

Pitcher IT

Time to move forward

Welcome. It has been a busy time in IT Consulting.

Throughout 2010, the IT Consulting Group has seen organisations realise that IT projects delayed in 2009 because of the GFC, must now be undertaken or risk impacting the organisation either economically or in efficiency terms.

Most of the projects, in which we have been involved include:

- » Governance issues
- » Customer service focus
- » Efficiency and effectiveness gains
- » Timely delivery of information for decision making

All new projects have been driven by business cases that justify an ROI of less than 24 months, otherwise they have been rejected.

In this edition, we have looked at how the ICT industry believes organisations can improve their IT expenditure, as well as reduce their reliance on internal IT, staff turnover and ICT industry obsolescence. It is called Cloud computing and I am sure that you will be hearing more about this topic over the coming months.

We have talked about knowledge management for decades in various forums, Document Management databases, Work flows and Directory Management. We are now seeing organisations realise that they need to be better equipped to retain information and knowledge, as staff resources come and go.

With the proliferation of business applications, ERP, CRM, BI, etc, we are seeing the use of Middleware tools like Microsoft SharePoint as one of the rapidly growing development tools to assist consolidation of information to enhance growth or report on disparate legacy systems within an organisation.

SharePoint has helped prolong the life of some older applications that organisations cannot afford to replace in the short term. SharePoint has helped these organisations become more interactive with their suppliers and customers by moving to Web based computing. SharePoint 2010 offers greater Internet, Extranet and Intranet capabilities for organisations.

In this month's edition, we provide more insight into these issues and how they may impact your business.

Food for thought.

Frank Zahra – Executive Director

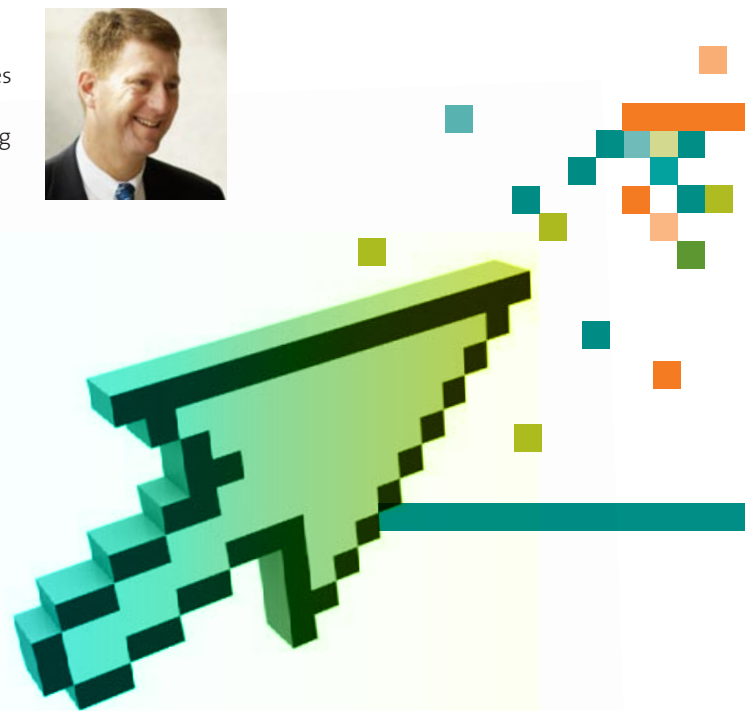
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Issues to consider when selecting a Cloud Services Vendor

More of our clients are considering the migration of selected ICT infrastructure, applications and platforms to the 'Cloud' as part of IaaS (Infrastructure as a Service), PaaS (Platform as a Service) and SaaS (Software as a Service) options being offered by vendors in the market place.

Unlike many traditional outsourcing arrangements where ICT and information assets owned by your organisation may be used in the delivery of services, Cloud based services are almost exclusively provided via vendor owned assets managed through a Services Contract or Agreement.

Cloud service vendors rely on a commercial model that leverages economy of scale advantages across ICT infrastructure and supporting services that allow them to offer cheaper, standardised service offering that are replicated many times across a large customer base.

Leveraging Cloud services to reduce your costs and/or improve service levels to your customers is about identifying the most appropriate standardised service offering that most closely meets those Service Level Agreements (SLA's) you have in place with your customers.

Negotiating with an ICT vendor to altering these standardised services to fit your own internal needs may either not be possible, or substantially increase the costs to the vendor by accommodating your non-standard 'bespoke' business requirements and thereby increasing the fees charged back to your organisation.

