



proactive

application management

performance, agility, transparency



In every aspect of its operations, BP seeks to define and adopt repeatable best practice. This is true for all aspects of IT where commitment to best practice makes an essential contribution to consistency, cost-efficiency, and most importantly, to minimized risk

The pursuit of replicable best practice does not, however, mean the imposition of rigidly centralized models of operation. As one of the most immediately recognized global brands, BP understands the importance of being able to identify and benefit from local expertise.

Over the last eight years, the advances made in application management by the BP team in Germany have become an object lesson in this highly specialized area of IT service and support. The business applications used to support every aspect of company operations must perform to agreed standards without interruption.

Every technical change and every revision must be made transparently, as Ralf Funder, BP Germany Director of Application Management explains, "If a change to our application portfolio is going to require our business clients to behave differently, they need to know, and to know why. In these instances, we must always ensure our internal customers appreciate the benefit of the change. But when modifications are made at a purely technical or operational level, we need them to be entirely transparent - these changes must be 'silent'."

The significant advances in application management practice for BP in Germany did not happen in a vacuum. As is so often the case, important business and organizational change became the trigger for similarly significant change in IT management. Chosen as the sole application management service provider, Atos developed the models and processes needed to become BP Germany's trusted silent partner.

Change and Opportunity

Germany is the largest market for fuels in Europe, and the fourth largest in the world. As one of the world's leading international oil and gas companies, operating in over 80 countries, BP regards Germany as a key market.

In 2002, BP acquired leading German fuel brand Aral. This acquisition added over 2,400 Aral fuel stations to the BP retail network in Germany which, combined with BP's existing 650 stations, made BP the top national fuel retailer. Around two million motorists use BP Germany fuel stations every day. Recognizing the strength of the Aral brand, BP decided not only to retain it, but to rebrand the majority of its own-brand stations as Aral. In addition to the company's leading retail position, BP is also the number two in German fuel refinery, with a special focus on advanced lubricants.

The acquisition of Aral and the associated reorganization gave BP Europa SE the opportunity to review many of its existing IT management practices asking how the change created wider opportunities for improvement.

Needing to rationalize the application sets across BP and the ex-Aral domain, application management was a clear focus area for business improvement. The CIO team asked how the need to review application management practice across the new company perimeter would make it possible to:

- 1. Improve performance**
- 2. Improve responsiveness**
- 3. Reduce costs.**

Immediately following the acquisition, BP chose to continue working with its own in-house application management team, based in their Bochum facility. The Bochum site is central to BP operations, and is part of the company's advanced network of global fuel technology centers.

Atos - transforming partnership

Atos was a well-established IT service partner for BP in Germany, with a special focus on application management. Atos and BP worked together well, and Atos had earned respect for both its technical and operational capability.

The Atos and BP specialists continued to work closely together immediately following the Aral acquisition with the result that all business applications performed to the required standard throughout the transition.

Having managed the period of immediate transition, in 2005, the BP Europa SE CIO team decided to take a deeper look at application management, and in particular, at the potential benefits of outsourcing.

For BP, the business case for outsourcing was clear from the start. For Ralf Funder, outsourcing was integral to the overall BP business model, "As an energy company, we have always relied on specialist partnerships to make our business work - and for IT it's no different. Keeping application management in-house raises questions both about capacity, and about keeping up-to-date with the pace of technology change."

Capacity

When maintaining an internal application management function, periods of under-utilization contrast with times when internal resource must any way be supplemented with external capacity.

Pace-of-change

While valuing the depth of knowledge the in-house team bring to the heritage application landscape, keeping up with the current pace of technology innovation becomes a challenge.

This raises both risks in missing opportunities and risks in terms of non-compliance.

BP issued a request for proposal for the application management outsource, and selected Atos as the sole contractor. Atos won the contract thanks in part to its demonstrable track record in application management and, even more importantly, to its experience with BP.

Having worked closely with BP throughout the critical period following the acquisition of Aral, Atos had shown its ability to immerse itself in BP process and culture.

Continuity is critical

For BP, continuity was absolutely critical. Uwe-Peter Schmidt, who leads the BP team for Atos, was acutely aware of this responsibility. "Any downtime in business critical systems means lost business and reputational damage - and we cannot allow that to happen."

Team transfer

Around 50 application management specialists transferred from BP to Atos as part of the outsourcing contract. Their future contribution to the success of the service would be invaluable. Not only did the team have a deep personal knowledge of the internal processes and practices of the client. They also had a depth of experience in those heritage applications which would need to be continually supported through to eventual decommissioning.

Atos would make the transferred experts the core of the service delivery team, ensuring that each new employee would be given the opportunity to expand their own professional skills, while retaining their focus on BP. The success of this approach is reflected in the fact that eight years after the initial transfer, the majority of the team remain in place.

Apart from wanting to retain access to the team's skills, the ongoing professional wellbeing of team members was important for BP. Recognized as an employer of choice in Germany, BP were keen that colleagues transferring to Atos would continue to lead professionally rich and satisfying lives.



