



Case Study:

Resetting the Cost Base – University of Canberra

Designing and executing a blended IT and business services outsourcing model supported via an offshore delivery centre

Context

In 2007, the University of Canberra faced sustained financial pressure, including a **structural deficit** and a cost base heavily weighted toward administrative services.

Despite initial internal restructuring, the institution continued to experience fragmented processes, limited scale efficiencies, and difficulty attracting and retaining specialist capability. A broad reform program (“Process Simplification”) was initiated to address these challenges and reposition the University for long-term sustainability.

The Challenge

The University faced a limited set of options:

- Reduce academic and administrative capacity
- Increase revenue to sustain an inefficient cost base
- Attempt incremental internal reform with limited impact
- Pursue outsourcing, which had not been done at scale in the Australian university sector

Analysis showed that internal process improvement alone would not deliver material savings, and onshore outsourcing options were more expensive than the status quo.

A more fundamental shift in the operating model was required.

My Role

I led the design and execution of the outsourcing strategy as **University Director, Process Simplification Program**.

I was accountable for:

- Feasibility assessment and business case development
- Market engagement and procurement strategy
- Vendor evaluation and selection
- Commercial negotiation and contract finalisation
- Executive and Council (Board) engagement and approvals

I also initiated a subsequent review and renegotiation of the arrangement as **Vice-President (Operations)**.



Approach and Key Decisions

Key elements of my approach included:

- **Reframing outsourcing and offshoring as transformation**, not a cost-cutting exercise, with process improvement central to the model
- **Testing the global market directly**, including leading two evaluation missions to India to assess capability and provider appetite
- **Challenging sector norms**, recognising that no Australian provider could deliver the required integrated IT and business services solution and UC would be the first Australian university to engage in an offshore delivery centre-based model
- **Selecting a Tier-1 global partner (Wipro)** to provide both capability uplift and scale economies
- **Structuring a blended ITO/BPO model**, integrating IT services with finance and administrative processes
- **Embedding performance discipline**, including service levels, continuous improvement obligations, and commercial risk transfer

Underlying these decisions was the view that external providers could redesign and deliver processes more effectively and at lower cost than internal teams.

Delivery at Scale

The outsourcing model fundamentally reshaped the University's operating structure:

- Initial replacement of approximately **70 internal FTE**
- Establishment of an offshore delivery centre in **Chennai, India** with the ability to scale resourcing with demand, cost effectively

Services delivered through the model included:

- IT operations (desktop, networking, infrastructure, applications)
- Service desk and web development
- Finance processes (payroll, accounts payable and receivable)

The arrangement transferred operational risk to the supplier, who was contractually required to deliver ongoing cost reduction and service improvements.

Outcomes

- Delivered approximately **20% cost savings** across in-scope services over the contract period
- Established a **scalable, capability-rich operating model** not achievable internally
- Improved service consistency and user satisfaction over time
- Enabled reallocation of resources toward teaching, learning, and research priorities

A formal review at the end of the initial contract term confirmed the financial and service benefits, supporting a **successful renegotiation and extension** of the arrangement.



What This Demonstrates

This case demonstrates my ability to:

- Diagnose and address **structural cost and operating model challenges**
- Navigate **unfamiliar and contested strategic options**
- Design and execute **complex sourcing and commercial arrangements**
- Balance cost outcomes with capability uplift and service quality
- Lead reform in environments where traditional approaches are unlikely to succeed