

Transforming Business Processes

BT South Tyneside

**CIPFA NE Conference
2nd November 2011**



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Partnering to deliver Business Process Outsourcing services and transformational business change

						
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Delivering Networked IT solutions and service transformation to UK government

About BT South Tyneside (BTST)..

- South Tyneside Council started a 10 year partnership with BT on 1st October 2008;
- Primary driver for the partnership was to deliver jobs (average 750) and drive regeneration (New Business Centre);
- A new company was created – “BT South Tyneside Ltd” and 450 staff have joined the partnership under TUPE;
- BTST is a wholly owned BT company, not a joint venture
- There is a complex performance driven contract the “Strategic Partnership Agreement”, with Social clauses, profit shares and significant guarantees e.g., £7m penalty if BT fail to deliver jobs;
- BTST also provide services to South Tyneside Homes, schools, T&W pensions and some local businesses;



Helping South Tyneside Shape the Future

- Protection and development of staff



- 450 TUPE staff transferred
- No compulsory redundancy
- Career Development and Training
- >90% staff satisfaction
- Staff events and engagement a priority

- Guaranteed savings and increased service efficiency



- Procurement savings target met.
- Efficiency saving targets met.
- All services meeting or exceeding KPI's
- New, more efficient ways of working rolled out
- New technology going in eg oracle

- Jobs for local People



- 700 jobs created to date which is twice as many as the 3rd year contractual target.
- A very high proportion of jobs are new for people within the borough and the North East.

- Establishment of a New Business Centre



- £31m building - One Harton Staithes, South Shields now constructed with BT occupation under way for 650 staff including:
- BT Group HR, BTRetail outbound sales, Central and Local Government secure contracts, Global Services outbound sales and other BT lines of business.

Commercial Model in BT South Tyneside

- We have a contract that is **innovative, flexible and outcome focussed** without the creation of a Special Purpose Vehicle such as a Joint Venture. It provides:
- A **framework element** that allows new service to be rapidly brought on stream without the need to go back to the market (although this is not precluded)
- A **risk and reward element** whereby BT is penalised via service credits where baseline targets are not met, but rewarded where they are exceeded.
- A **profit share element**, based on open book, where the Council receives a share of all profits generated above the agreed baseline – driving shared success in business growth
- **Outcome focus** – Price Performance Mechanism based on tangible outcomes, eg the number, speed and quality of jobs created
- Built in driver for **continuous improvement** in that 70% of KPI's must improve year on year