We encourage clients who are seeking to engage a Cloud provider to give consideration in the first instance to providing a potential vendor with a high level 'scope of services document' that give them a clear indication of the requirements, SLA's and KPI's. This gives the provider a chance to come back with service options in their 'pricing sweet spot' and gives the client room to negotiate.

Workshops and discussions with our clients have identified a range of considerations, risks and issues that Business and ICT management need to address as part of vendor selection and negotiation activities, including:

1. ICT budgeting for hardware, software and other tangible assets will move from being one of capital expenditure to

operational expenditure as Cloud based services replace outsourced and internally provided services.

- a. What depreciation and tax implications will this have to your business?
 - b. What are the budget implications for smaller ICT related internal projects and other initiatives with less ICT assets available for flexible use?
 - c. Will your business continue to need the same vendors for hardware and software you currently use – will this impact any existing contractual arrangements?
- 2. Be clear on end-of-life timeframes for current systems and applications to ensure that it is clear where cost savings and performance gains can and should be made.**
- a. Achieving Return on Investment (ROI) on existing equipment and software licensing may be impacted depending on when you move to a Cloud services model.
 - b. How is offsite back-up, Disaster Recovery and archiving services you currently use impacted – many Cloud services can bundle these options and you may end up duplicating services or paying for services you don't need.
- 3. Cloud based services require less hands on configuration and technical management of hardware and software, with a move to service management and monitoring of SLA's and KPI's.**
- a. What is the skills and experience gap between your current people and those roles required to manage the Cloud vendor?
 - b. What skills, knowledge and experience will you lose from your business, should ICT services migrate to the Cloud?
- 4. Capacity planning of virtual environments in the cloud can be difficult to ascertain – how do you ensure you are meeting your own internal service levels and that you are only paying for what is needed?**

a. What service and performance metrics do you need reported by the vendor in assisting you to determine current and future ICT capacity?

b. What is the best model to use for determining your costs – per user, per environment, per transaction? How do other businesses scope and size Cloud based services?

5. Business network and communications infrastructure becomes critical in ensuring Cloud based services reach your user base – these assets must be robust and perform well if you are to maintain the availability of services.

a. What is the amount of internal network traffic that may need to traverse network perimeter devices and networks? Who are your critical users and what data are they accessing?

b. Will you need extra telecommunication and bandwidth availability to access Cloud services? Do you need to consider high availability / redundant communication services?

c. With your data and applications potentially offsite in the Cloud what are your data transfer costs going to look like – how do you model and plan for this? Is data de-duplication required?

6. It becomes much more difficult to evaluate and compare technologies and different services independently when being offered from the Cloud. Many Cloud providers have their own partners and preferred technologies that may not be compatible with what you currently have – particularly virtualisation, data replication and data base services as examples.

a. To what platforms and technologies will you be migrating – how simple will this be and what are the risks involved?

b. What are the costs and timeframes for migrating your data and services to the Cloud? How is testing undertaken and data security maintained?

7. Cloud vendors have their strengths and weaknesses – what if you like the services from different Cloud providers – can you mix and match them – how well will they play together?

a. What are the vendor arrangements for data inter-operability?

b. How will your auditors cope working across different systems and providers – will costs for statutory compliance and review increase?

c. There is already at least four different Cloud Computing inter-operability standards being used by auditors – which one do we go with – what does my Cloud provider support?

8. The Cloud manages access to an organisation's data – how do you manage access of in-the-Cloud and out-of-the-Cloud systems back to your own facilities?

a. Who manages access control, authentication and single sign-on across services – are our current systems capable of doing this?

b. Who looks after logging and audit trails for incident response and handling?

c. Who will be accessing the data if it's a shared system, infrastructure and applications? Can you trust the security and segregation of duties processes of the vendor?

d. Overseas Cloud providers may have access to your files based on legislative requirements eg Patriot Act (USA)?

e. Are security controls at the Cloud provider adequate to meet your own policy and compliance obligations? How will Payment Card Industry Data Security Systems (PCI DSS), Australian Prudential Regulation Authority (APRA) and other compliance obligations be demonstrated.

9. Software licensing is likely to get more complicated – particularly during transition – moving from per-Server or instance licensing to pay per transaction or per user.

a. Who is tracking licensing and how?

b. Can the Cloud provider offer a value for money approach to flexible usage during business peaks and troughs?

