



Fujitsu Services Customer Satisfaction Interview Programme – 2009

**Report of an interview
conducted independently with:**
Andy McLean, Operations Director

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1. INTRODUCTION

Research Methodology

The report is based on a face-to-face discussion with Andy McLean conducted on behalf of Fujitsu by Doug Komiliades an Associate Research Consultant retained by ORC International. The interview lasted 50 minutes and was digitally recorded with the respondent's consent.

Fujitsu would like to thank Mr McLean for affording us his time and for the insights he has provided.

Report Structure

This report provides a detailed summary of key discussion points from the interview incorporating the respondents' evaluation of Fujitsu Services' performance in a number of specific service areas and perceptions of the business relationship as a whole.

The document includes a number of satisfaction ratings for key service attributes and a summary of specific customer requirements, which will form the basis of an action plan to be formulated by the Fujitsu Services' Account Manager and the client in the thirty days that follow the publication of this report.

2. MANAGEMENT SUMMARY

Scores Overview

Overall	Understanding Business Requirements	Innovation	Relationship	Service	Project Management	Value	Reference	Renew
9	9	8.5	9	9	7.5	8	9-10	7-8
8.5*	9*	8*	9*	9*	7.5*	No data*	No data*	No data*

*Previous score (November 2007)

- 1. *Totally Dissatisfied*
- 2. *Extremely Dissatisfied*
- 3. *Very Dissatisfied*
- 4. *Dissatisfied*
- 5. *Slightly Dissatisfied*
- 6. *Slightly Satisfied*
- 7. *Satisfied*
- 8. *Very Satisfied*
- 9. *Extremely Satisfied*
- 10. *Delighted*

Executive Summary/Key themes

Fujitsu has continued to deliver high standards of customer satisfaction to POL in the past twelve months and, in many respects the relationship is considered by the client as an exemplary model of partnership that it would encourage other suppliers to follow. The core EPOS service is delivered to a high standard, Fujitsu has become more proactive in respect of innovation and the relationship is open, honest and trusting. The only significant disappointment has been the delay in the development and delivery of a replacement system by Fujitsu, although that is now on track for delivery according to a revised programme plan.

One area of concern that Mr McLean would raise with the CEO of Fujitsu, given the opportunity, would be about the importance of maintaining continuity of resourcing in an account where relationships have been crucial to success.

Customer Relationship Requirements

Rank	Customer Requirement
1	Deliver HNG-X according to the new plan, which was agreed at the start of 2009.
2	Continue to provide advice on cost reduction and consolidation opportunities.

3. COMPANY BACKGROUND

Post Office Limited (POL) is the retail arm within Royal Mail Group (RMG) and in addition to its long established role in the provision of mailing and government services to the general public and businesses it now offers a full range of financial services as well as third party telephony and broadband through its large retail network of some 12,000 offices.

Mr McLean is operationally responsible for the live IT environment (including operational call centres and supply chain), having worked in this capacity within the Operations Division of POL since September 2005. He is also responsible for equipment on the network and for the commercial relationship with Fujitsu Services.

Fujitsu Services' partnership with the Post Office stretches back to 1993 and includes a main programme through to 2015.

In this capacity, Fujitsu is the prime systems integrator responsible for the development, delivery and on-going support of the Post Office's major retail application – Horizon, for which Mr McLean is responsible.

Horizon extends over some 12,000 sites and approximately 31,000 counter positions. Fujitsu manages the entire service, including the data centres, network communications, front end hardware, applications, and engineering and software support.

A technical refresh of the system is now in process, with the original Horizon system being replaced by Horizon Online (also referred to as HNG-X).

4. QUESTIONS & SCORES

- **Overall** how satisfied are you with the performance of Fujitsu Services during the past 12 months?
Extremely satisfied (9)
- How satisfied are you on the extent to which Fujitsu Services **Understands your Business**?
Extremely satisfied (9)
- **Innovation** is the successful introduction of new ideas. How satisfied are you with the extent to which Fujitsu Services provides innovation that adds value to your business? *Very satisfied*
- How satisfied are you with Fujitsu Services in terms of how well they manage their **Relationship** with you? *Extremely satisfied (9)*
- How satisfied are you with the overall quality of the day to day **Service** provided by Fujitsu Services?
Extremely satisfied (9)
- How satisfied were you with Fujitsu Services' performance in terms of **Project Management**?
Between satisfied and very satisfied (7.5)
- *Value can mean end to end business value, or perceived financial value – we would like you to answer this question however it best applies to your relationship.* Overall, how satisfied are you with the **Value** Fujitsu Services provides to your business? *Very satisfied (8)*
- The likelihood that you would provide a **Reference** for Fujitsu Services today would be? *Definitely (9-10)*
- The likelihood that you would **Renew** your business with Fujitsu Services is? *Very likely (7-8)*

5. DETAILED SUMMARY

Progress in the last 12 months

Mr McLean recalled that when he was last interviewed, 18 months previously, although he was generally highly satisfied with Fujitsu's running of the service, some of his attribute ratings were constrained by a perception that Fujitsu had not been as innovative in some areas as he was expecting it to be.

