

## SUCCESS STORY

# WHITBREAD

## Offshored Finance & Accounting processes



Fully offshored Finance & Accounting processes for intelligent cost management by freeing up internal finance specialists to focus on providing the business with timely and relevant information.

### The challenge

With well-known brands such as Premier Inn, Beefeater, Table Table, Brewers Fayre, Taybarns and Costa Coffee, Whitbread PLC is the UK's largest hotel and restaurant company. The hospitality giant employs over 34,000 people and serves 10 million customers every month in its 1,900 outlets. It's a competitive environment and to stay on top of its game Whitbread acknowledged a need to simplify a number of its core processes.

Andrew Brothers, Change Programme Director on the project, explains: *"We recognised that many of our Finance and Accounting (F&A) processes could be simplified in order to free up our F&A team to focus on more strategic activity, such as providing the business with management information. This was part of a wider company change programme making sure we were focusing on the right things by allowing our people to do what they do best - running and operating a successful business."*

### Our solution

With prior experience of outsourcing its technology services, the company was comfortable with the idea of business process outsourcing (BPO) as a means to achieve its key objective of freeing up internal personnel. The added potential for cost savings was another attraction.

Nonetheless, as this would be the first time a key back office function had been outsourced, the business brought in external advisers to support the selection process. Andrew was in charge of the procurement, supplier selection and transition. He says: *"Bringing in external BPO advisers and lawyers was the right decision because we simply didn't have the depth of knowledge and expertise they could bring to bear."*

What Andrew describes as "a good cultural fit" was one of the deciding factors in the choice of Sopra Steria from a shortlist of four potential suppliers. Sopra Steria had already identified who would be running the Whitbread account in its Centres of excellence in Chennai and Noida, India at the tendering stage and this proved important. Says Andrew: *"We were able to meet the people who we'd be working with on a day-to-day basis and their expertise showed through."*

### Offshore delivery

The service is now delivered almost entirely from Chennai and Noida and employs 65 full time equivalents covering accounts payable, accounts receivable, banking, ledger postings, fixed assets & projects, VAT returns and Oracle administration. While Whitbread hadn't previously considered an almost 100% offshore service delivery model, the company quickly saw its merits, both from an efficiency and cost perspective.

As part of the bid process the Whitbread team travelled to India to get a feel for how offshoring worked. Sopra Steria Client Director Paul Dexter comments: *"Our objective in defining the delivery model was always to release Whitbread staff from transactional tasks so that they could focus on core operations. It was about enabling the Whitbread finance team to take an intelligent cost management approach by giving them the time and information they needed to provide the business with insight and performance metrics. We knew we could achieve this using an offshore shared service centre drawing on our scale in F&A BPO. The initial trip to India reassured members of the Whitbread team that distance wouldn't be a barrier to a great working relationship. In fact, it established an approach whereby our people have become an extension of Whitbread's own F&A team."*

## Successful transition

The model for successfully transitioning to an external service provider began to take shape during the procurement phase. The Sopra Steria team worked with Whitbread's buying team not only to ensure the proposal was extremely price competitive but to clearly articulate the solution design. The optimum 'to be' processes, the process reengineering requirements and target operating model were all part of the discussion, which also involved Whitbread's existing finance personnel. Andrew Brothers also believes that the successful transition was due, in part, to the internal mind-set at Whitbread. *"We saw it as a business-led project and involved our finance team from day one. This kept us on track and ensured that the transfer of knowledge from our internal team to Sopra Steria was maintained from start to finish. Our approach was (and remains) to treat the Sopra Steria team as part of Whitbread. This was endorsed very early on by the management board, to which I put the case for seeing this as an extension of our business, not purely an outsourcing deal."*

*"To this end I would urge anyone going through a similar transition to engage the offshore team as early as possible in the process. We've not only been out to India to meet our colleagues on the account, but have invited members of the offshore team to events here in the UK. This contact is important. We use video conferencing to stay in touch and ensure that when a problem arises it is fixed as a team. Offshore is not a barrier to a successful outsourcing partnership."*

## How we worked together

Sopra Steria's Paul Dexter agrees that maintaining regular contact is vital to success, not just for the transition to new ways of working but for the ensuing service delivery as well. He says: *"Communication is part of the wider governance process that is so important when you are transitioning to new ways of working. We held weekly steering board meetings involving both businesses as part of our transition management framework. This allowed individual service delivery people to talk to the business and explain developments. It was a real team approach."*

A new tool developed by Sopra Steria enabled the joint Whitbread-Sopra Steria transition team to drill into each process and sub-process being outsourced. The tool was evolved to standardise and simplify the tasks required to achieve a smooth transition - reducing the time needed to monitor progress and actions to less than 30 minutes per day. The client also had access to the tool in a project library which ensured day-to-day visibility of transition progress for the Whitbread project manager.

The rigorous and thorough examination enabled by this tool did not slow down the transition process. In fact it provided another layer of governance, with everyone clear about all the many different processes within the outsourced F&A function.

## Results and benefits

The outsourced F&A service went live in April 2009. In addition to the cost and efficiency benefits accruing as a result of Sopra Steria's streamlined and industrialised transactional processes, Whitbread has freed up its retained finance specialists to focus on more strategic tasks. The team is better able to support the business with a greater understanding of its performance and management information that helps to drive decisions.

*"Has it been worth it? Yes, absolutely. And yes, I would go through the process again because I believe it has been a good experience for everyone involved. There is no doubt that Whitbread's transition to a new way of providing F&A services has been a shining light to the business."*

Andrew Brothers,  
Information Systems and  
Change Director,  
Whitbread

*"The vigilance exercised by everyone involved in the transition process, combined with the quality of people delivering the service in India, has really made a difference."*

Paul Dexter,  
Client Director,  
Sopra Steria



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