
Business Value Realisation through Process Outsourcing

*Infosys BPO enables T-Mobile UK to realise business value
through outsourcing its Finance Directorate Functions*



Clients are increasingly looking beyond cost arbitrage when it comes to outsourcing. They want to see an impact on the business at the earliest. Through a fast and noise free transition, coupled with a deep understanding of client business drivers, Infosys BPO has been able to bring out a significant impact on the T-Mobile UK Finance Directorate processes. This case study outlines how Infosys BPO is able to add business value to clients throughout the outsourcing life cycle through its transformation approach....

Client Overview

T-Mobile is now part of Everything Everywhere Limited – the company formed through the merger of T-Mobile and Orange earlier this year. It is Britain's largest communications company with a combined customer base of over 30 million people and 700 retail stores across the country. Everything Everywhere plans to transform the industry by giving customers instant access to everything everywhere, offering the best value, best choice and best network experience in the country.

Background and Business Drivers for Outsourcing

T-Mobile UK wanted to structurally reduce the cost of its business operations while retaining focus on those activities that are core to its brand and growth. As part of this strategy, T-Mobile UK carried out an assessment of activities in its Finance Directorate with a view to partner with a service provider.

The scope of the outsourcing initiative included various processes within the Finance Directorate such as Accounts Payable (AP), Accounts Receivable (AR), Procurement, Reporting, Credit Referral, Fraud, Billing and Commissions, Data Management Office, Interconnect and Roaming Settlement, Fixed Assets and Revenue Accounting.

T-Mobile UK was keen that the relationship with the chosen service provider should extend beyond mere cost arbitrage. With this view, three key business objectives were outlined as part of the outsourcing strategy:

- a. To drive operational efficiency to gain competitive advantage;
- b. To improve quality of service by allowing greater focus on value-add processes;
- c. To take decisive action to deliver cost savings and quality within the first year of partnership.

T-Mobile UK was clear that establishing a partnership relationship with the chosen service provider was the key to achieve these objectives. Hence, they set in place a very rigorous approach towards selecting the right partner which consisted of multiple vendor site visits and stringent capability analysis, at the end of which Infosys BPO was selected as the outsourcing partner to T-Mobile UK.

Challenges Faced During Transition

1. Lack of Prior Exposure to Outsourcing any back-office - Since T-Mobile UK was outsourcing Finance back-office functions for the first time, Infosys BPO was expected to provide their transition expertise and deploy a proven methodology. It was also critical for T-Mobile UK to have internal and group stakeholders support the initiative.
2. Need for an Accelerated Transition - The transition timelines were challenging with all in-scope processes required to Go-Live within 5 months of the start of the first onsite training. Tight timelines also meant that there was very little or no scope for slippages and need for faster decision making.
3. Change Management - The retained

organisation would be expected to learn a new way of doing things - from managing processes to managing relationships and acquiring new skills.

4. Complexity of the Transition - The transition was expected to be complex given that there were 4 departments, 21 processes, 130 sub-processes across 3 transition waves with multiple processes in each wave.
5. Maintaining Service Levels - It was critical to the success of the transition that existing metrics were not adversely impacted.

The Infosys BPO Approach

Infosys BPO follows a systematic approach to create business value for its clients throughout the partnership life cycle consisting of

- Seamless and noiseless transition process;
- Continuous business value adds throughout client life cycle through constituting a dedicated transformation team for each client focusing on both process optimization and technology interventions.

Seamless and Noiseless Transition Process

T-Mobile UK had three key objectives from transitioning the processes adopted by Infosys BPO:

1. Realise the benefits and any synergies available through outsourcing of the in-scope services;
2. Accept the handover of the current services without experiencing undue operational issues and
3. Maintain existing service levels during transition.

Infosys BPO implemented its rigorous Transition Methodology consisting of 5 stages (Preparation, Planning, Execution, Parallel run and Steady state) across 5 tracks (Knowledge management, Contract management, Program Management, Operations and Technology management). Tollgate methodology was used to ensure movement of the project from one stage to another.

The transition of 21 processes (with over 130 sub processes) in scope was done in 3 waves to ensure minimal impact on existing operations. Careful planning of onsite training timelines ensured that service levels were not impacted due to T-Mobile

'Same Day' Business Value add

- Noiseless transition
- Customized Domain Training
- Process back-boning - standardization & harmonization
- Service Predictability

Further Value add over the life cycle through two additional levers

Business Value add Through Process Optimization

Continuous process improvement through 6 Sigma and Lean/ Service manufacturing initiatives

Technology as a Business Value Multiplier

Use technology to positively impact the end-to-end value chain of the client processes through Automation, Applications, Platforms and Tools

UK SMEs spending time training Infosys BPO staff. Detailed documentation of processes through training manuals ensured completeness of knowledge transfer. The offshore parallel run was supported by T-Mobile UK SMEs travelling offshore to Infosys BPO's location in India for a period ranging for 1 to 4 weeks.

