Case Studies

ExcelSource is your trusted adviser on your organisation's support services. We are able to offer an in-depth assessment of your current services;

Finance, HR, IT and Facilities and help you define strategies to gain best value in terms of cost and service quality. In identifying any potentials business change opportunities, we will recommend if the services are best carried out in-house, or by a 3rd party. Furthermore, our experience extends to realising value from performing appropriate services in offshore locations. At each step of the way, we seek to articulate the value of our engagement; be it a high level preliminary assessment, or detailed service review, our business case will always demonstrate the value to your business. The following client case studies demonstrate the value we provide to our client organisations.

1. Telco OSS/BSS Transformation and Integration

Client Overview

This client is aiming to break the mould in the UK broadband services industry. 10 years ago, the broadband industry grew quickly as a result of the growth in Local Loop Unbundling (LLU). Today, fixed wireless access (FWA) is the innovative technology chosen by this high growth internet services provider.

Challenge

Despite having been in business for 10 years, the company had a great vision, but its processes and systems had not evolved to cope with large volumes of residential and small business customers. Several disparate systems and

Challenge: Transform IT systems and operational and business support processes to cope with planned strategic growth.

Approach: Off-the-shelf SaaS and Open Source systems sourcing, SI tender, SI project management, process design, training, transition

Solution: Fully integrated set of 6 core systems and several more peripheral systems supporting all new and existing customers.

Outcome: Set of systems and processes scalable to with several hundred orders per week with little or no additional operational costs.

manual processes were constantly going out of sync resulting in poor customer service and a high degree of rework. The company needed a new set of systems (or

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one integrated system) that would synchronise its data so that there was only one version of the truth. Manual processes needed to be automated. A simple easy to understand, fully on-line, web-based, future proof, innovative, flexible system was needed. However, these systems normally would demand a ticket price that would far exceed the companies' IT budget.

Solution

A total of 10 core processes that caused the most amount of operational pain were agreed to be the priority and a total of 40 off-the-shelf software options were evaluated against these requirements. It was clear that not any one system could serve all the business needs. In the end 6 core systems were chosen that required an element of integration to make them synchronise their information; financial reporting, service management & billing, sales, field engineering, radio link

> MD, August 2014:
>
> *"…the new systems will make a transformational impact to our current operation"*

performance, and usage based authentication and accounting all had to interact with the newly designed website providing a complete on-line experience for current and future customers. A systems integration tender was formulated and a suitable partner was identified. The new systems were configured, integrated and a small amount of bespoke development was done to achieve the desired service offering. The overall project took 12 months from concept to full launch and now serves as the bedrock for our client's future plans. Cost-wise, the entire systems solution was delivered for a 5-figure sum that now easily delivers a 6-figure capability.

Benefits

The systems were launched in late 2014 in 2 stages. Initially just for new clients, then by migrating all existing customers off their manual processes and support systems. The systems and new business processes were sized for hundreds of new orders per month. This was put to the test as in the first month nearly 100 orders were placed quite unexpectedly. A roadmap has also been prepared that has identified and prioritised a large number of further improvements that can be made over the coming years.

In delivering the solution, a number of methods were adopted, developed and refined; sourcing off-the-shelf software, system integration tendering, low cost SaaS

and Open Source API interfacing and systems integration, evolving and delivering technology-led business transformation without a detailed specification, rapid user acceptance testing, training, launch and transition with minimum customer impact. These methods can now readily be transferred to other projects also.

2. Sourcing Strategy Across IT & Operations

Challenge: Review IT & Operations and define a new sourcing strategy thereby accelerating business transformation.

Approach: Financial analysis, sourcing options review, location assessment, business case.

Solution: Outsourcing and captive recommendations accepted at board level.

Outcome: Business case demonstrating a £7m+ p.a. cost savings potential.

Client Overview

In May 2011, ExcelSource was asked to review our client's IT & Operations Departments with a view of defining the rights service delivery model for the future. Our client, a considerable UK-based retail finance organisation had nearly 2/3 of its staff based in these 2 departments.

Challenge

The company had already gone through some business transformation activity, with one site closure and some peripheral restructure activity. Our project needed to be carried out whilst the organisation was continuing to progress with its changes. One of which was a 2nd site closure. There was however, a perception that with the right sourcing strategy, it could accelerate the transformation already being progressed.

Solution

ExcelSource carried out a detailed financial cost analysis of the 2 department in question. Furthermore a business risk, organisational and role reviews were carried out. Different sourcing options were contrasted for the client comparing the status quo with outsourcing, JV, managed and captive options. The outcome was a recommendation to change the operating model to outsource IT; with some differences in approach between IT Infrastructure and Software Development. Also our client was to create a captive entity for the Operations Department in a low-cost location. A location assessment was prepared and suitable sourcing locations were identified. Senior leaders in our client visited some of the strategic locations identified. Our recommendations were presented and accepted at board level.

