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ROI CASE STUDY:
CREDIT SUISSE SIGNIFICANTLY REDUCES IT COSTS BY USING ALFABET

CREDIT SUISSE

Customer
Credit Suisse Group is a world-leading financial services company, advising clients in all aspects of finance around the world, around the clock. Founded in 1856, Credit Suisse can call upon a long tradition and many years of experience in the banking business. Credit Suisse is active in over 50 countries and employs more than 46,000 people from approximately 100 different nations.
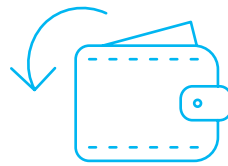
Industry
Financial Services

Opportunity
- Document all IT assets in one database by using standard definitions and terminology
- Gain strategic and accurate insights to support the decision-making process
- Re-use assets and reduce the scope of projects
- Eliminate software costs by detecting retired applications

Solution Set
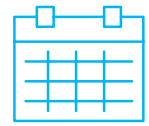Alfabet IT Planning & Portfolio Management Platform

Key Benefits
- Millions of dollars have been saved annually by avoiding unnecessary development projects
- Detecting a significant number of retired applications eliminated costs for license maintenance, internal IT support and HVAC
- New IT investment is only permitted after evaluating within Alfabet making sure no opportunity to save money is missed

ROI 210%

PAYBACK IN ONLY 6 months

ANNUAL BENEFIT

Challenge

In 2007, the senior management of Credit Suisse began looking for ways to better use its IT infrastructure and investments to cost effectively support growth. The organization had grown rapidly as a result of both acquisitions and the entrepreneurial cultures in its lines of business. Unfortunately, these factors also contributed to difficulties in managing the organization's IT landscape.

Some of the challenges included:

- Autonomy. Because new business opportunities in the financial markets can be so lucrative and first-mover status can create windfall profits, line-of-business managers often had to fulfill new business requirements independently and with little governance or oversight.

- Documentation. Not all business units documented the assets in their IT landscapes. When assets were documented, there was little uniformity across the operations.

- Duplication. In the absence of documentation and governance of decision-making, the organization was unable to save money by fulfilling new business requirements with existing assets.

Strategy

In order to better manage its IT expenditures and achieve benefits from the scale of its enterprise architecture, Credit Suisse decided to deploy Alfabet across its entire operation. The organization in the past used a variety of homegrown and off-the-shelf databases for documenting its IT landscape, but decided to migrate to the Alfabet, which is designed specifically for documenting IT architecture and supporting decision-making processes. Deployment of the Alfabet IT Planning & Portfolio Management Platform across Credit Suisse's global footprint began in January 2008 and was completed over an 11-month period by four Credit Suisse employees assisted by six Alfabet consultants. In order to deploy the Alfabet IT Planning & Portfolio Management Platform, the team:

- Migrated data. Credit Suisse's enterprise architecture was previously documented in three separate line-of-business databases. Two were merged automatically into Alfabet. The data in the third had to be manually keyed into Alfabet because the data was lacking in uniformity.

- Scrubbed data. Once in Alfabet the data was scrubbed for accuracy and removal of duplicate data. It was also fine-tuned to ensure that standard definitions and terminology were uniformly used across the deployment.

- Trained end users. Prior to the go-live date, 280 end users attended a two-hour training session. Following the go-live date, an average of 360 sessions are annually given to both new employees and existing employees who need to improve their knowledge of the application.

- Modified processes. Processes and analyses related to IT investment decisions were modified to incorporate data from Alfabet. The application is used in the evaluation of most proposed projects and investments in order to avoid unnecessary investments and find commonalities among the business requirements of proposed projects and existing assets.

Key benefit areas

Adopting Alfabet enabled Credit Suisse to avoid unnecessary investments in development projects and software. Key benefits from the application include:

- Avoided development projects. Alfabet has been incorporated into the organization's investment approval workflows. Because decision-makers have so much information in one place about their enterprise architecture when making investment decisions, they have been able to save a tremendous amount of money annually by avoiding unnecessary projects, identifying synergies between proposed projects, re-using assets, and reducing the scopes of proposed projects.

- Eliminated software costs. The application was used to examine all of the applications in the enterprise by vendor and type. The analysis revealed that a significant number of the applications, operating systems and hardware platforms on the enterprise architecture were classified as retired. By retiring them, Credit Suisse is eliminating costs, such as annual license maintenance, internal IT support and HVAC.

Key cost areas

Key cost areas for the deployment included software, consulting, personnel and training. The deployment was completed over an 11-month period by four Credit Suisse employees and six Alfabet consultants who assisted with data migration and integration into the domain model, which enables navigation and analysis of data in the tool. During the deployment, more than 280 end users received formal training on Alfabet. Training is also regularly given to new employees.

Costs by area:

- Software 35%
- Consulting 37%
- Personnel 24%
- Training 4%

Best practices

One of the reasons the deployment was so successful is that best practices were utilized, both during and after the deployment, to maximize the portion of investment decisions that are supported by Alfabet. The deployment team knew that even if most of the infrastructure was documented in Alfabet, it was possible that some investment decisions would be made outside of the application. The team wanted to avoid this because it would cause the organization to miss opportunities to save money by meeting new business requirements with existing assets. New policies were put in place that permit a new IT investment only if it has been evaluated within Alfabet and an effort has been made to meet the new business requirements with existing assets. Managers planning to deploy Alfabet should consider the adoption of such policies, especially if they have business units that are used to independently receiving approval for their IT investments.

Calculating the ROI

Nucleus calculated the costs of software, hardware, consulting, personnel and training over a three-year period to quantify Credit Suisse's total investment in Alfabet.

Direct benefits calculated included the costs of avoided projects, which was based on the number of developer years avoided and their average fully loaded annual cost. Direct benefits also included costs avoided as a result of the retirement of various applications, operating systems and hardware. These costs included avoided license support, internal support costs and HVAC related to the systems. They were quantified based on invoices and intra-company accounting records.

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