



BEST PRACTICES GUIDE FOR BETTER MANAGEMENT OF IT SHARED SERVICES

HOW TO GAIN A COMPETITIVE ADVANTAGE BY
TURNING YOUR IT DEPARTMENT INTO A
STRATEGIC BUSINESS PARTNER

TABLE OF CONTENTS

Overview

Introduction.....3

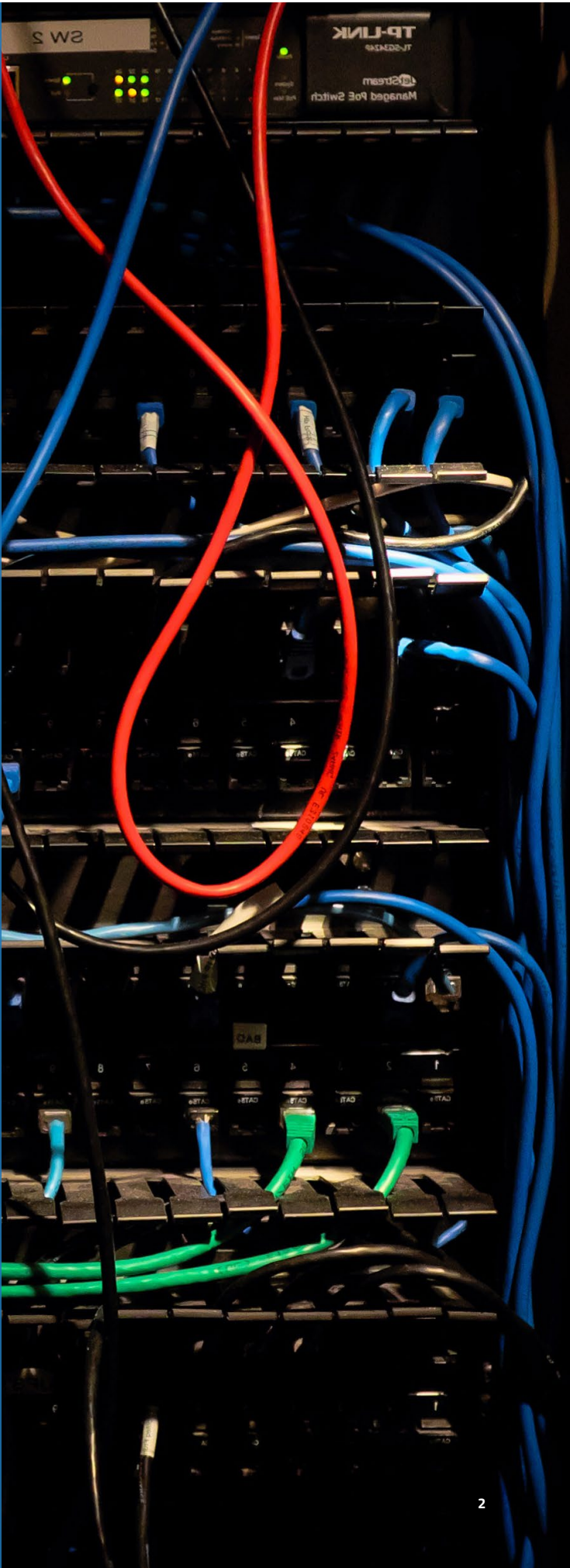
Sections

Time Allocation.....4
Project Timelines.....5
Employee Utilization.....6
Budget & Expense Management.....7
Accurate Chargebacks.....8

Conclusion

Conclusion.....9
About Replicon.....9

HOW TO GAIN A COMPETITIVE ADVANTAGE
BY TURNING YOUR IT SERVICES GROUP INTO
A STRATEGIC BUSINESS PARTNER



INTRODUCTION

Since many IT groups operate as a shared services function, it behooves your company to understand the true cost of providing these services.

Today more than ever, information technology (IT) services teams play an integral role within enterprises, often as a shared services function for internal business units. Given the importance of technology for enabling corporations to operate in a global and connected world, it is likely that your group is under extreme pressure to align IT services with ever-changing business goals in order to deliver efficient and high-quality end user experiences.

While IT services groups have always been responsible for ensuring seamless access to equipment, software, and systems, the technological playing field is changing at such a rapid rate that even the best-run teams are straining to keep up. Advancements in cloud and container technologies and the rise of BYO(-device, -apps) trends at work mean that your team is in high demand and spread thin, especially when coupled with requirements around security, agility, and real-time data and analytics.

These expansive needs and heightened expectations help explain why IT services spending is anticipated to rise at a rate of approximately [4% year-over-year](#) until at least the year 2020. Budgeting for this continual increase requires

careful planning and preparation, as well as insight into how money is being allocated and ultimately spent. You need not only detailed data and analysis about the work completed in order to illustrate utilization, efficiency, and profitability but also a holistic view into the impact your team has on the entire organization. Since many IT services groups operate as a shared services function, it behooves your company's executive team to understand the true cost of providing these services across their organization.

