

Application management service is 100% on target

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Aileen Feeney – Information Systems Director, British Gas Business, Centrica



SUMMARY OF KEY FACTS

Organisation

Centrica

Services delivered

A large-scale application management service, including the support, development and maintenance of a wide range of business-critical corporate systems

Key metrics

- 10 million gas customers
- 6 million electricity customers

Benefits

- **Improved customer service** – end-users are receiving a better and more consistent level of service
- **Reduced costs** – efficient resourcing and lean application management techniques are enabling continuous cost reductions, with expected savings in this area of 50%
- **Optimised system availability** – through 100% achievement of SLAs and effective system enhancements
- **Increased productivity** – rapid problem resolution minimises business disruption and enables staff to be more productive
- **Access to specialist resources** – an extensive range of expertise is available on an ‘as needs’ basis
- **Accurate budgeting** – costs are entirely visible and predictable over the contract life
- **Focus on the core business** – Centrica can concentrate on future requirements and higher value activities

Challenge

Centrica is a global energy and home related services group, which was demerged from the former British Gas plc in 1997. Operating under the British Gas name in England, Nwy Prydain and British Gas in Wales, and Scottish Gas in Scotland, Centrica today supplies gas and electricity to residential customers and is the largest energy supplier in Britain’s domestic market. It is also the largest domestic central heating installation and maintenance company.

British Gas Business is the number one supplier of energy to the commercial sector in Britain, while Centrica Energy sources the gas and electricity to supply customers and Centrica Storage provides gas storage services. Centrica has also made strong inroads into the North America and Europe with ventures in Belgium, Germany, the Netherlands and Spain.

Fujitsu and Centrica have enjoyed a long and successful relationship that can be traced back for over 30 years. In particular, Fujitsu was instrumental in Centrica’s business transformation from a monopoly to a fully competitive entity during the deregulation of the energy markets. Fujitsu developed the Tariff Gas Billing system, the world’s largest gas billing system at that time, which included the migration of 19 million customer records from over 30 disparate regional systems.

Fujitsu has since successfully delivered many hundreds of projects for Centrica, including the deployment and support of Dark Fibre data centre links, the introduction of demand-based mainframe processing power, and the porting of over 1,000 client applications to run within a “locked down” Desktop Environment based on Windows XP.

Aileen Feeney, Information Systems Director, British Gas Business, Centrica, says, *“Centrica’s goal is to develop and maintain a robust, scalable, flexible and low cost IT infrastructure, while also ensuring continued delivery of day-to-day services. Fujitsu has been instrumental in that process, and in our drive to maintain competitiveness and optimise service availability.”*

Solution

Fujitsu was recently awarded a three year contract worth over £2 million to manage, support and modernise a suite of Centrica’s corporate systems used by its Brand Units, including British Gas Residential Energy and British Gas Business. These range from large strategic applications for billing and customer relationship management to small, but critical, stand-alone systems.

CASE STUDY CENTRICA

Under the contract Fujitsu is providing 365x24 problem management and technical support through its service desk, as well as application development, upgrade and maintenance services. As part of the new contract Fujitsu will provide Centrica with an Applications Value Assessment (AVA) service. The AVA is a unique Fujitsu approach that enables a company to identify the relative value and viability of its applications. The approach uses portfolio management techniques and tools to optimise the support and maintenance service. For example, applications that are identified as being mature, delivering high, but declining value as a result of steady increases in support costs and whose platform is becoming less technologically viable, would be re-designed to run at lower costs or replaced.

Commenting on the contract Neil Coop, Senior Commercial Manager, Centrica, says, *“We are delighted to have appointed Fujitsu to continue to help us modernise our legacy systems using its extensive skills and resources in application management and development.”*

The applications managed by Fujitsu operate on a wide range of technologies, including VMS, UNIX, Visual Basic and Windows, and are all legacy systems requiring specialist technical skills. So, in order to minimise costs, 70% of the support service is now conducted off-shore. This involved migrating the support of all of the client-server applications used to manage Centrica’s energy customers and service systems.

“The off-shoring process undertaken by Fujitsu was extremely successful,” explains Aileen Feeney. *“It had to be achieved without any disruption to the business, and despite involving the migration of a large number of applications, including a billing system it went so smoothly that no-one even noticed.”*

The ongoing management of Centrica’s applications has been just as successful. Due to their mission critical nature, Fujitsu routinely conducts comprehensive validation checks and proactive maintenance around the clock each day ensuring the best outcome for some of Centrica’s most important business processes. For instance, ensuring energy demand forecasts are based on the most up to date weather data. As a result, in the last five years Fujitsu has never failed to achieve any of its stringent service level agreements (SLAs) for performance and response times.

Aileen Feeney says, *“Fujitsu prides itself on the high standard of the service that it supplies to its customers, and one of the things it has become known for within Centrica is ‘always delivering’, as it always meets or exceeds our very demanding performance targets. I believe that Fujitsu achieves this consistently high level of service in its application management because its strong theoretical background is augmented by service delivery managers with a wealth of application management experience and a strong understanding of our business requirements.”*

Benefits

Fujitsu’s services in the ongoing management and development of Centrica’s corporate applications have:

- **Improved customer service** – end-users are receiving a better and more consistent level of service
- **Reduced costs** – the use of centralised and off-shore resources and lean application management techniques is enabling continuous service charge reductions. Centrica expects to reduce its application maintenance costs in this area by 50%.

- **Optimised system availability** – 100% achievement of SLAs and effective system enhancements ensure optimised application performance and availability
- **Increased productivity** – rapid problem resolution is minimising business disruption and enabling staff to be more productive
- **Access to specialist resources** – an extensive range of business, technical and commercial expertise is available on an ‘as needs’ basis
- **Accurate budgeting** – costs are entirely visible and predictable over the contract life
- **Focus on core business** – Centrica can concentrate resources on future requirements and higher value activities, rather than support processes.

Aileen Feeney comments, *“Throughout our relationship with Fujitsu we have relied on its unique blend of business and systems knowledge to ensure that the benefits of our IT investments are maximised, while supporting the evolution of new business models. Fujitsu has also been able to continuously reduce service charges, while maintaining or improving service levels.”*

Approach

Fujitsu has worked closely with Centrica to develop a flexible and responsive engagement model and operates a range of commercial frameworks, covering application management and support and professional services. Comprehensive SLAs and robust multi-layered governance structures provide transparency to both parties and ensure that issues can be escalated at multiple levels.

“Throughout our relationship Fujitsu’s flexibility has been particularly important in relation to our commercial activities,” adds Neil Coop, *“as we have been able to jointly develop a wide range of business models, including things like demand-based charging for mainframe capacity and pricing linked to Centrica customer numbers. Fujitsu’s philosophy in this area is to seek out ‘what makes the most sense for both parties’, so it is extremely easy to do business.”*

Expertise

Fujitsu is a leading provider of applications services, employing over 4,000 staff with extensive application development and management experience, particularly in the provision of legacy management skills and in the development of application platforms.

In its 30 year relationship with Centrica Fujitsu has been responsible for providing a broad range of solutions and services, using its comprehensive range of business and technical skills. In the process, Fujitsu’s employees have amassed years of experience and knowledge of both Centrica’s energy business and its underlying technology.

Aileen Feeney says, *“Centrica looks to work with partners like Fujitsu who make an effort to understand us in the business context and not just in our IT needs. Fujitsu have been providing application services to Centrica for over 12 years and take a long term view of business relationships. As a result our relationship has mutuality built into it, so if the work goes well, both companies prosper.”*

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