

Customer ABC

Summary

Cost Model Framework

	1995	1996	1997	1998	1999	2000
DSM Requirements & Design						
ABC Staff	£191,000	£0	£0	£0	£0	£0
3rd party Staff	£560,000	£0	£0	£0	£0	£0
Software	£0	£0	£0	£0	£0	£0
Hardware	£0	£0	£0	£0	£0	£0
Subtotal	£751,000	£0	£0	£0	£0	£0
DSM Build & Test						
ABC Staff	£106,860	£43,953	£0	£0	£0	£0
3rd party Staff	£50,000	£0	£0	£0	£0	£0
Software	£450,000	£0	£0	£0	£0	£0
Hardware	£100,000	£0	£0	£0	£0	£0
Subtotal	£706,860	£43,953	£0	£0	£0	£0
DSM Implementation Preparation						
ABC Staff	£11,000	£0	£0	£0	£0	£0
3rd party Staff	£50,000	£0	£0	£0	£0	£0
Software	£450,000	£82,800	£1,318,400	£6,354,000	£7,064,000	£7,064,000
Hardware	£90,000	0	0	0	0	£0
Subtotal	£601,000	£82,800	£1,318,400	£6,354,000	£7,064,000	£7,064,000
Operate DSM						
ABC Staff	£7,181,574	£13,917,824	£21,075,717	£18,081,192	£14,143,008	£14,405,813
3rd party Staff	£0	£0	£0	£0	£0	£0
Software	£16,560	£670,000	£1,562,800	£1,562,800	£1,562,800	£1,562,800
Hardware	£12,500	£25,000	£25,000	£25,000	£25,000	£25,000
Subtotal	£7,210,634	£14,612,824	£22,663,517	£19,668,992	£15,730,808	£15,993,613
Total Cost						
ABC Staff	£7,490,434	£13,961,777	£21,075,717	£18,081,192	£14,143,008	£14,405,813
3rd party Staff	£660,000	£0	£0	£0	£0	£0
Software	£916,560	£752,800	£2,881,200	£7,916,800	£8,626,800	£8,626,800
Hardware	£202,500	£25,000	£25,000	£25,000	£25,000	£25,000
Grand Total	£9,269,494	£14,739,577	£23,981,917	£26,022,992	£22,794,808	£23,057,613

: Model Framework

Operate DSM

		1995	1996	1997	1998	1999	2000
1	Satisfy Customer Relationships	£454,854	£3,985,902	£8,623,797	£7,905,132	£5,038,447	£5,164,348
2	Realise Solutions	£0	£0	£0	£0	£0	£0
3	Deploy Solutions	£320,320	£2,216,214	£2,187,500	£1,724,756	£1,237,513	£1,177,834
4	Deliver Operational Services	£1,361,360	£1,805,804	£1,850,961	£1,810,994	£1,856,270	£1,902,655
5	Support IT Services & Solutions	£4,404,400	£4,842,838	£7,319,710	£5,605,457	£5,126,840	£5,254,951
6	Manage IT Assets & Infrastructure	£480,480	£902,902	£925,481	£862,378	£707,150	£724,821
7	Manage IT Value	£160,160	£164,164	£168,269	£172,476	£176,788	£181,205
8	Define Enterprise IT Management System	£0	£0	£0	£0	£0	£0
	Total	£7,181,574	£13,917,824	£21,075,717	£18,081,192	£14,143,008	£14,405,813

Assumptions

1	£364	Burdened labour rate per day					
2	5%	Growth in burdened labour rate per year					
3	2232	Number of branches					
4	26000	Number of users					
5	2750	Number of servers (including gateways etc)					
6	2	Major application refreshes per year					
7	4.5	Problems per user per year					
8		Model excludes costs related to Network & Mainframe					
9	£100	S/w - W/s	368	6084	18900	26000	26000
10	£2,000	S/w - Server	23	355	2232	2232	2232
11		Rates	364	373.1	382.43	391.99	401.79
12	0.2	S/w maintenance costs					
	0.125	H/w maintenance costs					

