

# SUCCESS STORY

## ROYAL MAIL GROUP

Long term partnership



Managing applications to support business and regulatory change in a competitive marketplace.

### The challenge

Royal Mail Group (RMG), which included Post Office Limited until 2013, is the leading carrier of letters and parcels in the UK. Under the Universal Service Obligation RMG is required to deliver to all UK addresses, six days a week, for the same price and quality of service. This requires RMG to ensure its operations are managed as effectively as possible necessitating efficiencies in back office operations and systems.

In 2003, the Royal Mail Group embarked on a programme of change to achieve costs savings that would enable RMG to turn fixed costs into variable costs. This resulted in the outsourcing of most IT services to the Prism Alliance, a group of IT organisations that included Sopra Steria. Sopra Steria was key to the success of this programme, taking on the application management and projects for some of the most critical systems especially those in the back-office SAP arena.

### Key points

- Flexible and dynamic working supported the rapidly changing business requirements enabling effective responses to regulation and strategic developments
- Providing applications management for a third of the Royal Mail's IT estate representing most of RMG's back office functionality based on SAP
- Long term partnership providing a stable environment for RMG to focus on delivering change.

### Our solution

The 12-year outsourcing contract with Sopra Steria provided a bedrock of stability to enable RMG to focus on the services it delivers to the public, especially in the context of the Universal Service Obligation.

Sopra Steria worked as part of a broad IT outsourcing arrangement that covered all elements of IT, undertaking the management of around a third of RMG's application estate and the associated staff. These applications provide most of RMG's critical back office functionality with a core technology based on SAP. Sopra Steria provided application development services that allowed continuous modifications to be made to these systems throughout the RMG change journey.

During the 12 year contract relationships, goals and objectives changed significantly and in 2010 a change of senior leadership in RMG embarked on the drive towards an IPO, which culminated in 2013 with the Group moving from Government to private ownership. This changed the business focus from simply driving down costs to a journey of strategic change, including the separation of Post Office Ltd from RMG. This has required an increase in dynamism, and a greater pace of change.

## How we worked together

Sopra Steria worked in close partnership with RMG and other service suppliers to drive quality and efficiency. This included the use of our integrated on and off-shore model, making use of the Sopra Steria locations in Noida and Chennai. At the start of this relationship we worked closely with RMG to manage the crucial transition phase of staff from RMG to Sopra Steria. Our commitment to this partnership approach has remained at the centre of the successful service delivery throughout the years. To assure itself of Sopra Steria's ability to meet its strict criteria, the RMG management team regularly visited sites in the UK and in India.

## Results and benefits

Sopra Steria has delivered value for money across a range of services. Our attention to service delivery has provided incident and availability services throughout the 12 years, never resulting in any service credits; a level of reliability and consistency that is envied by many and matched by few. In addition Sopra Steria has been able to bring resources from its Indian operations and leverage our wider European business specialisms to contribute to these successful activities, supplementing the existing teams and provide business benefit to RMG.

“The project/change work has been of high quality against a backdrop of business and regulatory change of all scales, in a business that is constantly changing in an ever increasingly competitive market.”

Phil Morris,  
IT Director - Strategy,  
Architecture, Security and  
Service Transformation,  
RMG



Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges.

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