US State IT Department Delivers Increased Chargeback Transparency

Overview

The state IT department's charter is to deliver quality information resources at the lowest price and highest value. After a multi-year, multi-million dollar data center consolidation project, allowing each agency to access the data center as a managed service, paying only for what it used, the IT department deployed Digital Fuel's solution to provide greater accuracy and transparency in the costs and chargeback for its services.

Customer Profile

The IT department of one of the U.S.' most populous states and has a nearly $250 million annual budget and serves 32 independent agencies.

Customer Challenges

In order to drive more value for the state and further promote use of managed technology infrastructure, the IT department transformed its distributed IT organization, supporting 32 independent agencies, into a single, shared-services model. A multi-year, multi-million dollar data center consolidation effort created a private cloud that delivered data center access to each agency as a managed service. Agencies would only pay for the amount of services they used.

However the IT department still needed to determine how to provide each of the agencies with the needed transparency into the usage and costs of the services they consume under the new shared-services configuration. The IT department struggled to efficiently and accurately provide agencies with a detailed monthly accounting of their services. In order to calculate these costs, the IT department consumed hundreds of man-hours in compiling and calculating information from more than 50 complex data sources. This often involved manual logins to provider portals or the exchange of numerous spreadsheets. Compiling information from third-party providers also complicated the process.

The IT department also had to deliver two sets of invoices, one enterprise-level invoice required by state leadership and an agency-level invoice required by each agency. When agencies received monthly invoices, they were unable to fully understand their charges, nor were able to drill down for visibility into the resource units that were driving their overall costs. Given the lack of transparency, the IT department found it increasingly difficult to address agency concerns about the validity of the invoices and was frequently unable to justify its costs without significant manual effort. This drove agencies to file a significant number of invoice disputes each month, which required additional manpower to process and investigate.

Key Highlights

Industry
Public Sector
Over a dozen locations across a single U.S state

Key Challenges
- Eliminate manual accounting of IT costs and dispute resolution
- Integrate more than 50 data sources from 32 state agencies and outside providers
- Provide transparency into usage and costs of 32 state agencies

Solution
The state deployed Digital Fuel, including the IT Financial Management capability, to automatically consolidate all charges from more than 50 data sources into a single system.

Business Benefits
- Automated and improved speed and accuracy of chargeback for 32 state agencies
- Created a consolidated repository for accounting, usage tracking, cost allocation and reporting to stakeholders
- Reduced the manual effort required to produce timely, accurate invoices and eliminated a majority of invoice disputes

DIGITALFUEL

The Solution

The State IT department deployed Digital Fuel, including the IT Financial Management (ITFM) capability. The solution integrated more than 50 data sources to automatically consolidate all charges for all agencies into a single system. The department is now able to provide a state-level invoice, as well as personalize each agency's invoice, listing details of the specific resource units consumed in the month.

To increase transparency, the solution also provides role-based Web access to more than 150 users across dozens of agencies. This allows each agency to drill down into its invoice and see the resource units consumed, the associated rate, as well as any applicable overage charges, a capability they never had in the past.

Digital Fuel's chargeback function within ITFM allows the IT department to fully exploit the value of its newly deployed shared services model. By fully automating the chargeback process, the solution drastically reduces the effort required to generate timely and accurate invoices to the state's 32 agencies. This has also eliminated the vast majority of invoice disputes.

Business Benefits

By deploying Digital Fuel, including the chargeback function of the ITFM capability, this state IT department was able to automate and improve chargeback speed and accuracy for all 32 state agencies. This involved integrating more than 50 data sources.

With the consolidation of 100% of all IT data center charges, the IT department was able to provide a single source of truth for accounting, usage tracking, cost allocation, rate setting and reporting. More than 150 stakeholders across the agencies received secure, role-based access with a higher level of transparency than ever before.

The department was also able to significantly reduce manual effort to produce timely, accurate monthly invoices and eliminate most invoice disputes. Ultimately, the increased transparency created by this deployment enabled the IT department to demonstrate financial value and engender trust among agencies.

"By fully automating the chargeback process, Digital Fuel's solution will drastically reduce the amount of effort involved in providing timely and accurate invoices to 32 agencies. Even more important, it will help restore agency confidence in IT's ability to deliver value and cost transparency."

— *US State CIO*

Learn More

To learn more about how Digital Fuel products can help your business manage the cost and value of IT, visit
www.digitalfuel.com

Contact Us

Sales Inquiries
Global Sales: +1 (678) 362-3271

sales@digitalfuel.com

Professional Services Inquiries
PS-Global@digitalfuel.com

Channel and Reseller Inquiries
Channel-Reseller@digitalfuel.com

DIGITALFUEL