

# Atos & NS&I pioneering business transformation



Atos

Atos Business Transformation Services (BTS) grows our clients' businesses whilst helping them transform into more digital organisations, equipped to continually meet the disruptive impact of rapid technology innovation and changing consumer expectations.





NS&I is both a government department and an Executive Agency of the Chancellor of the Exchequer, and has been a critical part in raising cost effective financing for the UK government for 150 years. 25 million UK citizens have invested £167 billion in savings products with NS&I.

NS&I today is highly successful, but in the mid-1990s its future was by no means assured. At the end of the 1990s, NS&I management agreed to take a new direction to revive the business and grow the customer base. In 1999 NS&I outsourced its entire operations department, with 4,200 staff joining Siemens IT Solutions and Services - now Atos - under TUPE regulations.

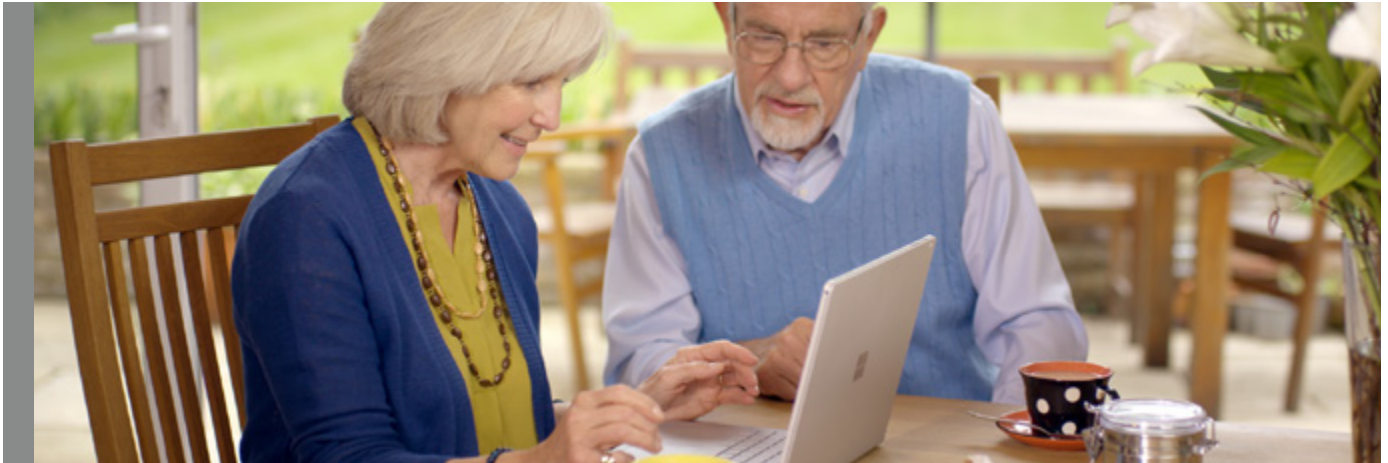
The entire end-to-end banking operation, including all customer service channels, all aspects of technology were outsourced to Atos. NS&I retains around 180 staff to manage executive leadership, product development, marketing, assurance and business

administration of the Executive Agency and relies on the partnership with Atos to deliver their strategic business outcomes.

NS&I, together with other banks and financial services institutions, is faced with massive market disruption and greater competition. However, NS&I is publicly funded and needs to balance the interests of taxpayers and current customers, whilst future proofing their business. The answer continues to be delivered through one of the largest and most ambitious outsourcing contracts in the UK, with committed savings of around £1 billion to be realised by 2021.

# Strategic Challenge

## Business Reinvention



Financial Services is at the forefront of technology market disruption with the rapid expansion of mobile banking, challenger banks, FinTech innovation and new services. NS&I has the dual challenge of a hugely competitive market place attracting billions of investment in R&D and start-ups, whilst government austerity-driven budget cuts were targeted at 25%-40%.

Conceived as a partnership from the outset, the relationship between NS&I is based on trust, mutual goodwill and shared confidence. The overall NS&I governance structure encourages Atos representation at NS&I committees. Both sides are involved in setting strategy, developing action plans, and quickly resolving issues.

Delivering long term value was the focus of the 'NS&I adding value' strategy, which had four key objectives:

### **Simplify**

Removing needless complexity and introducing new standardised and repeatable processes, reducing costs, and increasing efficiency and speed to market when developing existing products or introducing new ones.