Benefit

The business case identified that a cost improvement of some >£7m p.a. was achievable from our recommendations. Our client is presently planning the changes required in their organisation.

3. Agile Software Development Services

Client Overview

Challenge: Make software development more flexible and able to respond to business demand.
Approach: Strategy formulation, location assessment & procurement for services.
Solution: Service requirements. RFP process selecting 1 preferred supplier from a long-list of 53.
Outcome: Flexible resource pool and a cost saving of 60%.

In July 2011, ExcelSource was asked to help formulate a more flexible way for our client, a market leading UK financial services company, to deliver its future software development services.

Challenge

Our client had made the successful transition from a waterfall-based development method to an agile scrum-based approach. It had moved its development teams into a number of development pods, but much of the project-based development had to be carried out by local contract resource. This was costly and left the client with a business risk of reduced skills and knowledge retention.

Solution

A team extension model was formulated that would see some development roles being outsourced to a specialist agile development company. The scope was tendered and much emphasis in the RFP was placed on the softer aspects of communication, cultural match and development productivity. An Eastern European company was chosen as the preferred supplier.

Benefit

The key benefit of having a flexible development resource was achieved. The resource pool can be expanded and contracted as development needs increase and decrease. A secondary benefit of a 60% cost reduction from local resource to the outsourcing provider allowed the initial investment of communications infrastructure improvement to be readily funded.

4. Recruitment Process Review

Client Overview

Mid 2011, ExcelSource was asked to explore ways to increase the flexibility lacking in a recruitment function of our UK-based retail finance client.

Challenge: Deliver internal recruitment SLAs at all times.

Approach: Benchmarking and business case

Solution: Analysis of client data and industry benchmarks

Outcome: SLAs proven to be met and improved. 28%-42% demonstrated.

Challenge

When reviewing the recruitment function of our client, a 4-person team, we identified that during times of increased project activity caused by new client take-on, staff was not recruited within internal service levels expected from the business. As a result, our client often had to resort to bringing in temporary resource to meet the business needs. Furthermore, a very large proportion (62%) of recruitment was carried out externally at significant cost to the business.

Solution

ExcelSource carried out a benchmarking project and prove that similar organisations were able to deliver recruitment services at lower cost. The use of a recruitment process outsource provider was able to leverage their economies of scale to deal with peaks and troughs and increase the direct recruitment proportion to 90+%. A business case was created that demonstrated the advantages for our client to move from an internally delivered service to an RPO model.

Benefit

Overall internal service levels could readily be achieved (and improved upon) at all times of the year. Cost saving were demonstrated to be between 28% and 42%.

Head of HR Service Delivery, July 2011:

"ExcelSource's investigation really opened our eyes and allowed us to rethink how we deliver the recruitment service to the business"

5. Global IT Consolidation Phase 1: Strategic Review

Client Overview

> **Challenge**: Save a perceived cost from IT infrastructure consolidation
>
> **Approach**: Benchmarking and comparative proposals
>
> **Solution**: Thorough review of services. Proposals from 5 suppliers. Business case
>
> **Outcome**: Limited savings identified from consolidation scope, but much larger savings opportunity scoped out from broader business review.

During Q4 2009, ExcelSource were approached by a client, a global software and services company to the Telecommunications industry, to carry out a strategic review of the data centres in its global IT function.

Challenge

Our client's organisation had grown rapidly globally to include some 30+ countries and believed their IT provision could benefit from consolidation. Their 11 data centres were singled out for potential cost saving opportunities. ExcelSource were asked to explore data centre consolidation and see if this could be carried out more cost effectively through the use of 3rd party providers.

Solution

ExcelSource carried out a cost evaluation that included a thorough review of internal data centre costs, as well as work with a number of suppliers to gain a comparable cost for co-location, managed IT infrastructure and fully outsourced IT infrastructure services. A business case was drawn up that compared three internal and 7 external scenarios in terms of NPV (Net Present Value). The project took two months to complete.

Benefit

The outcome of the evaluation was that when limiting the scope of the project to data centre consolidation, the benefits derived didn't warrant the investment needed to deliver with a relatively small (£0.5m) saving over a 5 year period. However, when broadening the scope to an IT-wide review, an improved business case could be created. ExcelSource were subsequently contracted to deliver this improved business case.

6. Global IT Consolidation Phase 2: Implement Strategy

Client Overview

In Q3 2010 we were contracted by our client, a global software and services company in the Telecommunications industry, to implement a global strategic change of its IT Services function.