He added that there is a lot of pressure, outside of the day-to-day service area, to do things somewhat differently and Fujitsu has since been working with POL to understand what it is trying to achieve conceptually and has become increasingly more proactive in bringing forth ideas and suggestions. He said that rather than just trying to make service better, Fujitsu is actively trying to ***"take it to the next level"***.

Mr McLean said that the relationship is also progressing from that of a trusted supplier towards genuine partnership because both parties acknowledge common goals and are both working together to achieve them. He considers that the relationship with Fujitsu is starting to have uniqueness about it in comparison to relations with other suppliers, which have not yet evolved to the same quality level as that of Fujitsu's with POL.

"We use the relationship with Fujitsu as a model to point other suppliers to and say 'we would like you to work in the same way'. On a number of occasions we've used Fujitsu to engage with other suppliers and try and help them to do likewise."

The biggest disappointment for Mr McLean has been the late delivery of HNG-X and this is reflected in his lower rating for project management than for other aspects of Fujitsu's performance.

Areas of Excellence or Strengths

According to Mr McLean, Fujitsu's strengths lie in the quality of the relationship it has developed, which has been underpinned by both the manner in which it engages and its long term vision for the account.

Ability to talk – Fujitsu's willingness and ability to talk to POL is now considered to be an area of strength by Mr McLean:

"Fujitsu have stopped waiting to be told what to do and are now more on the front foot (with options) ... whether it is technology ... or helping in relationships with other suppliers."

He said that the Account team is strong in this respect and has been consistent for some time, so now understands the requirements of POL extremely well.

Long-term Perspective – According to Mr McLean Fujitsu possesses good understanding about where it is now, analyses what has not gone well in the past and tries to improve into the future.

“There’s a behavioural aspect to it. They believe they’re here for the long term, so we may not agree every day but we understand that we are still going to be with each other next week. And so that is a much better position to be in.”

Mr McLean says that this has arisen out of the amount of effort that Fujitsu has put into its understanding of POL and into changing behaviours in order to establish longer term gains for both organisations.

Mr McLean said that it is difficult for him to think of how Fujitsu could build further on these strengths as it is currently doing all the right things and he is largely satisfied with the way that the relationship is progressing.

Areas for Improvement or Customer Concern

Mr McLean considers that there are areas where Fujitsu needs to and does monitor things and from time to time improve; currently these tend to relate to POL’s dealings at deeper levels within Fujitsu. These are only relatively minor concerns, however, for Mr McLean and the greater challenge to the relationship would result from a lack of continuity in resourcing the account itself.

Resources/ Behaviours Outside Core Account - The quality of resources and behaviours at deep, ‘nuts and bolts’ levels does sometimes disappoint Mr McLean but Fujitsu seems to him to be working hard to drive improvements through.

He also thinks, possibly as part of the same issue, that more of Fujitsu’s organisation should adopt a broader view of its engagement with POL. Sometimes, for example, in dialogue about commercials with areas of Fujitsu outside of the account itself, there is not always sufficient consideration of what is being discussed in relation to the scope and scale of the overall EPOS contract.

Account Team Continuity – When asked about potential challenges to the relationship, Mr McLean suggested that the most crucial thing will be to maintain continuity of the resources on the account. The quality of the service provided and experienced, he believes, is more relationship-based than contractually-based and if too many people change too quickly there is a danger of losing something.

He says that staff changes can be quite frequent, certainly occurring quicker than POL would expect, and concerns have been raised with Fujitsu recently about two simultaneous changes at senior level within service management, which Mr McLean says that he is less than comfortable with. The timing is particularly unfortunate here with the largest IT implementation for POL in recent years about to take place (HNG-X).

Disappointments in the last 12 months

Mr McLean could think of no areas where Fujitsu's performance has deteriorated in the past twelve months.

The biggest disappointment has been *the delay of HNG-X* but Mr McLean is more sanguine about this now because of the way that Fujitsu has recognised and is addressing the issue without exposing POL commercially:

"You do have to say that Fujitsu have stood up to the plate and we understand that they are taking responsibility and (have) protected Post Office from exposure to that being late. We have to say 'thank you' for that. For me, that demonstrates a maturity in the relationship."

"It's late, it's a bit disappointing because we've got a PR exercise on one side to try and minimise the damage but actually the cold hard facts are that we are in the right place ... we are still getting the benefits."

Customer Expectations for the future

Short term (12-18 months) - Largely in the next 12 to 18 months, Mr McLean is expecting major focus on costs and rationalisation in order for POL to achieve government goals. As the new EPOS service is delivered during 2010, Fujitsu is expected to maintain services at the high standards of the current system alongside a degree of rationalisation in the same timeframe. POL acknowledges the challenges involved.

