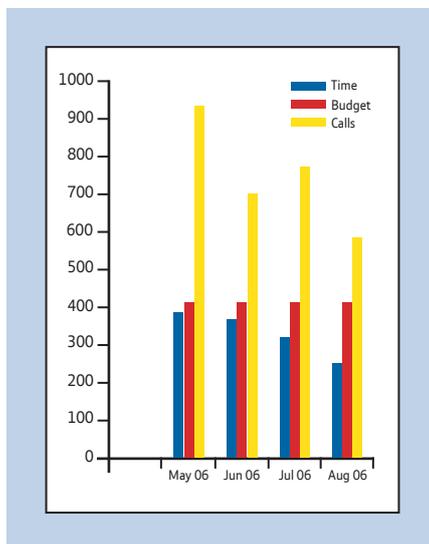


Global recruitment company chooses fast route to business transformation

Outsourcing its pan-European network and data centre to BT helps Grafton Recruitment to reduce risk and deliver business growth and increased profitability



Outsourcing has enabled Grafton Recruitment to support increased numbers of users and call volumes, while decreasing month-on-month BT engineering hours – through earlier and more efficient fault diagnostics

Executive Summary

Grafton Recruitment - part of the Grafton Employment Solutions Portfolio (ESP) - operates in a fiercely competitive global marketplace for recruitment services. The company has expanded its operations into 19 countries where it delivers recruitment solutions to the worlds largest companies through a portfolio of specialist divisions. However, a fragmented, unstable and unreliable IT infrastructure added to the cost of delivering new business and meant that growth was being hindered - rather than enabled - by technology.

Outsourcing to BT enabled Grafton Recruitment to remove this brake on performance within just six months. BT has improved management of the company's pan-European MPLS network, taken responsibility for data centre operations, and helped to optimise systems, servers, databases, backup and security services. In addition to reducing risk and capital outlay, the new networked IT services model now provides improved customer service and faster deployment of new capabilities. This success has enhanced the internal perception of the IT organisation and provided a platform to seek investment for new initiatives.

With 100 per cent network availability at the vast majority of sites – backed with a common service level agreement – BT and Grafton Recruitment are extending the relationship to share thinking on new technology advancements and business strategy. By outsourcing Grafton Recruitment has accelerated business transformation and ensured that it is well placed to outperform the competition and seize upon future opportunities. The outsourcing contract is expected to payback many times over.

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Alan Ledlie
Head of Group IT and Programmes
Grafton ESP

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Grafton Recruitment

The Business Case

Background and Challenges

Grafton Recruitment, Ireland's largest international employment agency, provides innovative temporary or permanent employment solutions through its network of 70 branches. Its operations span 19 countries including the UK, Ireland, Chile, China, Hungary, Poland and the Czech Republic and Russia.

A combination of strong Irish market demand and expansion into new and emerging markets has been supported by simultaneous merger and acquisition activity. This has seen the development of the Grafton Employment Solutions Portfolio made up of specialist divisions such as Grafton Healthcare, Blueprint Appointments, Spengler Fox and Mary**b**.ie. It successfully places around 5,000 job seekers in employment every week.

To turn global scale and reach into competitive advantage, Grafton identified the need for a more holistic approach to networked IT services. Rapid growth had started to expose the weaknesses in its fragmented infrastructure, which had become unstable and unreliable

Alan Ledlie, Head of Group IT and Programmes at Grafton ESP explains: "We had ended up with an IT organisation with insufficient resource, the wrong skills mix, and multiple supplier relationships. Although our team was doing its best to fire fight, network outages and the loss of critical services – such as email and access

to central systems – could last several days. We needed to develop a more agile IT model that would help to take the business forward – not hinder its advance."

Financial and Operational Goals

The primary objective was to deliver a new approach that would optimise Grafton's extended business model with highly available 24*7 access to systems and applications. For example, Grafton Healthcare is required to fill nursing positions at extremely short notice and outside normal office hours. At the same time, the IT team had to provide the levels of integration and technical support needed to deal with time differences between international branch offices spread across five continents.

