



EDF Energy and Capgemini: a partnership built on shared values

No business stands still. Outsourcing key IT services to Capgemini has enabled EDF Energy to respond to ongoing cost pressures, delivering 40% savings while improving service levels.

By outsourcing infrastructure services to Capgemini, EDF Energy has been able to deliver services at considerably lower cost and with greater flexibility, while maintaining and often improving the standard of service to users. EDF Energy estimates that it has saved £22m as a result, while reducing its internal IT headcount from 450 to 150 through staff moving to Capgemini and other partner organisations under TUPE agreements that safeguarded the staff's interests. The two companies have built a true partnership around the shared values of "trust, transparency and teamwork" and a common commitment to security, safety and consistency of delivery.

“ We were rightly proud of the services we delivered internally and there was a concern that they would suffer as a result of outsourcing. I'm pleased to say that the opposite has happened, and in addition we've been able to deliver 40% costs savings over the original internal costs. ”

Gary Rowan
Head of Service Management, EDF Energy

“ It was very important to us to protect our staff, many of whom had served us well for a number of years. With Capgemini we were able to be confident that there would be good careers for the people who transferred under TUPE. Capgemini was also flexible about where these staff would be located. They treat their staff the way we like to treat ours. ”

Gary Rowan

“ One of the great successes of the contract was the transition from internal operation to Capgemini. There were no interruptions to service, and in fact most of our customers didn't even know it had happened. ”

Gary Rowan

“ Capgemini provides us with an outstanding service desk facility and the support services to go with it. We demand a high standard of service, and the Capgemini team always works hard to identify and execute any changes that are needed to maintain that high standard. ”

Kelvin Wing

IT Operations Director
EDF Energy

Information technology is truly mission-critical for a company like EDF Energy, because all of its activities, both internal and external, are so dependent on it. For example, its contact centres need databases and networks to respond to the company's five million customers; its engineers rely on the ability to print out instructions in order to operate and maintain plant.

When EDF Group bought British Energy in 2009, it recognised that the two companies had had very different models for running their IT departments, and decided to bring them together into a common operating model and structure. Based on a market test, the company decided at the same time to outsource several major services areas.

Capgemini was awarded the contracts for service management and client computing services (including service desk, user procurement, desktop support and server support, with Active Directory, file management, email and messaging services).

The attraction of the outsourcing deal with Capgemini was that it would align services better with the business, providing greater agility, flexibility and scalability. The fact that Capgemini offered the keenest price of any of the suppliers, while promising to safeguard service levels, was also important – any savings would help to fund EDF Group's capital investment plans.

EDF Energy's confidence that outsourcing to Capgemini could work resulted in part from an existing relationship. Under this arrangement, dating back to 2002, Capgemini had provided services to the Nuclear Generation business while the Customer business was originally outsourced to another supplier. A number of staff had transferred across from British Energy to Capgemini (as well as vice versa) during this period.

In addition, EDF Energy knew from experience that Capgemini shared its ethos of “trust, transparency and teamwork”, and its commitment to safety and security.

Supporting IT infrastructure company-wide

After winning the competitive tender in 2010, Capgemini helped EDF Energy transition smoothly to a single, integrated operating model for IT services.

Since then, Capgemini has been providing infrastructure services to every part of EDF Energy's business. This meant supporting a user base of around 22,000 employees and business partners. Some services are provided by specialist subcontractors working with Capgemini as prime contractor.

“ This is a volume-based contract so we are very quickly able to flex different business units up and down. Whereas previously we would have had to recruit staff or move them around, with Capgemini we effectively just need to make a phone call. ”

Gary Rowan

“ We receive an excellent service from our Capgemini colleagues in India. ”

Gary Rowan

“ We set Capgemini some challenging SLAs and I'm happy to report that they achieved all of them. One of our key SLAs is around allocating new accounts to new internal staff coming into the organisation. When the service was provided internally, we were hitting that something like 83-85% of the time. That number is now 99% and hasn't fallen below 98% since the contract with Capgemini was signed. ”

Gary Rowan

Services include an ITIL-based IT service desk, frontline PC support in conjunction with a third-party partner, and other infrastructure services including remote desktop support, server support, release management, email, instant messaging, file sharing and Blackberry exchange services. In addition Capgemini provides a procurement service supplying IT equipment for users from an approved catalogue, as well as bespoke orders.

The relationship focuses on the provision of consistent and standardised high-quality services for all users across all business units in the UK, with safety and security a priority.

Implementing the service

Capgemini's experience of managing this type of change meant that it was able to carry out the transition without any disruption to EDF Energy's business, and to operate a stable service from day one.

A specialist team of experienced managers applied established mechanisms for carrying out transfer of services and TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) to ensure that delivery targets were met. This was a collaborative process in which EDF Energy's management and staff were closely involved, ensuring an outcome that met their specific needs.

