



Enhancing Leisure Destinations International's IT Operations

Agenda

 Introduction

 Recommendation

 Implementation

 Financials

 Risks and Mitigation

 Conclusion

Meet the Team



Shane Rodriguez



Garrett Williams



Jong Won Choi

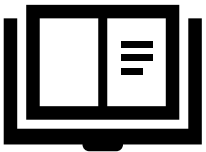


Anirban Das

Strengthening LDI IT to Drive Sustainable Growth and Efficiency

LDI is a premier resort management company experiencing rapid growth across 13 resort villages worldwide. As LDI scales, IT has a critical role in supporting business operations, enhancing customer experience, and enabling data-driven insights.

LDI's IT environment is fragmented, with an ineffective security model, decentralized service desks, and incompatible systems run in multiple datacenters. These inefficiencies limit IT's scalability, increase operational costs, and expose the company to security risks, hindering IT's role as a growth enabler.



What strategic initiatives should LDI prioritize to ensure IT is a key driver of growth, operational excellence, and customer satisfaction?

Centralize and Standardize LDI's IT Operations to Drive Security, Efficiency, and Consistency



Centralized Security and Compliance Protocols

Centralizing security and compliance protocols will improve security measures, identity management, and help meet regulatory standards. As a result, LDI can better protect data, improve access management, and ensure compliance.



Standardized IT Service Management

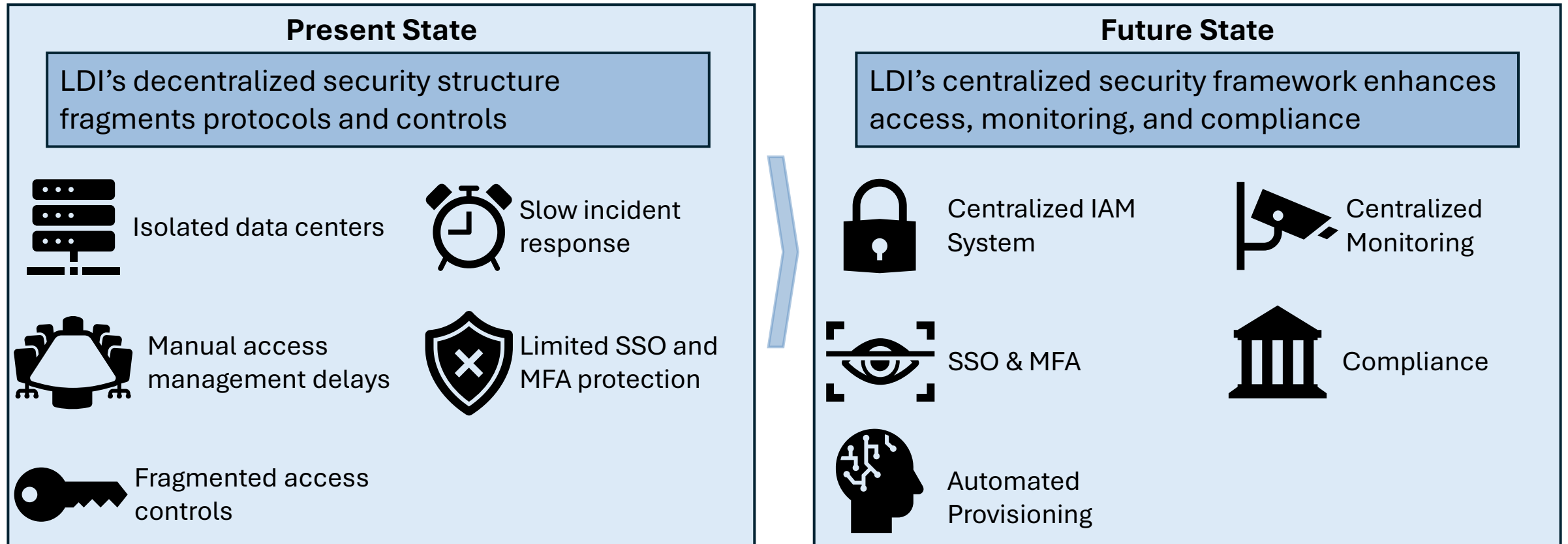
Standardizing IT service management will make LDI's operations more efficient and improve service quality. This will lower costs, and speed up incident resolution, leading to a better user experience.



Consolidated Data Centers

Reduce costs and improve efficiency by merging multiple regional data centers into one highly efficient central facility. This will reduce operational costs, enhance scalability, disaster recovery, and overall IT performance.

