Customer Success Stories
TEKsystems Global Services®

Providing Co-Managed Service Asset and Configuration Management for an Energy Company

ENERGY SERVICES
NETWORK INFRASTRUCTURE SERVICES, MANAGED SERVICES – IT SERVICE MANAGEMENT
Executive Summary

Using ITIL® best practices, TEKsystems administers service asset and configuration management functions for a Fortune 500 energy company.

Quick Facts

Client
- **Industry:** Oil and Gas
- **Revenue:** $7.36 billion
- **Employees:** Approximately 6,500
- **Geographic Presence:** Headquartered in Tulsa, Oklahoma, with presence throughout the United States and Canada

Objectives
- Develop and execute a strategy to provide mature service asset and configuration management (SACM)
- Provide co-managed services to track end-to-end hardware and software life cycles, disbursement and reporting at five offices across the U.S.
- Give client insight into their total cost of ownership of IT assets, including licensing and maintenance costs
- Implement IT Service Management within client’s SACM program

Challenges
- Set appropriate targets for process improvement without a client-defined baseline
- Accelerate agreed-upon outcomes to mitigate client’s software licensing compliance risks in response to audits
- Reconcile inventory and software use at multiple offices

Results
- Provided the client with insight into the total cost of ownership of their IT assets, including $890,000 in unused network gear maintenance
- Saved the client $315,000 in maintenance costs after uncovering unprocessed credits for unused and missing devices that no longer needed service contracts
- Was further entrusted with SACM functions for a company the client acquired during our engagement, and overall network gear inventory and maintenance

Technologies Supported
- IT Infrastructure Library
- IT Service Management
Client Profile
The client is a leading energy infrastructure company headquartered in Tulsa, Oklahoma. Its primary business is building and managing natural gas pipelines from Canada to the Gulf of Mexico. TEKsystems has partnered with the client since 1997.

Industry Landscape
As companies invest heavily in IT software and hardware, the complexity of managing these assets has grown astronomically. Organizations must track the full life cycle of assets as they are received, transferred between employees and eventually retired. IT leaders must pay particular attention to software licenses, which are often based on a specific number of users or a fixed period of time for use. Failing to pay the manufacturer to extend software licenses can invite audits and steep penalties.

Companies also struggle to gain a comprehensive view of their IT costs. Beyond the initial investment in technology, IT departments must account for the resources to maintain, support and license assets, and correctly assign costs to business units.

A mature service asset and configuration management (SACM) practice helps companies manage this complexity and mitigate risk. A robust SACM program creates a clear system for mapping resources and defines standards for transferring, replacing and retiring assets. However, optimal SACM requires well-defined processes based on strong knowledge of best practices, as well as dedicated support.

Situation
The client desired a robust SACM program to understand their software and hardware resources and liabilities, as well as the true ownership cost of their IT assets. The client’s IT team also needed to mitigate the risk of overextending software licenses and facing penalties.

After a 10-year outsourcing partnership with an IT services provider, the client transitioned to a new partner to manage most of its IT functions. As the new partner did not have strong SACM capabilities, the client decided to move this program in house. They hired contractors to staff the program at their headquarters and three regional offices across the U.S.

The client wanted to mature their SACM program and find a solution to their staffing turnover issues, but they lacked the deep ITSM knowledge to do so.

However, the staffing model had some weaknesses. To avoid co-employment risks, the client limited contractor assignments to 18 months. This meant employees turned over frequently, taking experience and knowledge with them. In addition, the three regional offices employed only one SACM staff each, causing operations to suffer when contractors took days off.

While the SACM program initially grew in maturity, it hit a plateau before achieving true IT Service Management (ITSM) status, in which the delivery of IT services is well-
aligned to the needs of the business. The client wanted to mature their SACM program and find a solution to their staffing turnover issues, but they lacked the deep ITSM knowledge to do so.

TEKsystems had a strong staffing relationship with the client, and we proposed deepening our engagement to a managed services offering. This would resolve the turnover issues while allowing us to lend our ITSM expertise to improve the SACM program. Recognizing the merits of a higher-touch approach, the client decided to issue a request for proposals (RFP) for a managed services offering.

**Solution**

During the RFP discovery phase, TEKsystems learned the client did not have baseline metrics for their SACM program. As metrics would be needed to establish appropriate targets for vendors, we suggested they add a 90-day assessment to the beginning of the engagement.

TEKsystems also recommended placing an expert in IT Infrastructure Library (ITIL) best practices to oversee the analysis and issue a current-state report. ITIL is a proven methodology for maturing IT services to deliver high value to a business, and it contains a full set of principles for optimal SACM. This expert practice leader would design a comprehensive roadmap to guide the program to a mature state, and then advise staff on using the ITIL methodology.

