Case study

SGN

Transforming SGN's IT: Cloud-First Strategy Delivers £1 Million Savings

Sector: Energy. Contract period: February'19 – September'20

When SGN set out to modernise their IT systems, they faced complex challenges that required more than just a technology upgrade. Here's how Barkers helped them achieve a cloud-first strategy while delivering significant cost savings.

Summary

SGN needed support to transition their internal IT services to a cloud-first system. Using our procurement transformation approach, we collaborated with SGN to establish a robust IT Procurement and Commercial (P&C) function fully integrated with their governance and operational frameworks. As a result, SGN successfully realised their cloud-first IT and business strategy while achieving £1 million in savings.

Business Challenge

SGN required guidance to define and develop their IT procurement transformation activities. Their primary objectives were to:

1. Align the transformation to a cloud-first approach with their overall business and IT strategy.
2. Manage demand for products and services efficiently.
3. Maintain contract and procurement compliance, including Utility Contract Regulations 2016, while safeguarding against unintended breaches and ensuring value from existing contracts.

The project's scale and timing created multiple commercial interdependencies, adding pressure on costs, scope, delivery, and change management, with inherent risks against already committed budgets.

Case study

Our solution

To achieve SGN's objectives, we provided senior procurement and commercial transformation advisory and assurance services, focusing on guidance, leadership, strategy-setting, and project prioritisation.

Key actions included:

- Procurement Framework: Developed a cloud-first aligned procurement framework that integrated seamlessly with SGN's existing policies, procedures, and cyber security requirements.
- Demand Management: Introduced a process enabling SGN to respond flexibly and rapidly to project needs, including running dedicated tenders.
- Compliance and Governance: Maintained UCR 2016 procurement compliance, implemented an IT P&C Governance and Operational Framework, and mitigated contract breaches through post-signature contract management and supplier relationship strategies.
- Supplier and Contract Management: Managed interdependencies, leveraged key contracts, and supported onboarding new suppliers including Amazon (AWS), HCL, and Fujitsu.
- On-Site Managed Service: Recruited and trained a Barkers on-site team to deliver all third-party IT procurement activities efficiently.

The results

The transformation delivered measurable business impact, demonstrating both strategic and financial success. Key achievements include:

- Successful procurement transformation achieved.
- £1 million in savings realised through tendering and commercial activity processes.
- Over £1.8 million in cost offsets by leveraging key contracts.
- Cloud-first IT strategy realised using a flexible, fit-for-purpose procurement framework.
- Unfavourable variances in contractually committed costs mitigated, while exit and dual-running costs were controlled.