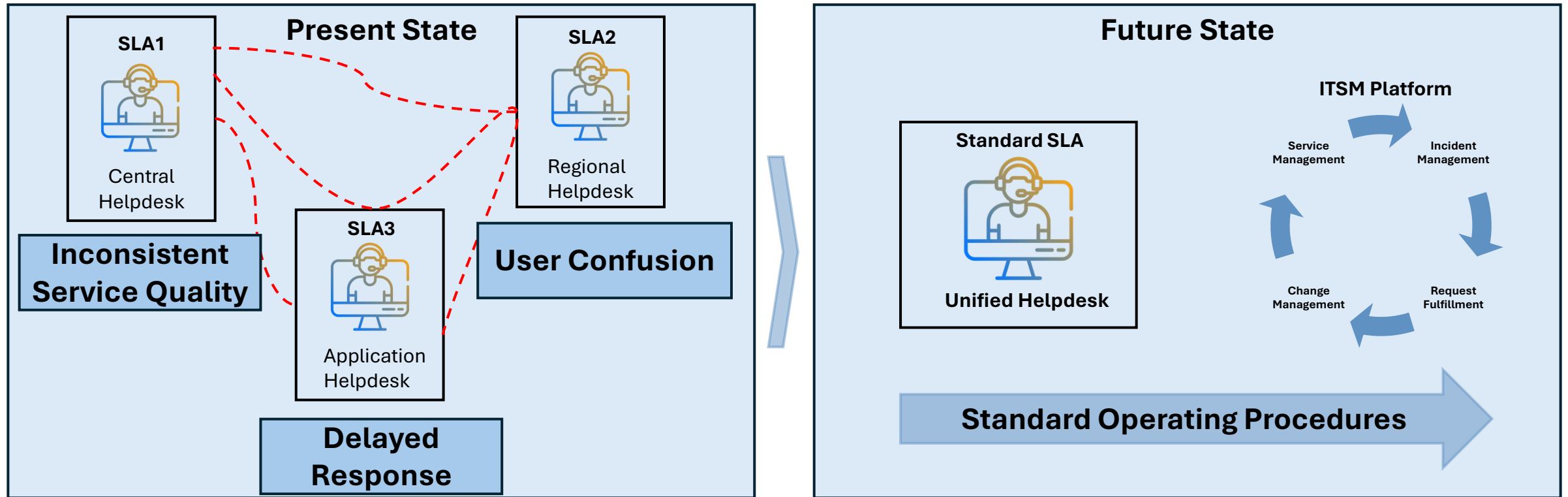
Enhance Security with MFA, SSO, and Centralized Access Controls



A centralized security framework with unified protocols, streamlined access controls, and rapid incident response, will enhance both security and regulatory compliance

*IT GRC – Introduction
to IT GRC and ITG*

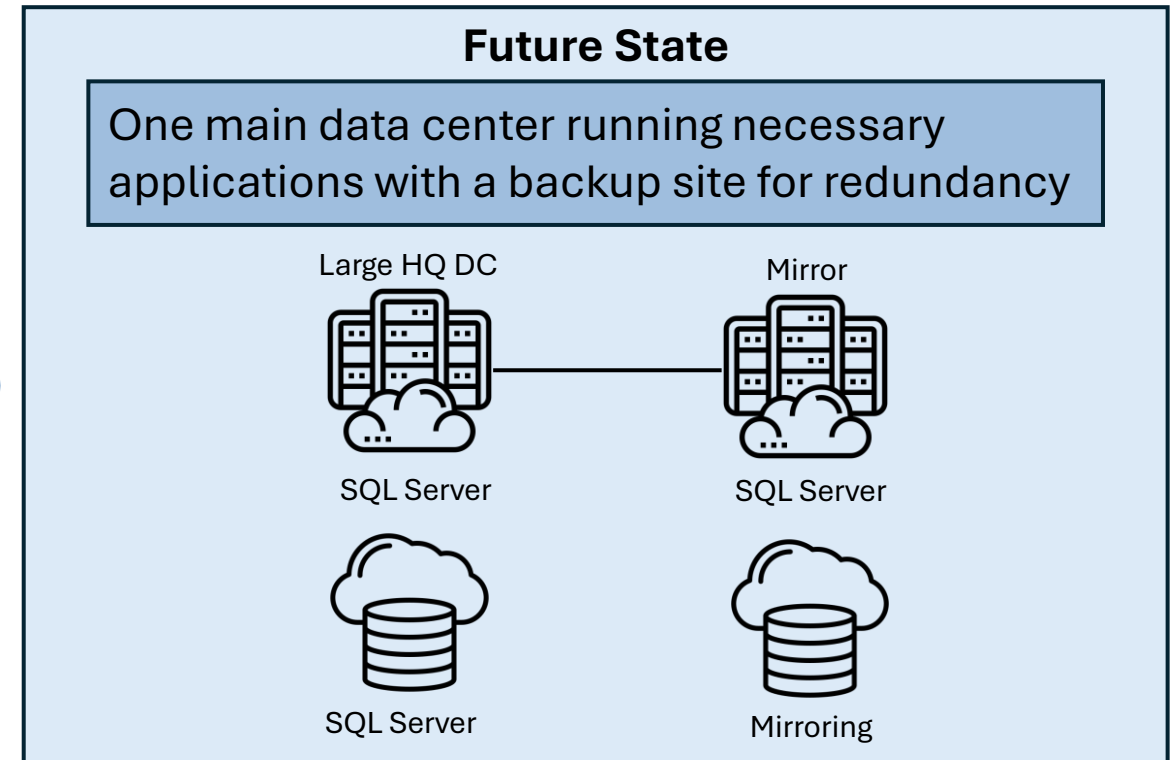
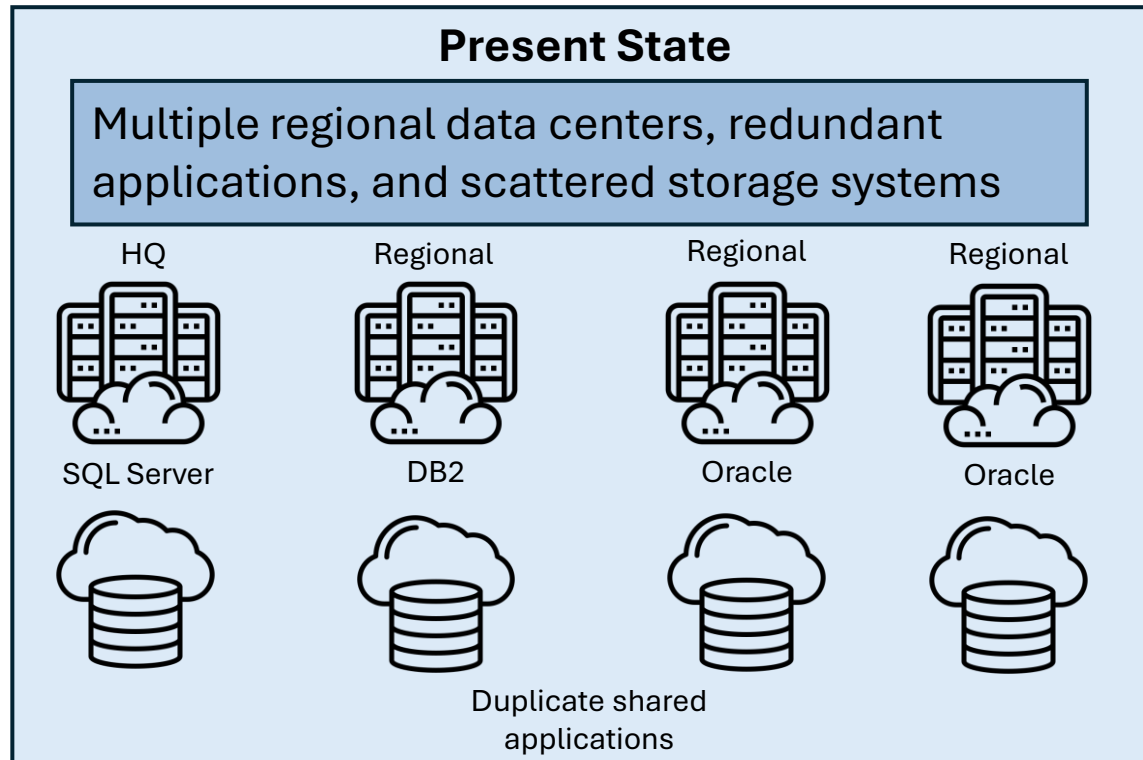
Establish IT Service Consolidation and Centralized Helpdesk to Enhance Employee Efficiency



