

# Avanade supports Centrica's 50% increase in trading volumes

Centrica Energy and Marketing Trading's (EM&T) trading platform was constraining their business at a time when it needed to maximize its performance. To deliver the speed it needed as a digital business, Centrica EM&T turned to Avanade, its Managed Services partner. Avanade applied a hybrid onshore/offshore team to enhance both the technology and the practices surrounding its use. As a result of increased stability in applications and other business improvements, trading volume is up by 50%, buoyed by higher uptime and faster batch runs.

### Situation

Centrica, an integrated international energy company, faced increasing business demands on its trading platform - demands that the error-prone system was unable to meet.

### Solution

Centrica EM&T engaged Avanade's Managed Services team, which supported the company with Application Managed Services for more than 100 trading platform custom applications. Those services include a combination of onshore and offshore resources for ongoing application management, application development and application portfolio management.

### Benefits

- 50% increase in trading volume
- 50% reduction in downtime incidents
- 60% reduction in time to resolve incidents

*"IT used to be the bottleneck on anything that needed to get done. Since working with Avanade, we have a track record of meeting business needs. IT is now an asset that gives the business confidence to explore opportunities."*

*—Stuart Beeston, Chief Operations Officer, Centrica Energy Marketing and Trading*

## Case Study

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### IT and business success

As companies increasingly transform themselves into digital businesses, their IT operations don't merely become more ubiquitous - they become more crucial to business success.

That is certainly the case for Centrica an integrated, international energy company with major interests in energy production, supply, and storage throughout the UK, Ireland, and North America.

Centrica EM&T's trading platform was a case in point. Platform uptime was essential to capturing maximum revenue from trading operations. So was the speed of overnight batch runs, which had to be completed before traders could know their starting positions for the next day.

But the trading platform didn't perform at the level, and with the speed, that Centrica EM&T needed to meet its business goals.

*"There were real problems with the daily experience of the service," says Stuart Beeston, Chief Operations Officer at Centrica EM&T. "We had an enormous number of support incidents, and batch runs frequently ran into the next trading day."*

This wasn't just a technical problem. It was a business problem, one that hampered the work of Centrica EM&T's traders at a time when there was growing pressure to increase trading volume. Moreover, according to Beeston, IT was increasingly seen as a bottleneck not only to trading volume, but to the company's expansion into new markets and services. Something had to be done.

Centrica EM&T attributed much of the problem to a failure to control and properly maintain the platform. In addition, more comprehensive support operations were needed, along with a modernization of key components.

### A provenance with appeal

To solve its technology issues, Centrica EM&T chose Avanade, founded by Microsoft and Accenture.

*"We're very much a Microsoft shop so Avanade's depth of expertise in Microsoft technologies was particularly appropriate for our application development and management needs," says Dean Eaves, Head of Information Systems at Centrica EM&T. "Also, access to Accenture's commodities practice meant that Avanade were able to provide specialist resources to facilitate IS improvements."*

He was right.

Centrica EM&T engaged Avanade in 2013. By the end of 2014, the trading platform supported a 50 percent increase in trading volume, along with a corresponding increase in gross margins. Behind that business turnaround was an equally remarkable technology turnaround. Platform uptime is at 99.9 percent, in part as a result of reductions in the number of downtime incidents (by 50 percent) and in the average time to resolve those incidents (by 60 percent). Overnight batch-runs are now regularly completing in time for start of daily operations, when previously they were frequently over-running and without proper maintenance would regularly fail to meet business needs.

Research firm IDC estimates that the cumulative benefit of Avanade's engagement to Centrica EM&T over five years will be substantial. Most of its gain will come from the additional business Centrica EM&T can capture as it increasingly becomes a digital workplace in which traders are more able to maximize their productivity, aided, rather than hindered, by the trading platform.

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### Onshore & offshore deployment

Avanade put in place a team of 100 consultants, 20 deployed on application development, and 80 on a range of application maintenance functions, including preventative maintenance, second and third tier maintenance, environmental management, testing services, and database administration. About 30 percent of the Avanade consultants were located with Centrica EM&T's own IT staff, where they could provide knowledge transfer to make their staff more effective.

Seventy percent of the Avanade team was stationed offshore, at Avanade's application facilities in Bangalore and Delhi. This use of offshore resources achieved cost benefits, also achieving the main goal of removing key man dependencies. This gave access to a greater depth of expertise and increased flexibility.

One of the key functions of the Avanade team was to extend and

enhance the useful life of a trading platform that was recognised by Centrica EM&T to be multiple versions out-of-date. Avanade rewrote core services, introduced additional test automation, identified and addressed gaps in system reliability, and helped to reduce the server count of the underlying infrastructure.

Avanade used Agile best practices to deliver almost 700 change improvements to the platform during 2014, a 200 percent increase over the year before. Those changes were instrumental in enabling the platform to achieve the higher trading volumes and uptime.

*All of these contributions fit a theme, according to Beeston. "Avanade gave us a program to increase stability and minimize disruption throughout the transition," he says. "Outsourcing to a provider naturally entails some risk, but Avanade never dropped the ball."*

### Really listening

One of Avanade's greatest strengths, according to Centrica EM&T was listening.

*"Avanade began really listening to us during the proposal stage, and they haven't stopped," says Beeston. "They came back to us with a proposal that truly addressed our level of technology maturity, and provided the support we needed during the transition."*

The listening has continued throughout the engagement. For example, while Avanade delivered 100 percent on its service level agreements throughout 2014, that wasn't enough for Avanade.

*"From its conversations with us, Avanade recognized that we needed more, so it added a set of business-aligned KPIs to its SLAs that enable us to better identify and respond to critical business pain points," says Beeston. "We need to become a digital business, and support like this from Avanade is helping us to get there."*



#### About Avanade

Avanade leads in providing innovative digital services, business solutions and design-led experiences for its clients, delivered through the power of people and the Microsoft ecosystem. Our professionals combine technology, business and industry expertise to build and deploy solutions to realize results for clients and their customers. Avanade has 27,000 digitally connected people across 23 countries, bringing clients the best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at [www.avanade.com](http://www.avanade.com).

#### North America

Seattle  
Phone +1 206 239 5600  
[America@avanade.com](mailto:America@avanade.com)

#### South America

Sao Paulo  
Phone +55 (11) 5188 3000  
[LatinAmerica@avanade.com](mailto:LatinAmerica@avanade.com)

#### Africa

Pretoria  
Phone +27 12 622 4400  
[SouthAfrica@avanade.com](mailto:SouthAfrica@avanade.com)

#### Asia-Pacific

Sydney  
Phone +61 2 9005 6772  
[AsiaPac@avanade.com](mailto:AsiaPac@avanade.com)

#### Europe

London  
Phone +44 (0) 20 7025 1000  
[Europe@avanade.com](mailto:Europe@avanade.com)

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