

Total Cost of Relationship

Accurately Assessing Vendor Costs and Risks



COST

The ultimate cost and benefit of an IAM procurement are closely tied to a vendor's business practices and technology choices – no surprise. Yet IAM business justifications frequently omit vendor-related costs that can influence your projected cost/benefit, payback period, NPV and ROI. This report will help you to identify hidden costs and risks associated with vendor technology and business practices.

Vendor Technology

IAM provides the foundation for all mission-critical applications. Looking for specific vendor technology characteristics will help you determine if you are building a strong foundation or house of cards.

Product Architecture. Did the vendor "Buy or Build" their product? Products built through acquisition inherently increase risk and cost from complexity vs. a product with a coherent design. Acquisition-based products tend to be more expensive to deploy and operate, delay problem solving, and introduce vendor services to extend or upgrade.

Product Customizations. Does the product require code-based customizations? And do they use their consultants to implement the change JUST for your solution If the answer is yes, that tells you two things: a) it's not a product, it's a tool kit; b) you'll need to verify your cost and risk assumptions related to service life, talent cost, change management and other areas. Programming increases initial and lifetime cost and IT risk vs. using a configuration interface that abstracts customizations and protects underlying code to maintain solution integrity and reduce cost. For example:

Talent cost. Programmers and higher-skilled administrative resources are needed to maintain and make routine changes to the solution. Cost increases with the number of programming languages the product employs and the number of acquired components that comprise the product.

Solution Administration. How many FTEs are required to maintain the vendor's solution? Fischer's approach requires one-half of one FTE (0.5 FTE) for an on-premise solution - 0.1 FTE for Fischer cloud deployments), saving 2+ FTEs vs. conventional IAM products.