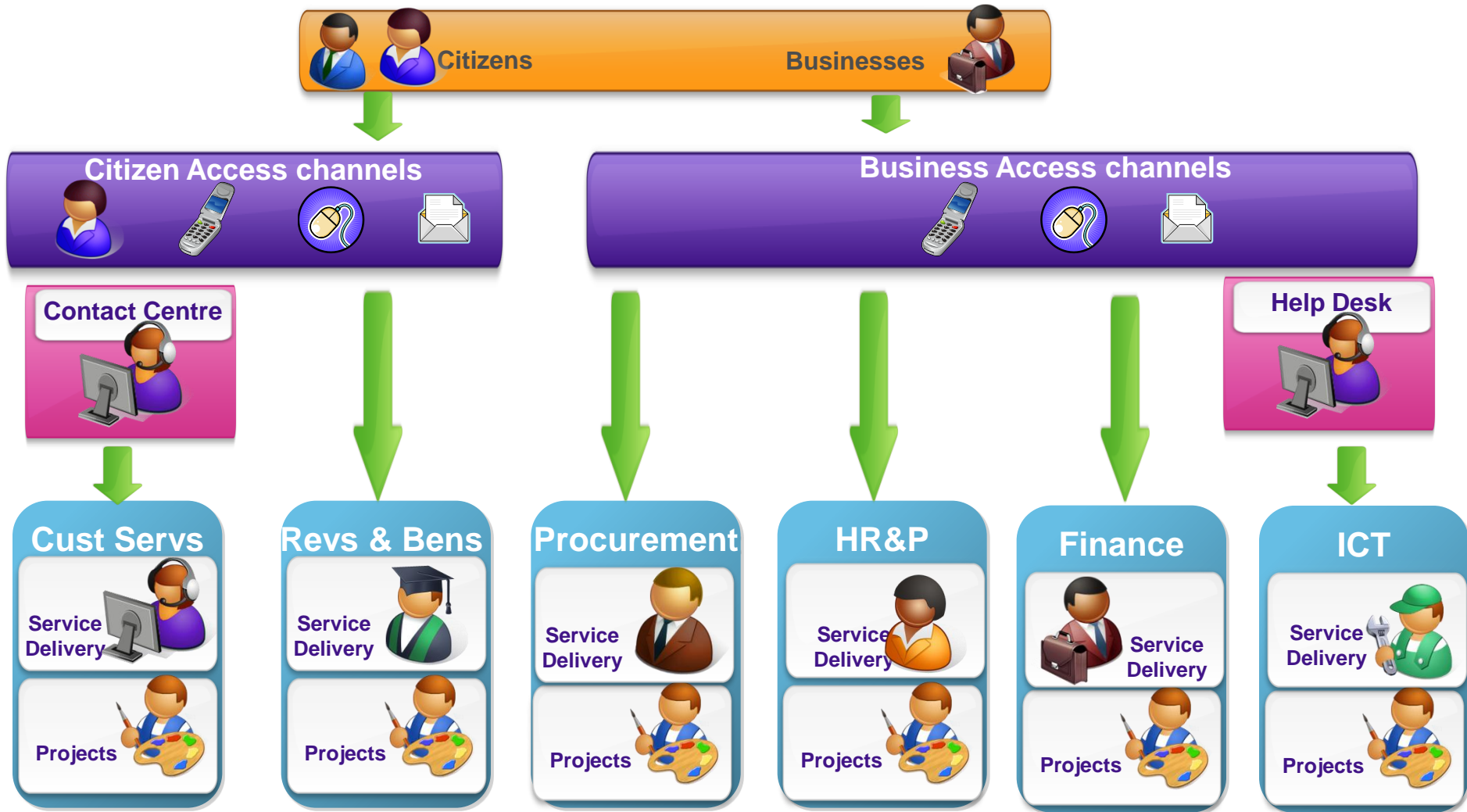
- BT South Tyneside deliver the following services for and on behalf of South Tyneside Council;
 - **Procurement**
 - **Customer Service**
 - **HR & Payroll**
 - **Finance**
 - **ICT**
 - **Revenues and Benefits**
- We have been investing in improving the efficiency and effectiveness of these services and moving to more business - oriented methods of working
- Examples of service transformations include:
 - Implementation of an Oracle 12 platform (HR/Finance/Procurement)
 - Moving to agile working
 - Moving to employee self-service
 - Creation of centralised Operational Teams
 - Introducing triage and Service Centres
 - The establishment of a new Corporate Procurement Service.



'Background' improvements....

- Addressing 'revenue leakage' in the areas of business services resulting from inefficient business processes;
- Key things that we have improved:
 - Prioritisation
 - Project management
 - Internal Governance
 - Workforce management
 - Effective consolidation of like services/aspects of services
 - Common platforms and processes between services
 - Triage





