

Banking

Architecting IT to **enable business success**

A leading South African asset finance business trusted BSG to help them **transform their IT function to support the needs of an evolving digital business.**



Overview of the client's needs

- Consolidate and optimise IT services to better manage current and future business demands
- Enable IT to be more responsive to customers, through a future-focused IT operating model
- As part of the IT operating model, create clarity of supply and demand by defining service level agreements through an IT service catalogue



Objectives of the engagement

- Define how IT should operate to effectively support current business demand
- Address future business needs by defining how IT should be positioned in a federated business model



Benefits of the change

- Increased levels of collaboration and synergy between IT and business segments
- Business empowered with the autonomy to enable customer centricity, by allocating IT functions to business segments
- Increased flexibility enabled by a modular framework with ownership of functions in the federated context
- Better decision making and reporting enabled a clear view of all 200 services that IT provides
- Better focus on measuring real progress against strategic themes, through a balanced scorecard, which was cascaded to the six key functional metrics within IT

The **IT operating model** conceptualised and delivered by BSG has **enabled a more responsive IT function**, improved productivity and increased business agility.

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Engagement overview

The client is part of the largest financial services group in Africa, with operations in the UK as well. In its 40-year history, they have partnered with leading international brands to provide vehicle and asset finance support.

Despite their impressive track record, the client found themselves challenged to effectively balance improvements to the existing business while supporting rapidly growing demand for business change. In the digital era there is also an expectation that IT will not only adapt to digital change but will also guide innovation.

Due to their entrepreneurial culture, the client's IT function had been very business-centric, which had resulted in ad-hoc processes and less defined architectures. To redesign IT to manage current and future demands, the client devised an IT transformation programme, with the definition of the IT operating model being integral in support of the transformation process.

Solution

BSG aimed to introduce value into the environment as early as possible and ensure continuous feedback and improvement.

Firstly, an IT operating model was designed to be used as the foundation for the IT transformation programme — to clearly communicate changes in IT within the organisation, as a representation of IT to the business and as a means of assigning accountability and measuring internal functions and external vendors.

The strategic principles which would support the IT operating model were tailored to the client, thereby ensuring the model was designed with the customer (i.e. the business units) and the federated model in mind. By clearly identifying roles and responsibilities, a transparent and trusting relationship between business and IT could be encouraged, enabling a structure where the client can strive to meet and exceed their customer expectations. Tailoring the model for the client and their sense of purpose and existence — ensured their guiding values, culture and value proposition would be part of the considerations.

Secondly, BSG defined an IT service catalogue as a basis for the definition of service level agreements, which was the starting point for the consolidation and optimisation of IT services and the definition of an internal costing and chargeback model. While the client knew their IT department was very busy serving a complex business, they were unsure how to better organise to address this complexity. BSG identified 200 items in the service catalogue and grouped these into 12 high-level capabilities and thus improved the visibility of IT's value offering to business.

With the definition of the IT operating model and service catalogue having a far reaching impact, over 50 stakeholders across IT were consulted to assist in designing and validating the IT operating model, which greatly assisted with the buy-in and commitment from this group to the change process.

A transition roadmap was designed by BSG to enable IT to move from the current state to the future state, through focused initiatives over six months, to enable rapid and positive change for the 400 IT staff. This roadmap included sponsors for each initiative. Furthermore, BSG identified 24 necessary functions within central IT, as well as the 20 functions needed within each of the four business segments.

Metrics were integral to this project. BSG introduced a dashboard to visually show how the client's IT department was tracking against their five strategic objectives, as the client had not been measuring progress effectively. IT was also advised which key metrics they needed to deliver on, to drive performance.

BSG making a difference

As operating environments become more complex, IT needs to move into the role of a trusted advisor to business rather than an order taker. Through the IT operating model conceptualised and delivered by BSG, the client's IT function can now be more responsive to their customers, while improving productivity and providing greater agility to the business.

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