IT Model Framework

1	Satisfy Customer Relationships	1995	1996	1997	1998	1999	2000
	<i>Manpower</i>						
1.1	Understand Customer Requirements						
1.2	Market IT Offerings	0	0	0	0	0	0
1.3	Administer Service Levels	2	6	6	4	4	4
1.4	Provide IT Operational Support	4	41	95	87	52	52
1.5	Ensure Customer Satisfaction	0	2	2	1	1	1
	Total	6	49	103	92	57	57
	<i>Costs</i>						
1.1	Understand Customer Requirements	£0	£0	£0	£0	£0	£0
1.2	Market IT Offerings	£0	£0	£0	£0	£0	£0
1.3	Administer Service Levels	£160,160	£492,492	£504,808	£344,951	£353,575	£362,410
1.4	Provide IT Operational Support	£294,694	£3,329,246	£7,950,720	£7,473,943	£4,596,478	£4,711,335
1.5	Ensure Customer Satisfaction	£0	£164,164	£168,269	£86,238	£88,394	£90,603
	Total	£454,854	£3,985,902	£8,623,797	£7,905,132	£5,038,447	£5,164,348

Process number	Process rating	Comment
1.1	2	Requirements established in DSM project but no ongoing process
1.2	1	No marketing
1.3	2	Service levels defined and monitored with limited automation. Not comprehensive across all services or end to end.
1.4	3-4	Partial automation of basic functions, single point of contact which includes first level support
1.5	2	Basic customer satisfaction management process
		Users per support head
		100 150 200 300 500 500
		No of users(average/year)
		368 6084 18900 26000 26000 26000
		No of users (year-end)
		368 11800 26000 26000 26000 26000

Model Framework

2	Realise Solutions					
	Manpower	1995	1996	1997	1998	1999
2.1	Understand Solution Requirements	excluded from model				
2.2	Design Solutions	excluded from model				
2.3	Construct & Integrate Solutions	excluded from model				
2.4	Test Solutions	excluded from model				
2.5	Gain Customer Acceptance	excluded from model				
	Total					
	Costs	1995	1996	1997	1998	1999
2.1	Understand Solution Requirements	excluded from model				
2.2	Design Solutions	excluded from model				
2.3	Construct & Integrate Solutions	excluded from model				
2.4	Test Solutions	excluded from model				
2.5	Gain Customer Acceptance	excluded from model				

Total

Process number	Process rating	Comment
All		Assumption that Customer acceptance is included in the build & test phase Ongoing process needs to evolve

IT Model Framework

3 Deploy SM Solutions

	1995	1996	1997	1998	1999	2000
<i>Manpower</i>						
3.1 Define Change Management Practices						
3.2 Plan Change Deployment		12	11	5	4	3
3.3 Administer Change		5	5	5	5	5
3.4 Implement Change		10	10	10	5	5
Total	4	27	26	20	14	13

<i>Costs</i>						
3.1 Define Change Management Practices		£0	£0	£0	£0	£0
3.2 Plan Change Deployment		£984,984	£925,481	£431,189	£353,575	£271,808
3.3 Administer Change		£410,410	£420,673	£431,189	£441,969	£453,013
3.4 Implement Change		£820,820	£841,346	£862,378	£441,969	£453,013
Total		£320,320	£2,216,214	£2,187,500	£1,724,756	£1,237,513

Process number	Process rating	Comment
3.1	3	Basic procedures defined
3.2	3	Roles & responsibilities assigned & effectively used Most changes reviewed prior to implementation
3.3	3	Clearly assigned roles and majority of process automated
3.4	3	Some automation of basic function but minimal integration
		Assumption that the infrastructure is able to support software distribution
		Effort based on 2 refreshes + problem fixes per year

Cost Model Framework

4	Deliver Operational Services	1995	1996	1997	1998	1999	2000
	<i>Manpower</i>						
4.1	Enable Service Delivery Capability						
4.2	Match Resources to Commitments		10	10	9	9	9
4.3	Perform Services		12	12	12	12	12
4.4	Sustain Service Capability						
	Total	17	22	22	21	21	21
	<i>Costs</i>						
4.1	Enable Service Delivery Capability		£0	£0	£0	£0	£0
4.2	Match Resources to Commitments		£820,820	£841,346	£776,140	£795,544	£815,423
4.3	Perform Services		£984,984	£1,009,615	£1,034,854	£1,060,726	£1,087,231
4.4	Sustain service capability		£0	£0	£0	£0	£0
	Total	£1,361,360	£1,805,804	£1,850,961	£1,810,994	£1,856,270	£1,902,655

