FUJITSU

REDUCING SERVICE COSTS
SAFELY AND SECURELY

Government can cut service costs without compromising
security through Blended Delivery

A new Government brings a new round of cuts in Public
Sector, and in particular IT-related, spending. With £6bn
of savings to find[1] it is more important than ever that IT
delivers more for less. IT Costs are a significant element
of the operating expenditure today and finding ways to
reduce both the incremental and ongoing costs is vital.

[1]As described in the **Coalition Agreement** paper.

Every UK Government department will be considering their
options, their policies and their approaches to IT Cost
reduction, considering options such as off-shore that may
previously have been taboo. This paper focuses on how
cost savings can be achieved through the use of lower
cost, skilled resources outside of mainland UK without
compromising security and service delivery.

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WHAT IS BLENDED DELIVERY?

Blended delivery is not about taking application support or development 100% off-shore, but delivering application services from the right mix of not only on-shore and off-shore, but also incorporating near-shore resources into the mix.

Cost-effective, flexible, global delivery of services can be provided through the selective use of off-shore and near-shore services, using Fujitsu's Global Blended Delivery (GBD) approach. The Fujitsu GBD model, driven by strong collaborative governance, is illustrated in Figure 1. This paper takes the Fujitsu GBD model and examines the factors that can influence what sort of application services can be delivered by whom and from where to ensure that the balance of cost, risk and security is optimised.
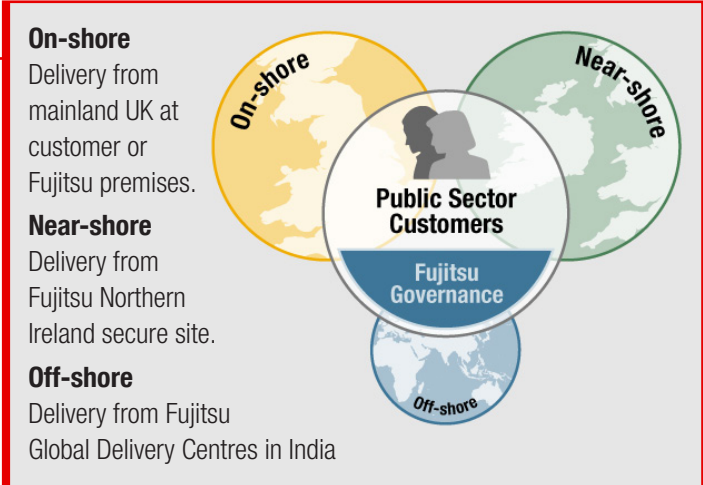
On-shore
Delivery from mainland UK at customer or Fujitsu premises.

Near-shore
Delivery from Fujitsu Northern Ireland secure site.

Off-shore
Delivery from Fujitsu Global Delivery Centres in India

Figure 1 - Fujitsu's Global Blended Model

GOVERNMENT SECURITY STANDARDS AND THE IMPLICATIONS FOR BLENDED DELIVERY

It is important to understand the complex Government security restrictions surrounding 'Protective Markings', physical security (e.g. List X), encryption and other security aspects. These determine; where Blended Delivery can be sensibly used, the optimum 'blend', and the requirements of the end-to-end governance framework around this.

Protectively Marked Information, in the UK is a system used to protect information from intentional or inadvertent release to another state. The system is owned by the Cabinet Office and is implemented throughout central and local government and the critical national infrastructure.

Each Government Department then determines the personal security restrictions associated with each of the Protective Marking categories (**Top Secret** down to **No Protective Marking** - see Figure 2).
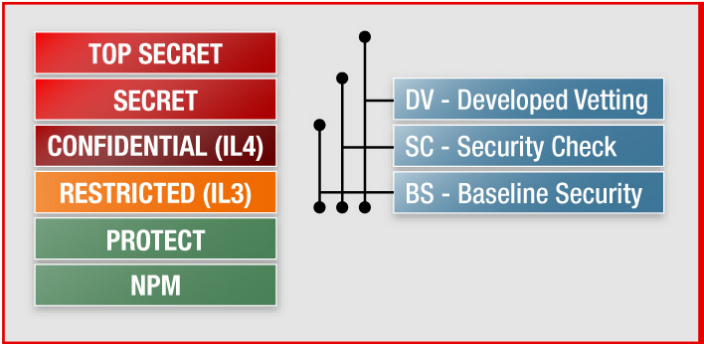
Figure 2 - Protective Marking Categories v Personal Security Restrictions

Further details can be found in the HMG Security Policy Framework document.

The security restrictions make it difficult for there to be a single interpretation of what can and cannot be achieved. However, understanding the factors associated with the use of a 'blended' model and the security implications of each helps to advise discussions with Departmental Security Officers (DSOs) (in consultation with the Senior Information Risk Owner (SIRO) as appropriate) to determine where and what level of compliance is required.