An integrated ITSM platform at LDI would manage incidents quickly, fulfill requests efficiently, prevent recurring issues, and uphold service levels to align with business goals

ITS – OCM
IT GRC - ITRM, Cybersecurity, IR

Consolidate Data Centers for Cost Efficiency and Scalability

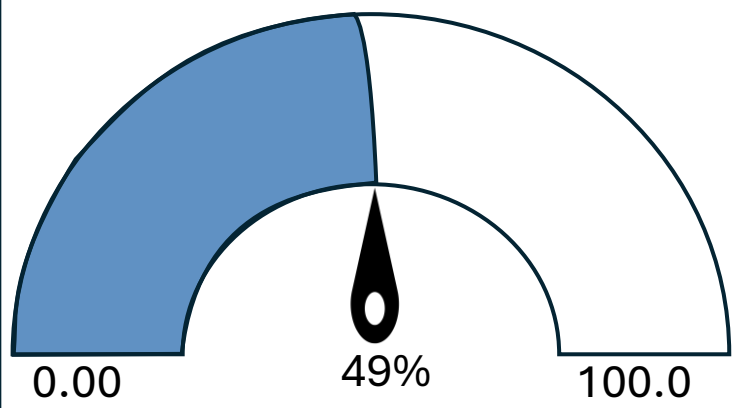


Consolidating LDI's data centers will streamline operations, reduce costs, and create a scalable IT foundation that supports growth and enhances service reliability across all locations

