

The Journey to Value...

The National Grid Story

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National Grid
UK Shared Services

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Agenda

INTRODUCTIONS

OUR STORY

REFLECTIONS AND LEARNING POINTS

WHAT'S NEXT?

An Introduction to National Grid

VIDEO



nationalgrid

UK Shared Services Evolution

2006

PHASE 1

Creation of Shared Services

Shared Services – Enabling business performance

UK Shared Services Evolution

Scope:

PTP, OTC, RTR
HRO
Logistics

Vision:

One company,
one way,
one team

Benefits:

Cost savings
through
consolidation

2006

PHASE 1

Creation of Shared Services

UK Shared Services Evolution

2007

PHASE 2

Single Back Office System implemented

2006

PHASE 1

Creation of Shared Services

UK Shared Services Evolution

Benefits:
Standardisation, automation

2007

PHASE 2

Single Back Office System implemented

2006

PHASE 1

Creation of Shared Services

UK Shared Services Evolution

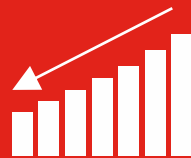


What were we looking for?

Our strategy and approach

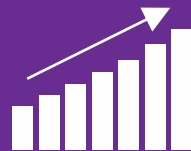
REDUCED OPERATING COSTS

- One-off
- Ongoing



ENHANCED PROCESSES

- Consistency
- Visibility
- Embedded controls



FLEXIBILITY AND SCALABILITY

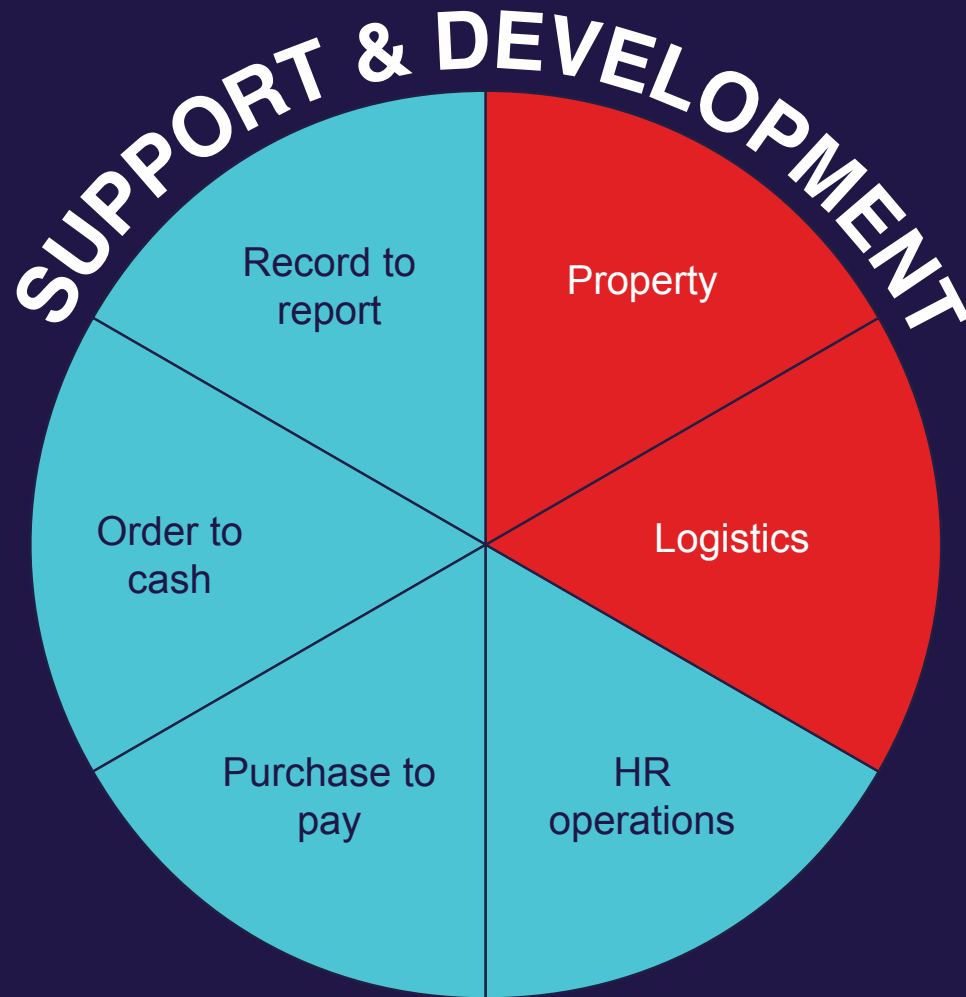


Whilst achieving our vision...

ONE COMPANY, ONE WAY, ONE TEAM

AN EXCELLENT SHARED SERVICES PROVIDER

Scope of outsource by process



So, what did we get?

✓ **REDUCED COST OF OPERATIONS**

✓ **ENHANCED PROCESSES**

✓ **FLEXIBILITY AND SCALABILITY**

✓ **ONE TEAM – “A PARTNERSHIP”**

And what did we learn?

Don't underestimate the amount of effort and leadership required

Not all processes are equal

Strong project management is essential

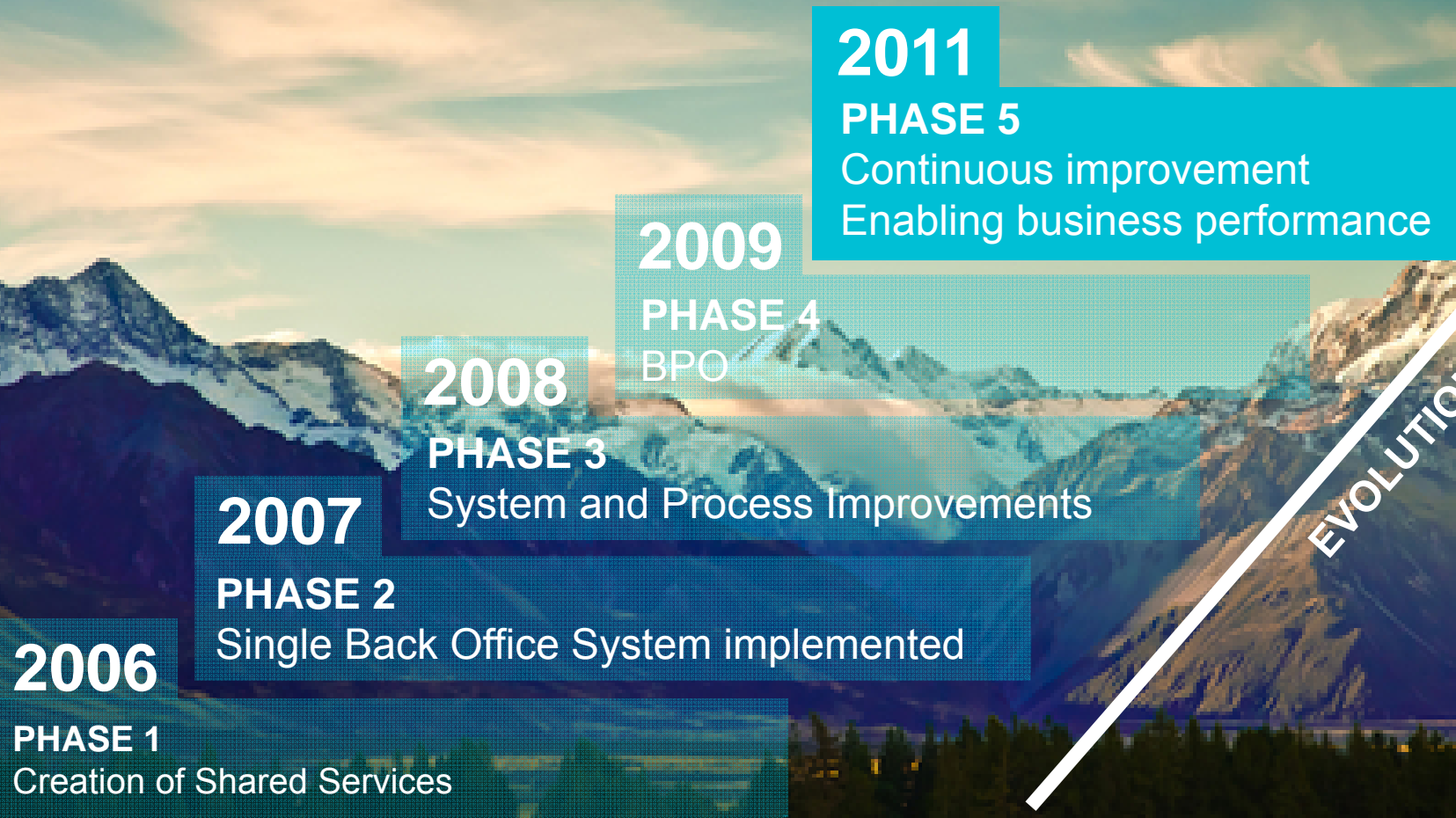
Never underestimate the challenges of IT