The keynotes were teamwork and openness in terms of discussing issues that arose immediately following the transfer. One example was an unanticipated backlog of requests and incidents. Here Capgemini immediately demonstrated its commitment by bringing in extra resources. EDF Energy understood what had happened and the two companies worked together to get on track as fast as possible. End-customers were not affected by, or even aware of, this blip.

Benefits

The contract has helped EDF Energy achieve savings worth £22m over five years – a 40% saving on costs prior to the arrangement with Capgemini – while maintaining and often improving customer service levels. At the same time, EDF Energy has laid down, and is now following, roadmaps for service transformation. These achievements are due to the fact that EDF Energy is taking advantage of the best that the market has to offer, but also to a number of specific factors outlined below.

Savings and flexibility from a volume-based contract with a major supplier

EDF Energy and Capgemini work together flexibly to enable a business strategy that can sometimes necessitate rapid change. The contract is based on volumetrics: costs vary in line with business volumes, and services can scale up and down quickly without financial penalty. For example, when EDF Energy divested itself of the UK Power Networks business, IT costs immediately dropped.

“ EDF Energy has a commitment to ‘zero harm’: zero harm to our staff, our partners, and the communities in which we operate. We’re confident that Capgemini share this ambition, and they often contribute to it. ”

Gary Rowan

“ No business stands still, and we continue to come under cost pressures. We share some of these challenges with Capgemini and they respond positively. We continue to make further savings, over and above what the contract originally set out to do. ”

Gary Rowan

Savings through offshoring

Before outsourcing to Capgemini, EDF Energy was already using third-party offshore resources to provide certain technical support services. Capgemini’s Rightshore® model has enabled more extensive use of offshore resources, with many services now provided out of India (except where regulatory constraints dictate the use of onshore resources). Today around 20% of the contracted infrastructure support services are run offshore.

A bigger pool of expertise

EDF Energy now has access to a wide pool of expertise, skills and best practice. Outsourcing sometimes raises concerns about a “brain drain” away from the client; for EDF Energy, a highly regulated environment means it is particularly important to make sure that business knowledge is not dissipated. In fact, EDF Energy has seen the skill levels available to it increase, since essential staff have remained close to the account and it can also draw on the whole Capgemini group. This increase in available knowledge has no doubt contributed to cost savings as well as service improvements.

“Economies of skill”

Because Capgemini is a specialist IT services provider, EDF Energy can access the latest skills without training overheads or disruption for the business. For example, a current Desktop Optimisation Programme (DOP) is moving EDF Energy’s IT estate to the current Microsoft platform. Because Capgemini supports moves like this for many of its clients, it already has the necessary skills and facilities, so there is no drain on EDF Energy’s resources. In addition, a smooth move to the new platform is assured because Capgemini has the relevant experience.

Continuously improving service levels

The contract guarantees EDF Energy appropriate service level targets for each key service; these targets are increased over time to encourage continuous improvement. If the targets were not met then Capgemini would give EDF Energy a service credit. This did not happen once during the first three years of the contract.

Capgemini service level agreements (SLAs) underpin those that EDF Energy’s IT Operations has agreed with the business. In future the desire is to move towards measurements based on business outcomes (like the availability of services to contact centre agents) as opposed to technical ones (such as server up-time).

Security and safety awareness

Health and safety is paramount for EDF Energy, as is security. Capgemini is committed to the principles of EDF Energy's "zero harm" policy, which reflects management's belief that all harm is preventable. Capgemini teams know they must adhere to all health & safety policies and follow EDF Energy's instructions and principles. Capgemini's management team for the account has a high level of security awareness based on defence industry, as well as utilities, experience.

A developing partnership

Since 2010, the relationship has continued to develop and Capgemini now provides a range of additional services including full on-site IT support for the New Nuclear Build business at a number of locations, as well as a broad spectrum of IT services for EDF Energy as a whole. EDF Energy and Capgemini continue to develop their partnership around the shared values of "trust, transparency and teamwork".

Recently, EDF Energy has opted to extend the Capgemini infrastructure contract to the end of 2015. In addition, Capgemini has been chosen as the Integration Test partner for the Smart Metering Programme and as the Application Development and Business Intelligence partner for NNB.

As EDF Energy has outsourced other areas of its business, it has modelled the agreements on the successful arrangement with Capgemini.



About Capgemini

With more than 130,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

A deeply multicultural organisation, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at

www.uk.capgemini.com

In collaboration with



EDF Energy is one of the UK's largest energy companies and its largest producer of low-carbon electricity. A wholly-owned subsidiary of the EDF Group, one of Europe's largest energy groups, we generate around one fifth of the UK's electricity and employ around 15,000 people. We supply electricity and gas to around 5.5 million residential and business customers, making us the biggest supplier of electricity by volume. The company is organised into the following business units:

Generation encompasses all of our generation activities – Nuclear, Coal, Gas and Renewables.

Nuclear New Build is tasked with the delivery of the new generation of nuclear plants in line with EDF's global programme of producing safe, affordable, reliable, low-carbon electricity in the UK.

Customers is responsible for supplying energy to our business and residential customers in the UK

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