British Gas Services Fix their Supply Chain with OpenText

OpenText™ B2B Managed Services helps to reduce transaction costs, minimize stock levels, facilitate new international suppliers, and shorten order-processing times.

British Gas is the leading energy supplier in the United Kingdom (UK), serving around 11 million homes, as well as providing energy to nearly one million UK business premises. As well as supplying energy, their UK Residential Services business offers a comprehensive range of services, including installation and servicing of boilers, electrical systems, appliances, plumbing, and drains. These are all underpinned by a network of over 10,000 engineers, six training academies, and a state-of-the-art National Distribution Center. The company also offers insurance-based products, including boiler cover.

Keeping stock of the plethora of spare parts needed to repair and service the vast array of heating systems and appliances covered by British Gas Services requires a smooth and efficient parts-ordering capability.

British Gas had long been using Electronic Data Interchange (EDI) to place orders electronically with suppliers, but their system was aging and at risk of suffering outages. Any downtime could lead to delays in placing orders and ultimately, customer repairs. The existing in-house system was also expensive to maintain. Adding new trading partners and the necessary data mappings between the suppliers systems and their own was also slow and costly. In order to address these challenges, British Gas turned to OpenText to provide a more cost effective, efficient, and reliable solution.

**Reduced Costs and Increased Reliability**

When considering which solution to choose, British Gas took into account the technical capabilities of vendors they evaluated, alongside the traditional economic buying factors. Having evaluated a number of solutions, they opted for OpenText B2B Managed Services.
Badal Pandya, Development Manager at British Gas Services, explains in more detail, “Our preferred method is the use of a Value Added Network (VAN) for EDI transaction handling. OpenText was one of the suppliers able to meet this requirement, along with our other criteria for performance, stability, and cost.”

British Gas and OpenText had also worked together in the past on EDI projects. The knowledge that had already been built up on the trading partner data mappings also had a positive bearing on the selection.

“As well as their ability to setup and manage our trading partners quickly and accurately, we selected B2B Managed Services to help reduce our operational costs. By moving the solution to B2B Managed Services, we were able to decommission our own hardware, saving on the cost of upgrading and maintenance,” adds Pandya.

One of the drivers for the move to a new solution was the risk posed by the unreliability of the previous system. “Since we implemented B2B Managed Services, we have not suffered any major outages. We know that we can rely on OpenText for our EDI transactions, meaning we’re able to better serve our customers,” explains Pandya.

High Service Levels and International Trading Partner Opportunities

British Gas has strict internal service levels in place to ensure that they meet their customer service standards. They’ve built up a reputation and in order to maintain it, they must be able to place and track orders for spare parts quickly and efficiently. When an order is raised, they use a three-tier service level that determines how quickly the order should be placed with the appropriate supplier.

“Our first tier service level requires that we send an order to a supplier within 20 minutes of it being sent to OpenText via sFTP. With OpenText, we’re easily able to meet this with orders being transmitted typically within just five minutes. Overall, 100% of our orders are transmitted within our tier two and three service level windows; something we were unable to do with the old system,” notes Pandya.

In a competitive market, having a flexible supply chain is important in sourcing the necessary spare parts to meet customer needs. This increasingly requires the use of international suppliers, outside of the UK.

“Being able to bring new, international trading partners onboard used to be an arduous process. However, as OpenText has an international presence, they understand how to quickly and accurately set up the necessary data mappings. We’re now in a position to quickly bring on new suppliers, in both the domestic and international markets,” explains Pandya.

Order Transparency, Real-Time Reporting, Reduced Paper and Full Audit Trails

When an order is placed with a supplier, it’s important to know that it has been transmitted, received, and acknowledged. The audit trail and reporting capabilities of OpenText are providing a much greater level of detail and accuracy – all in real-time, which was never possible with the previous system.

“B2B Managed Services provides a rolling 90-day transaction history, whereas the old system held just four weeks. If we had a query with a supplier after four weeks, we found it hard to trace the order history; this problem is in the past. We can also query the system in real-time to determine order placement, acknowledgement, shipping, and invoicing status,” adds Pandya.

The solution is also making a contribution to the Corporate Social Responsibility (CSR) goals of British Gas. The amount of paper produced has been greatly reduced, partly through the electronic audit trail that is maintained throughout the order lifecycle.

The benefits of the OpenText relationship extend to other areas too. “We’ve been impressed throughout with OpenText. From the initial smooth and trouble-free implementation, that had no discernable impact on the business or trading partners, to the outstanding and responsive customer service that we receive. We used to spend three to four hours per day monitoring and managing our EDI system, we now only do this by exception,” concludes Pandya.

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BADAL PANDYA, DEVELOPMENT MANAGER, BRITISH GAS SERVICES