

Case Study Bundesrechenzentrum

# EVOLVING BETTER THAN THE MARKET

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# IT products: How to optimise quality, prices and costs



As the market-leading technology partner for the public sector in Austria, the Bundesrechenzentrum (BRZ) is shaping the digital transformation of its customers. One of the IT provider's primary goals is to remain attractive through competitive prices and services. This is ensured through analyses by Metrics.

Austria's politicians have been driving the country's digitalisation for years. One of the cornerstones of the strategy is the BRZ in Vienna, which develops and operates digital services and applications as a full-service provider for many ministries and authorities. One goal is to reduce administrative costs by consolidating IT in the federal government and through digitalisation. The strongest levers here are automation and standardisation.

For several years, Metrics has supported the BRZ in reviewing its services, comparing them with the market and optimising them. This means the IT service provider carries out market price benchmarks every two years to ensure the conformity of its infrastructure products. Comparisons are calculated against Tier 1 providers, both large international consulting and IT service companies as well as local providers.

A market price benchmark refers to systematic comparisons of IT services with services of other players in the market. For this purpose, Metrics creates a peer group of IT providers and normalises their data in order to be able to compare them directly with the customer - apples to apples.

However, it is not only about analysing whether prices are in line with the market, but also about evaluating the costs, complexity and quality of all services provided. This includes the search for an optimal structure and tailoring of services: Which services should be included as standard, which are offered as options, how are the service levels designed? To close the circle, the BRZ also puts selected services from its own suppliers to the test.

The most recent benchmark comparison demonstrated that the BRZ is within the target corridor in terms of its prices and has developed better than market competitors. "Nevertheless, there is still a need for action," reports Karin Wegscheider, Head of Product Management at the BRZ. "Our medium-term goal is to become even better through standardisation and automation."

## BRZ

### Employees / Revenue

Approx. 1.600 / 406 Mio. Euro (2021)

### Initial situation and project goals

- Analysing costs, performance, complexity and quality
- Comparison with market competitors (position assessment)
- Continuous improvement in costs, use of technology, organisation, processes and customer satisfaction

[www.brz.gv.at](http://www.brz.gv.at)

*"We include the findings from the benchmark in the budget for the following year. This allows me to calculate the need for investments and set the course for the future."*



## Interview with Karin Wegscheider, Department Head Bundesrechenzentrum (BRZ)

### What are the goals of the benchmarks?

BRZ customers need assurance that our products are competitive. By comparing ourselves with Tier 1 providers, we achieve a healthy balance of technical performance and a price which is in line with the market. It also shows where we need to make focused improvements. Over past years, our services have therefore not only become cheaper, but they have also developed better than the market - because we can see the most important levers.

### What are the biggest challenges for you?

Some of our clients place a lot of emphasis on the validity and appropriateness of planning, others like to play it safe when it comes to service levels and finally, there is a persistent belief that IT automatically becomes cheaper and cheaper. But here, sinking production costs balance out with new functions which might not have been needed five years ago. We must prove all this to our customers with neutral figures.

### What are your internal issues?

Even if the BRZ is cheaper than the competition in terms of technical services, there are some complexity drivers such as the extensive variety of technologies employed. One goal is to reduce effort to become more agile, faster and cheaper. Further improving the user experience and implementing new e-government services are also exciting tasks which we will implement together with our customers.

### How do you use benchmarks in product management?

Our product management is responsible for all development, costing and budgeting as well as sales together with the sales department. By linking the three dimensions of benchmark, product management and operations, we can accurately determine costs, volume and complexity. The price of our products and IT services must also be comprehensible to the auditors. In addition, we include findings from the benchmark in the budget for the following year. This allows me to calculate the need for investments and set the course for the future.

### Business Benefits

- Proof of market-compliant IT services for clients and financial auditors
- Recommendations for focused improvement of the product portfolio
- Starting points for technical optimisation of the IT infrastructure
- Best practices for standardising and automating IT processes
- Better calculation of investment needs and new IT products