> **Challenge**: Save costs identified in Phase 1 project
>
> **Approach**: Detailed cost analysis & restructure project formulation
>
> **Solution**: IT infrastructure consolidation, ITIL process deployment, role review, organisation design
>
> **Outcome**: Close to £1m savings from a base of £6m. Far improved IT services

Challenge

Following an earlier project to explore our client's data centres, with a view to consolidating them, ExcelSource was contracted to review the entire IT function. This was a function operating out of 10 locations, with budgetary responsibility of £7.5m Opex, £2m Capex and a team of 60 employees.

Solution

A business case was drawn up identifying a number of improvements that could be made. These included the design and deployment of a number of ITIL processes, the consolidation of the data centres, the restructure of the IT function, crafting of a new set of ITIL-based roles and a number of architectural improvements.

Benefit

The changes are presently being implemented and a business case is being tracked that will save our client circa £1m in expenses p.a. from a £1.5m investment. More importantly, our client will gain a fully standardised, measurable set of ITIL processes that ensure their IT service provision is the same across the world and allows them to address their next stage of growth.

7. Review of PoS Process & System of a UK High Street Retailer

Client Overview

In March 2011, ExcelSource was asked to review the Point of Sale process and systems for our client, a market leading UK health care industry high street retailer.

Challenge

Our client had already done some review and considered a business case to automate some of its manual processes. However, the automation solution appeared costly and may not meet the corporate RoI objectives.

Challenge: Perceived cost saving by improving the PoS system. Concern about internally proposed solution.

Approach: Cost analysis vendor selection.

Solution: Business case and suitable vendor list.

Outcome: PCI compliance & <2 year pay-back.

Solution

ExcelSource carried out an assessment of the PoS process and a review of the internal business case. Two conclusions were drawn. 1) The business case could be improved upon by tendering the development with a number of alternative retail systems vendors. 2) A PCI compliance issue was identified that needed to be resolved. An improved set of PoS systems objectives were also created that made the overall requirement a little less ambitious.

Benefit

The PCI compliance objective would be achieved. Furthermore, payback of the automation was within 2 years with savings achieved from a reduction in manual processes activities in Head Office and Branch. A list of suitable vendors was identified.

8. Facilities Services Outsource

Client Overview

Challenge: Perceived cost saving by Outsourcing the Facilities function

Approach: Detailed cost analysis & delivery project

Solution: Outsource tender

Outcome: 25% cost saving from a £x,000,000 base

In Q4 2010, ExcelSource was contracted to perform a preliminary assessment of a clients' Facilities department, with a perception by its board that the function would benefit from being outsourced. The client is a key player in the financial services sector and has seen many of its competitors do the same.

Challenge

Our client felt they would benefit from outsourcing their Facilities function and were seeking a solution that meant they could react to industry changes more quickly whilst saving money.

Solution

ExcelSource embarked on a benchmarking exercise for a number of the client's Facilities Services. A number of services under management were excluded, as these were either fixed cost (i.e. rents, rates, or service), or the benchmark would not be reliable due to its specialist

> Director of Strategy, February 2011:
>
> *"Thank You" for all of your hard work in getting to this stage of the project.*
>
> *The issue of the ITT was an important milestone, and your knowledge & expertise has been critical to get us to this point, in the timescale in which it's been achieved.*
>
> *We have an interesting period of activity ahead, but I just wanted to say "Thanks" for all your help to date."*

nature. The remaining services were benchmarked against a number of similar companies in their industry. A significant difference between the benchmark sample and our client's services was identified. An initial draft was carefully reviewed to check our assumptions were valid and some assumptions were adjusted from this review. Subsequently, a 2-stage tender process commenced. The first 'request for information' was issued to a long list of 15 suppliers. From their responses a total of 8 suppliers were invited to tender.

Benefit

From this exercise, 25% of costs were identified as potential saving opportunities. ExcelSource made a recommendation that this saving can be realised by internally restructuring the Facilities function or by outsourcing the function to a 3rd party. The client decided that the outsource route would achieve the savings objective soonest. ExcelSource has successfully completed the tender project which confirmed the potential savings opportunity. A small number of suppliers have now been chosen as the short list to best serve the required services. The client has now commenced a further business restructure which affects the tendered services and as such the project is on hold from implementation.

9. IT Outsourcing Contract Review

Client Overview

In late 2007, our client, a market-leading mid-sized service provider, knew their key IT Infrastructure outsource contract (with a leading European outsourcer) was coming up for renewal.

Challenge

> **Challenge**: Improve IT service performance and prove perceived cost disadvantage
>
> **Approach**: Benchmarking and tender process
>
> **Solution**: Thorough review of services. 2-stage tender process. Innovative best-of-breed multi-sourcing contract. Create an SLA with teeth.
>
> **Outcome**: 5 new supplier contracts negotiated. Common Terms. 41% cost saving. Vastly improved service architecture with far better SLA.