### **Modernise**

Shifting from a product-centric to a customer centric service, supported by a rationalised and more secure infrastructure.

### **Diversify**

Developing NS&I's product offerings and channel strategy, supported by an ever-expanding and improving support network, including our India operations and our UK-based customer call centres.

### **Leverage**

Ensuring both technology and expertise are leveraged to share benefits with other government departments through the modernisation and improvements of systems and procedures

In 2010, NS&I Government Payment Services (NS&I GPS) was formed to offer the benefits of the investment to other government bodies, leveraging NS&I's banking platform and best of breed customer services, creating savings for the tax payer. Atos and NS&I then jointly invested in selling these services to Government. Seven years later and NS&I GPS has signed contracts with HMRC, Ministry of Justice, HM Treasury and the Home Office for £454 million of services, including being trusted with the implementation of flagship policies such as Tax-Free Childcare.

NS&I core business has grown rapidly too, from £102 billion in 2013 to £167 billion today. This growth has been achieved both through making NS&I 'easy to do business with' for its customer base and from massive product launches, such as the 65+ Guaranteed Growth Bonds which became the biggest selling retail financial product in Britain's modern history; with over £13 billion received during a four-month period. This was only possible through the agility and flexibility of the partnership with Atos; who has access to the expertise, scale and experience to safely deliver.

# Strategic Challenge

## Customer Experience



NS&I was a largely paper-based, process-driven organisation. To be able to meet the rapidly increasing customer expectations of ease of access, through channels of choice and a frictionless end-to-end experience, required culture change as well as the introduction of new digital capabilities to become a truly citizen-centric organisation.

Atos deployed a major culture change programme, introducing new capabilities to capture customer insight and understanding, customer centric design involving both customers and front line colleagues as well as a rapid test and learn ethos deploying change quickly into the operation in an agile way and iterating based on customer feedback. The new capabilities were supported by the creation of state-of-the-art Customer Experience (CX) labs to innovate and co-create new solutions and critically, empowered the staff closest to end customers, to drive new ideas and improvements. Embracing CX does not just touch NS&I's customer services teams; Atos has trained all of NS&I's staff including its Executive Committee in agile working to support the journey to a digital, customer centric business.

NS&I now has over 250,000 customers subscribed to its new Premium Bond mobile app, shifted 92% of sales to digital channels and won Best Customer Service in Banking and Finance in the Top Performers 2019. It has achieved a completely new online experience, that has been designed and tested with its customer base.



Our outsourcing model has transformed our business into a modern and relevant financial services provider backed up by an operating model that is efficient and robust. The scale and complexity of the change achieved has been extensive yet we have delivered this transformation over the years through an effective partnership that seeks to innovate while maintaining service excellence.

**Mark Keene**

Assistant Director, Partnership and Operations, NS&I

# Strategic Challenge

## Operational Excellence



Legacy IT systems, intertwined over many years of development, supporting complex, manual and often paper-based processes created an operational cost base that was in excess of comparable digital businesses.

There have been additional challenges in terms of managing a significant real estate base, developed to accommodate circa 15,000 full time employees but we have worked collaboratively to reduce these demands and find mutually beneficial solutions to ensure that we are able and equipped to provide the resources required to deliver the customer journey.

Following the Government's Spending Review in 2010, NS&I direct+ was announced as the new NS&I business strategy. This aimed to balance the needs to customers, taxpayers, and the stability of the wider financial services sector, and aimed to maximise the use of electronic channels.

