



IT benchmarking in the Federal Department of Information Technology and Telecommunications (BIT)

## Setting up and saving costs

The increasing pressure in the public sector forced the Swiss government into making its work more efficient. A benchmark was commissioned to show how the Swiss Federal Department of Information Technology and Telecommunications (BIT) is fairing in competition with IT service providers.

As long ago as 1999, Switzerland centralised its previously heterogeneous information technology systems into seven units with one of them forming the Federal Department of Information Technology and Telecommunications (BIT) with a workforce of around 1,100 and a head office in Berne. In its role as the service centre for the federal government, cantons and local councils, in addition to extensive IT services BIT also provides cross-over services in the SAP and telecommunications sectors.

The information technology units within the Swiss government are designed to act as an enterprise and set prices for its services, which in effect means that they must compete with external service providers. This presented BIT with a challenge. "Without cost transparency it is just not possible to set prices for services", says Thomas Jost, Manager of the BIT Operating Centre. To determine its current position relating to costs and IT efficiency, BIT engaged Maturity to conduct a benchmarking process at the operating centre and call centre. After collecting and validating the data, Maturity calculated KPIs and produced a proposal for a peer group comprising two insurance companies, three financial service providers and three IT service providers.

The outcome of the benchmark showed that overall BIT's costs were lower and its productivity rate higher than the peer group. Nevertheless there was room for improvement, including the need to reduce the large number of hardware and software suppliers which will also result in a better negotiating position for terms of delivery. In addition migration from old systems in the long term promises significant savings even though some considerable investment will be required in the short term. The same applies to the establishment of new organisational processes – with short term investment resulting in greater operational reliability and quality.

The analysis also showed that there was plenty of potential for making savings in personnel as well. The proportion of external staffing costs (41 percent) caused by a lack of capacity had become a large financial burden since these external staff are comparatively expensive and less productive. If the external capacities were to be converted into internal ones, this would have a massively positive effect on the cost structure at BIT. "These were valuable suggestions", says Jost. After the conclusion of the restructuring process a further benchmark will be carried out in two years to review the efficiency of the implementation process. ■

### Profile



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

#### Company

Federal Department of Information Technology and Telecommunications (BIT)

#### Website

[www.bit.admin.ch](http://www.bit.admin.ch)

#### Benchmark target

Determine the current position relating to costs and productivity.

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Thomas Jost,  
Manager of the BIT Operating Centre