



Challenge
Our OPEX budget is 20% over, how do we cut it?

1. Dominant Ideas

- 1.1. We must reduce OPEX by \$13M by the end of 2008
- 1.2. We can't cut people because we don't have enough to do the work we've already got
- 1.3. We cannot charge back OPEX charges for equipment and licensing
- 1.4. We have to cut costs while maintaining/increasing services

2. Essential Factors

- 2.1. We must reduce head count to achieve our OPEX target
- 2.2. We must have annual renewal of XYZ software licenses
- 2.3. We must increase IR adoption rate
- 2.4. Have to define our (ITIL) current service catalogue
- 2.5. Without defining and measuring the services we provide (and the costs of those services) we have no consistent way of measuring growth or cutting costs

3. Assumptions

- 3.1. Our service requirements are going to increase
- 3.2. Cuts have to come from variable costs (people) first then from fixed costs (equipment/licenses/other)
- 3.3. If we automate, we can reduce head count (and hence OPEX variable costs)
- 3.4. OPEX targets assume 0% growth ("doing more with the same resources")
- 3.5. If TIS services grow, we still have to cut costs by 20%

4. Boundaries

- 4.1. We cannot increase head count
- 4.2. We need to support Unix, Linux and Windows
- 4.3. We have to become an ITIL based organization by 2008
- 4.4. PC costs below "the threshold" get charged as OPEX rather than CAPEX
- 4.5. Bottom-up initiative and we can't influence strategic decisions, i.e. ITIL, we can only cut costs

7. process notes

6. Polarization

6.1. If we reduce our OPEX costs we don't need to increase our service offerings

5. Avoidance Factors

- 5.1. Increasing costs
- 5.2. Loss of service levels
- 5.3. Not becoming an ITIL organization