

COVID-19: IT services optimisation - in-progress projects

Due to the need of increasing liquidity and optimising costs during the ongoing COVID-19 crisis, some organisations are looking at halting their in-progress IT projects for short-term.

It is crucial for organisations to evaluate projects that need to be halted or continued. Due consideration also needs to be given to the process, so that the projects identified as 'to be halted' can continue when required.

Here's how you can HALT and consider the following steps to optimise your IT spend on in-progress projects



Review your IT budget downsizing requirements

- Analyse IT spend cut targets (quantum and timelines to achieve the cuts).
- This will help prioritise the extent of spend optimisation opportunities.
- However, enforcing top-down cost cut targets may result in halting some of the critical IT programmes essential to your organisation to capture market share in the post-COVID era.



Analyse your IT operational costs

This involves capturing your IT operational costs in the following categories for further analysis. This cost break-up, in comparison to IT spend cut figures, will help you to understand how many IT projects need to be evaluated for halt-resume.

- In-progress IT projects costs - upcoming milestone billing/T&M billing, etc.
- IT application support/Managed Services cost,
- In-house IT resources costs (internal team, subcontractors)
- Costs related to infrastructure, data centre, network, connectivity
- Other relevant costs



Evaluate current IT projects and their strategic value-add to your company in the post-COVID era

- Begin with a detailed review of the set of selected in-progress IT projects which are likely to be halted to meet your IT spend cuts.
- These projects should be reviewed based on current project phase, their completion status (in percentage), overall duration, project risks, and the time required to complete these projects within budget.
- Also, review their strategic importance to your organisation along with their competitive edge in the post-COVID era. Based on these criteria, these projects should be ranked in terms of their criticality to your organisation.





Halt-Resume cost analysis of IT programmes

- Undertake a detailed analysis of each of the selected IT projects to come up with expected Halt-Resume cost to your organisation.
- Often it appears that an organisation is only deferring the project and will resume it within a quarter or two without any serious cost implications. However, this may not be true, as there will be additional cost factors in play, and these costs may outweigh your liquidity gains in certain scenarios.
- Some of the factors that may come up during Halt-Resume cost analysis are:
 - Knowledge transfer cost for resuming projects
 - Licenses and software - idle time cost
 - Any vendor contract breach costs due to the imposed 'halt'
 - Price escalation while resuming projects

How Grant Thornton's DigiTech team can assist



Support in halting identified projects

- Carry out an in-depth analysis of each project's additional cost to halt and resume.
- Provide insights on projects that you can consider to halt; especially ones with minimal cost implications.
- Provide cost analysis of resuming halted projects in conjunction with criticality of each of the projects to key decision makers. Once projects are identified, we can help with the following:
 - Quality assurance assistance for deliverables handover:
 - i. Code review
 - ii. Documentation quality assurance checks
 - iii. Functional/business analyst checks
 - Project management support for closure
 - i. Task monitoring for closure
 - ii. Access revocation
 - iii. Quality assurance checks monitoring
 - iv. Code/deliverables handover monitoring



Create strategic road map to resume projects

Resuming a project takes additional effort and thought process. Once projects to be resumed are identified, we can help with the following:

- Recommendations on changes to project plan - phase durations, new tasks, etc. For example, knowledge transfer phase to be incorporated in the plan, any changes to business requirements needing modifications to scope to be incorporated, Go Live/cutover timing must be relooked, etc.
- Code/deliverables handover process to the existing vendor's new resources, or a new vendor's resources.
- Internal resources capacity analysis.

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[Click here to download the recently released Grant Thornton Halt-Plan-Refresh Guide on revisiting business priorities and plans](#)



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