

Delivering TNT business process integration takes 'orange blood'



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Anwar Mirza
Financial Systems Director
TNT Express

TNT Express is a world leading provider of express delivery services, providing on-demand, time-definite and day-certain delivery of documents, parcels and freight.

Behind the millions of global consignments delivered every week by TNT Express, lies an array of business processes to support commercial and financial analysis. Historically, these were driven by a suite of legacy software systems and engines, many doing very similar things, and centred on activity based costing. This enabled the business to evaluate costs for distributing consignments, and provided analysis and modelling to determine pricing for different customers and product lines.

Anwar Mirza, Financial Systems Director at TNT Express, provides a crucial link between the financial departments at the TNT Express head office in Amsterdam and the company's Information and Communication Services (ICS)

department based in Atherstone, Warwickshire. After internal review, Anwar Mirza saw the potential to integrate several of the existing standalone system processes, including commercial analysis of revenue and costs; transfer pricing; fiscal management (external tax accounting); and other smaller business process systems.

"Over the years, we had internally built a number of applications which operated independently, and were nearing end-of-life. This presented an opportunity to develop something new, and to see if we could integrate the different engines and pieces of software to collectively perform the same tasks, but with greater efficiency."

"It had to be a strong relationship from the word 'go', with strong channels of communication and dialogue. They really opened their door to us and it's that sort of collaborative environment that helped make the project such a success."

Integrated solution

Different business processes produced marginal output variations, so aligning the processes to reconcile results was a key driver. TNT Express organised a series of workshops to bounce ideas around and consider whether the business processes could be integrated or not. "At that stage, the software and applications were irrelevant really," says Anwar Mirza. "It was all about the business processes."

Evaluation indicated that there was no reason to maintain standalone processes and that integration was viable. "Even if we decided not to integrate the processes, the software certainly could be," says Anwar Mirza. "But we opted to try to converge the business processes end-to-end and the software as well."

With the requirements mapped out, Anwar Mirza approached ICS with the challenge of integrating separate software applications into one. The ICS team proposed an internal build evaluation and cost analysis while simultaneously assessing the options for a proprietary system. They eventually opted for a bespoke, in-house, solution.

During the workshop phase, Anwar Mirza identified the opportunity to integrate the activity costing engine, in addition to replacing the original four systems, all on a single platform. "It's a big ask for any business to do that," says Anwar Mirza. "Many companies might say publicly that they've got them aligned but often behind closed doors that's not really the case. We decided to make a significant investment to develop the new single engine, and also a major manpower commitment for a good 2-3 years to hone and fine tune all of the intricate components within those business processes."

Project resources

The next step was considering TNT's capability to undertake the project in-house or whether to appoint one of its internal IT partners. Steve Miller, Express ICS System Development Manager for management information & business analytics, concluded that there wasn't sufficient resource internally to cover such a major project. "I've got a team of 30 people and they're constantly at full capacity, so we took a decision to outsource the work," he says. "We looked at our supplier base and Whistlebrook Ltd was a logical recommendation. We've been working with them since 2002, including supply of one of the original legacy systems, and they have proven very capable of running large projects, taking on management as well as the development aspects."

With a high workload, ICS tends to use Whistlebrook as a buffer, and relies on them to take on a project and deal with it as their own, rather than needing a lot of input. For the business process integration project, Whistlebrook undertook everything during a three year period including the documenting of the initial vision, analysis, development, and roll out of training.

"I don't view them as a supplier as such, I treat them as an extension of the IT team here," says Steve Miller. "They certainly work in a way that we'd expect from people internally, and thoroughly understand all our processes and procedures."

Whistlebrook

INSIGHT THROUGH INTELLIGENT SOLUTIONS

"We have a saying in TNT that people reach a point where they have orange blood. We feel that's the case for Whistlebrook."

The power of partnerships

Considering this is a multi-million pound project, Steve Miller says his involvement has been lower than he would have expected over the lifecycle of the project, because Whistlebrook deal with a lot of issues themselves. "They are the ones empowered to gather the requirements, do the development and provide the support. I get involved more at the steering, high-level project direction level rather than day-to-day project management."

However, ultimate responsibility for system development lies with Steve Miller and he acknowledges the need to invest a lot of trust in Whistlebrook. "Yes, they're a supplier but we very much work together to develop solutions. TNT is in the business of delivering things quickly, and the philosophy permeates the whole organisation – whether it's parcels or IT systems. Whistlebrook are very tuned into that. They've bought into the business process as well as the technical aspects and achieving what they commit to deliver. I'd challenge any company to do it any better."

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Project delivery

TNT Express is grounded in teamwork and fast, accurate delivery. Anwar Mirza agrees with the importance of forming partnerships with suppliers. "ICS proposed Whistlebrook but if I hadn't thought we could partner with them I wouldn't have gone ahead." TNT Express had worked successfully with Whistlebrook on other large projects, and has found that flexibility and close co-operation is the key. "It had to be a strong relationship from the word 'go', with strong channels of communication and dialogue. They really opened their door to us and it's that sort of collaborative environment that helped make the project such a success."

Whistlebrook director Helen Reinson says they initially considered some packaged solutions but in the end opted for a bespoke development working with the ICS department. "The technologies spanned over Java WebSphere for the front-end, a COBOL mid-end for high volume, complex transaction processes, then Cognos BI toolsets for the reports and cubes and all the analysis tools that allow the end-users to view the results of this process."

"As part of that process we updated the whole costing and calculation routines. The system can deal with in excess of 3-4 million consignments per run and can drill down to a very low level, for example what was the pick up cost, the sales cost or ICS cost for any individual consignment."

Return on investment

TNT Express uses the processes centrally across the whole organisation; globally hundreds of people access information from the system, many on a daily basis. The project has had a very high profile within TNT because it impacts on delivery of the Profit and Loss accounts, but the investment has paid off significantly both in operational terms and financially.

"Within the first year of implementation we achieved a software return on investment of 200 per cent," says Anwar Mirza. "That's a big yield, and that came from just one of the five or six business processes that we integrated. The biggest change operationally is that we don't spend so much time reconciling numbers from different outputs. If a commercial person reports on the profitability of a major account, the finance team don't need to spend weeks verifying the figures. That's the biggest win, that we have what I call reliance on the information being presented to our decision makers."



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