

# Ride the offshore wave

## Case study ○ Nectar

### Nectar looks abroad for efficiency and speed in infrastructure development

**Bryan Glick**

The launch of the Nectar loyalty card presented a unique IT opportunity – a genuine 'green field' operation with no ageing legacy systems to worry about.

The scheme's organiser, Loyalty Management UK (LMUK), needed a technology supplier that could develop and support a new infrastructure in little more than 12 months, ready for the debut of the card in September 2002. Nectar is now the largest loyalty programme in the UK – more than 50 per cent of all households have a card through retailers such as Sainsbury's, Debenhams and BP.

LMUK took the offshore route, selecting Indian service provider Infosys to work on one of the largest product launches in the UK.

'The idea was to seek an organisation with global reach. That's why we were willing to get into a relationship with an offshore company,' says LMUK chief operating officer Simon Hawkes.

He says it is essential to involve the whole business in the choice to use offshore services.

'It is never the decision of a single person, such as the IT director, to do this. It has to be a company-wide decision,' says Hawkes.

'A level of trust has to come with working with an offshore company – you still put in place quality assurance and a technical architecture, but you have to get round the silo mentality that exists in many organisations.'

LMUK system development manager Fraser Ewen says the offshore team needs to be involved from the start of any initiative.

'They are involved throughout the lifecycle of the project. We pull together a business requirements document, they quote and comment on that, and we move from there,' he says.

'We have a weekly conference call with their people in India. For each project, there are conference calls with the offshore team. We have Infosys resources on site and offshore.'

Perhaps the biggest test for the relationship is when things go wrong.

'Over the several months that we've worked with the supplier, there have been problems. Life is like that,' says Ewen.

'The encouraging factor is how they respond. They recognise the ball has been dropped, they're open to the commercial side of that situation, they're prepared to rectify the situation within a reasonable time. I find that encouraging.'

The most recent project was to overhaul the Nectar web site, a major task that involved re-engineering LMUK's call centre applications and a series of batch interfaces.

'At the start of the web site relaunch, we had one Infosys technical project manager on site here and a business analyst. They worked with us on drawing up the specification, and that went through the design and build stage,' explains Roger Sniezek, head of programme management.

'Our IT director and I went to India in August for a review with the development team. As we moved into the testing phase, specialists would come



over to undertake functional and performance testing, and integration testing. We then moved over to the support team as we put everything live, getting documentation and hand-over ready. Part of that is done onshore, then the support gradually moves offshore.'

LMUK uses an independent company to provide quality assurance and to check the work provided by Infosys, but the company's experience has been positive and the relationship judged a success.

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'A lot of what offshore companies have traditionally done is around back-end systems and processes,' says Sniezek.

'What we've done with the web site is something very public-facing. That was a big achievement in integrating the offshore element with something that's so cultural to the UK.'

Further reading  
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