

Case study - outsourcing, development and support

Overview

A leading global energy company with interests spanning across uranium mining, power station construction, and power transmission & distribution had conducted a review of its UK operations during 2009. This review concluded that the business needed to reduce costs and recommended that the company should divest selected loss-making business activities which would result in the closure of one UK office. This UK office specialised in developing software applications for trading with de-regulated energy markets; some of its activities were earmarked for closure but the review identified that two activities from this site should be retained. One of these activities was involved with developing and supporting a software application widely used by UK energy generators and traders who were engaged in energy trading. The software allows energy traders, UK gas suppliers and electricity generators to operate in the de-regulated energy market, with the software providing an interface with energy industry load balancing and settlement mechanisms such as Elexon and National Grid.



The Software

The software is very well established in the market and is installed in 28 UK power stations and used by around 500 users across the UK. The software is business critical for all its users - any failure of the software or the systems that link to it can result in lost revenue and profit as the software acts as a trading gateway to the industrial and commercial (half hourly) energy market and provides instantaneous operational communications.

The company provided 24/7 helpdesk support for the software application, with service level agreements in place with clients to ensure that any query or problem was actively being resolved within one hour of a client call. Annual support contracts were in place with the customers, with the company agreeing to support the software for at least three years in its current version. The support service also resolves software bug fixes, ensures that the software works with new operating systems and platforms and monitors upcoming systems changes within the energy trading mechanisms which will need to be incorporated into the software to ensure it functions correctly.

The challenge of legacy

Mature software applications, become harder to manage as the years' progress. Applications developed ten or more years ago were typically developed in programming languages or on development platforms which are now reaching end-of-life. This makes these applications harder to support as compatibility with more recent operating systems and languages is not guaranteed. Older software licences expire and are not supported by the vendors. End users begin to upgrade their servers and systems continually, but legacy applications can typically only run on older operating systems. Maintenance of these systems clearly becomes a real challenge.

Solution—service transition and transformation

The company decided that the most appropriate course of action was to outsource the system development, support and maintenance to Dunstan Thomas. Dunstan Thomas was selected from a shortlist of providers. Dunstan Thomas was selected because there was a track record of skills in the technology used, proven experience in being able to provide 24/7 support services and a knowledge of the market area. Once the transition was underway the following key activities were initiated:

- Transfer of infrastructure to Dunstan Thomas, ensuring no break in support service to the customers. This included servers, desktops, support phone lines, remote connections and software vaults.
- A team of Dunstan Thomas staff were located on site to conduct knowledge transfer of the business processes, system architecture and source code. A 3 month transition plan was formulated with Dunstan Thomas staff complimenting the 24x7 support team in the final month.
- All customers were contacted and met with to inform them on the new arrangements and strengthening of the team and services. To ensure that the customer experience was positive on the change of arrangements, Dunstan Thomas committed to the provision of enhanced service levels.

Results – in service transformation

The transition of the services to Dunstan Thomas has provided the company a number of benefits:

- Reduction in costs to company, from headcount, through to physical office and technology infrastructure.
- An increase in service levels and increased communications with the customers that has, as a result provided further opportunities to the company.
- Development of a progressive road map for the evolution of the system including code migration to newer technology which in turn has provided a deeper commitment from the customers.



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