Process number	Process rating	Comment
4.1	3	Plan considers service levels and identifies resources required
4.2	3	Some automation supports manual process
4.3	3	
4.4	3	

IT Model Framework

5	Support IT Services & Solutions	1995	1996	1997	1998	1999	2000
	Manpower						
5.1	Manage Configuration Information						
5.2	Manage Availability						
5.3	Manage Facilities Supporting IT						
5.4	Manage Backup & Recovery						
5.5	Manage IT Continuity						
5.6	Manage Performance & Capacity						
5.7	Manage Problems						
	Total	55	59	87	65	58	58

	Costs						
5.1	Manage Configuration Information						
5.2	Manage Availability						
5.3	Manage Facilities Supporting IT						
5.4	Manage Backup & Recovery						
5.5	Manage IT Continuity						
5.6	Manage Performance & Capacity						
5.7	Manage Problems						
	Total	£4,404,400	£4,842,838	£7,319,710	£5,605,457	£5,126,840	£5,254,951

Process number	Process rating	Comment
5.1	3	Data captured, but multiple databases. Some automation of basic functions
5.2	3	Critical components identified and analysed. Limited automation & monitoring
5.3	1	User driven with limited IS support, health & safety primary focus
5.4	3	Key systems have recovery but automation limited to basic functions
5.5	1	Handled as an unprepared emergency, with minimal tools for recovery
5.6	3	Capacity planned annually & some performance thresholds monitored with basic tools
5.7	3	Some automatic logging of problems, single database

IT Model Framework

6 **Manage IT Assets and Infrastructure**

	1995	1996	1997	1998	1999	2000
<i>Manpower</i>						
6.1 Procure Services & Components						
6.2 Administer Customer Contracts	1	4	4	3	1	1
6.3 Manage Assets	1	2	2	2	2	2
6.4 Manage Security	2	2	2	2	2	2
6.5 Manage Skill Portfolio	1	2	2	2	2	2
6.6 Manage IT Finance	1	1	1	1	1	1
Total	6	11	11	10	8	8

Costs

	£0	£0	£0	£0	£0	£0
6.1 Procure Services & Components	£0	£0	£0	£0	£0	£0
6.2 Administer Customer Contracts	£80,080	£328,328	£336,538	£258,713	£88,394	£90,603
6.3 Manage Assets	£80,080	£164,164	£168,269	£172,476	£176,788	£181,205
6.4 Manage Security	£160,160	£164,164	£168,269	£172,476	£176,788	£181,205
6.5 Manage Skill Portfolio	£80,080	£164,164	£168,269	£172,476	£176,788	£181,205
6.6 Manage IT Finance	£80,080	£82,082	£84,135	£86,238	£88,394	£90,603
Total	£480,480	£902,902	£925,481	£862,378	£707,150	£724,821

Process number	Process rating	Comment
6.1		Excluded from model
6.2		Excluded from model
6.3	2	Basic inventory data held in hardcopy. Primarily left to user departments and audit to manage Assume group licences and standard configurations
6.4		Excluded from model

IT Model Framework

7	Manage IT Business Value						
	Manpower	1995	1996	1997	1998	1999	2000
7.1	Develop IT Strategy						
7.2	Justify Offerings & Infrastructure Portfolio						
7.3	Define IT Architecture						
7.4	Develop / Track IT Plan						
	Total	2	2	2	2	2	2
	Costs						
7.1	Develop IT Strategy						
7.2	Justify Offerings & Infrastructure Portfolio						
7.3	Define IT Architecture						
7.4	Develop / Track IT Plan						
	Total	£160,160	£164,164	£168,269	£172,476	£176,788	£181,205
	Process number	Process rating	Comment				

IT Model Framework

8	Define Enterprise IT Management System	1995	1996	1997	1998	1999	2000
	Manpower						
8.1	Plan IT Management System	Excluded from model					
8.2	Establish IT Management System	Excluded from model					
8.3	Evaluate IT Management System	Excluded from model					
	Total	0	0	0	0	0	0

	Costs						
8.1	Plan IT Management System	Excluded from model					
8.2	Establish IT Management System	Excluded from model					
8.3	Evaluate IT Management System	Excluded from model					
	Total	£0	£0	£0	£0	£0	£0

Process number	Process rating	Comment
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