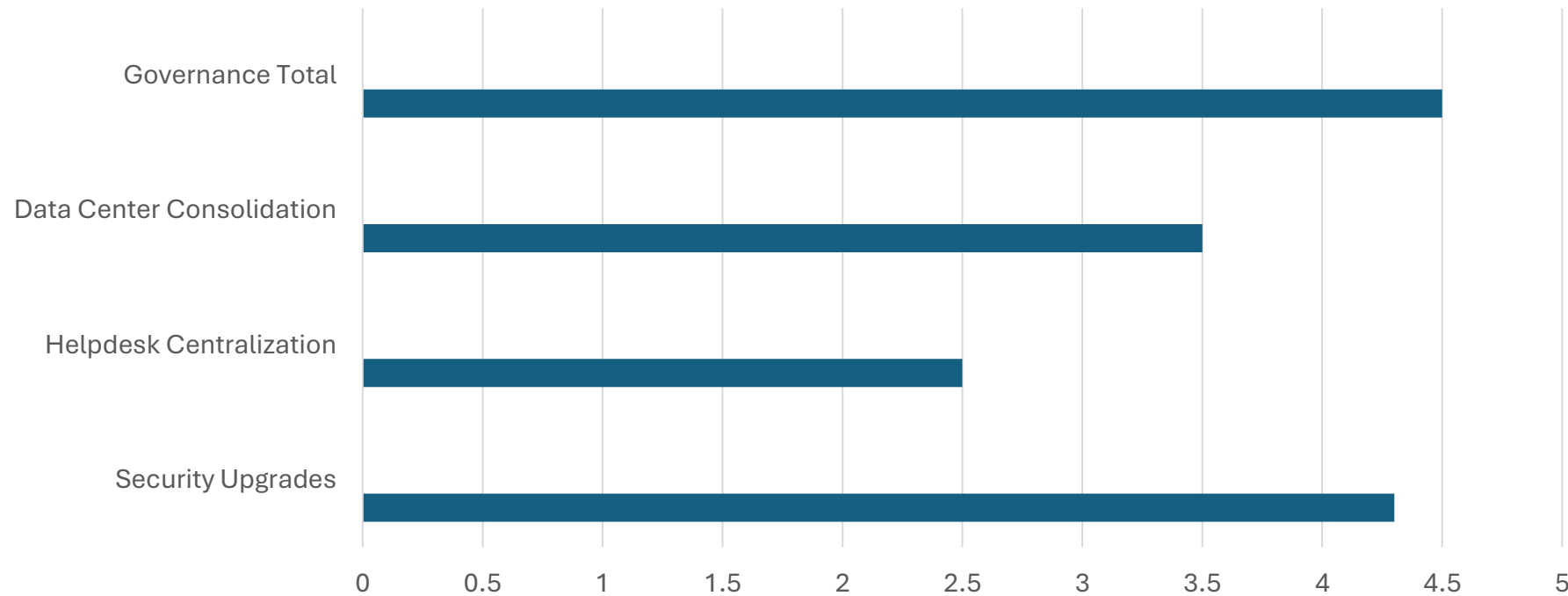
DCA – Introduction and Software Architecture P2

Suggested Progress Metrics for Project Completion and Effectiveness

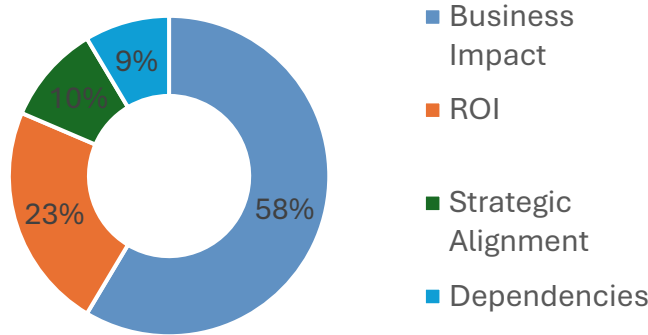
Project Completion Rate



Count of Tasks Necessary



Strategic Score



Three Year Rollout for Selected Project Completion

	Year 1				Year 2				Year 3			
Steps	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Planning and Assessment												
Centralized IAM System												
IT Service Consolidation												
Data Center Consolidation												
Testing & Optimization												
Full Deployment												
Documentation & Support												
Continuous Improvement												
Project Evaluation & Reporting												