Where the Protective Markings restrictions are at Confidential and above the use of resources outside of mainland UK is less feasible due to:

- The personal security restrictions imposed
- The requirement for all staff to be on government site
- The requirement for high levels of security and validation

It is therefore unlikely to achieve any cost advantage by use of off-shore or near-shore resource.

It is at the Restricted level and below where there are feasible models that balance the risk and cost to make the use of a 'blended' model worthwhile.

BLENDED OPTIONS
Restricted Blended Model

Fujitsu has created a framework based on experience that breaks both the development and support lifecycles down into elements that can be sensibly delivered using resources at the lowest cost. This is termed our 'Restricted' Blended Model.

For example:

- Customer-facing roles are best delivered in the UK, ideally at a customer site

- Roles that require staff to be security vetted can be carried out by UK nationals in the mainland UK or in our 'low cost' near-shore centre in Northern Ireland. These on-shore and near-shore facilities, and associated personnel, meet the requirements of the Government Restricted category

- Elements of work in both the development and support lifecycles that can be created by appropriately skilled resources anywhere in the world can be carried out in low cost off-shore locations such as India. The facilities and processes in the off-shore location can be assessed and accredited by UK Government officials and suppliers can add additional security-related validation and testing to the lifecycle as the delivered work comes on-shore
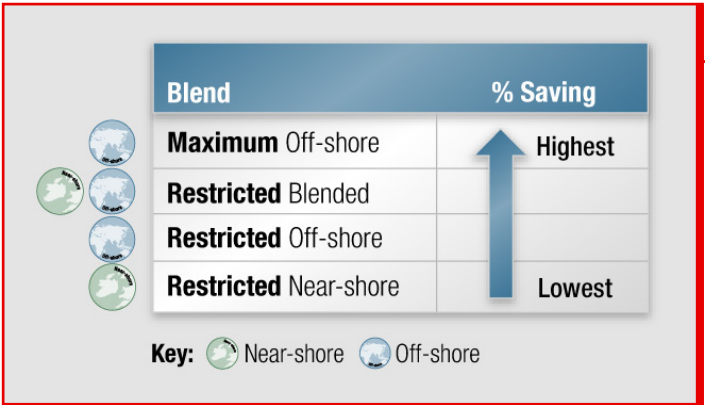
Some examples of how the Restricted Blended Model can cut costs:

- Large proportion of 'build and unit test' is conducted off-shore

- Low risk Level 4 support activity is conducted off-shore, without access to secure 'live' data

- Extensive use of secure near-shore centres with selective use of near-shore staff working onsite at critical stages of the lifecycle

This Fujitsu model generates significant cost savings for both application development work and application support work, taking into account all of the security-related factors and by using a 'Blended' model enabled by a strong governance framework.

Potential Model Comparisons

The diagram below shows the range of cost saving comparisons with other potential blended models. I.e. the percentage of the cost that can be saved over a model that is entirely on-shore.

At the top of the table the Maximum Off-shore blend provides the sort of savings you might expect for an unregulated Private Sector client, where there are no special security restrictions other than Data Protection requirements. Whilst at the bottom of the table the Restricted Near-shore blend benefits the more cautious or regulated client. The Restricted Off-shore model can offer better development savings in a typical large project but because of live data access restrictions the savings in the support area are restricted. By using the Restricted Blended Model the optimum 'blend' (i.e. the best mix of all options) can be achieved.

CONCLUSIONS

It is at the Restricted level and below where there are feasible models that balance the risk and cost to make the use of a 'blended' model an effective cost reduction option. Significant cost reductions can be achieved by designing the optimal blend of resources either on-shore, near-shore, or off-shore whether they be located remote or landed.

In addition, the rigour of Application Development and Support can be maintained or even improved through blending by:

- Formal management of change and releases
- Shared understanding and management of risks and issues
- Test & Validation to CHECK standards - via penetration and other security testing approaches
- Formal quality control - audits, metrics, reviews
- Structured and collaborative end-to-end governance

All these result in an improvement in quality.

AND FINALLY

Fujitsu has delivered highly secure solutions to many Government Departments for more than 40 years, and currently deliver near-shore blended solutions for a number of key Government accounts. We see ourselves as partners in the public service, working collaboratively with the Government Departments, ensuring the right balance of cost, risk and security.

WHAT TO DO NEXT

Strict financial pressures will necessitate some action. Start by looking at your current applications portfolio and considering:

- What are your current security levels in relation to applications? For Restricted and below a Blended Delivery Model is feasible
- What could be reclassified down to Restricted? Question more closely what really needs to be confidential and consider the savings that could be achieved without blanket classification at a higher level
- What is the type and nature of the work undertaken on those applications and what would be the benefit of a more cost effective delivery model?
- What appetite do you have for considering an alternative approach to delivery?

Contact Fujitsu and we can discuss your specific situation and security requirements, assess your applications portfolio for near-shore and off-shore potential and quantify the cost savings this will bring. We will work with you to develop a cost effective blended delivery solution that addresses your business needs.

- Contact Ask Fujitsu (details below).
- Visit the Application Services page at uk.fujitsu.com