CUSTOMER CASE: KMD

A TRANSPARENCY CASE STUDY

Cost control and charge back in a shared mainframe environment

With approximately 3,200 employees KMD is one of Denmark's largest IT- and software companies and also operates one of the largest mainframe installations in the country. KMD delivers tailor-made solutions for IT outsourcing and application management, with a wide variety of customers in the public- and private sector.

KMD made a strategic decision to replace its aging, homegrown mainframe capacity management system with a standard system, which could handle their special requirements. The objective was to reduce the dependency on individuals within the organization required to maintain and extend the existing system, but also to make knowledge about capacity usage readily available to all relevant decision makers within KMD.

Ultimately the goal was to reduce mainframe costs and improve the quality of service.

KMD evaluated the possibilities in the market and saw a strength in the IT Business Intelligence (ITBI) solution from SMT Data.

"As an outsourcer, KMD has special requirements around capacity reporting. We need to understand how capacity usage drives our costs, how we allocate those costs internally, and how we charge our customers. SMT Data and ITBI were able to support these needs and also improve our overview of our capacity and give us ability to plan better" says Lars Henrik Jessen, EVP and Head of Technology and Security Services.

Furthermore, the fact that SMT Data provides both a software solution and a consultancy team with deep z/OS capacity and performance experience, was one of the main factors in KMD's selection.

The solution that KMD used prior to implementing ITBI required significant manual effort to gather capacity and performance data and generate reports.

About KMD

KMD is one of the largest Danish-based IT companies. They develop and supply software- and service solutions for the municipal-, state- and business sectors in Denmark. KMD has developed more than 400 IT systems and one million Danes in the private and public sector receives their wages via KMD's salary systems.

Access to capacity data and understanding of the implications were limited to a few specialists. Moving to a standard solution has not only freed up internal resources but has also provided easy access to capacity data broadly in the organization.

40-50 employees have already been introduced to the tool and its value through internal workshops.

ITBI's ability to enrich the purely technical data with business information made it easier for stakeholders to understand the cost drivers in their own terms. A single, up to date, 'one truth' source for capacity information also reduced the number of internal discussions of who's data was correct.

With ITBI, KMD has been able to establish an interest in to how activities in the business units impacts the actual Mainframe costs.

"Now our decisions and optimizations are based on documented facts presented in a good overview and gives us a good understanding of the real cost drivers. We are able to have discussions with our users and our development teams based on actual data in one common language" explains Henrik Tonnisen, Capacity Manager.
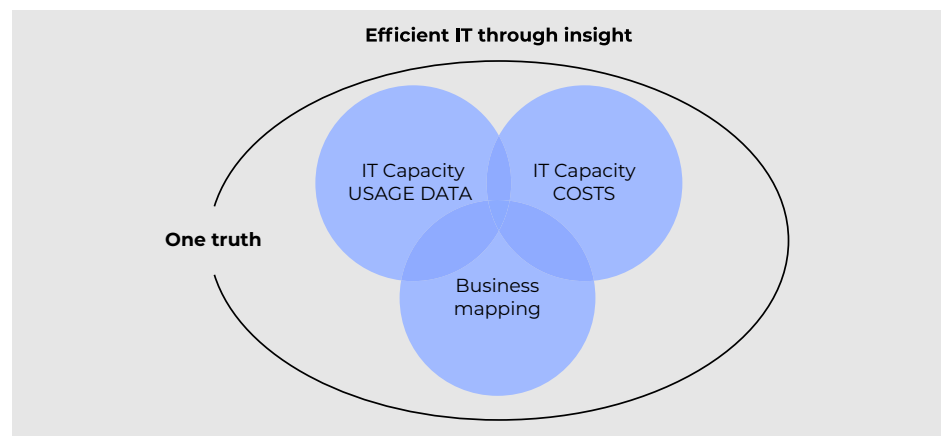
Henrik was heading the implementation of the ITBI solution.

The application development teams now have full transparency into how their work impacts the operations and the related costs.

This enables them to understand the capacity and performance impact of the application changes and react accordingly.

With the full transparency also comes the ability to do fact-based allocation of capacity costs both internally to business units and towards their customers.

ITBI has improved the dialog with KMD's outsourced 'facility management' customers, as it helps these customers visualize and understand their actual capacity usage and related costs, and with this comes a more trustworthy dialog and improved customer satisfaction.

"We are now able to work in a more agile manner with the reporting. What we have bought from SMT Data is not just a presentation tool for our existing data, but a data model enriched with knowhow. We could have developed our own reporting tool, but the data model of ITBI would have been very difficult to match" says Henrik Tonnisen.

KMD is now able to follow trends in the capacity usage, compare usage year vs. year, month vs. month etc.

The ability to do fact-based planning and optimization has resulted in significant cost savings on the mainframe capacity costs within the first year, as KMD has been able to reduce unwanted peaks in the Mainframe usage, without compromising performance or customer service levels.

"For us the costs savings are one thing, but the main value has been a much more stable and better operations.

With the support of ITBI, KMD has a more mature capacity management system. This leads to more efficient operations and a sharp reduction in capacity related incidents.

ITBI gives the ability to be in control, which is of great value both internally and towards to customers" Henrik Tonnisen concludes.

Challenge
To implement a standard system for capacity management and reporting

Gain control over mainframe capacity usage

Reduce capacity related incidents and costs

Action
Implementing ITBI for z/OS

Results
More mature capacity management system

DevOps transparency

Trustworthty and fact-based dialog - both internally and towards outsourced clients

Significant cost savings and improved quality of service.

SMTDATA

IT Enterprise Insights