The client faced several challenges with business critical service elements provided by their outsourcer and the quality of service not what the client, or their customers expected. The client's leadership team also believed the service provider was expensive, but had no proof to confront the outsourcer with.

Solution

The client instigated a project to evaluate both the quality and cost aspects of its IT outsourcing contract. Extensive discussions were held with the clients outsourcing provider and a 3rd party was engaged to provide high-level benchmarking data to see how their IT services compared to the market. Both were carried out in terms of cost, but also service performance.

From this study, a gap of about 30% was identified between the market rates and what the client was being charged. However, as is often the case with outsourced services, it is quite difficult to compare one service with another. The high-level benchmark did not provide an apples-for-apples comparison.

As the gap was large enough to consider further, the client's leadership team decided to take the benchmarking exercise to the next stage. A formal benchmark study by a prominent benchmark organisation would have satisfied the method spelled out in the client's contract, but it could have taken months to complete and would have been costly.

The alternative route of a tender process was therefore undertaken. Tender suppliers were told it would be split into two phases. Phase 1 would serve for benchmarking, and phase 2 would be carried out with a shortlist of suppliers, allowing the service to be transformed into an up-to-date managed IT service.

The incumbent supplier was invited to respond.

At the end of the Phase 1, the proposals received varied greatly in terms of detail and understanding of the client's services. However, it was clear that a number of suppliers had a better understanding of the client's requirements and quoted service levels that exceeded current levels at a cost that reaffirmed there was now a 32% cost differential.

> Chief Information Officer, April 2009:
>
> *"As a result of the IT transformation project instigated and carried out by Marcel and his team, I strongly believe that our company now has a market leading IT infrastructure that will truly differentiate us against our competitors. I know I can sleep again at night knowing our IT infrastructure will serve our customers well. In the current economic environment, the cost savings from this project will make a real difference to our bottom line."*

The incumbent supplier was again invited to respond, but could not provide a firm offer that reflected market reality.

Phase 2 of the tender process took place and a shortlist of preferred suppliers was created. From that, contracts were awards to five new providers. Contractually, the client was protected (as far as possible) with back-to-back SLAs and common Terms to mimic an umbrella agreement. This risk the client felt they could manage themselves. The incumbent supplier was retained for one element of service and from the five suppliers, one was heavily biased towards off-shoring and the others were not.

Benefit

The net result of the project was a newly transformed service with a new IT architecture fit for the coming years. A relatively small investment was required to see a 40% p.a. saving, along with) for superior service levels than the client had ever had from its previous single supplier.

10. Offshore of Transactional Finance and Other Business Processes

Client Overview

This project was carried out for a leading global outsourcer of HR services. By the nature of its business, this company had many years of outsourced services experience to its own client base and knew what a good quality and cost effective outsourcing service should offer.

> **Challenge**: Regain control of a key customer base whilst saving some costs
>
> **Approach**: Move the work from set of affiliates to an F&A SSC in a wholly owned offshore subsidiary with on-shore overflow.
>
> **Solution**: Recruit 100+ staff in 9 months. Develop and execute extensive training programme. Develop communications and IT links as needed.
>
> **Outcome**: More standard product. Re-gained control of the customer. 58% cost saving.

Challenge

In 2006, the client had a service delivery model for its Small Business Payroll customers that used 3rd party affiliates to process its customers' payrolls. The client had effectively lost control of this valuable customer base and believed it ought to bring control back in-house. The initial driver some years earlier to use affiliates was a cost saving exercise and many ex-employees of the client had set-up as affiliates. The client explored using its own offshore facility to process the bulk of the payrolls involved. The client was aware that, for contractual reasons, some of its customers would be unwilling to be processed out of the UK. Furthermore, as many customers had a long term relationship with their affiliates, there would be challenges in persuading them to make the change. A target or 80% was set to process offshore. The other 20% would process with a newly established Shared Services Centre team in Scotland.

Solution

A 12 month project ensued and was completed in November 2007 to create a Shared Services Centre for these F&A services. Approximately 120 new employees were to be recruited offshore and put through a rigorous 8 week UK payroll training programme. A specialist training programme was constructed, covering general company induction, data protection, payroll legislation, payroll systems training and customer service skills. Additional management training was provided to Team Leaders. The overall programme was tightly managed, covering document transfer

and processing, customer communication, scheduling and post transfer satisfaction surveys. Some 3,500 customers were migrated over 9 phases.

Benefit

The end result was that very few customers were lost due to the move and the client saved 60% from a cost base of £1.2m. 86% of all customers were ultimately processed offshore. The product itself was improved and standardised, as many affiliates had come to provide bespoke solutions for their customers. Operations management were also able to implement performance tracking mechanisms that meant reducing the target headcount to circa 100.

Why Wait?

Contact us now to guarantee Excellence in Sourcing.

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