



TRANSFORMING IT INTO
A TRUE BUSINESS PARTNER

When a company has historically viewed their IT function as a cost center with little added value, a highly skilled interim management team may be required to transform the IT organization into a true business partner.

OUR CLIENT

A \$400 million consumer products company that designs, manufactures, imports and distributes a variety of tabletop, giftware and seasonal products.

BACKGROUND

A new executive management team was brought in to make the company more profitable. Priorities were to improve relationships with customers and increase sales, and gain efficiencies throughout their supply chain, which involved third party manufacturing facilities in Asia, and wholly owned plants in the United States.

Management also discovered that the Information Technology function had clearly been ignored. Frequent systems errors and network downtime had a negative impact on customer service and overall operations. Expenses were disproportionately high in relation to the service levels and value derived from the IT investment. Critical development projects were significantly over budget and late. As a result, the user community had little confidence in the IT function.

OBJECTIVES

Build a top performing IT function with flexible systems and a reliable infrastructure while reducing costs and improving service levels.

APPROACH

Management decided to turn the management of the IT function over to IMS to secure and stabilize operations, implement new systems and apply "best IT practices".

OUTCOME FIRST 6 MONTHS

Assessed skills and functions across the IT organization and eliminated duplicate and low value functions. Reviewed vendor agreements and renegotiated lower costs. Prioritized the portfolio of IT projects by weighing costs and business value. Established standard project management practices to help insure the successful completion of all IT work. IMS' involvement resulted in \$1 million in annual cost savings.

WITHIN 12 MONTHS

IMS' involvement expanded to review and replace mission critical systems. The IT infrastructure was upgraded to accommodate current demand and allow for future growth. Service Level Agreements were established with the user community. The resource skills of the IT function were also addressed. Consistent job descriptions were developed to support skill evaluation and training programs. Training material was also developed to promote "best practices" within the IT organization. IMS' involvement in the second 6 months resulted in an additional \$1 million annual cost savings.

CONCLUSION

IMS' leadership and management of the client's IT function served as a cornerstone for improvement and increased profitability. Three critical benefits were achieved. The view of IT in the company was changed from an overhead, cost center to a value-added business partner. Efficiency gains in systems, infrastructure and staffing resulted in IT becoming a lower cost service provider. In addition, \$2 million in expenses were taken out of a \$5.5 million department. The IT function is now well positioned to support future business growth and direction.

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.