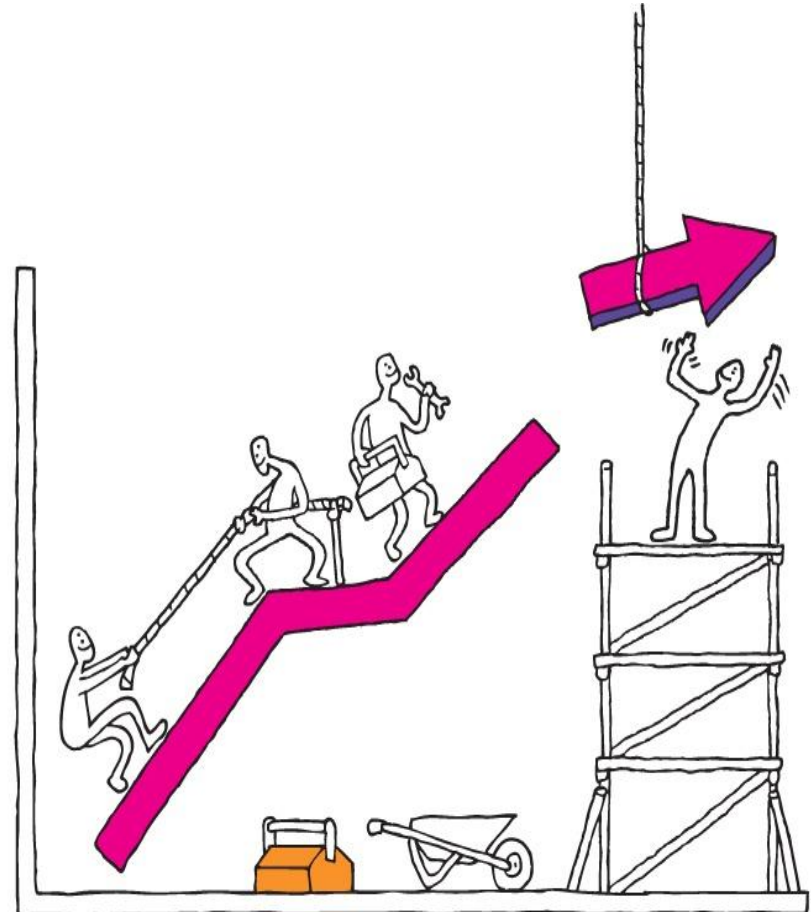
Problems with old Operating model....

■ Issues that face customers:

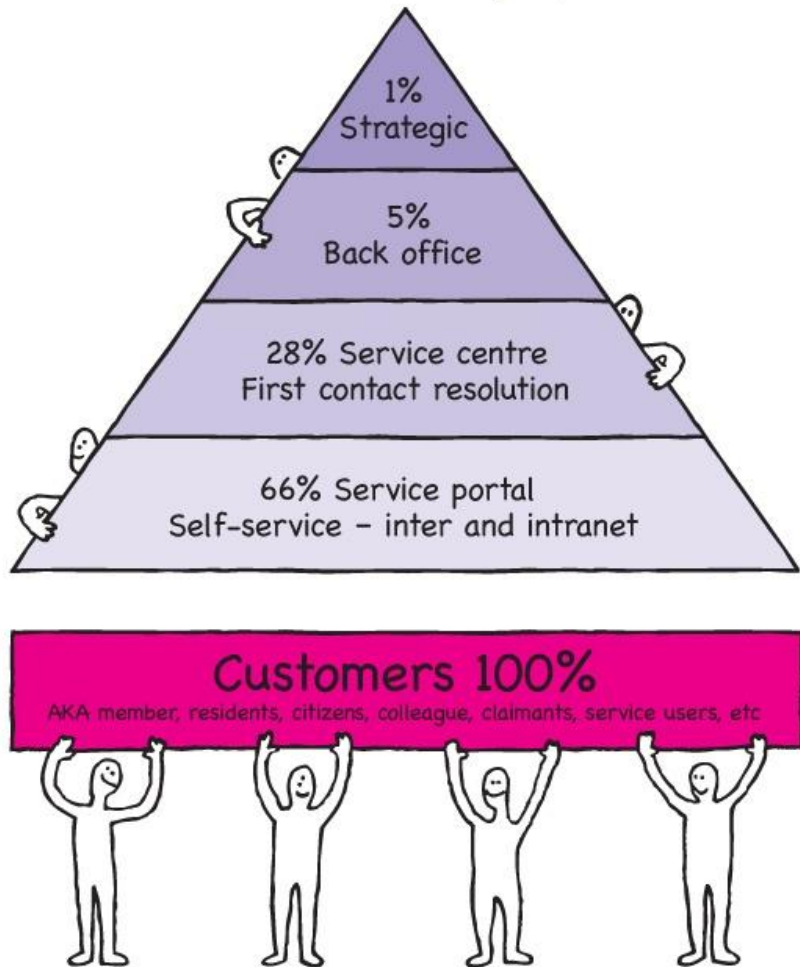
- No logging system to ensure queries tracked to resolution
- Cover when 'regular contact' is on holiday, sick or out on visits
- Busy times when telephones are left unanswered
- Occasions when e mails are not responded to
- Dealing with multiple contacts for cross-service issues

