



NETWORK RAIL: STRATEGIC INFORMATION MANAGEMENT CONSULTING

Network Rail

Atos Consulting™ is transforming the Information Management function to enable Network Rail to meet the challenges of becoming an efficient and effective world class organisation.

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BACKGROUND

Employing over 30,000 people, Network Rail owns 21,000 miles of track and 2,500 stations in the UK. The company is responsible for all aspects of the national rail infrastructure – planning and co-ordinating the movement of trains, producing a workable timetable and providing access to the rail network. It is working to rebuild Britain's railway and is spending £14m a day to provide a safe, reliable and efficient rail infrastructure for freight and passenger trains.

Network Rail faces challenging targets for achieving greater safety and efficiency. To help it meet them it needs first class management processes – particularly for the ways in which it manages information.

CUSTOMER ISSUE

When the Government put Railtrack into administration the process took two years, culminating in the creation of Network Rail in October 2002 with a clear mandate to transform the UK's railways. At a strategic level Network Rail depends upon effective exploitation of information to meet that huge transformational task, requiring effective IT systems supported by a solid organisational structure.

Before and during the period of administration, the Railtrack IT department had undergone a number of destabilising re-organisations in quick succession. Intended to address serious underlying problems, these changes were implemented against an uncertain government and regulatory background. Those problems manifested themselves as a perception by internal customers that Railtrack's IT services were poor and its staff's morale was low, exacerbated by a highly fragmented organisational structure and ill-defined business processes.

Iain Coucher, the incoming Network Rail Deputy Chief Executive, knew that addressing the problems in the IT function was a prerequisite for Network Rail's greater task, and it was decided to seek a partner to achieve IT transformation.

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ATOS CONSULTING™ SOLUTION

Under the banner of an Information Management Partnership (IMP), Atos Consulting™ carefully selected a multidisciplinary team – including consulting directors, change managers, strategists and technical experts – to work at all levels across Network Rail's Information Management (IM) organisation.

Atos Consulting™ and Network Rail's existing IM team formed a seamless partnership to enable and manage the change. Atos Consulting™ was able to bring to the partnership an understanding of best practice processes and industry standards together with skills in mentoring, coaching, training and development. As the partnership proceeds, the senior Atos Consulting™ people will be replaced with permanent staff to ensure that, by the end of the project, Network Rail has the necessary senior skills and experience in-house.

As a first step, the IMP created a ten-year vision and rolling strategy for Network Rail information management, providing a clear direction for the organisation. The team also mapped out Network Rail's business functions and information flows, to match the future vision against the current organisation.

At a tactical level, clear targets and objectives were staged over the forecast period in order to provide focus for people's efforts. These included (at the end of ten years):

- An IM budget set at 3% of organisational spend instead of the previous (believed to be) greater than 5% figure
- 90% of staff being permanent employees rather than the previous greater than 70% proportion of contractors



- One virtual database rather than 20,000 local databases
- Five IT business partners rather than 254 disparate suppliers
- 40 key business services rather than over 1,000 unrelated applications.

The partnership embarked on a series of workshops for its staff and suppliers to communicate its vision and the approach adopted and to raise confidence in IM as a fit-for-purpose function. A new organisational structure was created that allowed staff to be deployed more flexibly on projects, assigning people to projects according to their skill sets and offering staff greater opportunities for personal development.

The team developed definitions of roles and responsibilities to clarify accountability and enable performance measurement. There were also training and development programmes to help staff and senior managers to develop the skills and behaviours they needed to implement and sustain the changes. These moves were underpinned by a comprehensive, ongoing staff communication strategy, which is now part of IM's business processes. Finally, the partnership developed and implemented a series of change projects. For example, new central supplier management processes were put in place. Underperforming contracts were terminated and new budgeting procedures and financial controls were introduced. Together with the adoption of industry standards and best practice for managing and delivering IM services, a balanced scorecard was created for measuring IM

performance against targets. A simple yet powerful symbol of this new IM accountability was the IM Delivery Calendar – a wallchart showing IM's commitment for delivery to the rest of Network Rail – posted in senior managers' offices, including the Deputy CEO.

BUSINESS BENEFITS

Fundamental to the success of the IMP is the fact that the IM Director now reports directly to the Deputy Chief Executive. IM is therefore represented at a strategic level and is considered a peer department by others within the company. Furthermore, Atos Consulting™ has helped IM to drop its old 'blame' culture and move towards a more open and honest environment.

Early in the partnership, Atos Consulting™ helped Network Rail to make a key decision to bring poor-performing outsourcing contracts in-house, producing direct savings of around £5m and a further £1m in annual savings on third party costs.

In Spring 2004, Network Rail brought all its infrastructure maintenance contractors in-house – seven different maintenance delivery organisations with approximately 13,000 people – a truly significant change for the rail industry. The IMP expanded to support the transfer of all personnel to Network Rail's IT infrastructure as well as align many different IT systems and processes. A total of 310 maintenance depots were

connected to the network and re-negotiating contracts for IT services delivered £4.4m of savings.

An indication of Network Rail's newfound IM success is that all this was delivered with no disruption to business and 22% under budget. SLA performance has also improved from 60% to 90%. The average time to resolve faults has reduced by 80%, and the average time to resolve user requests has gone down by more than 50%.

Overall, IM is on target to meet its ongoing objectives for reducing capital and operating expenditure. Recent surveys have shown marked improvements in employee satisfaction levels. After a recent IM presentation, the Rail Regulator (Tom Winsor) wrote: "We were impressed. You have clearly carried out a lot of very valuable work to get to this stage... Network Rail deserves considerable credit for the work done so far."

Atos Origin is an international information technology services company. Its business is turning client vision into results through the application of consulting, systems integration and managed operations. The company's annual revenues are more than EUR 5 billion and it employs over 46,000 people in 40 countries. Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and has a client base of international blue-chip companies across all sectors. Atos Origin is quoted on the Paris Eurolist Market and trades as Atos Origin, AtosEuronext, Atos Worldline and Atos Consulting™. For more information, please visit the company's web site at www.atosorigin.com

Atos Consulting™ is a leading provider of business, process and technology consulting services. With more than 2,500 staff globally, it focuses on delivering proven, pragmatic solutions to the transport, telecom, manufacturing, financial services and public sectors.