

Port@I – Building To Order

“The best capacity solution to come to market for aeons”

Introduction

Off the drawing board...

What would the ideal capacity solution comprise given a blank sheet of paper and unfettered thinking?

- A facility designed and built bespoke to your own requirements
- Guaranteed delivery date
- Minimal capital requirements
- A term commensurate with your business’s planning horizon
- Someone to shoulder change requirements and their delivery
- Clean exit (i.e. no dilapidations or exit fees)
- Attractive options at the end of the contract term
- Cost effectiveness

...and into reality



Background

E.ON UK, then known as Powergen, were faced with the relocation of an existing operation comprising call centre and back office functions (HR, Payroll and IT), having decided to sell off its freehold premises in Arnold on the northern outskirts of Nottingham for residential redevelopment. With little time available the options were seemingly limited, either take a long-term lease or build a new freehold property.

The Company had however been introduced to hosting via its Retail division a year earlier when Port@I set up a 175-seat outbound facility for the E.ON UK centre of excellence in Rotherham, a project that had gone exceptionally smoothly.

Challenges

The main challenges E.ON UK faced were:

- a shortage of time
- signing a long term lease or developing a new freehold would have created a similar downstream dependence to the one they were currently seeking to exit
- the utility market had become dynamic overnight and with it a significant foreshortening of the planning horizon; adaptability and responsiveness had become key attributes of any solution

“Port@I, working in conjunction with their property development partners, Cannock Developments, have devised the most innovative capacity solution to come to market for decades.”

E.ON UK

The solution

Using their market knowledge and delivery expertise Port@I and Cannock worked together with E.ON UK to source a green field site, develop a bespoke 600-seat centre and deliver a turnkey solution within 14 months of the initial conversation and just 10 months from contract.

Notably, the term of commitment from E.ON UK was just 5 years and delivered on an operational contract basis i.e. the charging mechanism was per workstation per month to agreed service levels.

Furthermore, at the end of the 5-year term, E.ON UK had the options to either make a clean exit (no dilapidations, legal fees or write-offs of the infrastructure provided by Port@I), continue under the hosted arrangements or take over the facility with Port@I in effect exiting.



Results

Based on the concept of an operational lease, the solution avoided some of the main constraining factors of traditional solutions such as:

- Implementation overruns of time and cost
- Delays caused in signing off traditional capital projects
- Long-term leases and the associated liability created
- Expenditure of capital and the associated risk of write-offs
- Rigidity – inability to adapt to changing circumstances

Over the 4 years that the contract has run, to date, the number of workstations delivered on site have varied by 20%. The layout of the workspaces has changed many times, the form of the operations delivered from the facility have changed markedly (there are now no call centre seats in operation) and the nature of the site itself has changed dramatically.

Financial considerations

- Guaranteed pricing avoids costly overruns
- Operational contracting means that infrastructure and support services are governed by SLA
- Clarity and predictability of cost from the outset

“Finally someone has looked at capacity requirements from a client’s perspective.”

“Port@I have been there throughout to effect the changes that the business has needed to make and remove much of the pain, inconvenience and delays that we would otherwise have faced”

“You would expect that a model with such a degree of tailoring and occupier friendliness would command a significant, perhaps unaffordable, premium. However Cannock & Port@I have demonstrated that with innovation, excellence in delivery and the right ethos that such a solution is feasible ... and with better cost effectiveness than if we had have undertaken the project ourselves.”

E.ON UK