■ And Services:

- Staff constantly answering calls
- can't get on with work – backlogs develop
- Little cover between teams
- queries can "disappear" without being resolved
- Prioritisation can be poor



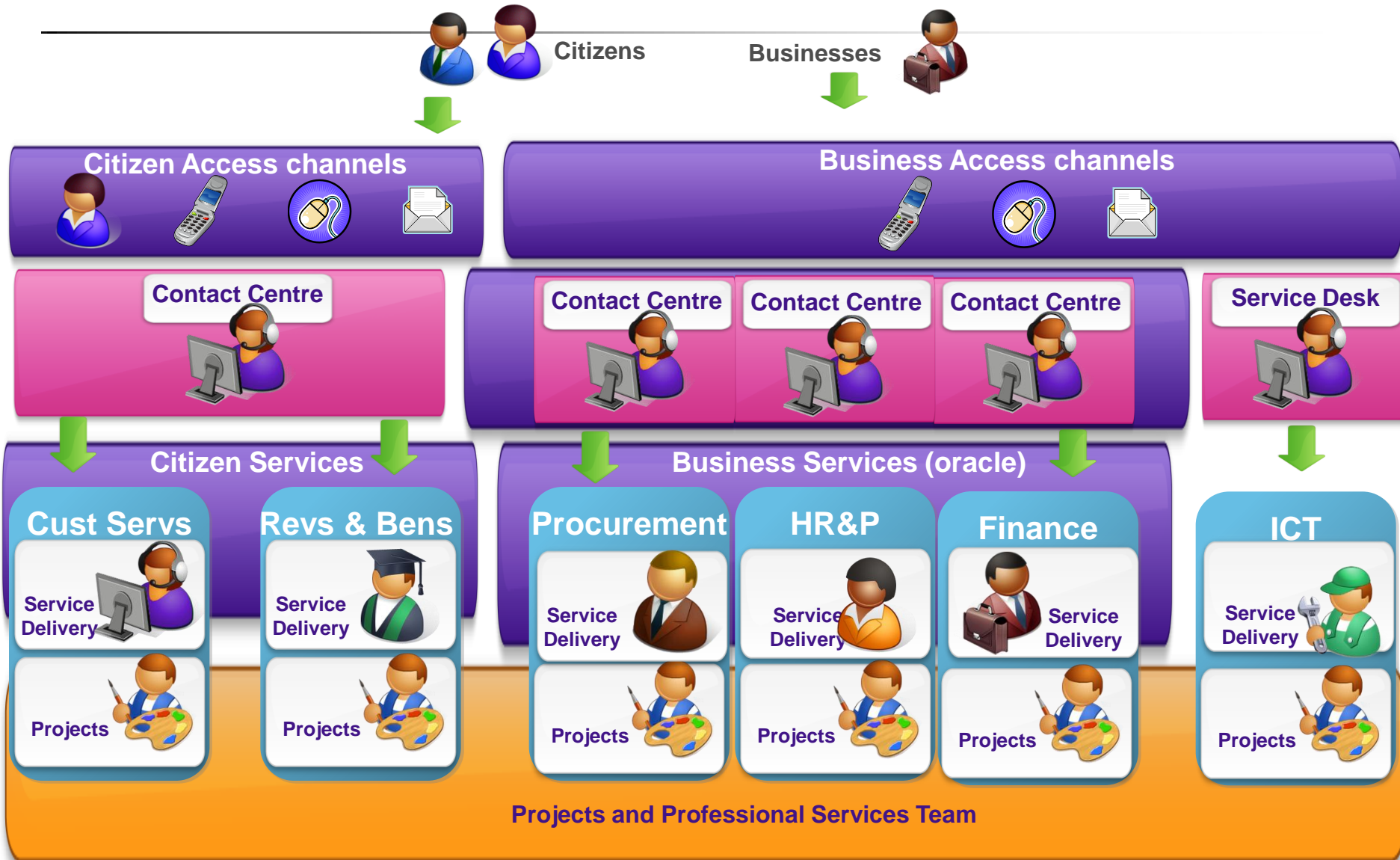
New model of service delivery....