Don't expect plaudits, "good" is where your customer hasn't noticed! But...

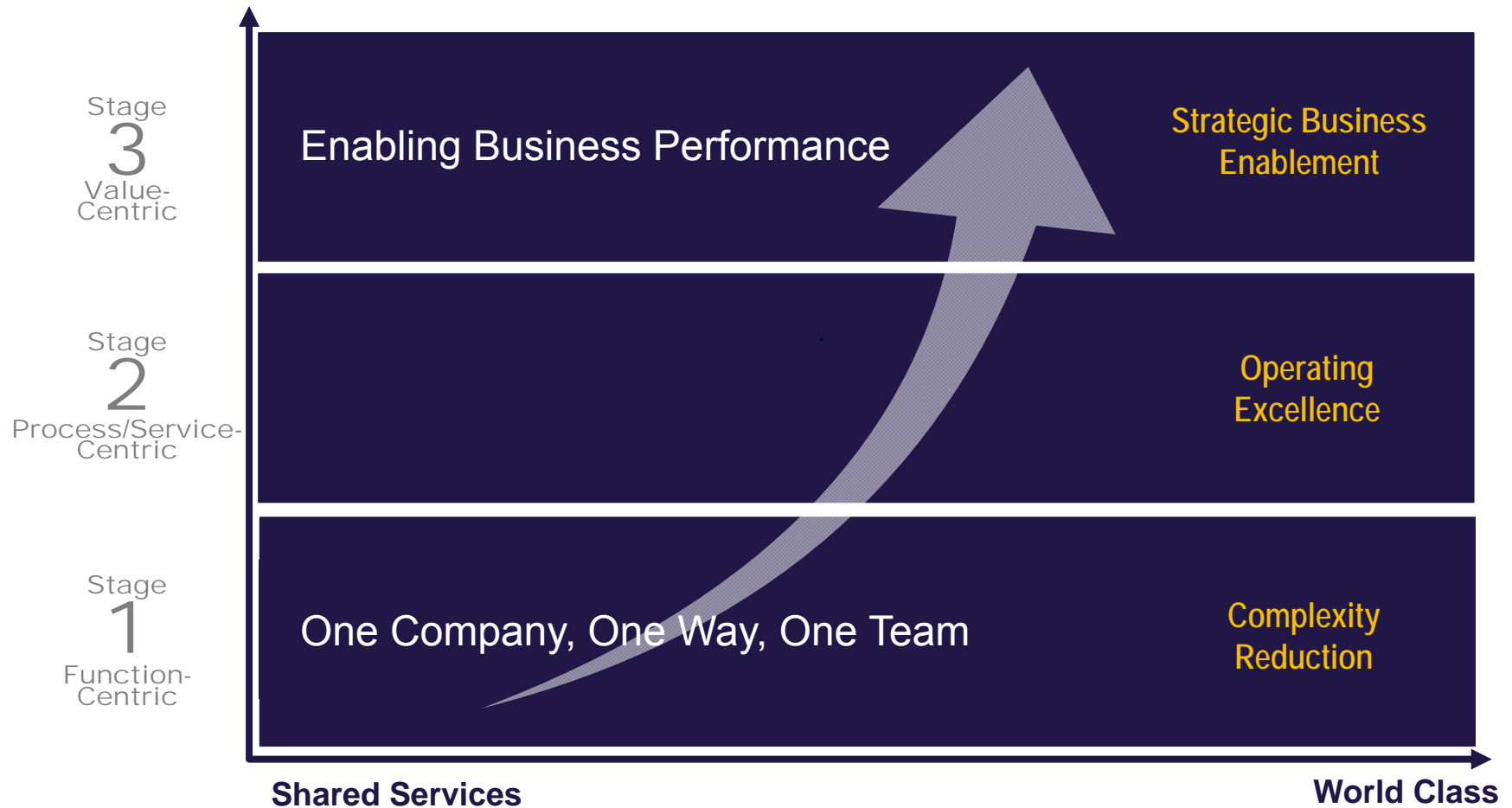
Communicate regularly, clearly and manage expectations