Infosys BPO's Telecom Centre of Excellence also put together a customized training program comprising an 'Overview of the Wireless industry from a UK perspective' and a foundation module on 'Telecom Billing' to give the Infosys BPO employees an exposure to the client business environment.

Benefits of successful and noiseless transition:

The success of the transition is highlighted by the following key achievements

1. Project delivered under budget - savings delivered to T-Mobile UK as against the originally estimated transition cost
2. 100% on-time recruitment
3. 95% on-time completion of onsite knowledge transfer/ training
4. Zero escalations
5. 90% on-time delivery of the project

Realising continuous Business Value for T-Mobile UK through the dedicated Transformation Office

Infosys BPO sets up a dedicated Transformation Office for each of its clients to ensure continuous business value over the duration of the engagement. Fast and noise free transition coupled with a deep understanding of client business drivers enabled the Transformation Office set up by Infosys BPO for T-Mobile UK to add value to the T-Mobile UK processes through process standardization and harmonization initiatives right from the start of business operations. The Transformation office has been able to impact client business metrics through both process optimization and technology interventions.

Transformational Value add through Business process optimization and technology interventions

The experience gained by Infosys BPO in working for other global clients has enabled it to already identify, within the first year of the engagement, transformation opportunities across the various T-Mobile UK processes resulting in recurring savings in excess of £100 K p.a.

The following example is illustrative of Infosys BPO's approach towards transformation. The Accounts Payable team handles multiple activities such as Invoice Processing, Vendor Account Management, Vendor Payment, Prompt Payment Discount, Purchase Card programmes, etc. T-Mobile UK had in excess of 46000 line items to be analyzed in their 'Goods and Invoices received' account making it a good candidate for automation initiatives. The automation tool implemented by Infosys BPO automatically analyses each entry in the 'Goods and Invoices received' account and assigns reasons for the pending entry. This produces a faster, more accurate and more reliable analysis as well as providing the complete status of open lines. The time spent on manual analysis and on resolving the reconciling items was thus reduced drastically and the Infosys BPO team was able to reduce the ~46000 line items to 22000 within 2 months resulting in significant savings for T-Mobile UK.

Enhanced productivity through understanding of client business domain drivers

Telecommunications (both fixed and mobile lines) are an attractive target for fraudsters. Early detection of fraud and subsequent action is essential to reduce the risk of fraud. The skill set required for this process primarily involves the ability to monitor the behavior of customers to detect and alert undesirable call behavior.

One of the priorities for the Infosys BPO team was to prevent revenue leakage by identifying potential fraud across the T-Mobile UK network. The team added 24 key alarms to the Fraud Management

System based on the detailed analysis of the trends observed. Through proactive detection, comprehensive analysis and instantaneous

escalation, on a continual basis has resulted in reduction of fraud losses to T-Mobile UK.

Conclusion

Clients are increasingly looking beyond cost arbitrage when it comes to outsourcing. Partnering with an outsourcing service provider having the capability to quickly imbibe client business value drivers will enable clients to start gaining business value from the onset of relationship.

Fast and noise free transition coupled with a deep understanding of client business drivers has enabled Infosys BPO to add value to the T-Mobile UK processes through process standardization and harmonization initiatives right from the start of business operations, successfully laying the platform for even more business value gain for T-Mobile UK through the term of the partnership.



Client Speak

Tim Spence, Director of Finance Operations and Supplier Management

"Infosys BPO was selected based on consistency of performance across the 4 stages of assessment (pre-visit, site visit, RFP, presentation) as well as key cultural, compatibility and commercial differentiators that best aligned to T-Mobile UK's goals. The decision to award the contract was a unanimous one. And I must say that the way Infosys BPO has managed the transition process has convinced us that we were not wrong in our decision. Not only has the business case been delivered and all top priority KPIs been met but we have seen some initial success in terms of process improvements. Infosys BPO team in India is now working as an extension of our Finance Directorate here in Hatfield."

P-O Ahlstrom, Director of Risk, Control & Internal Audit

"We always knew that the success of the relationship was dependant on the two teams working as one and it's great to be in a position of true partnership within just a few months into the steady state. The true test of an outsourcing 'partnership' occurs when the employees of both organizations interact with each other. The moment of truth in this relationship occurred when the Infosys BPO resources walked in to our Hatfield office for onsite training. There certainly was some uncertainty among our employees and I must say that I was impressed by the way that the Infosys BPO employees were able to handle the situation and diffuse any negative emotions. They have been able to integrate themselves in to the T-Mobile UK organization within a short span of time and create a winning partnership with their UK counterparts."