PLANNING IT SERVICES

requires clear

Employee
Allocation



Time
Allocation



Budget
Allocation



At the same time, the individual business unit owners you work with are likely frustrated by a lack of clarity into what IT shared services they are paying for and why. With tightening budgets, these business unit owners may not recognize the value of that work because they can't see a breakdown of the time your team devotes to projects and how the expenses are incurred. The ["black box" of](#)

[charges](#) can cause concerns around accountability and may encourage business unit leaders to look for alternative ways to handle their team's IT needs.

This eBook explores best practices you can adopt to provide the transparency needed to position your team as a strategic business partner for your internal clients and to ensure the continued delivery of exceptional services. ■

TIME ALLOCATION

SECTION ONE



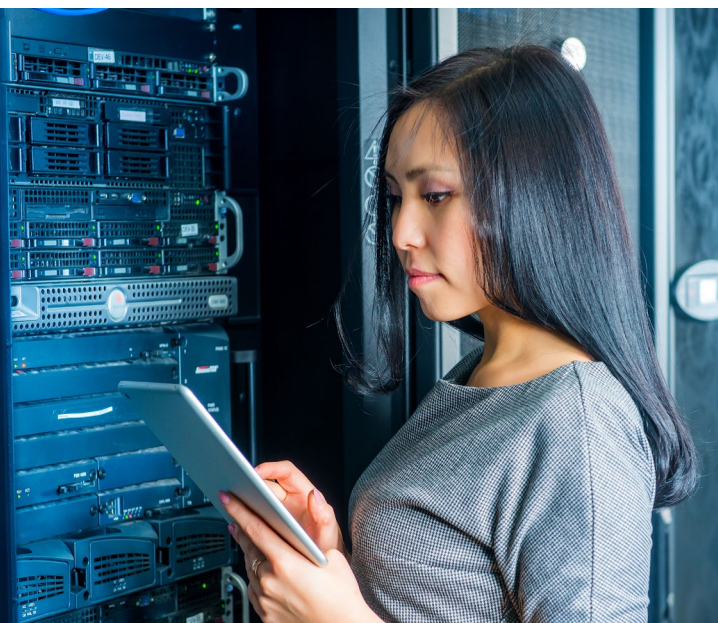
Properly staffing your IT services group is critical to delivering high quality projects, customer service, and process efficiency.

According to a survey by [Deloitte](#), 66% of shared service respondents believe that maintaining high customer service levels is extremely significant or very significant, 65% are concerned with high quality, and 64% view high process efficiency as a top priority. Properly staffing your IT services group is critical to delivering on these goals.

In order to do so, it's important to have visibility into what projects your team spends time on, what tasks are high-value, and what returns on investment your organization sees from this work. The objective is to paint a clear data-driven picture of the efficiency and value-add that the IT services team brings and whether or not time is being designated to the right projects and tasks. Key questions to consider include:

- ▶ Are specific departments requiring more support and IT time?
- ▶ Can you pinpoint tasks or projects that can be reduced or eliminated?
- ▶ What types of tasks are being requested the most? The least?

Understanding which departments, teams, and individuals use the most IT time and resources, as well as the associated costs, allows you to improve the efficiency of scheduling so the right resources are aligned with the work at the right time and cost. ■



❗ Understanding which departments, teams, and individuals use the most IT time and resources, as well as the associated costs, allows you to improve efficiency

PROJECT TIMELINES

SECTION TWO

60% of project challenges are linked to internal issues like bad estimates, scope changes, and insufficient resources.

Detailed time information is not only important for understanding IT resource allocation but also for tracking against projects and specific business units. Visibility into project timelines allows you to provide estimated completion dates that are based on actual progress, not guesses. Given that 60% of project challenges are linked to internal issues like bad estimates, scope changes, and insufficient resources, these insights are critical.

The priority given to timelines becomes obvious when you consider that—within the 77% of companies with shared services that utilize Service Level Agreements (SLAs)—the [top two items outlined in SLAs](#) are the services provided (91%) and the timing of services (87%). Your project leaders

can better anticipate when estimated completion dates are going to slip if they can see the full scope of time commitments by individual, group, and client. If certain activities are taking longer than they should, these situations can be addressed in real-time to discover the root cause of the problem, reset expectations with any relevant clients or end users, and take steps to prevent it from happening in the future.

Providing historical insights into project work also helps ascertain if projects are being properly scoped upfront. Comprehensive time information for both current and past projects makes it easier to identify business units that put an undue strain on your IT resources or have a tendency towards [scope creep](#). ■



“ Providing historical insights into project work also helps ascertain if projects are being properly scoped upfront. ”

EMPLOYEE UTILIZATION

SECTION THREE



In order to accomplish a superior level of utilization, you must first have visibility into all current and upcoming projects.