Strong cultural fit proved invaluable

UK Shared Services Evolution

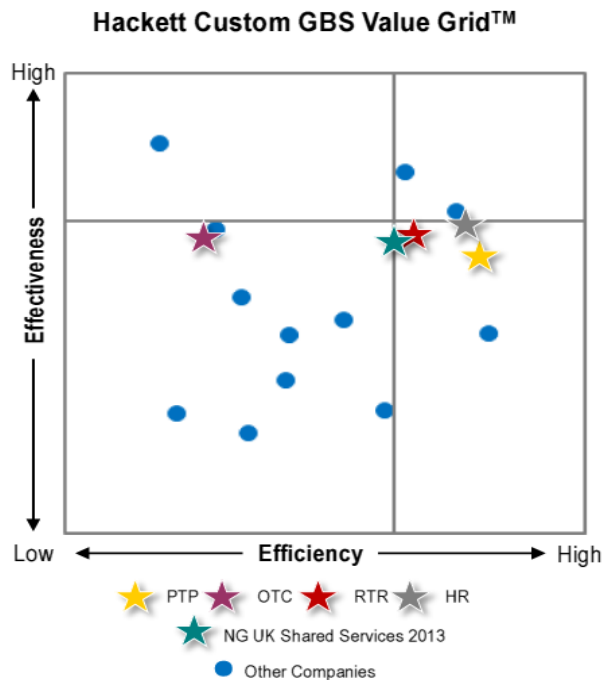


And our vision and ambitions have evolved....



Shared Services – Enabling business performance

Our Performance



Hackett GBS Value Grid™

| Tower | Efficiency | | Effectiveness | |
|-----------|------------|----|---------------|----|
| PTP | ● | 👍 | ● | 👎 |
| OTC | ● | 👍 | ● | 👎 |
| RTR (Old) | ● | 👍 | ● | 👎 |
| RTR (New) | ● | -- | ● | -- |
| HR | ● | 👍 | ● | 👎 |

● Driver is at or exceeds median of World-Class
● Driver is between median of peer and World-Class
● Driver is below peer group median

👍 Better than 2012
👎 Worse than 2012
👎 Same as 2012

- Shared Services has made incremental improvements since the previous study
- There are signs that underlying capabilities being built in 2013 should result in visibly better performance in 2015
- Further work is required to achieve world-class and meet stakeholders' expectations

