NETWORK RAIL

Supply Chain Synergy for Network

Network Rail owns and operates Britain's rail infrastructure, including 20,000 miles of track, 9,000 level crossings, 750 tunnels, 2,500 stations, 1,000 signal boxes and 40,000 viaducts and bridges. Three million customers a day depend on Network Rail to deliver its vision of a safe, reliable and efficient railway, fit for the 21st century.

External suppliers play a key role in achieving this vision and Network Rail aims to realise best value by operating world class procurement practices. Network Rail sought our help to deliver integrated systems and processes, the management of its materials supply chains, to provide the right materials at the right time and right price, and to minimise any disruption to the smooth running of the railway.

THE CHALLENGE

Network Rail was operating a wide range of systems and processes across its materials supply chains, with limited co-ordination These covered product management, inventory planning, purchasing, transportation, goods receipting, stock control and paying suppliers. There were separate systems for heavy materials (such as railway sleepers and aggregates) and all other "non-heavy" materials. Some locations used separate spreadsheets and databases that were not linked to any central system and local systems and processes were not always fully documented.

Network Rail had no common method for classifying different types of material, and no company wide overview of what supplies were held in stock or under procurement at any given time. Opportunities to negotiate framework contracts and improved terms with key suppliers were being missed due to the lack of accurate information. In many areas data had to be transferred manually between different parts of the system, creating expensive, time consuming and unproductive workload.

The challenge was to design and then implement one integrated set of systems and processes for both heavy and non-heavy supply chains, and to provide Network Rail with a platform to deal with waste, inefficiencies and lack of usable information in these areas. One of the major challenges was to gain agreement to a common approach across the company.

CASE STUDY
TRANSPORT AND LOGISTICS

"This new implementation will provide a more efficient, controlled and transparent supply chain operation, helping to create a better service to the front line where it can really make an impact on achieving our objectives for the railways in Great Britain."

Stephen Armstrong, Head of Sourcing Policy and Governance, *Network Rail*

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OUR ANSWER

We provided overall project management and a team of consultants which held the necessary mix of skills in Oracle solutions, supply chains and business experience. The consultants worked closely with counterparts in Network Rail, making the project a shared venture at all stages.

The new system is based on Oracle's e-business suite and covers the supply chain from end to end. It gives Network Rail the ability to:

- Forecast, plan and schedule materials to meet future needs
- Request materials and immediately see their availability on-line
- Manage inventory with full visibility of stock levels and locations across the whole country
- Control purchases at all stages including ordering, transportation, delivery, supplier invoicing and payment
- Increase the re-distribution and use of surplus stock and recyclable items
- Automatically update financial and other systems

A SUCCESS STORY

Project Synergy illustrates 'client intimacy' in practice. Mike continues, "We spent time visiting locations across the country, getting to know key people and developing a thorough knowledge of Network Rail's existing systems. The trust and understanding developed during these visits was invaluable in the later stages of the project, which enabled the integration of systems, people and processes across the whole company."

The new systems help staff to do their jobs better, for example:

- Engineers can request maintenance materials and follow the progress of their orders on-line
- Planners can forecast requirements more accurately and view supply and demand across the whole company
- Product specialists can introduce new safety critical items with greater transparency and control
- Finance and other users can spend less time resolving data accuracy problems

Network Rail now has a platform to further develop a reliable and cost effective supply chain in the future.

"A new classification system has been introduced so that every item and supplier now has one consistent description. There is a faster, more automated process for managing safety critical items, including virtually all materials used on the track and surroundings. The processes for repairs and recycling have been revised so that more materials can now be re-used."

Mike Turner, Senior consultant

WHY WORK WITH US

Across the industry, distribution and transport sector, we are known for our technological know-how and delivery record. Companies upgrading legacy systems and those adding new functionality make us their first-choice systems integrator. In a sector where innovation and first mover advantage is key, we stand out as the partner of choice.

Project Synergy has demonstrated some of our key strengths, including:

- An open and flexible approach to designing the best solution
- Always working closely with our client - taking the approach that together we can achieve brilliant results
- Commitment and persistence in overcoming problems
- An enduring relationship - delivery results over a period of more than two years
- An ability to delivery innovative and practical solutions that make a real difference

"The project referenced in this case study was delivered by Logica, which CGI acquired in August 2012".

For more information, please contact us at:

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About CGI

With over 68,000 professionals in 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10.

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