



**Australian Government**

**Department of Immigration and Multicultural and Indigenous Affairs**

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Public Sector IT relying on Private  
Sector Partners:  
What does it take to make it work?  
(The DIMIA story)

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# DI MIA's outsourcing landscape

CSC	IT services, infrastructure and support	\$ 41.5m p.a.
Optus	Telecommunications and network	\$ 13.3m p.a.
Outsource Australia	Print and copy services; Electronic records management	\$ 2.7m p.a.
Fuji Xerox	Multi-function devices	\$ 1.5m p.a.



## How do I get my outsource partners to align with me?

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- Consider negotiating some 'relationship principles' that both parties can work with to achieve a healthier relationship
- Look at how your organisation can be a better client – the relationship as a 2-way street
- Service level agreements – you can never have too many and you can always improve them
- Understand the benefits that IT outsourcing can bring your way



# Why bother about getting the relationship right?

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## Gartner research shows

- most major deal failures are due to a breakdown in the overall relationship
- relationship management is emerging as the key mechanism for reconciling shifting objectives , capabilities, resources and services
- if the relationship is working well quality will be higher and operational savings could be as much as 15%



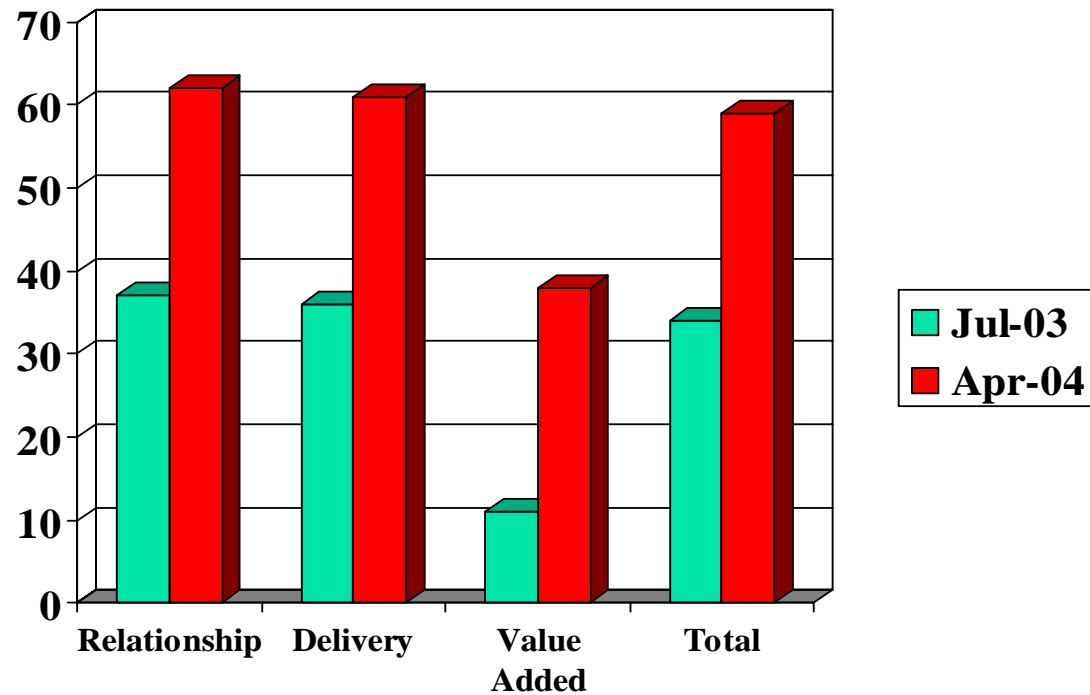
# DI MI A/CSC relationship principles

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We seek a relationship where we will

- work cooperatively and productively together to meet agreed objectives
- clarify objectives, expectations, requirements and agreements
- proactively communicate and share information in a meaningful, timely and contractually sensitive manner
- use agreed processes, procedures and engagement models
- know and accept our responsibilities and deliver on them
- be flexible and prepared to consider innovative approaches to the way we do our business
- act professionally and respectfully
- agree that when things aren't working we will seek to fix them

# What have we achieved so far?



DIMIA managers' views



# What have we achieved so far?

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- We are
  - engaging CSC in more innovative ways
    - on-site pilot
    - joint project, deployment and technical management for the Xanadu project
  - working with CSC to transition unsupported systems
  - improving our IT project management and change management processes
  - developing an annual services plan



# What does being a better client have to do with it?

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- Striving to better understand each other's business drivers
- Adapting to each other's business processes
- Developing better IT services as a *common* goal
- Educating the business about the limitations, the possibilities, and the inescapable realities
- Including outsource partners in recognition schemes



What does being a better client  
have to do with it?

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Bottom line:

Successful outsourcing is a two-way street



## When too many SLAs are never enough

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SLAs make an enormous contribution to a successful partnership by providing the means to

- learn more about your IT
- manage expectations on both sides
- continuously improve services across the breadth of your IT activities



# Why outsource partners can be a boon to total business support

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- We now know what it costs to do our business
- In turn, we can use this information to help the business to be more disciplined in its approach to IT
- We have a much better knowledge base from which to conduct our due diligence when returning to the market
- All of which means we can be a more attractive client when we go back to the market



# Why outsource partners can be a boon to total business support

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Bottom line:

Don't lose sight of the major, if not obvious, spin-offs from outsourcing



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Any questions?