
HVACR Leader Realizes Annual Savings of \$1.2 Million and Identifies Potential Savings of \$4 Million+ per Year

Keane's DynAMOSM drives cost reductions, adaptability, and business-side alignment for HVACR leader.

Abstract

This global leader in heating, ventilation, air conditioning, and refrigeration (HVACR), sought to cut costs, improve decision making, and better match its processes to its business needs. With its focus on adaptability, business-side alignment, and reducing total cost of ownership, Keane's DynAMOSM was the ideal solution.

Second, our client was hampered by escalating support costs due to multi-vendor platforms and technologies causing duplication of cost and effort, sapping resources needed for strategic initiatives.

Finally, the firm recognized that the lack of business transparency in reporting as well as inconsistent processes and procedures were impacting its ability to drive change in the across the company.

DynAMOSM enabled this HVACR leader to save \$1.2 million annually.

Challenge

Our client faced a multifaceted challenge. First, the economic downturn led to a cascade effect that resulted in a reduction of business budgets over previous years and stirred the HVACR leader to look at its entire organization to determine how to accomplish its cost goals given the constraints.

Solution

Keane has partnered with this HVACR manufacturer since 1994 in an applications outsourcing arrangement. Over time, the relationship has grown from an onshore staff augmentation model to an end-to-end offshore/onshore SLA-based managed services support model.

Application and Infrastructure Solutions

Keane Client Story:

Industry: Manufacturing

Offering: Applications Management & Outsourcing | DynAMOSM



To address our client's current issues, Keane deployed DynAMOSM, a dynamic approach to application management and outsourcing that evolves with the business.

Using its proprietary Portfolio Cost Optimization (PCO) process, Keane identified multiple opportunities for reducing costs, improving decision making, and aligning processes to business needs, including:

- » Migrating the client's multiple platforms to an ERP or client-server architecture
- » Outsourcing its electronic data interchange (EDI) processes to a service bureau
- » Integrating applications support and processes for Web and ERP
- » Integrating multiple application help desk areas into one tool

The global data warehouse was a particularly costly area for our client because of its size and scope. Keane partnered with our client to identify short-term fixes to improve availability and reporting and a long-term information management strategy for merging its global and SAP data warehouses. This integration would lower support costs and provide the business intelligence necessary to make day-to-day manufacturing decisions.

Keane also looked at continuous improvement opportunities to further drive cost effectiveness and reduce support costs in the existing applications portfolio. These included reducing mainframe CPU usage, storage space, and the number of support incidences through root-cause analysis.

Keane also made several productivity/process improvements by automating business processes across the organization.

Results

With the activities, processes, and tools of DynAMOSM, this HVACR leader was able to realize a savings of \$1.2 million annually.

Specifically, the client:

- » Saved over \$800K through continuous improvements and optimization initiatives in the current applications portfolio
- » Is set to save \$1.4 million over the next 5 years by optimizing its current support model
- » Saved \$135K by transitioning EDI processes to a service bureau

Our client also improved manufacturing decision-making through better reporting and greater data warehouse availability. In addition, our client benefited from consistent issue-resolution processes and EDI outsourcing.

Keane is currently working with the manufacturer to drive additional savings potential of over \$4 million annually in the following areas:

- » Keane and the manufacturer are working to drive additional savings of \$2.4 million by consolidating support across the organization; rationalizing/optimizing platforms, technologies, and processes; reducing the

DynAMOSM helped identify short-term fixes to the client's data warehouses. It also helped the client create a long-term information management strategy, which would drive down support costs and provide the business intelligence necessary to make day-to-day manufacturing decisions.

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number of vendors and client oversight; and driving self-funding strategic initiatives

- » Keane proposed a plan to ultimately eliminate the client's reliance on the mainframe, which will achieve \$2 million in annual savings after the first year

By demonstrating a solid understanding of our client's business, leveraging a flexible engagement model, and deploying DynAMOSM, Keane continues to help the HVACR leader get the greatest value from its systems and processes.

About Keane

Keane, an NTT DATA Company, is an IT services firm headquartered in the US with more than 12,500 professionals worldwide. For 45 years, Keane has been an Application Services specialist with distinguished project management credentials. Today, we offer a flagship suite of Application Services, as well as Infrastructure and Business Process Outsourcing solutions delivered through onsite, nearshore, and offshore resources.

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