Cost modelling helps government agency make better solution decisions

Project write-up

A government agency undertaking a major re-platforming of its core business system needed a complete understanding of the procurement, licensing and operating costs of the new platform including how different component and deployment architecture decisions impact these costs over a 10-year period.

Industry

Central government

Methods

Solution architecture modelling - cloud components and deployment diagrams. Cost modelling - procurement, licensing, operating costs and total cost of ownership.

Tools

Sparx Enterprise Architect, Microsoft Excel

Background

This government agency has a large complex core system with several hundred front-line employees accessing it across the country. It is critical that this core business system is available 24 hours a day, 7 days a week.

Problem

The government agency's existing core business system is built on 1990s infrastructure using proprietary software and technology, making it difficult and costly to support and innovate. To provide a modern platform for ongoing support, maintenance and upgrade of the application they are now making the move to a containerised cloud solution which provides them with an open platform and greatly increases their future technical options and ability to innovate.

The agency needed a sophisticated cost model to understand how different component and deployment architecture combinations impacted their total cost of ownership to host, upgrade, and maintain the solution over the next 10 years.

Work

Working closely with the project managers, architects, steering committee, vendors, and the client finance team, our Principal Consultant developed architectural models for the solution options and identified the key decisions that would drive procurement and operational costs.

Component dependencies were also analysed to ensure the sequencing of the solution build and timing of component procurement occurred in a logical and cost-effective sequence and aligned with budget timeframes.

The cost model was updated and refined continuously as new information became available following the analysis and testing of components. Sparx EA was used to build a visual representation of the core system options to inform the cost modelling and to allow for the ongoing refinements.

Outcome

With a robust understanding of the costs associated with different solution options and the key architectural decisions that drove those costs, the government agency is able to make proactive decisions about what components to use, when to procure them, and who to procure them from.

This information allows for 'less surprises' and results in significant cost savings, reduced time investment, and reduced risk during the build and development phases.

An architecture consultant from Equinox IT worked with the government agency to ensure complete understanding of the architectural options and the cost implications of each option through architecture modelling and sophisticated costing model.

Bill Ross
Principal Consultant, Wellington

Bill is a Principal Consultant with broad technical IT experience and a specialist focus on application and software architecture. He provides independent advice to our clients to help them make the best technical and architectural decisions for their needs. With over 25 years of IT experience he is known and trusted by our clients to pragmatically help them achieve the IT direction and results that they need.

Get in touch

Talk to Equinox IT today about how cost modelling can reduce risk and save you time and money before upgrading or building your next business system.