- “shared services” *within* the council or organisation itself must be established before they can be effectively shared between councils and other organisations .
- Simple formula....
 - consolidation of like services/aspects of services
 - uses common platforms and processes
 - Make common information readily available via self service
 - “triage” to log and assign cases matched to the most appropriate level of resource to the question being asked :-
 - resolves the majority of queries at the first point of contact – Right First Time
 - frees up the professional experts to be available to deal only with the more complex issues

Target Operating Model

BT South Tyneside



SIP	Summary Description
Develop and Deliver the Vision	<ul style="list-style-type: none"> • Create alignment of vision across Finance Team, BTSTL and the Council
Stabilise and Restructure Current Service	<ul style="list-style-type: none"> • Recruit, induct and train additional resources; accommodation plans
Business Process Redesign	<ul style="list-style-type: none"> • Plan and prioritise BPR activity to mitigate risk and transform the service, including the implementation of IFRS
Implement Oracle ERP	<ul style="list-style-type: none"> • Develop and deliver the new Finance system; implement new ways of working for Finance Team
Implement Finance Service Centre	<ul style="list-style-type: none"> • Design and implement telephone-based access to Finance Service using agreed contact software and solution
Develop Self-Service Budget Management Culture	<ul style="list-style-type: none"> • Implement mechanisms to change behaviours to support self-service budget management and financial control

- Launched on 1st February for customers from Council, South Tyneside Homes and Tyne & Wear Pension Fund
- Case management through NGCC software
- First line response for range of Finance frequently asked questions
- Supported by Intranet site for budget holder information
- Launched card payments through Service Centre on 1st April 2011
- Launched Schools Service Centre 1st June 2011
- In pace to supported Oracle launch

- Next step ... single BTST Service Centre





- Enhances customer service by providing self service for simple queries and streamlining access to a single point of contact for expert advice, rapid response to queries and specialist guidance & support;
- Ongoing improvements e.g. call logging and tracking to improve service to customers with call analysis to generate actions plans and FAQ's
- Genuine 'shared service' across key areas - fully integrated HR, Payroll, finance and procure to pay database, and provides a structure to standardise processes across all those service areas;
- Enables highly efficient, best practice ways of working - delivering efficiencies across our services with efficient use of front and back office staff allowing Finance, HR and procurement professionals to concentrate on higher value case work and strategy;
- Creates flexibility of resources – move away from silos towards flexible Cross-Service teams,

Next steps...

- Move to organisation wide TOM – brings together service centres (HRP, finance, procure to pay and other customer/business facing activities) to provide a business wide approach;
- New accommodation with more capacity to grow
- Market external shared services – by selling on our capacity and functionality we can offer at least 25% discount on current cost base to customers, depending on service model adopted (bureau, hosted, fully managed etc).

BT South Tyneside

BT South Tyneside
onshore
offshore
northshore

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The advertisement features a background image of two large, weathered statues of figures, possibly representing historical or cultural figures, set against a blue sky. The BT logo is visible in the bottom right corner.

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