IM/IT Cost Savings Strategy

Federal Government of Canada

Protected A

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Executive Summary

Significant & pragramatic spending approach through strategic digital transformation through optimizing the usage of existing under-uilized tools available to every civil servant via existing licensing (mainly M365) and other applications.

(based real models/esrtimates)

- **License Optimization**: $200M+ by fully leveraging existing E3/E5 capabilities
- **SaaS-First Approach**: $500M+ eliminating custom development waste
- **Security Consolidation**: $50M+ through centralized assessments
- **Infrastructure Rightsizing**: $100M+ via SSC optimization

Service Delivery: 60-80% faster, standardized across government

The ArriveCAN Lesson

How We Failed

- Simple app functionality achievable with **existing Power Apps**
- Built with expensive consultants instead of **citizen developers**

- No deliverable accountability or milestone framework
- 18% of invoices lacked supporting documentation

The Solution (that was feasible at the time): Leverage existing Microsoft E3/E5 licenses we already pay for to leverage tools such as Power Apps, CRM's, and Web/Mobile App builder's already available as part of our Office 365 licensing instead of a fully built from scratch custom app.

Massive License Underutilization

We're Paying for Premium, Using Basic

Current Reality: 30% utilization of E3/E5 capabilities
Government Cost: $36–57$/user/month per license

Unused Capabilities We Already Own:

- Power Apps (custom application development)
- Power Automate (workflow automation)
- Power BI (analytics and reporting)
- Advanced security and compliance tools

Impact: Paying consultants $1,000+/day for solutions our staff could build

SaaS-First vs Custom Development

End the "Time & Materials" Waste

Current Problem:

- Building custom apps when SaaS solutions exist
- No standardization across 43 departments
- Predictable cost overruns and scope creep

SaaS-First Solution:

- **Predictable Pricing**: Fixed monthly costs, no surprises
- **Speed**: Weeks instead of years to deploy

- **Quality**: Microsoft-managed updates and security

Security Assessment Redundancy

Same Platform, 43 Different Reviews

Current Waste:

- Each department separately assesses identical platforms
- 6–12 month cycles for pre-approved solutions
- Millions in redundant security reviews

Central Assessment Framework:

- Single government-wide security approval
- 30-day deployment for pre-approved platforms
- Focus reviews on data, not platform re-assessment

Accountability Framework

From ArriveCAN Chaos to Deliverable-Based Success

New Procurement Model:

- Payment tied to **working software**, not hours logged
- 30–60–90 day milestone deliverables
- Federal employee project sponsors (not contractors)
- User acceptance testing required for payment

SaaS Advantage: Built-in accountability with transparent costs

Implementation Roadmap

Quick Wins (0–6 months):

- License audit and capability assessment
- Power Platform pilots for 5 simple applications
- Central security assessment repository

Systematic Change (6–18 months):

- SaaS-first policy mandate
- Citizen developer training programs
- Deliverable-based contracting standards

Full Optimization (18–36 months):

- Cross-department platform standardization
- Legacy system modernization
- AI-powered citizen service automation

Risk Management

Protecting Mission-Critical Systems

Legacy System Strategy:

- Phased migration with parallel operations
- Start with non-critical applications
- Comprehensive rollback procedures
- Zero-downtime strategies using API gateways

Business Continuity: Maintain legacy expertise during transition

AI & Automation Benefits

Transform Citizen Services

(Example) Power Platform AI Capabilities:

- **Chatbots**: 80% of routine inquiries automated
- **Document Processing**: 90% reduction in manual data entry

- **Predictive Analytics**: Anticipate service demand

ROI: 24/7 service availability, 30–40% administrative time savings

Portfolio Governance

Mandatory Bi-Annual Review Consortium

Project Approval Gateway (>$1M projects):

- Justify why existing E3/E5 capabilities insufficient
- Demonstrate inter-departmental collaboration
- Document SaaS alternatives evaluation
- Quantify citizen service improvements

Accountability: Public dashboard tracking digital transformation progress

Next Steps & Ministerial Commitment

Immediate Actions (30 Days):

1. Establish comprehensive digital-first policy
2. Launch 30-day IT portfolio audit (>$500K projects)
3. Form bi-annual review governance structure
4. Select 5 departments for Power Platform pilots

Success Metrics:

- 5-10% annual savings within 24 months
- 80% faster citizen service delivery
- Zero major procurement scandals
- 90% cross-agency employee mobility improvement

Bottom Line

We Own the Tools – Let's Use Them

Stop paying millions for custom solutions when we already own world-class platforms. The ArriveCAN scandal was preventable through proper license utilization and accountable procurement.

Minister's Decision Required: Approve digital-first mandate and portfolio governance framework to unlock 5-10% in taxpayer savings.