Quality and cost

From the start, BP expected Atos to boost the quality and reduce the cost of application management, and the partnership has achieved both.

During the first three years of the contract, Atos reduced the overall cost of application management by 7% year-on-year while consistently meeting all service targets. Individual applications were each given service priority ratings to ensure that the speed of any required intervention matched the business importance of the target application.

Since taking responsibility for application management at BP Germany, Atos has not missed a service target in any of the four areas of management activity:

- ▶ Patch management
- ▶ Release management
- ▶ Incident management
- ▶ Change management.

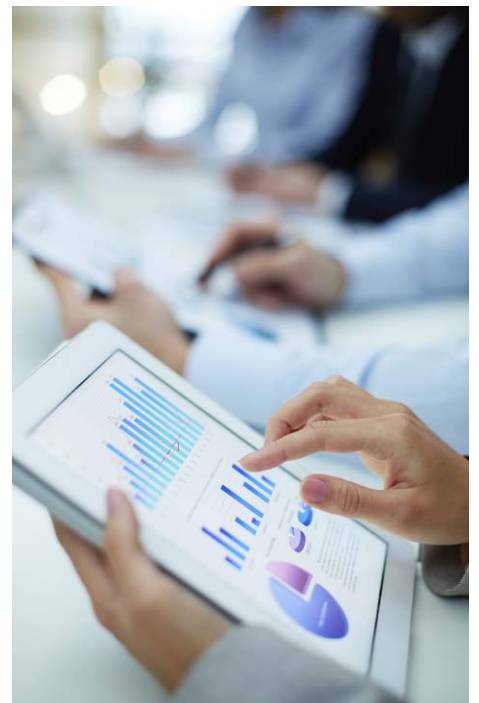
Volume and scope

In total, Atos took responsibility for 60 application clusters for BP which in turn comprised around 200 individual applications.

The applications serve the full spectrum of BP business functions used to manage refinery operations, distribution and retail across the service station network.

For convenience, applications are grouped broadly as either SAP or non-SAP, allowing Atos to scale up resource as required from its own extended SAP practice or from its pool of specialized software engineers.

Among the most critical of non-SAP applications are those used for reporting and pricing across the retail network, and accessed securely by both employees and licensees via the company extranet. Critical SAP applications include those used for logistics and tanker management, on which the optimized distribution of fuel from refineries and across the retail network depends.



Confidence and Extension

For Uwe-Peter Schmidt, this application management initiative has always been dynamic. "The success of a partnership like this depends on both parties working together to continually refine and invent. With a robust, ITIL-based service architecture, we have a great platform from which to grow."

After three years service delivery through the local specialist team, Atos introduced BP to the idea of a hybrid delivery model involving the extended Atos application management team in India. By exploiting the full Atos Global Service Delivery Model, BP would not only be able to scale up resource with increased agility. They would also be able to accelerate all development and test work while sustaining tight cost-control.

"Personal relationships are the foundation of trust between BP and Atos" says Ralf Funder, "and we spent time in India getting to know the team. We were deeply impressed with their quality and dedication." 50 members of the Atos India team subsequently spent a two-month deep dive in Germany, for an intensive induction into the culture, process and frameworks of the BP outsourcing activity.

Global to global

Since making the shift from a simple professional service provider to a full outsourcing partner, Atos has worked proactively with BP in Germany to improve the quality, responsiveness and cost of service.

With the extended capacity made available through Atos India, BP has been able to rapidly augment resources as required by changing business conditions. The introduction of the Single European Payments Area (SEPA) in 2014, for example, demands extensive application change, and the extended Atos team is well positioned to ensure that these are managed and implemented on time and at acceptable cost.

The outsourcing partnership has also made it possible for BP in Germany to extend its own contribution to the BP Group drive for best practice. The application management services defined for Germany, for example, are now being used for BP service station management in South Africa.

Atos' performance has been rigorously measured by BP procurement over the eight years of the service to date, and the company has scored consistently at the very top of the scale.

BP and Atos are both global companies, and building on the success of this application management partnership to date, Atos is eager to help BP take advantage of this established best practice on an even broader scale in the years ahead.



About Atos

Atos SE (Societas Europaea) is an international information technology services company with annual 2012 revenue of EUR 8.8 billion and 76,400 employees in 47 countries. Serving a global client base, it delivers Hi-Tech Transactional Services, Consulting & Technology Services, Systems Integration and Managed Services. With its deep technology expertise and industry knowledge, it works with clients across the following market sectors: Manufacturing, Retail & Services; Public sector, Healthcare & Transports; Financial Services; Telecoms, Media & Technology; Energy & Utilities.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic and Paralympic Games and is quoted on the NYSE Euronext Paris market. Atos operates under the brands Atos, Atos Consulting & Technology Services, Atos Worldline and Atos Worldgrid.

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