LDI Reaches Breakeven at the Beginning of Year 3

Cost and Benefit Breakdown

Total one-time costs: \$19,925,000

Total recurring costs: \$5,938,200

Total costs: \$25,863,200

Year 1 benefits: \$11,700,000

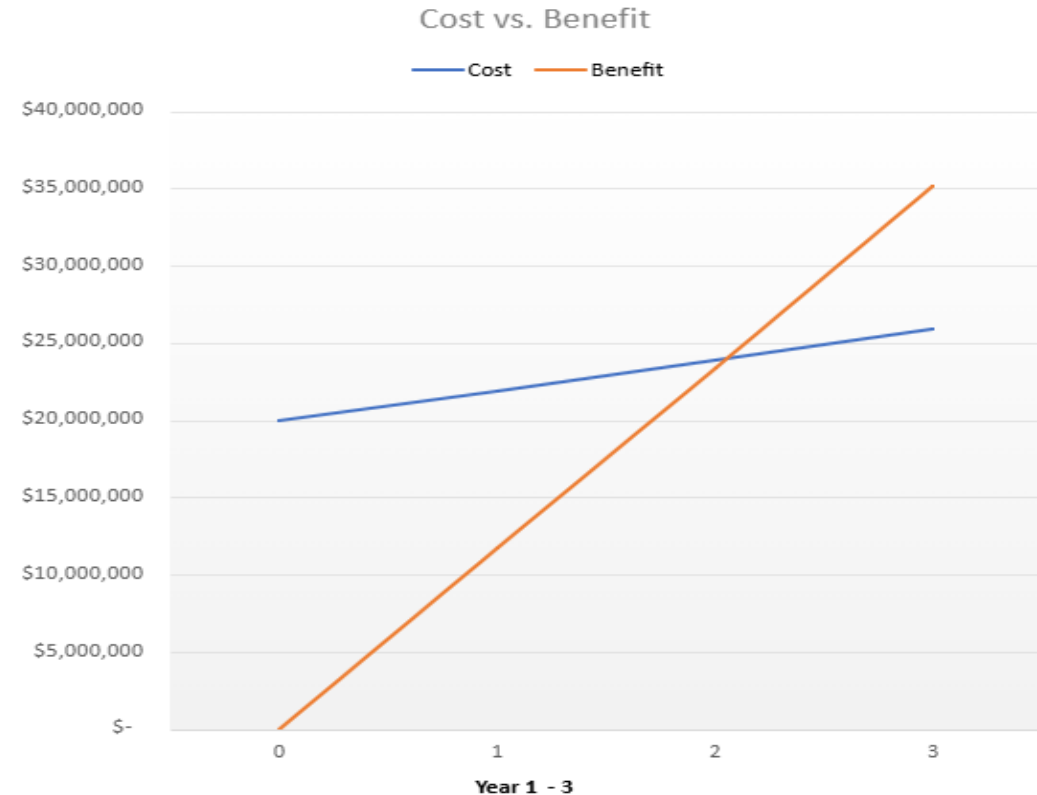
Year 2 benefits: \$11,700,000

Year 3 benefits: \$11,700,000

Total benefits: \$35,100,000

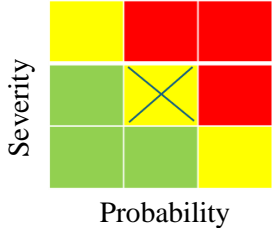
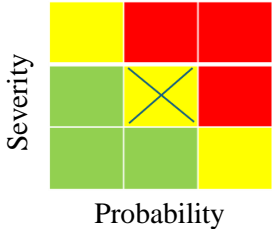
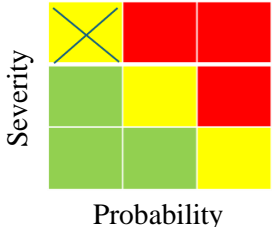
Key Assumptions

- Security breach avoidance accounted for every year
- WACC is 9.45%
- IT staff for helpdesk and datacenters are relocated from regional facilities

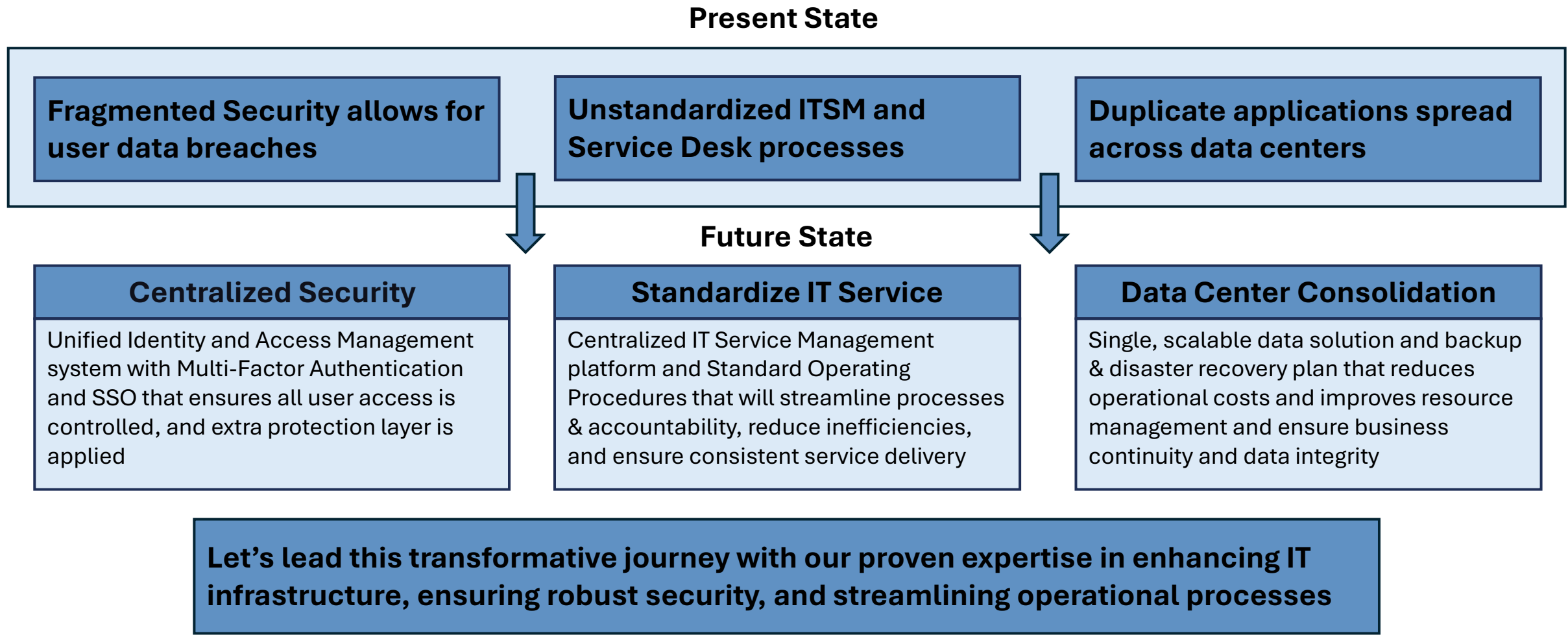


NPV = \$4,483,303 ROI = 36% B/E: Year 3

Understanding and Addressing Key Risks to implement a Successful IT Transformation at LDI

