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NYK Systems Research Institute (NSRI)

IT service provider for Fortune 500 Marine Transportation Organization Increases Cost Transparency and Quantifies ROI of New IT investments

CUSTOMER PROFILE

NYK Systems Research Institute (NSRI) is the internal IT service provider for one of the world's largest marine transportation providers. They provide IT services for a fleet of more than 740 vessels primarily focusing on the intricacies of the container shipping business including services for vessel scheduling, container booking, bill of lading document processing, manifest creation for worldwide custom agencies, rail and intermodal transportation services and an extensive array of partner and shipping portal EDI exchanges.

BUSINESS NEEDS

NSRI was formed 30 years ago to provide IT systems and support for the wide variety of their parent company's business operations. Like any large, Fortune 500 IT organization they engineer and support a complex set of infrastructure across Unix, Linux, Windows, and AS400 platforms, leveraging Oracle, MS SQL, Sybase and Gemstone database technology. Riding on that infrastructure are thousands of custom applications that are core to their business including services for managing bills of lading, and shipping and logistics.

The inherent complexity of those IT services did not always equate to greater value – in fact it often times detracted from business value as the complexity resulted in greater system downtime which has a direct impact on operations. NSRI had a good understanding that there was opportunity across those IT systems to simplify and improve the offerings through capacity, availability and re-architecture projects. However, they struggled to get a good understanding of the total costs of their current services and to quantify the business benefit (reduced costs and increased uptime) that would result from efforts across the portfolio.

One application, in particular, caused them consternation. NSRI suffered from regular system downtime on the Bill of Laden application they hosted, but had a difficult time calculating the full impact of downtime in order to justify implementing more reliable systems.

"Apptio allowed us to quickly model direct and indirect costs and allocate them by IT service. We can now quantify the costs and business impact of maintaining a diverse set of applications, clearly justify the business return of new investments and drive intelligent service consolidation to reduce costs and improve availability."

-Richard Dixon, Vice President, NSRI

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"Apptio provides the sophisticated cost modeling environment and transparency reporting necessary to calculate and justify an IT project saving the company $22 million in productivity gains."

-Kurt Shubert, Director IT, NSRI

SOLUTION

NSRI adopted the Apptio on demand service offering to gain greater transparency into the costs of the IT Services in their portfolio and to quantify the business return on new IT investments. Initially they leveraged data from their GL, asset database, and helpdesk systems to understand and set a unit cost baseline for their existing IT Services, including cost of support per application. Then using the analytical capabilities within Apptio they were able to illustrate the increased cost to support of some of the older applications.

For their Bill of Laden application, through an extensive study of real productivity costs—including cost of shipyard labor downtime & cost of delayed shipments—and modeling those costs back to the Bill of Laden application using Apptio, NSRI was able to accurately analyze the cost of lost productivity when the application was unavailable. Using Apptio's What If scenario planning, and including the cost to implement a new highly available system architecture, NSRI was able to show $22 million in productivity savings to NSRI's parent company.

BENEFITS

- Rapid development of accurate unit costs models for their IT Service portfolio
- Easily map support costs to the total cost of ownership of individual IT Services
- Quantify the financial impact of continuing to maintain aging services
- Demonstrate a $22 million ROI of new high availability systems investments

About Apptio

Apptio is the leading provider of SaaS-based Technology Business Management (TBM) solutions. Apptio enables IT leaders to manage the cost, quality and value of IT Services by providing deep visibility into the total cost of IT services, communicating the value of IT to the business through an interactive "Bill of IT," and strategically aligning the planning, budgeting and forecasting processes. Using Apptio, IT leaders can drive cost reduction decisions, manage the utilization and performance of IT services, and more effectively run the business of IT. Apptio's TBM solutions play a critical role in helping companies understand and drive chargeback, virtualization, cloud and other key technology initiatives. Organizations such as Blue Cross Blue Shield of Kansas, BNP Paribas, Cisco, EMD Chemical and Starbucks use Apptio to reduce cost and align IT with business priorities. For more information on Apptio, please visit www.apptio.com or the Lean IT blog at leanit.apptio.com.