

Case Study: Alcatel-Lucent

Alcatel-Lucent UK has been using Comensura's C.net system for temporary recruitment management to minimise implementation time and free up managers.



"Comensura provides a truly vendor-neutral, end-to-end recruitment management solution, from sourcing, through procurement, to payment."

Geoff Johnston,
Purchasing Manager,
End Use UK & I
Global Procurement & Sourcing,
Alcatel-Lucent.

The scale:

Managed vendors: 30
Service locations: 4
Weekly timesheets: 200
Managed spend: £14.8 million
(Year to November 2007)

The customer:

Alcatel-Lucent is a private sector, global communications solutions provider with UK offices in Newport, Swindon, Maidenhead and Greenwich, close to London's landmark Millennium Dome. Previously ATL, Alcatel merged with Lucent in 2006. Today, the company enables service providers, enterprises and governments world-wide, to deliver voice, data and video communication services to people at home, at work and on the move.

Alcatel-Lucent has 79,000 employees throughout 130 countries world-wide. Its global services team incorporates one of the largest communications research, technology and innovation organisations, with over 25,000 active patents.

The challenge:

Purchasing fragmentation and administrative complexity

Alcatel-Lucent can need as many as 200 contractors and temporary staff at any given time. This temporary workforce is primarily driven by tenders which entail workload peaks, and so the majority of positions are in engineering, manufacturing and production, which account for 60% of temporary employees. The remaining 40% are required in secretarial and administration, and central functions such as sales, marketing and finance.

Prior to 2003, the company (at that time ATL) approached UK recruitment on a location by location basis, with individual managers often selecting vendors based on personal preference, rather than taking a company-wide strategic view. Agencies were charging a wide range of mark-ups, up to 30%.

Inconsistencies in supplier contracts suppliers were inevitable, as was the managerial time spent on seemingly endless paperwork which included handwritten time sheets and approval forms, and pro-forma invoices for purchase orders.

The company recognised that this process was very inefficient. The first steps towards combating this fragmentation were taken in 2003 when Comensura's C.net solution was introduced, for the first time enabling managers to work closely with the Human Resources function, and bringing a cohesiveness to the recruitment strategy. The immediate benefits were significant cost- and time-savings, through the increase in negotiation power with agencies and a drastic reduction in the paperwork burden on managers.

When Alcatel merged with Lucent in 2006, the UK central purchasing function perceived that there was an opportunity to take Comensura's solution to the next level based on their positive experience of C.net. By combining the purchasing functions of the newly-merged organisation, they sought to further simplify the recruitment process by establishing a rationalised, combined vendor base, increasing cost-efficiency and reducing managers' involvement in administration.

Comensura's responsibilities: Standardisation, cost-reduction and transparency

Alcatel (then ATL) originally appointed Comensura as strategic partner on a £3m contract in 2003. Today, around 200 temporary staff are supplied through Comensura for Alcatel-Lucent, equating to an annual spend of around £17m, including wages, on labour.

Comensura manages the day-to-day contact with Alcatel-Lucent's UK vendor base, and its responsibility is now being extended to Ireland and the Netherlands. From contract negotiation to monitoring vendor performance, the objective is to simplify and rationalise Alcatel-Lucent's temporary recruitment process.

Continued overleaf

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Phred Steer, Director,
Redrock Consulting.

Paperless procedures have cut managerial time spent on recruitment, particularly where timesheets and approvals are concerned. Purchase Orders have been eliminated entirely, with invoicing carried out via email.

Vendor selection, management and terms are now strictly controlled. To prevent maverick action by managers, new contractors must be approved by Purchasing, Human Resources and Finance. The contracted agencies are standardised throughout UK, Ireland and the Netherlands, enabling negotiation of preferential pricing. Likewise, the mark-up on agency fees has been reduced significantly and standardised across the board.

Alcatel-Lucent and its vendors appreciate Comensura's independent status. Bristol-based Redrock Consulting is one of Alcatel-Lucent's key suppliers. "Because Comensura is transparent and unbiased, there is no conflict of interest. The costs remain very clear and the relationship between client and agency can thrive. As long as the process is adhered to, everyone is happy," comments Redrock's Director, Phred Steer. He believes Redrock has received more exposure within Alcatel-Lucent through Comensura than would otherwise have been likely. Redrock's view is that their dedication to becoming familiar with and using C.net consistently is well worthwhile.

The outcome:

Greater efficiency and lower costs via vendor-neutral facilitation

Since 2003, Alcatel-Lucent UK has been using Comensura's C.net system for temporary recruitment management to minimise implementation time and free up managers. These managers appreciate the C.net

"environment" which integrates the entire recruitment process in one intuitive system encompassing requisition, authorisation, CVs, purchase orders, timesheets, and invoicing.

Alcatel-Lucent's managers evaluate the vendors using a "balanced scorecard", employing weighted criteria to ascertain best value. For managers, the convenience of such tools and metrics gives significant added value to the business in terms of supply chain management. "Suppliers can thrive under this system, and ultimately the best will win out. Performance is at the heart of Comensura's C.net solution, with metrics constantly measuring performance," notes Geoff Johnston, Purchasing Manager for End Use UK & Ireland Global Procurement & Sourcing at Alcatel-Lucent.

The benefits are felt not solely by Alcatel-Lucent but also by their vendors, so much so that Alcatel-Lucent's stakeholders are working with Comensura on developing the C.net system to further improve the management information available. "C.net is all about making the process easier, and Comensura regularly enhances the system as a result of feedback from agencies such as ourselves and the client," comments Redrock Consulting's Phred Steer.

Key benefits:

- Vendor-neutral partner not partisan to any supplier
- Improved administrative efficiency through paperless processes
- Benchmarking for suppliers through 'balanced scorecard' evaluation
- Maverick spend eradicated
- Cost-reductions and standardisation of vendor charges

Comensura is the UK's leading "Services" supply chain management and professional services organisation delivering solutions that integrate and coordinate the flow of resource, information and money across the client organisation.

Comensura's leading edge technology platform, category and procurement expertise enable clients to achieve significant and sustainable direct cost savings.

Process systemisation and workflow automation improves efficiency and highly visible management information informs clients strategic decision making.

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