Despite achieving business growth, the inability of its networked IT services to support joined-up operations across the Grafton organisation meant that the cost of delivering such new business was increasing rapidly. To maximise profitability it was important to provide new efficiencies and achieve better return on investment. These financial goals included minimising balance sheet impact through the avoidance of high upfront project costs. IT people also needed to be freer to focus on higher value added activities, such as application development. For example the Grafton IT team had the headache of trying to locate and fix faults by onerously dealing with numerous local service providers (with responsibility for local tail circuits).

Improving the way that the company viewed the IT organisation was essential to delivering the required turnaround. While making the IT environment more stable, resilient and secure would go some way to changing negative perceptions, there was no guarantee that it would convince all internal customers. Therefore, the new model had to provide metrics that would clearly demonstrate the value that IT brings to other parts of the organisation.

Grafton Recruitment decided that the way forward was to outsource the activity. Alan Ledlie explains: "More of the same was no longer an option; so making the business case was actually the least difficult part. It was clear that the right foundations had to be in place first before we could start to deliver benefits. Outsourcing provided a path to meet all of our objectives and mitigate risk more effectively."

Partner Selection and Relationship Development

The management of its MPLS network was a central component of Grafton's outsourcing requirements. The platform – originally provided by BT – connects branch offices to central data applications, internet access and other essential services such as email. It also delivers time-critical applications including voice over IP (VoIP) and the videoconferencing service that is used to reduce travel between the company's major centres in Belfast and Dublin.

Outsourcing Scope

The £1.4 million 5-year outsourcing contract required BT to:

- Provide a fully managed networked IT services environment, assuming management responsibilities for users, networks (including the existing BT MPLS network connecting 30 international sites), systems, applications, servers, databases, backup and security
- Refresh core IT hardware and software
- Deliver 24*7 proactive network and systems monitoring together with a central service helpdesk and second and third line technical support
- Transfer of Undertakings Protection of Employment Regulations (TUPE) arrangements for the affected Grafton IT staff

In addition, Grafton appointed BT to support its fixed and mobile telephony requirements in the UK and Ireland.

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Grafton Recruitment

Another key requirement was to re-house its data centre operations – alleviating the need for Grafton to host applications internally from its Queens Square site. The chosen outsourcer would have to assume full responsibility for security, storage and disaster recovery. In finding a partner with the required global footprint and breadth of service capabilities, Grafton turned to BT.

The framework provided by a BT Master Services Agreement (MSA) helped to seal the deal. This arrangement removed the need to sign multiple service level agreements or separate terms and conditions for each local country. The MSA also contained flexible commercial terms that spread upfront capital expenditure and engineering costs over the contract term.

Alan Ledlie says: “BT’s approach was very open and honest from day one. Its people helped to scope the undertaking through a professional due diligence process, which highlighted those technology areas that were OK and those where we would get best return for our investment. They then worked with us to design and architect the right solution to meet our objectives.”

Transition and Change Management

Transition and Change Management Projects

Working in partnership with BT, Grafton Recruitment built a new networked IT services environment – from business case to live deployment – in less than six months. A dedicated BT programme management team was appointed to act as a single point of contact and oversee the transition.

The project involved relocating core IT hardware and software to a BT data centre, which now delivers central hosting, security and disaster recovery services right across the Grafton organisation. To improve local

site access, the project also included various LAN upgrades to ensure bandwidth of at least 2Mbps. Local access circuits were also upgraded to improve videoconferencing quality.

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The BT Managed Service Centre in Belfast offers service management. This provides 24*7 network and systems monitoring, the central service helpdesk, and second and third line technical support. In the event of an alert or incident, BT’s policy is to investigate and co-operate, as necessary, with third party providers to achieve fast track fault resolution. BT engineers attend site to carry out repairs should, for example, the cause be a local equipment failure.