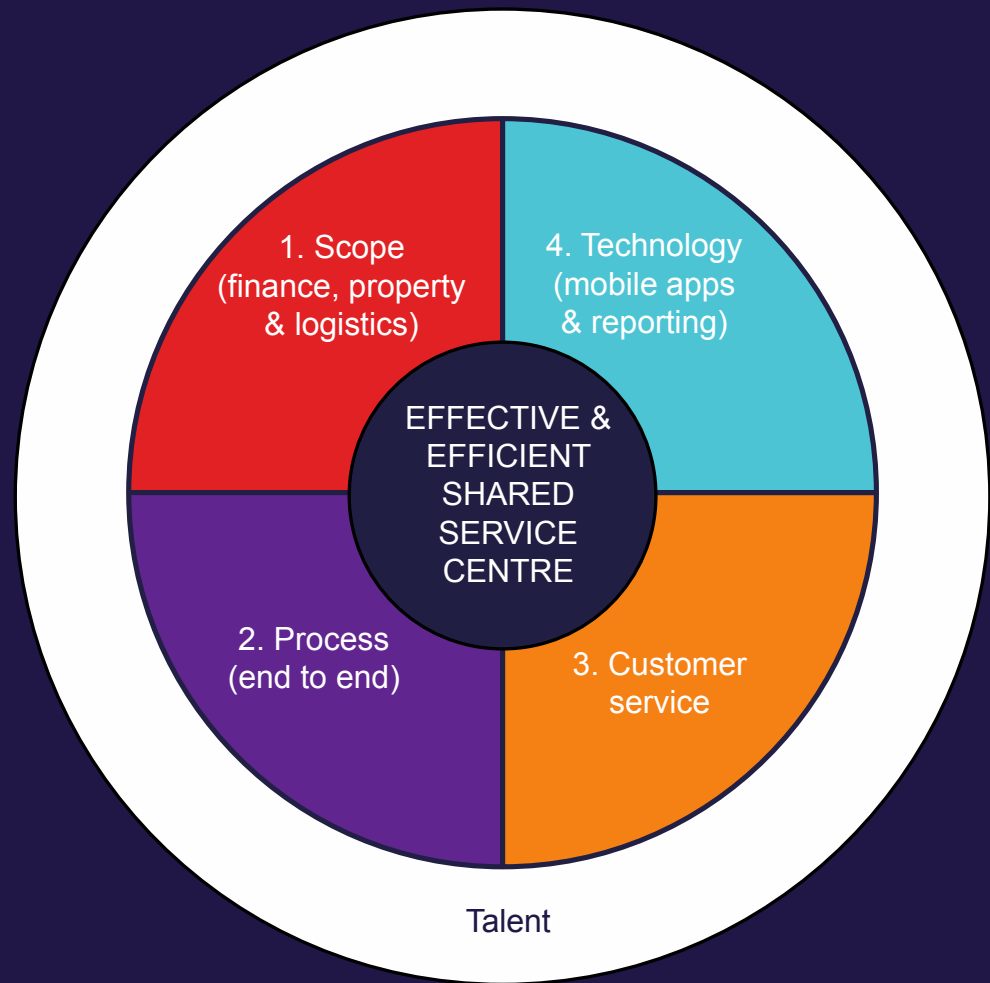
Our 2017 Ambition



To be amongst the leading Shared Services organisations in the world. We aim to deliver value through operational excellence, combined with excellent customer service and underpinned by investment in outstanding people and systems.

Future Value Proposition

- End to end process
 - Purchase to Pay → Source to Pay
 - RTR/Finance – business partnering and enhanced reporting
 - End to End metrics
- Logistics
 - Expanded scope and customer service focus
- Property rationalisation
- Technology
 - Mobile apps and single portal



Key Takeaways

Align key stakeholders

Be able to see through their eyes

Visibility, transparency are key to build and maintain confidence

Not just cheaper, better too

Be able to articulate a compelling case, sell and deliver

Questions
