

Outsourced Application Maintenance

An Enterprise 24x7, Inc. Project Success

“ Our agency has more than 250 applications that support its divisions and business processes. We need an out-sourced, predictable cost solution that can be utilized for the upkeep and maintenance of our diverse technology applications. ”

Predictable Cost Outsourced Application Maintenance

IT resources are limited. It can be difficult to balance the skills and funding needed to develop new applications to support an agency while maintaining a variety of aging, but still needed applications:

- State Agencies often have hundreds of custom applications in a variety of languages to support.
- State Agencies are dependent on those applications to manage their business processes and reporting obligations.
- State Agencies are limited in the number of employees they can hire and therefore the skills and time available to both maintain older technology applications and develop new ones to meet evolving regulatory and reporting requirements.
- State Agencies are seeing the advantages of focusing their employees on the new technologies and new development while out-sourcing maintenance of older or end-of-life applications to a vendor.

Executive Summary

- The State Agency previously contracted with dozens of vendors to support their diverse application needs.
- Funding for the various applications was inconsistent, leaving some critical applications under-supported and vulnerable to infrastructure upgrade impacts.
- Application Maintenance efforts reporting to the application owners was inconsistent and was not tied directly to the amount spent on vendor support costs.

Challenges

- Providing an approach that would ensure fixed cost monthly maintenance of over a dozen, complex applications written in JAVA 1.4, Oracle Forms & Reports 10.1.2, Classic ASP 3.0, .NET & FoxPro
- Develop an approach to provide a base level of maintenance support across all the applications, as well as providing a mechanism for adding a surge team for larger enhancement that are estimated and billed separately.
- Classifying the requests for support fairly to ensure the most critical needs are addressed before the non-critical ones.

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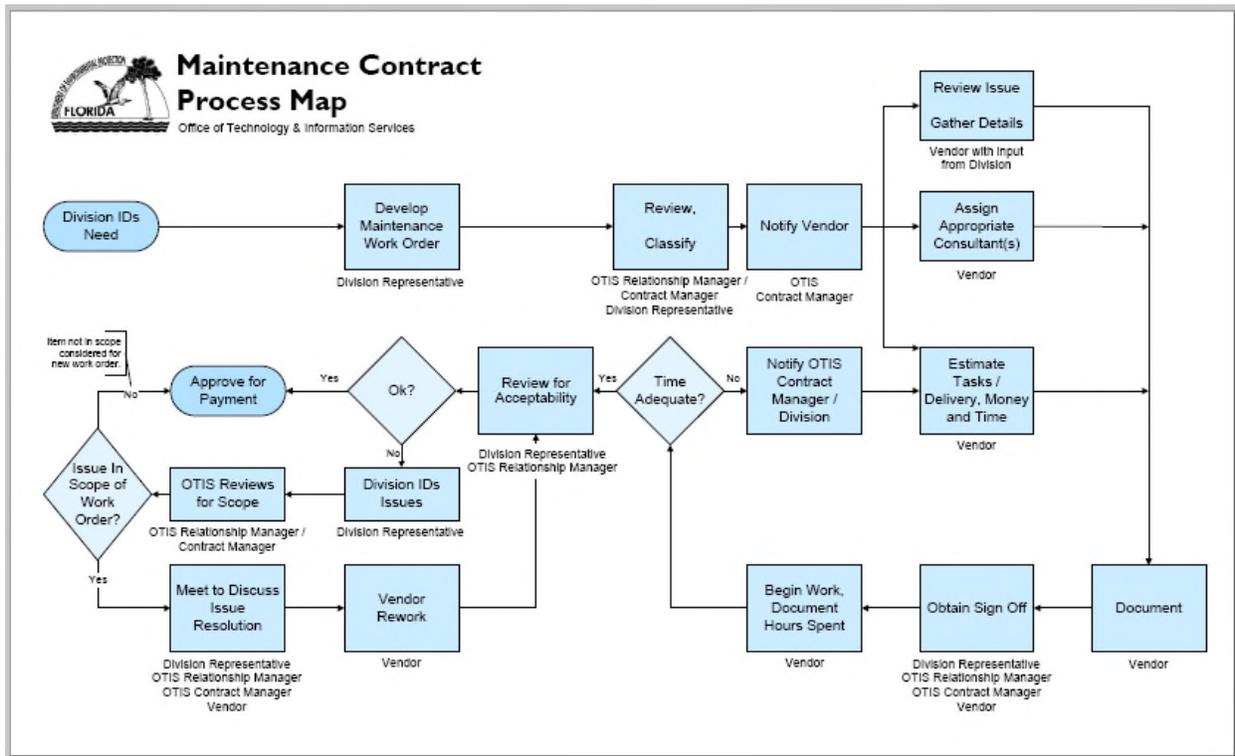
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- Provide a meaningful, easy to understand monthly report to show how the maintenance dollars were spent by application and criticality.

Our Solution

Along with our partners, we proposed the following solution:

- Implement ITIL aligned Change Management processes.
- Create a Change Advisory Board and a Change Control Board within the Agency.
- Customize a COTS Change Management Tool as needed to align to the request and report needs of the agency management and the application owners.
- Hire a team of seasoned, multi-technology individuals, managed by a seasoned Project Manager who will assist in the classification of the change.
- Implement the proposed Contract Change Management Process.



- Provide scope and estimates for enhancement requests.
- Require User Acceptance Testing and permission to promote for each change.
- Provide a monthly and quarterly report on performance to management and application owners.

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- Propose mechanism to add additional applications and Triage Team members, over time to expand the outsourced maintenance covered applications.

Results

- Service Level Agreement implemented based on Maintenance Request Classification.

Severity Level	Maintenance Request Classification	Examples	Initial Response*	Status Update or Projected Target Completion**
1	Business Critical	Mission-critical system is non-functional	<2 hours	<4 hours
2	Business Impacted	Needed reports cannot be produced	< 8 hours (1 work day)	< 16 hours (2 work days)
3	System Efficiency	System is running slow; minor fix is needed to interface, database, or reports	< 24 hours (3 work days)	< 48 hours (6 work days)
4	Mandated Enhancements	A legislatively required enhancement to an existing system	< 24 hours (3 work days)	Dependent on length of time for enhancement

- Maintenance became a predictable and reliable service and cost.
- Requests for maintenance were managed to ensure critical changes were undertaken in priority.
- Application maintenance consistency and visibility was greatly improved.
- Application owner satisfaction with maintenance was significantly increased.
- The number of applications supported under the outsourced maintenance was nearly doubled while costs increased significantly less than that.
- The managed change approach to maintenance continued to expand and improve using a continuous process improvement feedback mechanism implemented by the vendor team.