WINDSOR GROUP
SOURCING ADVISORY

HEALTHCARE INSURANCE IT CASE STUDY

Health Care Insurance Provider Saves 20% in IT Operations

The Company is one of the largest Health Care Insurance Provider's in the U.S. and has provided health care insurance for over 75 years.

Challenge

The Company supported a large complex set of IT platforms and services, and the IT organization constantly received strong results from customer satisfaction surveys regarding the support services provided for the different systems and platforms. However, the IT organization was being challenged to reduce operational cost by 20% or more, while continuing high levels of customer satisfaction, and transforming their IT service to offer better services in some cases (e.g., Disaster Recovery), and different levels of services in other cases (e.g., Development/Test Environments).

The external threats included state and regulatory issues associated with local, state and federal governments, including the Federal Government's Patient Protection and Affordable Care Act (PPACA). Internal challenges included the legacy IT systems that needed constant refresh and maintenance to keep up with the regulations, and the state's health care insurance services was going out for a new round of proposals, threatening their current position of the state's largest health care insurance provider.

Assessment

The Company worked with the Windsor Group to evaluate selective and alternative marketplace IT services options to meet their cost cutting goals, while continuing to offer a high quality service, new services, and invest in new technologies to reduce their operating expense.

Windsor Group's evaluation of the Company's IT environment highlighted their current IT service cost and output as compared to external IT service providers. Windsor Group found that the client had a strong set of IT service delivery procedures and a high quality of service. Their unit cost of running the operation was comparable to third party suppliers. There were selective service areas where labor arbitrage could reduce their costs, and Windsor Group helped the Company evaluate solutions and pricing in those select areas. The Company was

providing a significant amount of project support services resulting in high customer satisfaction; however, the additional project support resources were also a significant part of the IT budget. The Company was preparing to compete on the renewal of their State business, so it was important for them to drive down their expenses, and prepare for a more flexible, usage-based IT services model.

Results

During this Company engagement with the Windsor Group, the Company data and business requirements drove the potential solutions. Initial recommendations to reduce costs within selective areas were discussed; however, the impact to the overall IT organization was minimal. Windsor Group continued to refine their requirements and strategized with the client on the best fit sourcing options. Eventually, the Windsor Group recommended a deal-based acquisition of their data center, including asset transfer of resources and technology, keeping the IT resources within the state, meeting critical state and regulatory constraints, positioning them for future state business, enhancing their disaster recovery preparedness, while still driving down operational expense, and transforming to a more flexible IT service delivery model. The agreement included ownership, management and support of functions such as mainframes, servers, PCs, telephone systems, networks and technology security.

About The Windsor Group

The Windsor Group's IT infrastructure solutions help clients reduce risk, improve operations, and gain competitive advantage. In the process, clients benefit from increased service levels, greater flexibility, improved disaster recovery capabilities and access to outstanding technical expertise. Our infrastructure services model allows companies to convert the typically high fixed cost of IT infrastructure expense into a variable cost based on actual usage. Windsor Group creates solutions for our clients that offer best-in-class service and price.

We'd Like to Hear More About Your Business and IT Challenges, so that We Can Find a Solution that Exceeds your Expectations

Talk to Us