



Case Study Kingfisher



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Case Study

Kingfisher

IntelligentComms brings new insight

Kingfisher is Europe's leading home improvement retailer and the third largest in the world, with around 840 stores in 8 countries in Europe and Asia. They have market-leading positions in the UK, France, Poland, Turkey and China with brands such as B&Q, Screwfix and Castorama.

Increasingly they are looking to harness their international group strengths to create competitive advantage in local markets, drive higher cash returns and deliver more value for their shareholders.

Mike Bell, Group CIO, is already using this strength across the group's telecoms and IT services. However, in the telecoms space this is often easier said than done due to the complexities created by suppliers.

Over the past three years Kingfisher have worked towards consolidating all fixed voice, mobile and WAN services onto a single network provider and are now working with IntelligentComms to understand the impact of that decision and ensure that best value is being achieved.



Initial Analysis

One of the key aims of IntelligentComms' initial role was to give Kingfisher a centralised inventory of all telecom services across the group. This was driven by Mike's concern that poor visibility was being provided by the current providers, especially around billing breakdown and accuracy.

In addition, Kingfisher was also uncertain if it was receiving best cost and service from these providers, and was unable to measure this.

We first carried out an analysis of all Kingfisher's services across its entire UK and Central European operations in order to gain an accurate profile. This included a complete review of the telecoms estate to uncover surplus services and expenditure. Once we had completed this analysis and checked it against the company's internal systems, we then undertook a sourcing exercise in order to identify whether Kingfisher was indeed

receiving best cost and service - working with key internal stakeholders to ensure that finance, IT and procurement requirements were considered as part of the process.

This sourcing activity involved issuing a request for proposal, in order to gather up-to-date pricing and service details from the marketplace. We then analysed all information received against Kingfisher's profile, to give us an accurate understanding as to which provider would meet the company's commercial and technical requirements most effectively.

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'Telecoms is a significant cost line – usually managed daily for service but commercially at contract renewal every 3 to 5 years. This mismatch fails to manage the cost creep which occurs during a contract's lifetime, and the lack of real time comparison often ties businesses to monolithic one-size-fits-all contracts.

IntelligentComms with its Veropath software changes all this. It provides the potential to make cost savings within an existing contract framework and then sustain them. More importantly, it provides a fantastic basis for changing the ongoing contract dynamics.'

Mike Bell
Group CIO, Kingfisher

Ongoing Management

Whilst the analysis and sourcing projects delivered immediate benefits for the company, it was quickly identified that there was a lack of information available from the chosen network provider. Kingfisher needed management reporting across all of its telecoms services to allow for departmental charge-backs and proof of savings across the entire UK and Central European estate, and to cover some key areas of vital reporting across the business.

This was made possible through our ongoing management service which gives Kingfisher access to our Veropath telecoms contract lifecycle management platform via an intuitive and customisable web interface. We also enter all of the company's billing data into the system on a monthly basis as part of the service.

This management service gives Kingfisher access to all reporting and telecoms analysis and enables it to audit all telecoms bills, to check accuracy of invoicing across all fixed, variable and international costs. It also allows the company to re-price all transactions against the old and new contracts to prove savings to the business - and to re-calculate these costs, by business unit, to demonstrate savings across all business divisions. This access has been rolled out to a number of key individuals throughout the business, to ensure that it is aligned with all internal accounts and internal payment processes.

Benefits for Kingfisher

Reduced cost - After the analysis and sourcing exercise, Kingfisher has benefited from a significant reduction on its overall UK and Central European telecoms spend.

Improved accuracy - With the use of the management service, Kingfisher benefits from precise bill checking and asset management, sharing accurate data to ensure all assets are managed and billed correctly. Executives are now able to view savings by business unit, location and across the group, allowing accurate decisions to be made on provider offerings from their incumbent during monthly provider meetings.

Enhanced reporting - The Veropath platform enables key users to access intelligent and accurate reporting, aligned to their invoiced totals across the entire business, via a secure web interface. Historically this internal reporting process was resource heavy and relied on inadequate system processes to deliver the results, but now accurate and timely reporting is assured across the entire business.

A new approach to contracts – Instead of fixed 3/5 year contracts a totally new opportunity to put in place different forms of benchmarked contracts with frequent break clauses, to ensure value for money is delivered and enabling Kingfisher to get the best deal in the marketplace at any point in time.

The benefits which Kingfisher is gaining are possible thanks to the experience of the IntelligentComms team and its unique industry-leading software platform working closely with the in house team.

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