Risk	Degree	Mitigation Strategy
The implementation of new IAM and SSO solutions may expose sensitive data if not properly secured		<ul style="list-style-type: none">Implement strong encryption methods for data at rest and in transit, conduct regular security audits, and ensure compliance with data protection regulations. Establish strict access controls and monitor access logs continuously
Employees may resist new processes and systems, leading to poor adoption and potential project failure		<ul style="list-style-type: none">Develop a comprehensive change management plan that includes stakeholder engagement, regular communication, and training programs. Highlight the benefits of new systems and involve employees in the implementation process to foster a sense of ownership
Existing systems may not integrate smoothly with the new ITSM platform and IAM solutions, causing delays and functionality issues		<ul style="list-style-type: none">Conduct a thorough analysis of current systems to identify integration points and potential issues. Utilize APIs and middleware to facilitate integration. Establish a phased implementation approach to address integration challenges progressively

Our Strategic Vision for LDI is a Secure, Standardized, and Cost-Effective IT Transformation



Appendices

AI Affirmation

Class Slides

Financial Assumptions

Extended
Recommendations

Financial Calculations

Extended Risks

Other Options
Considered

Financial Assumptions
Extended

AI Affirmation

We affirm that we have not used generative AI on this presentation

GW SR AD JWC

Class Slides Used

- ITS – IT Portfolio Management
- ITS - The IT Challenge
- DCA – Introduction and Software Architecture P2
- IT GRC – Introduction to IT GRC and ITG
- ITS – IT Cost
- ITS - Advanced CA2 (MINTO Principles)
- ITS – Case Analysis Financials
- IT GRC_ITRM, Cyber, IR_ISACA_Track These 7 Trends for Proactive Cybersecurity_2024

Outcome based approach will help solutions make meaningful impact on the organization

Centralized Security Framework

- Comprehensive Security
- MFA and SSO Implementation

Centralized IAM with MFA and SSO offers robust, industry standard security, ensuring consistent access control and reducing the risk of data breaches across all locations

Standardized IT Service Management (ITSM)

- Unified Service Delivery
- SLA & SOP Implementation

A centralized ITSM platform streamlines service delivery, improves incident resolution times, and ensures consistent service levels across all resorts, leading to higher efficiency and user satisfaction

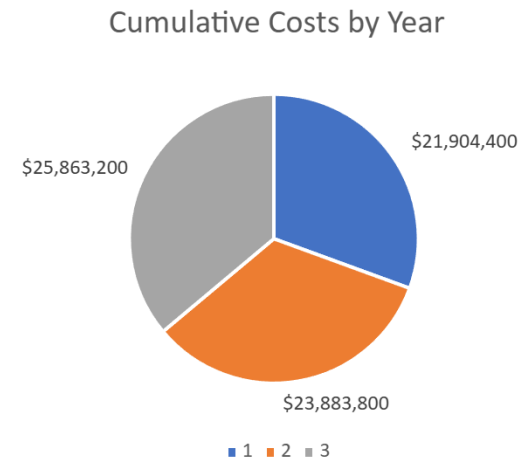
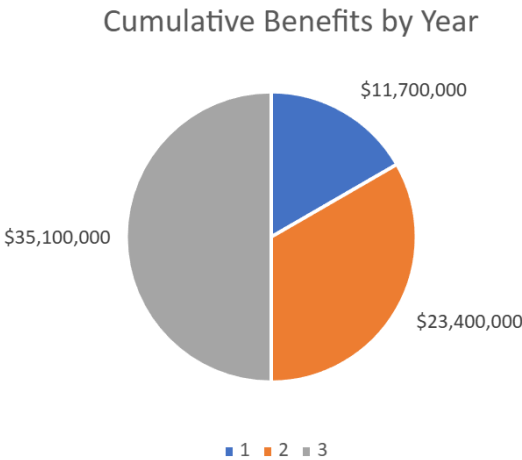
Data Center Consolidation

- Cost Efficiency & Scalability
- Backup and Redundancy

Consolidating data centers reduces costs, improves scalability, and simplifies management while enhancing redundancy and disaster recovery capabilities

Financial Assumptions

IT Budget 5% of Sales		
INVESTMENTS	COMPETITIVE ADVANTAGE 15%	FUTURE OPPORTUNITY 10%
	CORE PROCESSES 20%	SUPPORTING THE BUSINESS 10%
OPERATIONS	PLANNED UPGRADES 25%	GENERAL MAINTENANCE 20%
INVESTMENT: 55%		OPERATIONS: 45%
Avg. Project Size: \$ Tens of millions		Planned/General: 5/4



