

A Commerical Bank Better Manages Its IT Organization From Benchmarking Insight

PROBLEM

A publicly listed commercial bank offers corporate and retail banking products and services. It has 5 offices throughout Europe, and in the Netherlands where it's headquartered, it's the 9th largest bank in terms of commercial assets.

The bank had outsourced a large part of the workplace, end user support, datacenter services, and technical application management to an European IT supplier. Additionally there is a large amount of internal application development and contracts with application suppliers. The reason for the current IT sourcing split is to in-house added-value work (application development and data integration) and to outsource commodity services with little added value.

SOLUTION

After the bank had in-sourced much of its IT talent, it wanted an objective picture of the market conformity of the cost level of the IT organization. This was a significant transformation for the IT department. Additionally, a new CIO had joined the organization. After these changes, the bank needed to know what the current cost level was like in relation to peer organizations. So, was the effect of the transformation positive?

PLAN IN ACTION

IDC Metri provided the bank with insight into the market conformity of the costs. This was done by performing a budget scan with special attention to the IT 'workforce', which are benchmarked in detail. IDC Metri used the standard component-based measurement approach for this providing cost level relative to peers, reported per IT service/process and per team within the department.

Per team, IDC Metri provides productivity KPIs (for example: number of servers managed per FTE), average FTE cost, team size metrics. All of these are also reported for the peer group so the client can compare.

Our component-based measurement approach ensures a fair benchmark that compares 'apples to apples'. IDC Metri collects data about the smallest measurable components in IT. The client's IT organization is then compared to a digital twin, consisting of the same components from IDC Metri's database containing market price and cost.

RESULTS

IDC Metri's research report provided an objective picture of the structure and market conformity of internal costs. It addressed IT department structure, cost benchmark of the department as a whole but also split across all underlying services, productivity figures for all teams and benchmarking of top strategic contracts. This image, including the rationale and explanations, helps the bank to better manage IT.

ABOUT IDC METRI

Founded on the premise of measuring IT performance in a fact-based way to support innovation and to drive business value creation, IDC Metri helps organizations get the full value of their IT functions by maximizing IT budget planning, lowering technical debt and speeding time to market.

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