

The governance model devised by Atos Origin has been so well received that the same disciplines are being adopted by all VOSA projects regardless of whether or not they are IT-related.

As Simon Albutt comments, "Any technology we deploy will conform to given standards. Our value is in combining our technical expertise and innovation with a real understanding of our client's business needs."

#### BADGELESS TEAMS

To make the partnership work requires seamless working at all levels of both organisations. Atos Origin has consistently organised work in joint teams across the Agency from the Partnership Board to the Partnership Leadership Team and throughout the operational areas in which it is involved. "It's particularly important that we work alongside client teams if we are to be measured against their performance", says Simon Albutt.

The partnership has enabled each organisation to evolve beyond the traditional lines of customer and supplier to a more integrated way of working. "Our teams are badgeless", says Nigel Shenton. "At the top level we are working to co-ordinate a number of initiatives some of which don't even involve Atos Origin. The end user is the same, so it's critical that we work together to turn these into a coherent programme of work".

The governance structure that Atos Origin has devised enables the team to monitor progress across projects, with a clear process for managing and escalating risks. Inter-dependencies are identified so that Atos Origin can prioritise and focus resources according to need.

"The governance arrangement we have with Atos Origin has been a model for managing complex programmes of change more efficiently", says Nigel Shenton. In fact, it has been so well received that the same disciplines are being adopted by all VOSA projects regardless of whether or not they are IT-related.

#### TECHNICAL INNOVATION

The contract provides the framework into which a range of technology initiatives can fit, many of which serve the needs of a highly distributed workforce and IT estate. Key requirements for the business are flexibility and scalability – so the systems

architecture that Atos Origin has delivered can evolve for future business and technical initiatives.

For example, one of the business propositions identified by Atos Origin during the procurement process was to support VOSA's key business objective to increase the proportion of defective vehicles stopped at the roadside. The Targeted Enforcement Programme aims to increase the effectiveness of spot checks by enabling VOSA to target time and resources on people most likely to offend. Atos Origin is helping VOSA to design and implement a package of new business processes, intelligence information and training for enforcement agents to meet the objectives of the Programme. A key enabler is the state-of-the-art handheld devices that will convey real-time information to enforcement agents at the roadside.

#### MUTUAL BENEFIT

Atos Origin staff working with VOSA remain keen to demonstrate value – not just in the advice and services they provide, but also through the end results. "Overall, our relationship with VOSA is characterised by trust", says Simon Albutt. "When we signed the contract, VOSA effectively transferred significant risk to us. In turn we have the flexibility in the way we deliver services".

Under this innovative contract arrangement, not only is Atos Origin delivering core outsourcing services but also a major change programme to help VOSA achieve Government-driven targets to reduce the number of serious accidents on Britain's roads and to reduce levels of vehicle-related crime. For example, the Targeted Enforcement Programme shows how an integrated programme of change, measured against business performance, can be delivered within existing outsourcing arrangements.

"The partnership model is giving us the freedom to work together for mutual benefit", says Jeff Belt. "This contract is fixed for a substantial period of time. What we're doing with Atos Origin is building a model for outsourcing services in the future."

# BUSINESS OUTCOME OUTSOURCING

**The Vehicle and Operator Services Agency (VOSA) is the UK Government agency responsible for improving safety and environmental standards on the roads. In 2002, working with Atos Origin\*, VOSA forged an innovative new partnership which is leading the industry as a blueprint for outsourcing services in years to come.**



Vehicle & Operator Services Agency

BEST MANAGEMENT  
PRACTICE AWARDS  
M·C·A  
MANAGEMENT  
CONSULTANCIES  
ASSOCIATION  
SILVER

"We have found a partner with whom we can share the real risks and rewards of our business. Atos Origin has helped us radically alter the way VOSA works."

Jeff Belt, Finance and Partnership Director, VOSA

As part of a nine-year programme of work VOSA and Atos Origin have negotiated a commercial structure by which Atos Origin is targeted and paid on the basis of Agency's business performance. "This is a completely new commercial model for partnerships between the public and private sectors", comments Simon Albutt, Account Director at Atos Origin. "We believe that collaboration and partnership are essential if outsourcing services are to deliver real value. With VOSA we have a framework for making it happen."

The fresh approach is already delivering benefits. "Our contract with Atos Origin breaks new ground", says Jeff Belt, Finance and Partnership Director for VOSA. "We have found a partner with whom we can share the real risks and rewards of our business. Atos Origin has helped us radically alter the way VOSA works."

#### CONSTRAINED

As road usage rises inexorably, the aims of VOSA are to improve road safety, reduce the number of deaths and serious injuries on the roads and to reduce the levels of vehicle-related crime. Core activities include supervising the MOT scheme, statutory testing of Heavy Goods Vehicles and Public Service Vehicles, carrying out roadside and other spot checks, licensing and registering HGV and PSV operators, and carrying out specialised inspections of other types of vehicles, including imported vehicles.

