# IM/IT Cost Savings Strategy

## Federal Government of Canada

*Ministerial Briefing - June 2025*

## 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.