the similarities/differences across the IT organization. This effort resulted in a series of realignment recommendations and the identification of potential IT cost savings between \$20 and \$30 million.

WITHIN SIX MONTHS

IMS established and implemented a new Governance process. A new cost allocation process was implemented which moved Infrastructure services to more of a service and usage based model. IMS conducted a worldwide inventory of systems, projects, skills and vendors and identified redundancies and overlaps which resulted in achieving a significant portion of the savings identified during the first month. The worldwide inventory also provided input to create and staff the Shared Services Division. Finally, IMS helped recruit a new Corporate CIO to manage the realigned IT functions.

CONCLUSION

IMS' broad experience in IT Governance and Shared Services provided a balanced IT function aligned with the business, while saving a significant portion of IT costs. Consequently, due to IMS' focused and pragmatic approach to providing actionable recommendations and executable solutions – IMS achieved the significant cost savings without reduction in service levels or workload.

WHO WE ARE

Since 1988, IMS has specialized in fast growth companies and companies under new management. Our industry leading professionals works with businesses that need significant improvements in IT capabilities or a complete IT turnaround, domestically and/or worldwide. The IMS team has extensive executive level experience in Fortune 500 companies in diverse industries.

IMS' core capabilities focus on retail, direct sales, consumer goods, and business services industries. Additionally we work with the private equity community performing due diligence and assisting in complete IT turnarounds. We partner with companies at the executive level to insure processes, IT strategic and implemented solutions are business driven and aligned with critical business objectives. IMS is based out of California and the New York tri-state area.

We Understand Business.

Leverage Technology.

Get Results.