Facing an increasing pace of change, VOSA had found itself constrained by outsourcing arrangements that didn't accommodate shifting requirements. For example, if the number of staff based at an office changed, then the core services arrangements had to be amended accordingly. Each modification had to be scoped and costed

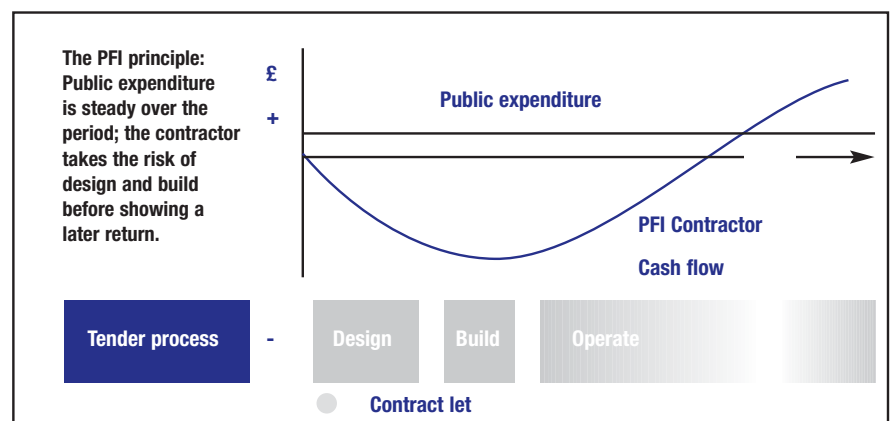
separately, resulting in huge amounts of work for VOSA and its suppliers.

"We had found that rigid outsourcing arrangements were making it difficult to evolve our IT infrastructure in line with our business needs", says Nigel Shenton, Head of IT at VOSA. "We wanted to structure a relationship that would offer more commercial flexibility."

#### A NEW SERVICE MODEL

Traditionally, IT services for the public sector have been procured by awarding a contract to the supplier who best meets the statement of requirements. This worked well for commodity services that could be provided to an agreed standard (the Service Level Agreement), and services where the required schedule of work could be planned well in advance. But for longer-term partnerships, where the schedule of work was potentially unclear, there were a number of key problems. There have been many cases of contractors and Government agencies attempting to agree changes to scope (and to the corresponding charges) in the middle of large-scale projects. These have often resulted in high-profile delays that have led to over-spend and disruption to service for the public sector, and damaged relationships with suppliers.

In an attempt to address this issue, the Private Finance Initiative – and more specifically the Public Private Partnership (PPP) – was devised. Through the PPP, a private contractor would design, build and operate (DBO) a facility such as a prison or a hospital. This gave the contractor freedom to innovate, while transferring the risk of project delay and over-spend out of the public sector. For the contractor, the prospect of a reasonable long-term revenue stream and control over the design and build of the facility would be attractive.



\* The services referred to herein were delivered by the IT Services division of Schlumberger (known at the time as SchlumbergerSema). This division has now been acquired by, and merged into, Atos Origin.

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The PPP model rarely works for large-scale information systems and consultancy projects. Computer systems and applications are rarely 'greenfield'; and existing estates are usually transferred to the new outsourcing supplier. New systems are developed according to specific needs which can change frequently – so flexibility is a key requirement. And if a contract specifies which technologies should be used, then the process of moving to a newer, more appropriate technology can be slow enough to lead to missed opportunities.

"Because our business was changing quickly to meet ambitious Government targets, it was clear that the services of any future IS and consultancy provider could not be constrained by an inflexible procurement", explains Nigel Shenton. A new service model was required.

#### COMMERCIAL FLEXIBILITY

At the beginning of the procurement process VOSA produced a Statement of Partnership Outcome Requirements (SPOR) that was given to all potential bidders for the outsourcing contract. This gave a clear indication of the strategic outcomes that VOSA was seeking, and enabled Atos Origin to focus on the real business needs of the Agency.

VOSA stated up front their budget for the services and a challenging set of expectations from the new contract. Potential contractors, including Atos Origin, then developed a number of business propositions aimed at enhancing VOSA's business. "Each set of business propositions was different", comments Jeff Belt. "Already, at such a relatively early stage in the process, a number of different programme design routes were opening up that we could follow."

Atos Origin was awarded the nine-year programme of work to modernise VOSA's IT infrastructure. "We chose Atos Origin because they offered an affordable, adventurous and integrated programme of work – underpinned by commercial flexibility", says Nigel Shenton. "The redevelopment of our IT infrastructure is financed as a managed service, which means that we can plan our spend. Atos Origin also successfully demonstrated how their service would be measured using key performance indicators that are related to how well we

perform as a business." Another feature of the Atos Origin proposal was an innovative programme of work designed to enable VOSA to meet its stringent vehicle enforcement targets.

Transition from the previous supplier to Atos Origin took place over Christmas 2002 and live service commenced on the 1st January 2003.

#### SHARING RISK AND REWARD

The flexible partnership between VOSA and Atos Origin shares risk and reward so that each organisation is left free to focus on what it does best.

- All projects are fixed price, so the risk of cost over-runs is borne by Atos Origin. Project costs are incorporated into a managed service payment profile which, while penalising any late delivery, is not designed to be unduly harsh or destabilise the partnership.
- Project successes are assessed by key performance indicators which measure the business benefit conferred by the solution. The risk of non-achievement is borne by both parties.

"Our experience with VOSA has proved that if the scope of a project is expressed in terms of a desired business outcome, and we are empowered to choose the most appropriate method of implementation, then we can manage risk effectively", says Simon Albutt. It also means that traceability and accountability improve dramatically. One example is the provision of knowledge management services, the success of which is measured by the amount of time that users spend looking at each page on the knowledge management system. "Obviously we're not in control of how long users spend looking at the information", says Simon Albutt. "But we believe that if we keep the system relevant and up to date, we can ensure that it makes a real difference to VOSA's business."

Underpinning the partnership is a commitment to offer a business rather than a technology focus. The terms of the contract mean that any lack of focus on VOSA's business objectives will result in neither party reaping the potential benefits of the innovative risk-reward arrangements they have devised.