



## CLIENT EXPERIENCE

# TCS reinforces retail excellence by delivering end to end IT Outsourcing to Somerfield

Customer  
**Somerfield Stores Ltd.**

**Somerfield**

Industry  
**Retail**

Offering  
**End to End  
IT Outsourcing**

UK supermarket retailer Somerfield operates around 1,000 stores and employs around 50,000 people. The company focuses on selling high-quality groceries, convenience and fresh foods in local stores, offering around 4,000 own-label products including the successful Simply Value brand. The company, headquartered in Bristol, England, was acquired by private investors in December 2005.

In 2006, Somerfield chose to outsource its entire IT operations to Tata Consultancy Services (TCS), which took on complete responsibility for service delivery and system performance. The aim was to reduce the total operational costs, improve service, allowing Somerfield staff to focus on retailing excellence, and build a relationship that would contribute to the successful re-launch of the Somerfield brand. TCS has been working with Somerfield over 9 years, delivering several key projects, resulting in the relationship maturing into the next level, with Somerfield outsourcing the entire IT operations to TCS.



**TATA CONSULTANCY SERVICES**

Experience certainty. IT Services  
Business Solutions  
Outsourcing

## **Business Situation**

### *Cost-effective operations :*

Somerfield specialises in smaller-format stores serving local communities, competing against both the dominant supermarkets and neighbourhood stores. Reducing costs is a key element in the success of the business, and Somerfield is always looking for ways to streamline business and information management processes across the entire retail landscape.

### *IT in expert hands :*

On acquisition by private investors in 2005, cost reduction and business efficiency became an even higher priority, especially for the IT department. Somerfield's in-house team did not have the IT expertise to deliver further operational improvements, and it was clear that outsourcing IT operations would make good financial and business sense. An essential element of effective outsourcing was to minimise risk by partnering with a trusted supplier that had a good understanding of its business and applications; for this reason, Somerfield selected TCS as its IT partner.

## **TCS Solution**

### *Comprehensive IT services :*

Somerfield signed a seven-year agreement with TCS to provide a full range of managed IT services. Under the arrangement, TCS operates and supports all of Somerfield's key business systems at its Bristol headquarters and in its stores as well as its primary data centre and its disaster recovery centre. While Somerfield continues to own the data, hardware and software licences, TCS is responsible for the end-to-end delivery of IT services and the management of vendors: a total IT outsourcing agreement.

Services include application support, infrastructure management, service desk provision, application development and contract management. The TCS agreement includes almost all Somerfield business areas, including finance, supply chain, human resources, logistics and merchandising. With only 20 people in the IT department, Somerfield personnel focus on delivering the business strategy set by the executive board and reducing operational costs.

### *Streamlining business processes :*

With an aggressive cost-reduction programme, Somerfield's constant challenge is to find ways to make business processes better, simpler and faster. TCS helped Somerfield streamline a number of processes related to application development, enabling the company to move many development projects off-shore – and delivering an immediate reduction in costs.

For example, in one case where Somerfield was looking for specific functionality to add to its financial systems, available packaged software was either too expensive or did not meet relevant criteria. TCS was able to develop a new solution that was fully integrated with existing applications, and deliver the software at a considerably lower cost, and well within the agreed timescales.

## Benefits

### *Meeting strategic objectives :*

With full operational support from TCS, Somerfield expects to make significant IT cost savings – and by removing the need to worry about IT management, the company can focus on meeting the strategic priorities of the business. TCS achieved significant key milestones, thereby helping Somerfield to evolve into a 'better, simpler and faster' company.

**Better** - TCS has brought in enhanced IT process maturity, significant risk reduction, massive operational efficiencies and service improvements and made the infrastructure much more robust and resilient

**Simpler** - Being the single service provider, TCS has brought in much simpler service processes and also carried out infrastructure rationalization leading to simpler IT environment

**Faster** - TCS' scale and flexibility has allowed it to respond to challenges much faster, thereby making the business more agile

TCS has successfully delivered several innovative business solutions leading to improved business results and improved customer satisfaction.

“ We chose TCS not only because we had been working with them successfully for a number of years, but also because of their expertise in taking on a contract of this nature and their desire to make the contract work commercially for us as well as them. The outsourcing has gone incredibly smoothly - we continue to see improvements to service for our stores and support centre colleagues.”

**- Oliver Meakin**

Group Strategy and Business Systems Director,  
Somerfield

### *A close partnership :*

With the outsourcing agreement in place, Somerfield's IT infrastructure needs are now handled as business-as-usual within comprehensive service level agreements. TCS was working with Somerfield earlier delivering some key projects and this resulted in the relationship maturing into the next level with Somerfield outsourcing the entire IT operations to TCS.

“ The scale of off-shore support is a distinctive feature of the arrangement. TCS and Somerfield have worked in a very co-operative and positive way to make this delivery model work effectively and efficiently. The partnership nature of the relationship is a noticeable characteristic, with both sides looking for a win/win position. Co-operation and shared achievement is core to the process. Getting on as people also helps the situation.”

**- Mike Bell**  
IT Director,  
Somerfield

## Why TCS?

TCS and Somerfield work together as a proactive partnership, where, for both companies, success is the common destination. With TCS, Somerfield has found a partner that can be trusted to deliver on its promises, on time, every time – providing the certainty that is essential for confident strategic planning.

"The result of choosing TCS is an incredibly flexible contract with extremely competitive commercial terms that has delivered on every objective. TCS is an excellent choice of partner due to its competitiveness, cultural fit and flexibility of service."

- **Richard Beale**,  
Group Procurement Director at  
Somerfield.

## About Tata Consultancy Services (TCS)

Tata Consultancy Services is an IT services, business solutions, and outsourcing organization that delivers real results to global businesses, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled services delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development.

A part of the Tata Group, India's largest industrial conglomerate, TCS has over 100,000 of the world's best trained IT consultants in 50 countries. The company generated consolidated revenues of US \$5.7 billion for fiscal year ended 31 March 2008 and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

For more information, visit us at [www.tcs.com](http://www.tcs.com).

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