

## Reference



*“Tasked with an extremely challenging timeline for a 2nd generation outsourcing tender process, Depfa Bank retained the services of mgm consulting partners. Their subject matter expertise along with their strong focus on process and efficient organisation was invaluable. Together we drove the project and kept in on track until its successful completion. Above all mgm bring reliability and quality.”*

Head of IT, DEPFA BANK nlr.



## 2ND GENERATION IT OUTSOURCING

# Conceptual design and conducting a bidding process for the 2<sup>nd</sup> generation IT outsourcing of an international bank

## Initial Situation

DEPFA BANK plc. (DEPFA) is a Dublin-based bank under Irish law with a network of international branches and subsidiaries specialising in the provision of financial services for the public sector. It is a subsidiary of the Hypo Real-Estate group (HRE), owned by the German Government.

Six months into an outsourcing project being run for the benefit of the whole group, HRE launched a public bidding process to sell DEPFA, and required DEPFA to select a new IT provider to allow separation from the group IT functions before the sale.

The challenges to a newly standalone DEPFA were:

- adapting HRE's TPI documentation to meet their own new and differing infrastructure requirements,
- to catch up the HRE's 6 months head start,
- to choose a preferred bidder within four months and complete contract negotiations within six months

## Tasks and Goals

mgm consulting partners were retained primarily to drive the construction of the RFP documentation and to manage the RFP process. Our core team consisted of three experienced consultants for IT operations and IT outsourcing as well as for program management. The team carried out following tasks:

- Organising the project, and structuring work packages
- Structural adjustment, content revision and publication of RFP documents
- Planning & hosting bidder talks and conferences
- Co-ordination of bid review processes
- Project documentation & audit support

## Approach

The TPI documents were broken down into work packages and assigned to the team.

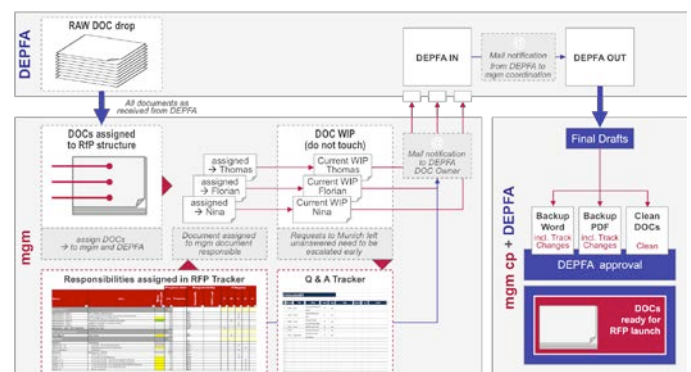


Figure: Processing of RFP documents from design to completion

Workshops were run to manage scope, change and optimization followed by a re-engineering process. “mgm’s close steering of processes and quality resulted in publishing 900 pages of strong, modular tender documents in just five weeks.”

Simultaneously, bidder discussions, negotiations, presentations and interim reviews were held, and the RFP scope was expanded to application management and development. Financial evaluation of bids, risk assessments, bidder reviews and board presentations were all prepared by the team.

Despite extensive scope expansion the process delivered “Best and final offers” (BAFO) from the bidders on time.

mgm’s Project management and PMO guaranteed rapid and complete processing as well as a complete documentation.

Pre-prepared assessment procedures led to efficient and effective BAFO analysis, normalisation and comparison with a one day turnaround. This was confirmed with an on-target recommendation for the "preferred bidder".

mgm consulting partners was retained for the project as part of an international team of internal and external experts brought together by DEPFA and HRE (GER, IR, UK, CH, USA).

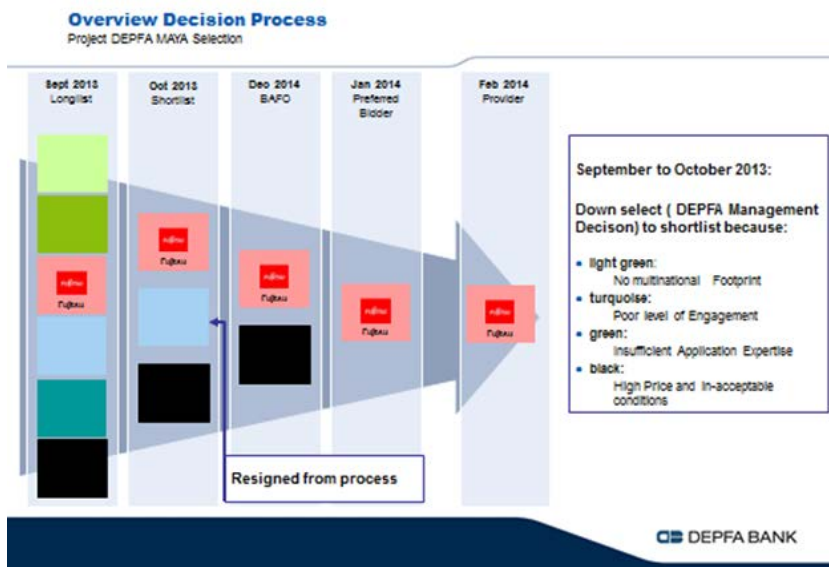


Figure: 2nd Generation Outsourcing within six months  
Overview of decision process and selection of bidders

By procuring and managing contract change requests from bidders during the bid phase as a guide for the final negotiations, contract negotiations were completed in 6 weeks. The positive outcome of a parent sponsored audit held in parallel with the handover of the project documentation to the customer established a successful project completion.

### Specific Characteristics of the Project

- A very tight customer schedule with parallelised tasks and process streamlining, steered with a tight control over work supported by a well-established team of specialists.
- Catch-up and close liaison with a parent running a parallel RFP.
- Adaptation to several scope expansions by strict task control, flexibility, target focus and quick decision-making.

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