Sources:	
Cost of SSO/MFA	The SSO Wall of Shame A list of vendors that treat single sign-on as a luxury feature, not a core security requirement. What does MFA cost to implement and maintain
HQ Datacenter remodel	How Much Does it Cost to Build a Data Center? - Dgtl Infra
Server Hardware	Intel Servers Processors ThinkSystem Servers Xeon CPUs for Server Lenovo US
Helpdesk solution price	Outsourced Help Desk Pricing in 2024 [+Cost Calculator]
Datacenter Power/HVAC cost	Best Data Center Build Out Cost: Top 5 Key Factors
Security Breach Cost Avoidance	Cost of a data breach 2024 IBM
Improved customer experience revenue	Prediction: The future of Customer Experience McKinsey

Financial Calculations

Period (e.g. Year)		0	1	2	3	
Net Cash Flows (NCF)	\$	(19,925,000)	\$ 9,720,600	\$ 9,720,600	\$ 9,720,600	
NPV (Annual)	\$	(19,925,000)	\$ 8,881,054	\$ 8,114,019	\$ 7,413,230	
ROI (Running Total)		-100%	-47%	-2%	36%	
					B/E Point	

Costs

One-Time (Non-recurring)

Hardware MFA Token (\$200 for 300 people)	\$	60,000
Custom MFA/SSO Integration into SAP/CRM/RESERVE	\$	500,000
Datacenter Upgrades	\$	1,000,000
User Training for MFA/SSO	\$	1,115,000
Network Consolidation for unified helpdesk	\$	750,000
Remodel current HQ datacenter (20,000 sqft \$800 per sqft)	\$	16,000,000
SQL Server Hardware	\$	500,000
Centralized Storage Systems	\$	1,000,000
Data mirroring	\$	300,000

WACC Calculation

R_f	4.06%	LT debt
ERP	4.60%	Market cap
beta	1.57	E.Tax Rate
R_S	11.28200%	
Credit Spread for B+ Credit Rating	0.0314	
R_B	7.20%	

One-Time Costs per Period

\$	19,925,000	\$19,925,000
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Recurring

Software Licenses for SSO (\$18 per person)	\$	401,400	\$ 401,400	\$ 401,400
Microsoft MFA solution (\$10 per person)	\$	223,000	\$ 223,000	\$ 223,000
Dedicate 5 IT specialists to manage MFA/SSO (\$90,000) salary	\$	450,000	\$ 450,000	\$ 450,000
Helpdesk Software ServiceNow (\$100 for 350 helpdesk agents)	\$	35,000	\$ 35,000	\$ 35,000
Remote Support Tools for unified helpdesk(TeamViewer)	\$	50,000	\$ 50,000	\$ 50,000
High-Speed connection between sites	\$	20,000	\$ 20,000	\$ 20,000
Additional Power supply, HVAC and cooling	\$	500,000	\$ 500,000	\$ 500,000
Annual Data center maintenance	\$	300,000	\$ 300,000	\$ 300,000

Recurring Costs per Period

\$	-	\$ 1,979,400	\$ 1,979,400	\$ 1,979,400	\$ 5,938,200
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Total One-Time and Recurring Costs per PeriodCosts

\$	19,925,000	\$ 1,979,400	\$ 1,979,400	\$ 1,979,400	\$25,863,200
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Cumulative Costs

\$	19,925,000	\$ 21,904,400	\$23,883,800	\$25,863,200	\$91,576,400
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ROI	36%
NPV	\$4,483,303
IRR	22%
NPV	\$4,483,303

Financial Calculations

Benefits

Cost reduction

Reduced IT Infrastructure Cost	1500000	1500000	1500000
Lower Power and Cooling cost (only HQ and Backup)	500000	500000	500000
Streamlined Staffing	2000000	2000000	2000000

Cost avoidance

Mitigating Security Breaches and Compliances	\$	4,000,000	\$	4,000,000	\$	4,000,000
Avoiding Downtime Cost	\$	750,000	\$	750,000	\$	750,000
Reduced IT Service overlap	\$	350,000	\$	350,000	\$	350,000
\$	-					

Value/revenue enhancement

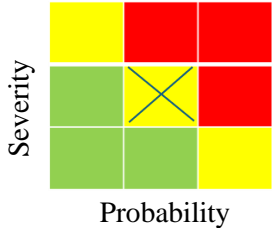
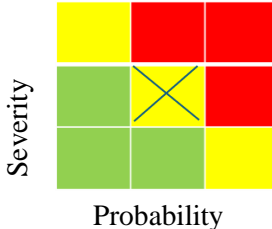
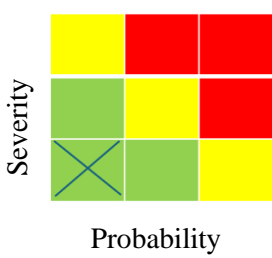
Improved Customer Experience	\$	1,500,000	\$	1,500,000	\$	1,500,000
Enhanced Productivity	\$	500,000	\$	500,000	\$	500,000
Scalability for Future Growth	\$	600,000	\$	600,000	\$	600,000