We would hire and onboard local resources for the headquarters and regional offices. Our team would include an analyst at each site to physically oversee inventory and serve the client’s internal customers, four SACM leads to define processes and mature the strategy, and a delivery manager to oversee their work and communicate with the client’s team. While the client had originally planned to base the leads at headquarters, we recommended placing a lead at each of the regional offices along with the on-site analyst; the leads could then act as back-up support when the analysts were not in the office, ensuring continuous coverage.

The SACM team would be responsible for:
- Receiving hardware deliveries and creating a shipping report
- Performing inventory “true-ups” (reconciliations of software licenses purchased against licenses being used)
- Recording information in a configuration management database (CMDB)
- Properly disposing of retired technology
- Administering software license management and compliance
- Replacing equipment
- Providing quarterly reports on service metrics

While performing day-to-day work, our resources would refine the SACM process under the guidance of our ITIL expert. The ITIL leader would continue to work part-time through the life of the project, traveling as needed to each location to meet with staff.

Based on TEKsystems’ insightful guidance during the RFP process, as well as our ITSM thought leadership, the client chose to partner with us for a five-year managed services engagement.

Within the first month of the engagement, we would hire and onboard analysts, leads, a delivery manager and an ITIL expert / practice architect at four locations. With guidance from our ITSM practice architect, our ITIL expert would conduct a 90-day assessment and provide a roadmap for improving the SACM processes, establishing a clear baseline to measure progress. We would include metrics such as standard times for
receiving and logging new inventory, issuing replacement equipment and responding to requisitions. These metrics would align the SACM program with business needs to create a customer-focused IT delivery environment.

We would observe the client’s processes, analyze their performance and design a plan to optimize processes for transparency and order. Throughout the course of the five-year engagement, we would re-evaluate processes quarterly to continually improve the outcomes of the SACM practice.

Results

The engagement enjoyed great success: The client gained a clear understanding of their IT service assets, a maturing SACM practice, and on-site teams to administer the program. In fact, the success of the engagement led the client to expand the scope of our work to include SACM at a newly acquired company, and add network gear inventory and maintenance for all sites.

We delivered these results:
• We consistently met or exceeded service level agreements and 79 deliverables related to speed of response and delivery, inventory accuracy and other quality measures
• The client captured $145,000 in vendor maintenance credits after we implemented a new disposal process in the CMDB and discovered missing devices that no longer needed to be maintained
• The client also received $170,000 from its network provider through the same process
• Our inventory corrections showed the client had $889,000 in unused inventory they were not aware of; the client used this information to inform purchase decisions

We also helped the client avoid significant penalties for noncompliant software use. Just after starting the engagement, the client negotiated a settlement with a vendor following an audit of that vendor’s enterprise software environment, resulting in millions of dollars saved. As a result of the favorable settlement, the client entrusted TEKsystems with additional duties administering and supporting a vendor-controlled discovery tool for reporting of software compliance.

During the course of the engagement, the client entered into a merger agreement. Almost immediately after, the cost of energy fell dramatically, putting the company’s financial health and merger agreement in jeopardy. The client instituted drastic austerity measures and implemented two rounds of employee layoffs, but did not end TEKsystems’ contract because we had been able to show value, saving the client money while building an efficient long-term SACM program. We also began to proactively find ways to reduce our billing, working with the client’s managers to reduce the work to the most critical components. This allowed managers to make needed budget cuts while preserving the SACM program.

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Key Success Factors

ITSM expertise
The client was familiar with and used some ITIL principles but needed a thought leader to fully implement them and mature the practice to the highest level of ITSM. TEKsystems has a dedicated ITSM practice and delivery manager with strong knowledge of ITIL principles and deep experience implementing them in the real world. This knowledge shaped our strategy planning and informs day-to-day execution.

Strong depth of location and talent
TEKsystems has offices throughout North America and our relationship network includes more than 80 percent of U.S. IT professionals. This positioned us to successfully place well-qualified local talent at five locations. We also provided a deeply knowledgeable ITIL expert to lead the analysis and strategy phase; this expert will continue to provide periodic guidance throughout the engagement.

Dedication to client success
The client appreciated our guidance even before the engagement began, when we suggested adding an assessment period to the RFP to hold service providers accountable to well-defined targets. Additionally, during the RFP process we recommended a solution to a problem the client had not requested help with, ensuring continual coverage at regional offices by shifting some strategic roles from headquarters to regional offices to serve as back-up support.

About TEKsystems
People are at the heart of every successful business initiative. At TEKsystems, we understand people. Every year we deploy over 80,000 IT professionals at 6,000 client sites across North America, Europe and Asia. Our deep insights into IT human capital management enable us to help our clients achieve their business goals—while optimizing their IT workforce strategies. We provide IT staffing solutions, IT talent management expertise and IT services to help our clients plan, build and run their critical business initiatives. Through our range of quality-focused delivery models, we meet our clients where they are, and take them where they want to go, the way they want to get there.

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