



# Making the most of economies of scale

Supplier rationalisation, hardware standardisation and utility billing will help government organisations maximise the efficiency and financial benefits of workplace technologies.

The adoption of new workplace technologies is redefining government processes and service delivery. From doctors using video-conferencing to carry out remote assessments of patients to teachers using collaborative learning solutions to reduce lesson preparation time, ICT will soon permeate every facet and function of government.

Given the vital role that workplace technologies will play in public service delivery, organisations need to optimise how they procure, finance, support, refresh and retire these devices.

Chris Price, Public Sector Director at Computacenter, comments: “Unstable and disparate systems, protracted support and procurement processes, inflexible contracts and insufficient security could all undermine the financial and efficiency gains enabled by optimised workplace ICT.”

The need for transformation has been recognised by the Cabinet Office – its Government ICT Strategy published earlier this year outlines the importance of centralised control, consistent processes, common and open standards and transparency to prevent past ICT failings from being repeated.

## Consolidating suppliers and standardising procurement

Standardising procurement to take advantage of economies of scale is key to maximising efficiencies and cost savings from workplace technologies. The public sector boasts the biggest user base in the UK,<sup>1</sup> yet often pays more than 20 per cent above the market rate for ICT hardware<sup>2</sup> as it rarely leverages its full buying power.

“By consolidating suppliers and standardising procurement routes, government organisations will be able to aggregate their spend to take advantage of vendor volume discounts,” comments Chris.

Supplier rationalisation will also enable public sector organisations to:

- Eliminate rogue spending by individual departments
- Accelerate delivery times for new workplace ICT
- Gain greater visibility of management information, including current and forecasted expenditure
- Establish measurable outcomes as part of supplier terms and conditions.

To maximise the potential savings, centralisation and standardisation strategies should be extended beyond procurement. Only 27 per cent of the total cost of ownership for a desktop computer relates to the initial hardware purchase, with deployment, data migration, ICT administration, training, support, software and retirement accounting for the remaining 73 per cent of costs.<sup>3</sup>

“Device configuration, maintenance, application packaging and inventory management can all be simplified when managed on a volume basis across the workplace ICT estate,” comments Chris. “This means applying the same principles of rationalisation and standardisation to the workplace devices being used by employees.

### Balancing flexibility with standardisation

Although hardware standardisation is essential for tapping into the government’s sizeable buying power, it’s important to still allow flexibility within workplace ICT.

“By standardising technology based on common functionality rather than a specific device, organisations will be able to keep pace with the growing ‘consumerisation’ of ICT and the rise of ‘bring your own’ devices, where employees bring personal technologies into the working environment to help aid their productivity,” comments Chris.

Although still at the early adoption stage, industry analyst Gartner considers “this to be one of the most influential trends in the technology sector, and we have now reached a tipping point.”<sup>4</sup> However, organisations must ensure that devices are subject to the same connectivity, security, backup and support rules as government-owned hardware.

Incorporating a virtual desktop infrastructure (VDI) into the workplace ICT strategy will simplify the adoption of ‘bring your own’ by removing data from local devices and facilitating a lower technology requirement at the user access point.

### Leasing and utility billing for workplace ICT

As well as bringing greater consistency and control to workplace devices, public sector organisations need to review their commercial arrangements from a similar perspective.

“Leasing equipment is one way of avoiding the capital expense associated with workplace ICT. This means the supplier rather than the customer owns the hardware,” comments Chris. “Some public sector organisations might wish to take the leasing model further by taking advantage of utility billing for workplace ICT devices and associated services. This approach, often referred to as ‘hardware as a service’, provides additional flexibility and will help unlock even greater financial savings.”

By combining such flexible and transparent cost models with standardisation and rationalisation strategies, the government will be able to transform how it procures, finances, deploys and supports workplace technologies.

As a result, it will be able to make ICT more predictable, affordable and repeatable, which will enable it to achieve its goal of “building a common, flexible ICT infrastructure that will enable the delivery of open, diverse and responsive public services for all.”<sup>5</sup>

#### Footnotes

- 1) User base referred to includes all civil service functions, associated & eligible charitable organisations & NGOs, as well as access requirements for general public in Libraries, schools etc.
- 2) OGC Guidance to departments on buying IT Hardware (2006) – OGC Website, current as at 15/4/2011.
- 3) The Enterprise PC Lifecycle white paper, Microsoft, 2008
- 4) Search Analytics Trends: The Inevitable Consumerisation of Corporate IT, Gartner, March 2011
- 5) Government ICT Strategy, March 2011

### Further Information

Read about how Hampshire Constabulary reduced costs with consolidated lifecycle management: [www.computacenter.com/case-studies](http://www.computacenter.com/case-studies)

Find out more about how you can remove cost and complexity from workplace ICT by downloading our whitepaper: [www.computacenter.com/knowledge\\_centre](http://www.computacenter.com/knowledge_centre)