Mr McLean said that various initiatives will be explored in order to economise. For example, Post Office is served by a number of engineering fleets operated by different suppliers for different branch services, which it has asked Fujitsu to consider ways of reducing and thereby generate significant potential cost savings. He said that discussions are also generally underway with Fujitsu about how to streamline and integrate the services delivered in engineering, hardware, software and support in order to drive out cost.

Medium term (3-5 years) - However, Mr McLean said there is also the need for Fujitsu to address where POL is going as a business beyond the short term. He hopes that Fujitsu will continue alongside on that journey, eager to understand the strategy and POL's goals, to provide possibilities and to deliver reasonable services and costs.

Account Team - Mr McLean said that his key account contacts with Fujitsu are:

Andy Hall – Account Director

Wendy Warham – Operations Director

Andy Starton – in relation to bids

Suzy Kirkham – in relation to business development

Guy Wilkinson – in relation to future possibilities

He rates this team very highly and is satisfied with the breadth of access he has to people at Fujitsu.

Customer Perceptions of Fujitsu Services

Market Position – Mr McLean repeated that he rates Fujitsu more highly than any other IT service provider he currently uses.

If there is a weakness in its position, he believes that relates to the credibility of perception about Fujitsu alongside organisations such as IBM, Microsoft and Accenture in the sense that Fujitsu seems smaller as an organisation. He said that he does not know how much of this perception is based on fact and although this does not necessarily make Fujitsu any worse than such competitors, it may lead some to question the depth and scope of its capabilities.

Mr McLean suggests that this is partly down to marketing. He adds:

“History to me says my relationships with IBM in the past have been fraught, whereas they are not here (with Fujitsu). Nevertheless, I still walk around with the feeling that if push came to shove they probably do have more in depth ability than Fujitsu. But, I don’t actually have anything tangible to say that’s true.”

Mr McLean is aware of the recent re-organisations and mergers within Fujitsu and expects that this will increase market visibility about the real breadth of its business in the months to come.

Ease of doing business – Mr McLean said that he finds this “relatively easy” in the case of Fujitsu. This is because the people he works with have enabled a good working relationship, which is both open and honest.

“If they tell me something, I believe them.”

Mr McLean also said that this applies to dealing with Fujitsu in **commercial and contract situations**, accepting as natural that sometimes when immersed in the detail of negotiation things can sometimes become slightly more pedantic than they are normally.

“Nevertheless the guys seem to have a fairly good, open working relationship about bringing something to the table that is practical and that we can both agree with ... I spend less time with lawyers (in relation to Fujitsu) than I do with anyone else.”

Risk Management – Mr McLean said that he finds Fujitsu rather conservative in a financial and commercial sense.

“Broadly, its ‘you pay for it first’ not ‘we’ll take a leap of faith ... we will make a significant investment in this’ ... whereas some other companies will.”

Another way of explaining this occurred to Mr McLean in the way that Fujitsu assembles its bids. Fujitsu can create the impression of uncompetitive cost at first when actually, in closer examination of things, its conservatism around risk leads to a lot being built in, in order to avoid it. He adds that this is more so than for other suppliers.

One benefit, however, of this approach can be that he knows that whenever Fujitsu quote a price, it will invariably stick to it without asking for more. He suspects that by contrast, some other suppliers prefer go in with low prices in order to get the business and then argue about the details afterwards.

Differentiation – Mr McLean feels that Fujitsu genuinely differentiates itself through its partnership approach in doing business. He finds it much softer as a selling point than with other suppliers but something which, in actuality, contains a great deal of substance when experienced.

Proactive or Reactive? – *“They were reactive but they are rapidly moving towards proactive.”* Mr McLean adds that this is something that he will continue to welcome more of from Fujitsu – rather than him always setting the parameters around discussion, he wants more frequent, spontaneous contributions of ideas from Fujitsu; and what it has identified from its wider business as potentially interesting for POL - enabling POL’s thinking horizon to be broadened. He recognises that Fujitsu has a global reach that POL does not and would hope to benefit from this.

Green Credentials – This is not currently high on McLean’s personal list of priorities or the expectations that he has of suppliers.

Key attributes - The respondent was asked to select three attributes that they would most associate with Fujitsu Services. The table below illustrates the attributes they could have chosen and the ones they agreed to select:

Reliable	<input checked="" type="checkbox"/>	Easy to do business	
In-Tune		Quality conscious	
Flexible		Innovative	
Straight talking	<input checked="" type="checkbox"/>	Conscientious	
Professional		Pro active	
Trustworthy	<input checked="" type="checkbox"/>	Creative	
Tenacious			

A question for the CEO of Fujitsu – Mr McLean would raise the issue that he previously identified as the one thing that might challenge the relationship – that of Fujitsu providing reasonable continuity in the resourcing of the account and with which he has recently become somewhat uncomfortable.

“It’s a good relationship and I understand that people have to move but I think we have to get to the place where we can help explain the sort of timeframe that people can move rather than it all just seeming to happen rather quickly.”