These activities support a wider, ongoing, infrastructure refresh programme, whereby BT will identify equipment approaching obsolescence. Grafton can then make an informed decision on whether to replace the equipment – whether it is desktop items such as printers, monitors and PCs or infrastructure elements such as client software, switches and line cards – based on a pre-agreed standard price list.

Human Resources

The transfer of Grafton IT staff to BT has seen another positive outcome. It has provided for BT a wealth of local knowledge and insights into the legacy infrastructure. Alan Ledlie says: “To a certain extent it is like pushing on an open door. Before, the scope for personal development for members of

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our IT team was somewhat limited. Now, working for BT provides them with increased exposure to new technology and opens up new exciting career opportunities for the individual while we receive the benefits provided by this up-skilling.”

Risk Management

Taking a holistic approach to outsourcing helped to improve risk management. An initial detailed planning phase ensured that those sites in most need of attention were prioritised first. The next phase of the transition included various high profile desktop refresh projects, which in addition to standardising configuration requirements also served to promote positive IT change amongst employees. The last four weeks of the project involved parallel running of old and new systems, followed by an extensive testing period, before finally migrating sites and users to the new IT environment.

Alan Ledlie summarises: “Outsourcing has enabled us to reduce risk, both in terms of the project implementation and going forward. This is not only about creating a more stable network environment: that should be a given. It is also about making sure all of the key IT components – such as governance, process and procurement – are in place. This value add is the spin off that comes from selecting the right outsourcing deal.”

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Measures of Success

Hindered by a lack of objective information before, the outsourcing arrangement has provided Grafton with improved statistical analysis and metrics for IT performance. Highlights taken from the latest BT service management report include:

- **More responsive IT organisation** – 95 per cent of all calls to the BT Helpdesk are answered within 10 seconds with very few calls abandoned
- **Better network management** – Many faults are being proactively identified and fixed by the BT MSC before they become visible to users, supported by statistics that show a downward trend in calls received by the Helpdesk
- **Increased resilience** – 100 per cent MPLS network availability is being recorded at the majority of sites (BT is deploying tools and resources to actively managing those sites where availability currently falls below that standard)

The service management report – supplied by BT each month – focuses on the key performance areas contained within the service level agreement. Other uses have been developed as well. Alan Ledlie expands: “The service management report provides the essential information that

CIOs need at their fingertips. In addition, we can use it for inter-charging between international branches to apportion a fair charge for managed IP services, using specific data such as volumes of calls. In short, it makes internal cost recovery as painless as possible.”

Financial and Operational Results

Outsourcing has provided Grafton Recruitment with a more agile networked IT services model that will enable the company to drive future growth across its group of specialist divisions. Cost predictability and reduced capital outlay will assist cash flow management and help to reduce the cost of delivering new business. These newfound economies of scale are illustrated by a recent analysis of the BT managed service, which showed a steady increase in users and call volumes but a month-on-month decrease in the amount of engineering manhours being charged out by BT.

The framework provided by the MSA has allowed Grafton Recruitment to increase control and reduce administration with a single point of contact for support, one bill, one service management report and one monthly meeting with BT. The contract also provides access to the BT pool of

technical expertise and resources. Alan Ledlie comments: “We have met our original objective to obtain better value from our IT investments but this is only half the story in financial terms. When we take into account other gains – such as better customer service and faster deployment of new capabilities – then we expect outsourcing to payback many times over.”

The relationship between Grafton Recruitment and BT is now starting to move beyond outsourcing. Regular meetings are held between the two companies to share thinking on new technology advancements and business strategy. Alan Ledlie concludes: “Our success has enabled us to go back to the board for additional budget for other important IT projects. We simply could not have done this with our old IT model. Some 12 months on, we are rolling out a major revamp of our finance and information systems, as well as building web services to improve the delivery of information to candidates. Outsourcing has provided the foundation to enable this.”

Offices worldwide

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