10. A successful Cloud vendor will have a number – potentially a large number - of other customers using the same infrastructure on which your business is relying.

a. What priority is given to your business needs – consider Disaster Recovery and Business Continuity?

b. How does the vendor prioritise service requests and problems and issue management?

c. When is outage windows scheduled – what happens if these are not convenient? Is it possible to reschedule?

11. Information and data is the core of the business. It must be secured and treated in accordance with our legal and corporate governance obligations.

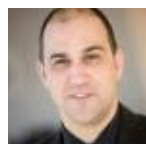
a. Where exactly is the Cloud located – in which Country, state and jurisdiction?

b. Sample auditing is done across all your data to ensure we meet compliance requirements – can you still do this when it is in the Cloud?

c. If your Cloud vendor is compliant with standards and legislation, such as PCI - does that mean you will be too?

d. Can I use my encryption standards for data held within the Cloud? My provider is a European / US company, what impact will this have?

Pitcher Partners IT Consulting provides independent advice, processes and services to assist our clients select vendors, design and implement Cloud based services. Scoping and planning the best Cloud service for your business can yield considerable savings during implementation and across an ongoing service management lifecycle.



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Benefits of SharePoint in your organisation

As businesses have become increasingly dependent on sharing information, there has been a growing recognition that both corporate intranets and internet websites are an essential part of the organisations IT strategy. An important part of the strategy is to push the management of information (or content) from IT to the business itself.

Corporates are now demanding more from their websites and intranets. Specifically there is a real push to move the management of content back to the business. This not only puts the ownership of content where it should be, it also frees up the IT department to do what they do best, service the business. We have also seen the need for a consistency to content presentation and for content to have a common written style or theme to all information presented to the outside world. Add to this a simplified workflow process for authoring and publishing of Web Content and you have Microsoft SharePoint.

Microsoft SharePoint enables people to easily create and manage web content, including documents, images, links, tasks, scheduling information and more, through dynamic websites. In addition, it gives users the power to share, disseminate and keep track of this content without the restrictions of a traditional paper-based environment. SharePoint is a platform on which to centralise information, collaborate, and streamline business processes.

The new SharePoint 2010 version has improved many areas of publishing and authoring content taking the product into the top right hand quadrant in Gartner's Content Management Magic Quadrant.

SharePoint can be a complex environment and it can be technically difficult and relatively expensive for a business to implement without the appropriate resources and experience. Often the result is that the project delivery timeline slips and/or there is a failure to deliver what the business wanted and expected.

Businesses need good quality SharePoint solutions delivered quickly with the expected client benefits. Pitcher Partners Consulting has been delivering this value to our clients for some time now.

Since taking on the SharePoint service line in 2008, Pitcher Partners Consulting have grown their expertise and delivered a number of both website and intranet solutions. We have a depth of skills and experience in SharePoint developments gained from working with a number of clients and are an accredited Microsoft SharePoint Gold Partner.



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Developing a Knowledge Management Strategy

A growing number of our clients in the education, research and health industries have been working with our consultants in developing an organisational Knowledge Management (KM) strategy.

Discussions with senior and executive management show that they increasingly wish to both capture information and knowledge as a valuable business asset along with creating an effective mechanism to allow others to use these assets.

An organisation can only move to a KM environment, if it has first achieved the management of information – (IM). Knowledge Management is the seamless processes of all users in the organisation, enhancing, maintaining systems and processes as part of their daily working life.