Total Benefits per Period

Cumulative Benefits

\$	-	\$	11,700,000	\$11,700,000	\$11,700,000	\$35,100,000
\$	-	\$	11,700,000	\$23,400,000	\$35,100,000	\$70,200,000

Extended Risks and Mitigation

Risk	Degree	Mitigation Strategy
The project may exceed its budget due to unforeseen costs related to technology, training, or resource allocation		<ul style="list-style-type: none">Develop a detailed budget plan with contingencies for unexpected expenses. Regularly monitor expenses against the budget and adjust allocations, as necessary. Conduct a risk assessment at each phase to identify potential budget impacts early
The current IT staff may lack the necessary skills to implement and support new systems effectively		<ul style="list-style-type: none">Assess current staff capabilities and identify skill gaps. Provide targeted training and hire necessary talent to fill critical roles. Consider partnerships with vendors for initial support and training
Dependence on external vendors for IAM and ITSM solutions may pose risks if the vendor fails to deliver as promised		<ul style="list-style-type: none">Conduct thorough due diligence when selecting vendors, including checking references and evaluating their track record. Establish clear service level agreements with measurable performance metrics and have contingency plans for vendor failure

Other Options Considered

PPM Process and Allocation

ID	Programs	Strategic Value	Est. Expense Cost	Est. Capital Cost	Risk Factor	Total Cost	Priority Score
1	Security Improvement	460	150	90	1	240	1.916666667
3	Improving IT Service Management maturity	453	170	105	2	275	0.823636364
2	Datacenter consolidation	454	180	110	2	290	0.782758621
5	Outsourcing	421	140	80	3	220	0.637878788
4	Standardization	440	160	85	3	245	0.598639456
6	Taking advantage of various Cloud Computing options	400	130	70	3	200	0.5
7	Implementing Green IT Initiatives into Data Centers	360	110	60	3	170	0.423529412

Clear roadmap and key benefits will set up LDI for a smooth implementation and transformation

Year 1 (Q1-Q4): Planning and Assessment & Initial Implementations

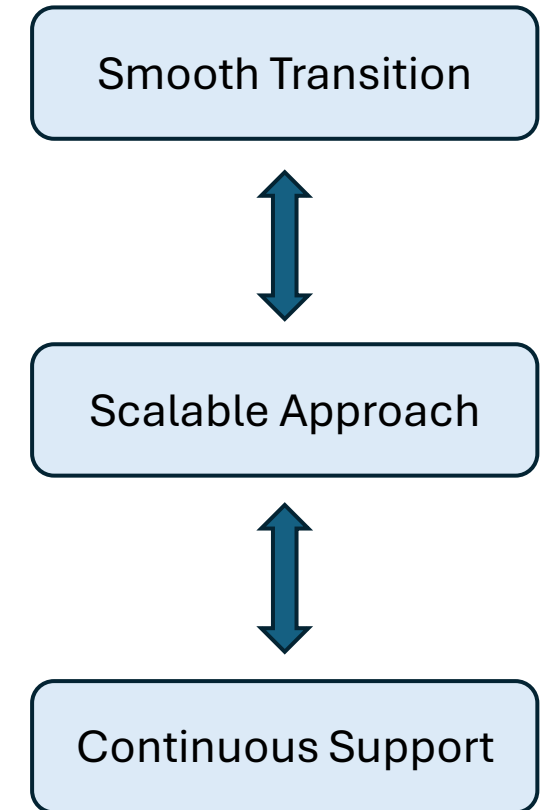
- The first year focuses on planning, selecting vendors, and setting up the foundational systems such as the IAM system and IT service management. This stage sets the groundwork for all subsequent phases.

Year 2 (Q5-Q8): Implementation and Consolidation

- In year two, the primary focus is on implementing the centralized IAM system and consolidating IT services. The second half of year two shifts toward data center consolidation and testing, ensuring that systems are optimized and fully integrated.

Year 3 (Q9-Q12): Final Deployment and Continuous Improvement

- The final year completes the full deployment of systems, followed by comprehensive staff training and documentation. Continuous improvement measures are implemented to ensure the systems are scalable and adaptable to future changes. The final quarter is reserved for project evaluation and reporting to assess the impact of the transformation.



Service and Helpdesk Consolidation will help LDI Increase Employee and Customer Retention

Consolidating LDI's service desks is crucial because the current fragmented support system leads to delays and confusion among employees, decreasing their productivity and impacting the overall efficiency of IT services across the organization

Consistent Service Quality

- Consolidating into a centralized helpdesk with standardized processes ensures that all employees receive the same level of support
- This boosts overall service reliability and user satisfaction, which are crucial as LDI scales

Enhanced Transparency

- With a unified ITSM platform, there's a clear system for tracking and managing service requests and incidents
- This enables faster resolutions and clearer ownership of issues which together make IT a more reliable business

Operational Efficiency

- A centralized service desk reduces duplication of effort and improves efficiency
- IT teams can track and resolve incidents more effectively, allocate resources better, and ultimately lower their operational costs