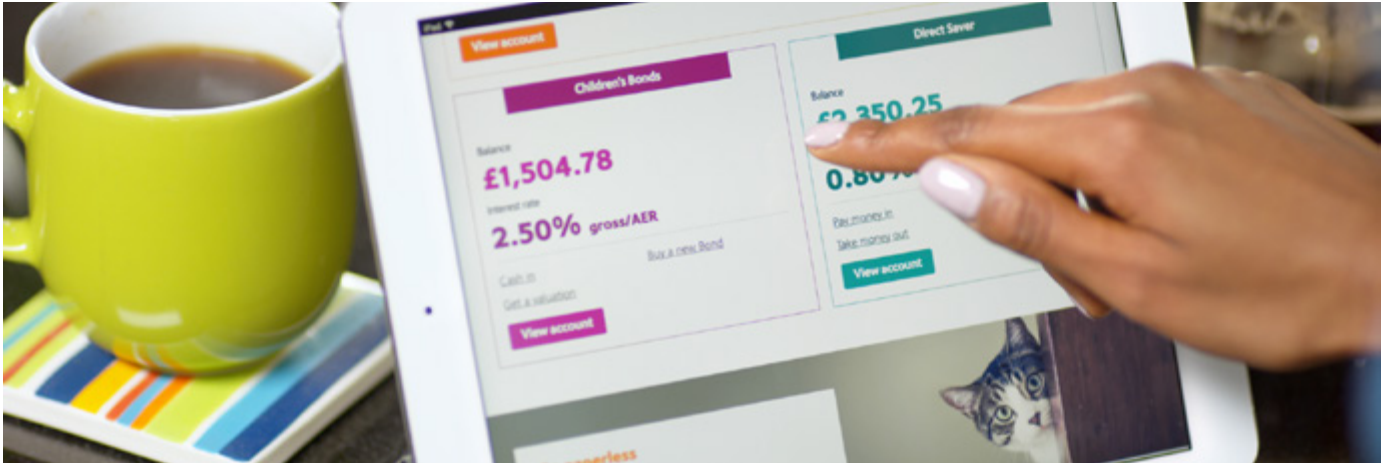
Over the period of the partnership, NS&I has transformed their efficiency ratio from over 30 basis points (£3,000 cost to manage £1m of customer funds) to just 7.8 basis points, over 300% productivity improvement. Operational headcount has reduced from 4,200 to just over 1,600. Whilst customers adopting digital channels have been a catalyst for operational transformation, it has required end-to-end customer journey design and delivery, automation and operational excellence tooling and working practices to unlock the financial benefits from our digital investments.

Furthermore, NS&I's brand and reputation for Corporate Social Responsibility has been enhanced as Atos has replaced the entire operational estate portfolio, reducing the legacy footprint of 1.2million sq. ft. by over 85%, released £12m of capital receipts for the Exchequer, reduced running costs by 47% and ensured all Atos and NS&I staff now work in new, fit for purpose highly efficient buildings with a low carbon footprint and inbuilt sustainability.



# Strategic Challenge

## Trust and Compliance



As more businesses exploit the opportunities of digital technology, the risks of cybercrime and data loss become critical to an organisations reputation and profitability, particularly in financial services.

Post the financial crisis of 2008, the amount of regulation has increased exponentially and compliance and oversight are now a major operational cost for all financial institutions.

Atos has upgraded NS&I's entire core banking platform and supporting IT infrastructure supporting all 25 million NS&I customers, to mitigate emerging vulnerabilities as systems become end-of-life and security threats become more sophisticated. Furthermore, Atos is contracted to be compliant with all current and future FCA regulation and carries the risk for all losses associated with fraud, error or data loss.

### Business Risk Transfer

As a public body, in a highly competitive and regulated marketplace, NS&I found a partner in Atos who could transform their business and work in a partnership culture, whilst committing to realise the business outcomes needed to be a sustainable and successful organisation - growth, cost reduction, service quality, customer satisfaction, innovation and compliance. Atos is able to deliver these outcomes as it manages risks effectively across the entirety of the business operation and can take a holistic view to customer service and ensure balance and integration across the spectrum of competing pressures.

### Future Challenges

NS&I outsourced its operations in 1999 to Siemens IT Solutions and Services, which was acquired by Atos in 2011, and the service has been managed by Atos over the last six years. The partnership between Atos

and NS&I stands the test of time and is future proofed to be flexible to embrace the digital disruption and macro trends facing financial services today. The transformation project is a partnership, underpinned by close collaboration at senior management level. Through Atos' global scientific community, ecosystem of FinTech partners and by leveraging the innovation developed with many Atos financial services clients across the globe, NS&I has access to all the capabilities required to successfully navigate the next wave of disruption.

We continue to invest in the partnership together, exploring the possibilities of blockchain and encryption technologies, artificial intelligence, platforms, prescriptive analytics and accessing wider innovation through open banking API connectivity.

To find out more about our **'success through partnership'** approach to transformation or to discuss any aspect of this paper further with us please

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# About Atos

Atos is a global leader in digital transformation with over 111,000 employees in 73 countries and annual revenue of around € 12 billion.

European number one in Cloud, Cyber Security and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos | Syntel, and Unify, Atos is a SE (Societas Europaea), listed on the CAC40 Paris stock index.

The purpose of Atos is to help design the future of the information technology space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

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Let's start a discussion together

