

UTILITIES



Case study:
Centrica and EXL
– collaboration in action

This case study details the transformational journey which Centrica has been on with one of its strategic partners EXL, and how the learning and practices were deployed across multiple processes and suppliers. It describes how both parties worked together collaboratively to develop the relationship; evolve the governance structure, commercial arrangements and transfer of control.

Centrica has outsourced many different types of services to India over a number of years, and currently has an operation of 2700 FTEs across multiple geographies and suppliers.

From the beginning Centrica worked with key stakeholders to map out a detailed journey to understand key pressure points for both parties throughout the cycle and proactively worked in partnership to mitigate and minimise any adverse impact. The plan was an evolving document; however the timeline for delivery remained constant. The timeline was based on a three-phase strategy designed to deliver a shared goal which created additional value for both partners.

Governance

The governance structure and the scope of review sessions evolved along the journey. In the early part of the journey, such sessions were tactical – focusing on BAU metrics, ensuring

performance against KPI's, resources, talent management – and it gradually evolved to redefine its focus, first on future objectives and challenges and then on to strategy, growth and value and finally, competition.

Knowing what success looks like is the first pillar to delivering success. This was mapped out and agreed upon at all levels, and ensured that the team remained focused on an agreed agenda throughout the programme. Governance was deemed to be a success if we were delivering against the agreed success criteria.

The single biggest evolution to the governance model has been the introduction of the Centrica India team. Centrica India Operations Pvt Ltd was set up and individuals were recruited locally to provide a stewardship role, oversee quality functions and act as a bridge back in to Centrica UK.

“Our relationship with Centrica has matured and evolved over the last six years – we have moved from a tactical engagement to a strategic partnership and we have steadily assumed greater accountability and risk and are responsible for outcomes that are aligned with Centrica’s business objectives. We look forward to continuing this momentum and as we together set new standards in the outsourcing industry.”

Pavan Bagai – Chief Operating Officer, EXL

Having a ‘local’ Centrica team embedded within EXL’s operations has proved to be highly effective in core areas such as capture and retention of IP, speed of decision making, communication and aligning of priorities and driving the right culture.

We have developed an adaptable framework which has since been successfully tested and deployed across multiple processes and suppliers including complex operations such as imbalance recovery.

The contractual framework also compliments the business strategy by linking financial and value adding outputs, therefore optimising service to internal and external customers. EXL are pushing its wider client base to adopt this methodology, which is a testament to its success.

Overall the contract has delivered substantial value and reduced the cost base by almost 80%.

The testimony of our Operations Director Matt Idle encapsulates why this model was recently shortlisted at the NOA Awards for ‘Best Practice in Outsourcing’:

“The relationship with EXL has moved from transactional to transformational. The commercial relationship framework is geared towards driving mutual value. EXL are affecting strategy in areas beyond their control which is a sure sign of a mature partnership – we are pleased to have partnered with EXL.”