Perhaps one of the bigger challenges that you face is the management of employee resources to maximize skill sets and availability while also ensuring employee learning and development. Many organizations still struggle to see an impact from shared services as it relates to [talent and capability development](#), as only 11% have seen a significant positive impact; for comparison's sake, cost reduction has seen a 49% improvement.

In order to accomplish a superior level of utilization, you must first have visibility into all current and upcoming projects, including the skills required to complete tasks, timelines, and commitments. Once those requirements are understood, it's critical to have knowledge on-hand about each resource's primary and secondary skill sets— as well as availability— before selecting the right person to put on a project.

Because your group may have only one or two team members that specialize in certain skill sets, it's easier to make the case for additional hires if you have access to historical and current information that illustrates the bottlenecks faced with staffing projects. Rather than using old methodologies that can only [estimate an employee's utilization rate](#), modern project tracking systems can provide actual time and task information that justifies the need for another IT services resource who can perform x-task due to y-number of requests in the last z-months.

Finally, when internal MVPs may request paramount projects that involve IT services, it's equally important for you to have the flexibility to shift resources between projects without causing chaos. Understanding tradeoffs is critical so you can make decisions with full knowledge of what time or effort may be lost or what setbacks a project may experience if a resource is moved. ■



! Utilization rates are just the first step to understanding your workforce's challenges and triumphs in working efficiently.

BUDGET & EXPENSE MANAGEMENT

SECTION FOUR

If projects run over budget on a consistent basis, chances are that you're either underestimating or undercharging.

Many companies have a justified fear of [IT project overruns and budget misses](#), especially when implementing new and large systems. Focus should always be placed on carefully managing resources and projects to ensure profitability. By tracking closely how much time is spent on certain tasks and how expensive the utilized resource is, more accurate estimates can be provided during project scoping.

Business units should be treated like customers; your IT services team should track both time and expenses. Only when costs are allocated correctly can organizations understand both the total cost of the IT services provided, as well as the segments of the organization that are responsible for the budget line items associated with the work.

This holistic view enables executives to make company-wide adjustments as they see fit with the supporting data points to understand the impact. The highest-value return on IT investments can be achieved when you have detailed information about your IT services team's project timelines, utilization, and chargebacks—all of which should be carefully tracked and managed. ■

ⓘ This holistic view enables executives to make company-wide adjustments as they see fit with the supporting data points to understand the impact.

ACCURATE CHARGEBACKS

SECTION FIVE

Automation provides the critical ability to bill services back to the correct business owners in a timely fashion.

Everyone benefits when your IT services team members have a seamless and non-intrusive method for capturing time on tasks. This practice saves employees from wasting time after the fact, but it also ensures accurate reporting and faster billing. As reported in the [Harvard Business Review](#), approximately \$52,000 per employee could be recovered in billable time if timesheets were updated on a daily or real-time basis as opposed to weekly (or longer).

Capturing accurate task information and adding visibility to project management provides the transparency that business unit owners are looking for while also allowing you to scope and set more realistic timelines in the future. Automation

provides the critical ability to bill services back to the correct business owners in a timely fashion with explicit information included to justify the expenditures.

Business units should be charged the costs associated with their consumption of shared services; this usage-based chargeback helps to establish a [price-to-value relationship](#) for IT services. While many organizations do chargebacks on a monthly basis, any real-time insights into IT services usage should be reported more frequently if the charges are approaching or exceeding the designated budget. An immediate view allows business unit owners to better control their budget and curb their teams from excessive use of IT services' time while also creating a partnership (instead of tension) between the teams. The entire organization benefits financially from these insights and transparency. ■



“ Approximately \$52,000 per employee could be recovered in billable time if timesheets were updated on a daily or real-time basis as opposed to weekly. ”

CONCLUSION

IT services groups are critical to every organization's success as very few companies can survive without technology. The best way to make business unit owners happy is to set your IT services team up for success. Understanding both at a holistic level and at a granular level how services are consumed and the true cost of IT resources can provide the insights needed to properly manage your project timelines, employee utilization, and budgets.

This visibility is key to improving operations and efficiency, which leads to a better working relationship with other business units and the strong sentiment that IT services is a strategic business partner that the entire organization can't live without. ■



READ OUR CUSTOMER CASE STUDY:

Fujitsu Gets Real-Time Views of Project Time for Accurate Estimates

About Replicon

Replicon, the Time Intelligence™ company, has over 20 years of industry leadership and is pioneering a new approach to time management. Time Intelligence elevates time as a strategic asset within an organization, to improve operational productivity, performance, and profitability.

Replicon's Time Intelligence Platform offers solutions for global time and gross pay compliance, enterprise time management for ERP, professional services automation, and an SDK for continued development - expanding the company's award-winning portfolio of cloud-based products, including complete solution sets for client billing, project costing, and time and attendance.

Replicon supports thousands of customers across 70 countries, with over 400 employees around the globe including the United States, Canada, India, Australia, and the United Kingdom.



REPLICON™



web. www.replicon.com
tele. (650) 286-9200
fax. (650) 508-9229