

Case Study

Hobsons

Total Cost of Ownership Assessment

»The Fujitsu TCO analysis dug deep into the cost base of our business and delivered accurate, verifiable data about where our money was going. It showed us the woods and the trees and set the stage for detailed discussions about the strategic direction of our technology product.«

Ahren Morris, Infrastructure Services Manager, Hobsons Australia



The customer

Hobsons is a premier provider of innovative technology and integrated marketing solutions that empower education professionals to manage the entire student lifecycle, including recruitment, enrollment, and retention. In response to the growing need within the education sector to streamline and improve their processes, Hobsons has developed a range of technology products that help educational institutions plan, manage, and track students more effectively throughout their educational careers. Hobsons software products include enquiry management software, customer relationship management, group messaging technology, and online application systems. With end-to-end, enterprise-class products built from more than 30 years of education experience and market knowledge, Hobsons helps more than 5,000 global secondary schools, colleges, and universities achieve their goals.

Hobsons was founded as a publishing business in 1974 and is part of the Daily Mail and General Trust plc (DMGT), one of the oldest and most successful international media companies.

The challenge

Hobsons knew that the profitability of their business was influenced by the cost of developing, maintaining, and running of their three main business applications that provide services to external parties, such as students, teachers, and other education industry professionals. However, Hobsons needed assistance to determine the right approach, methodology, and process that would ensure the accuracy and relevance of the results.

The solution

Fujitsu Consulting's TCO team was engaged to conduct a Total Cost of Ownership (TCO) study that captured Hobsons' costs, volumes, FTEs, and quality parameters for platforms and activities associated with its 3 main applications. Fujitsu's TCO methodology ensured the accuracy of the captured data, as well as the applicability of the results to Hobson's environment and conditions across all IT platforms in scope, including servers, storage, central functions, security, network (LAN & WAN), service desk and application development.

The customer

Countries: USA, Europe, Asia Pacific
 Australian Office: Melbourne
 Industry: Education Support Services
 Founded: 1974
 Employees: approx. 100 in Australia
 Website: www.hobsons.com.au



The challenge

Obtaining an accurate view of costs and efficiencies for Hobsons' three main customer-facing business applications.

The solution

The Fujitsu Consulting TCO team conducted a TCO analysis targeted towards the three main applications. Costs and other parameters were captured and processed, and Fujitsu delivered the final results to Hobsons that focused on the "cost per specific business transaction" for each application.

The benefits

- In-depth insight into Hobsons' key costs associated with the company's 3 main business applications
- Validation of costs through comparison with industry references
- User engagement led to the "buy in" of TCO concepts, and in "pull-through" opportunities

The Fujitsu team prepared the Hobsons data collectors who successfully collected high-quality data about costs, personnel, volumes, and quality/SLAs over a period of three weeks.

In order to capture the collected data, Fujitsu organised a one-day workshop with Hobsons, and the data was then entered into the Fujitsu TCO model which calculated the cost per unit for each IT platform and/or activity in scope.

The collected data was validated by comparing Hobsons' costs per unit with the corresponding industry references for each in-scope platform. Costs per unit that were identified as being perceptibly lower or higher than the norm received additional attention, and some of them were revised as the result of the iterative validation process. The success of the validation process benefitted highly from the business insight of Hobsons' IT management, and other stakeholders.

After Hobsons signed off the final version of the collected data, Fujitsu calculated the TCO of each main application, and expressed it as "cost per transaction", which enabled Hobsons business stakeholders to fully understand the results from the business perspective, and to make informed decisions moving forward.

Products and services

- TCO Assessment

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Conclusion

The TCO process provided strong engagement with the client and delivered accurate, actionable results to Hobsons executive management. With the baseline cost effectiveness now well defined as cost per transaction, Hobsons has the opportunity to manage its costs more effectively, and to plan for continuous improvement.

Based on the rapport established between Hobsons and Fujitsu, further pull through opportunities were also identified, and some of them were beginning to be acted upon within weeks of the delivery of the final TCO report.

In collaboration with



Contact

Fujitsu Australia and New Zealand
Address: Level 16, 15 Blue Street
North Sydney, NSW, 2060, Australia
Phone: +61-2-9113 9200
Fax: +61-2-9113 9222
E-mail: askus@au.fujitsu.com
Website: www.fujitsu.com/au
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