

Case study

New Zealand Inland Revenue

“Fujitsu helped us to identify the best processes from our business units and integrate these into an organisation wide policy.

The project generated an almost immediate return on investment”

Tom Byrne, Application Delivery Manager, Inland Revenue



The customer

New Zealand’s Inland Revenue (IR) collected NZ\$40Bn in taxes in the financial year ending 2010. This accounts for more than 80% of government revenues with the IR also tasked with disbursement of funding for social support and student loans. The organisation, oversees the collection of personal, corporate and value added taxation with offices and retail shop-fronts located in seventeen of New Zealand’s largest cities. Because of the vast size of the organisation and the number of regulations and legislative Acts it administers, IR business units operate independently. This provides clients with flexible and proactive services, and delivers higher levels of customer satisfaction.

The challenge

IR’s independent “silo” based structure posed challenges for IT Administrators trying to deliver software procurement and operating cost reductions. Concerns were raised about the potential risk of damage to the reputation of the nation’s largest administrative body caused by the use of unlicensed software. The IR business units operated autonomously and were unable to leverage the economies of scale that standardisation could deliver in training and support. Because the businesses’ lacked a formal framework in which to collaborate, reductions in software purchase and operating costs could not be fully realised. The cost benefits that should have been accruing from the volume and value of purchases from vendors of software were not being received. IR lacked the requisite analytical data to drive down software ownership costs.

The solution

IR timed the Software Asset Management project to coincide with the migration from Novell’s Netware to a thin-client environment. Fujitsu New Zealand (Fujitsu) consultants were located on-site working closely with Inland Revenue IT staff identifying processes and methodology. The project team consolidated the most efficient and easily managed administrative processes from each business unit, and developed a “best-of-breed” matrix that was simple to administer and provided in depth reporting capabilities. The Fujitsu team brought an independent perspective that assisted the stakeholders construct procedures that reflected best practice in daily use within IR. With internal processes adapted to create the finished policy framework, those entrusted with managing the project execution fulfilled the task with a nominal learning curve.

The customer

Country: New Zealand
Industry: Government
Founded: 1878
Employees: 5,500
Website: www.ird.govt.nz



The challenge

The New Zealand Inland Revenue sets the standard for fiscal compliance and governance for the nation. The organisation is constantly scrutinising and improving processes to ensure adherence with legal edicts and industry best practice. The Inland Revenue identified limitations in managing software assets, and partner Fujitsu New Zealand was approached to develop a software management framework, to improve productivity and reduce costs.

The solution

Fujitsu collaborated closely with the Inland Revenue’s Information Technology Group to develop a policy framework and operational plan to administer software asset licensing. With roles and responsibilities clearly defined, licensing costs could be reduced and a more structured decision making process framed. At project completion, any vendor request for a software audit, would find the department in compliance with contracted agreements.

The benefit

- Reduce the total cost of software ownership
- Standardise applications deployed across the organisation
- Provide better quality data about the utilisation of software assets to ensure more informed executive decisions are made

The benefit

By rationalising the number of applications deployed across the organisation, measurable support costs have been reduced and training focussed on areas where clients need their skills honed. This has improved job satisfaction levels and career advancement opportunities, with staff embracing training opportunities to gain additional expertise. The risk of breaching software licensing agreements has been mitigated, with an audit trail in place that allows management to gain greater insights into software utilisation. With audited processes, the use of applications not sanctioned by management, or procured from unaccredited sources has been eliminated. This has contributed to improving the organisation's risk management posture. IR has accomplished the project objectives with cost containment and management goals delivered. Using a standard matrix deployed across all business units, granular reporting can identify the benefits achieved by the organisation, and provide comparative benchmark measurements to management.

- Reductions in the costs of procurement, training and support
- Custom matrix is easily administered and provides detailed management reports
- Potential risks from using unlicensed or unauthorised software have been mitigated.
- Clients are provided with more training opportunities to improve proficiency in the use of software applications

Products and services

- Training and Collaborative Workshops
- Process and Methodology Design
- Project Management
- Workflow and Process Consultation

Conclusion

Inland Revenue management understood the potential risks that their lack of controls and ad-hoc software licencing posed for the business. Their decision to partner with Fujitsu provided the opportunity to independently review the procedures that business units used in dealing with software asset management, and facilitate the creation of a single, group-wide policy. Because of the equal contribution from all businesses units, the ideas and processes were implemented with ease, and seamlessly merged into existing administrative controls. Fujitsu project members worked closely with stakeholders to ensure the objectives were kept in focus, and the management vision underpinned each phase of project execution. IR management now have access to timely reports, and detailed metrics that ensure more informed insights into the utilisation of software assets. IR can depend upon a policy and framework that's robust and adaptable, and will deliver cost savings and productivity improvements well into the future.

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About Fujitsu

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