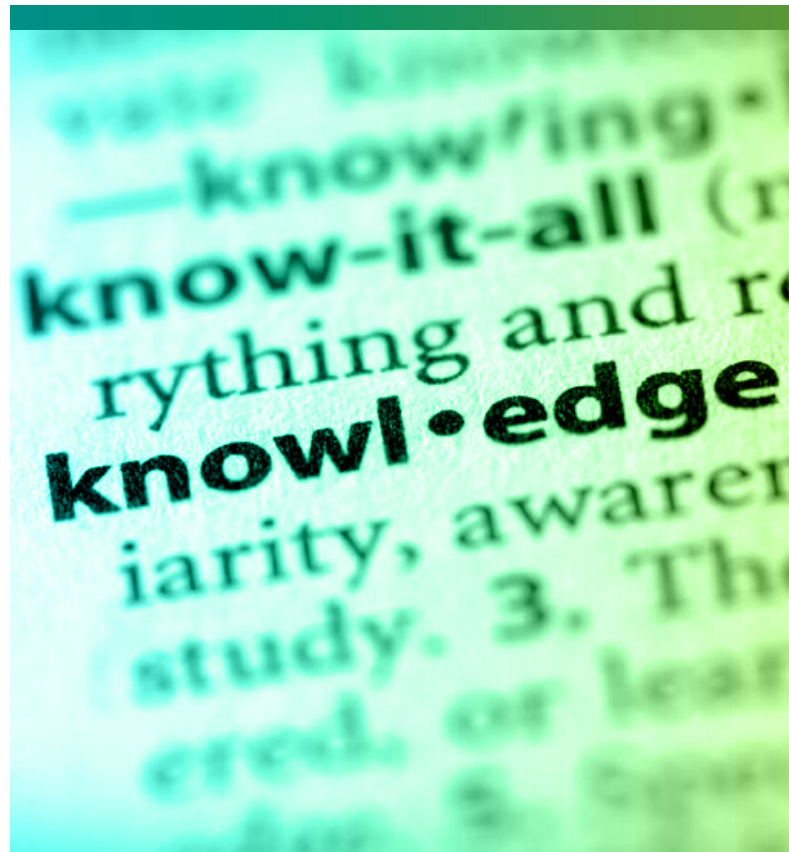
The variety of topics identified through interviews and discussions show that almost every part of the business can identify KM areas it would like to have or improve upon. There was a considerable number of business, productivity, learning, financial and compliance drivers raised by people which indicated there was great enthusiasm for KM, but not an understanding of the options available to achieve effective KM business outcomes.

In comparing a range of common themes and findings from across our client base, we determined that the following considerations consistently applied to respective KM Strategies.

1. A core strategic outcome is that knowledge sharing is valued, rewarded and encouraged as part of a corporate culture that supports learning and personal development.
2. KM and IM was a key driver to encourage the aggregation of information and knowledge assets – such as databases, business application including CRM, ERP and billing systems, etc as well as a driver for the improvement of access to these assets by others.
3. Staff exiting the business would go through a KM process that would endeavour to collect and record the knowledge and experience that these staff had acquired – often over many years – so that business processes and relationships did not suffer.
4. Induction and awareness programs need to be updated to embed KM activities and raise awareness of KM goals in new starters.
5. A discovery and analysis project is necessary to identify existing data, information and knowledge assets to determine where KM improvements can be gained from asset aggregation, archiving or replacement.

6. KM was seen as being the most beneficial to the business when the implementation of the KM strategy was centrally co-ordinated, with the achievement of KM objectives being the responsibility of all staff and each business unit.
7. A centrally hosted, configured and managed intranet environment was to be created that allowed for distributed authoring and publishing of content. Collaboration and communication between different individuals and groups was to be encouraged regardless of geographic location.
8. The confidentiality and access control to content must provide the organisation with the ability to meet legislative and governance obligations, while allowing for openness and interaction between departments, teams and individuals.
9. An intranet and desktop that allows for self help and easy access to KM assets as part of day to days tasks is necessary. It was accepted that KM solutions and applications had to be easy to use for it to be successful.

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10. The application of Business Intelligence (BI) and reporting dashboards was seen by many directors and board members as a key way for improvements in KM to directly influence competitive advantage.
11. KM tools, information and data management systems would be kept to a minimum, with preference given to business wide collaborative and sharing initiatives.
12. Sharing with external parties such as customers, patients, students, rate payers, teachers and vendors was seen as being of much greater significance in the future and that it was important systems and solutions were planned that allowed secure and easy access to knowledge and information assets.
13. Social media applications – such as Blogs, online forums, twitter and YouTube are seen as offering some great potential – although many did not yet know how. The

support of innovation and the encouragement of community and camaraderie were identified as areas in which current Intranet and staff blogs were being used.

It is important that the KM strategy is achievable and the outcomes measureable. Effective KM can create significant business assets and improve staff efficiency, effectiveness and interaction.

Pitcher Partners IT Consulting has a proven and robust KM strategy development process and experienced consultants that have worked across a range of industries, who can help your business.



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The Pitcher Partners Difference

How is our approach to IT consulting different?

- Our business and IT knowledge is both deep and broad
- We deliver practical solutions – we understand the realities of change
- Business solutions are our priority – information technology is a tool
- We deliver results – project and quality management are important components of our tool kit
- We have Chartered Accountants with accredited information technology expertise
- We use a consultative and collaborative approach– we enjoy a strong partnership with our clients
- We get to understand our client's business, their challenges and their industry
- We are committed to our clients

Our Differentiators

- >> **Business Focused**
- >> **Close Client Relationships**
- >> **Practical Methodologies**
- >> **Sound Capabilities**
- >> **Vendor Independence**



The combination of all the above is our strength



Pitcher the difference

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