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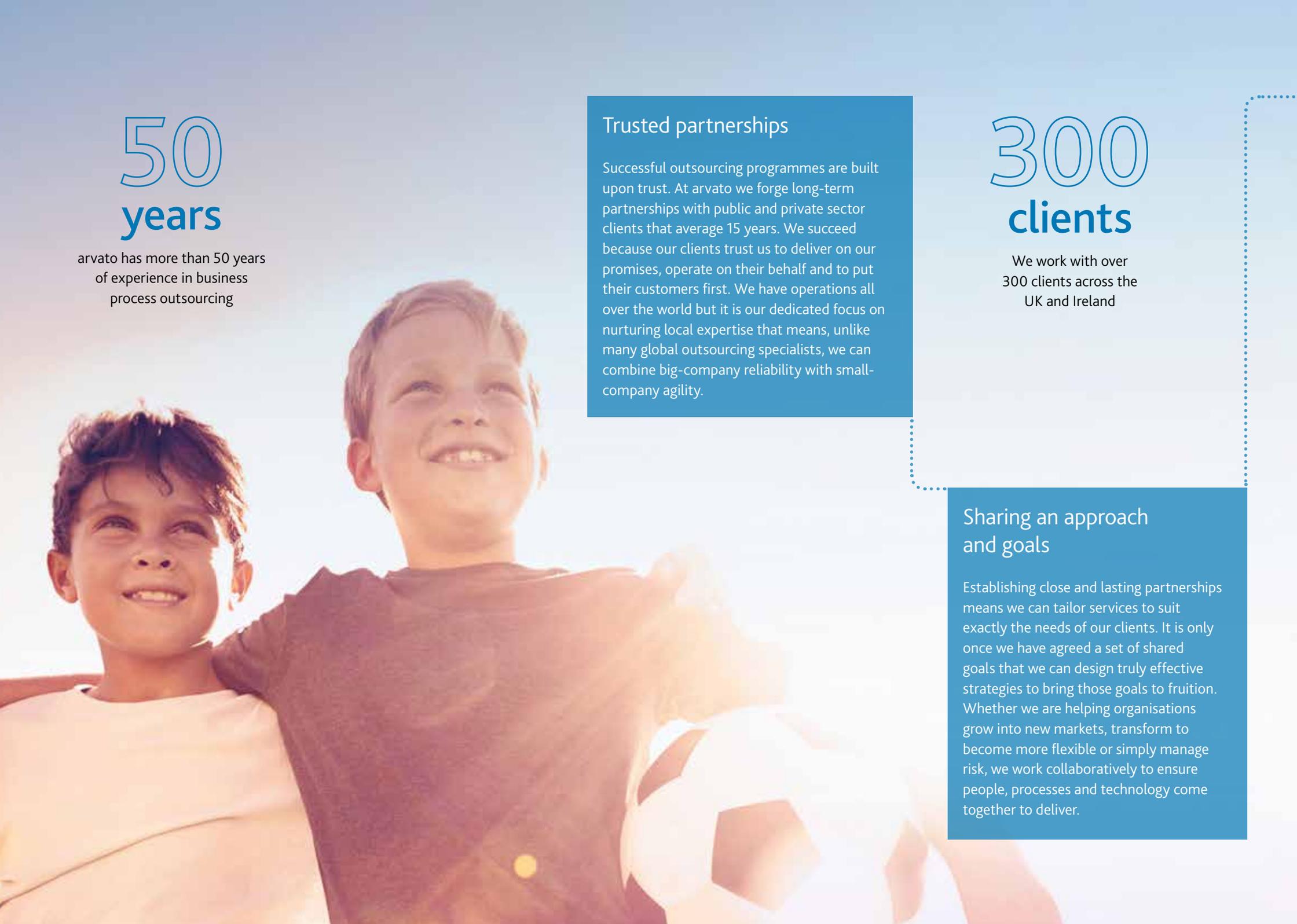
WHO WE ARE

WE MEASURE OUR SUCCESS BY YOUR SUCCESS

There was a time when outsourcing meant only one thing: relentlessly driving down costs, often at the mercy of jobs and customer service. As a result, employees and customers both suffered. Times have changed. Outsourcing is no longer about a single-minded focus on saving money. Cutting costs remains a fundamental factor in the decision to outsource, of course. But today the primary focus is on finding ways to better engage with both existing and new customers. arvato's great strength lies in its ability to help clients create a successful and cost-effective organisation that offers the best customer service.



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50 years

arvato has more than 50 years
of experience in business
process outsourcing

Trusted partnerships

Successful outsourcing programmes are built upon trust. At arvato we forge long-term partnerships with public and private sector clients that average 15 years. We succeed because our clients trust us to deliver on our promises, operate on their behalf and to put their customers first. We have operations all over the world but it is our dedicated focus on nurturing local expertise that means, unlike many global outsourcing specialists, we can combine big-company reliability with small-company agility.

300 clients

We work with over
300 clients across the
UK and Ireland

Sharing an approach and goals

Establishing close and lasting partnerships means we can tailor services to suit exactly the needs of our clients. It is only once we have agreed a set of shared goals that we can design truly effective strategies to bring those goals to fruition. Whether we are helping organisations grow into new markets, transform to become more flexible or simply manage risk, we work collaboratively to ensure people, processes and technology come together to deliver.

Infectious loyalty

Our people put your customer first at all times and care deeply about the organisations they serve. We nurture an atmosphere of entrepreneurship and creativity that ensures our employees are problem solvers who are unafraid to take the initiative. We believe it is no coincidence that our long-term staff retention rate is 90 per cent and our average client relationship extends out to 15 years. Few of our competitors can boast this kind of loyalty among staff and customers.

arvato's values are one of the things that sets us apart:

Partnership
Entrepreneurship
Creativity
Citizenship

14
locations

We operate from 14 locations in the UK and Ireland, and 40 countries internationally



Prince's Trust

We're proud to be a patron of youth charity the Prince's Trust

arvato won
'Best Contribution to the Reputation of Outsourcing'

at the 2013
National Outsourcing
Associations Awards

4k
people

arvato employs more than 4,000 people across its UK and Ireland group

Delivering results

We serve a hugely diverse customer base in a multitude of ways - from global multinationals in the private sector, to public sector bodies like government departments, local councils and hospital trusts:

It could be:

- A global fashion retailer that wants to give consistently excellent service across languages and borders
- A local council that wants to introduce an element of self service without losing the human touch

- A hospital trust that wants to relieve its nurses of burdensome administration so they can devote more time to patient care
- A global technology company that wants to drive down distribution costs by streamlining its logistics

- A utilities company looking to improve its financial processes

In all these cases, our team is an extension of the client it serves. Our people embed themselves in the client organisation's culture and take a passionate interest in achieving those mutually agreed objectives.

OUR OUTSOURCING SERVICE IN THE UK AND IRELAND FALLS INTO FOUR BROAD CATEGORIES:

1 Perfecting the customer experience

We help public and private enterprises to serve their customers better, for less. We use strategies that engage customers, build trust and inspire loyalty.

2 Streamlining financial operations

We handle billing, invoicing, payments and collections across countries and currencies. Our end-to-end service helps clients boost sales and optimise cash-flow without increasing risk.

3 Optimising supply chains

We improve the speed, quality and efficiency of our clients' supply chains. From seasonal peak periods to worldwide launches, we help clients adapt flexibly and rapidly to changing demands in volumes.

4 Providing public sector and citizen services

We provide front and back office services to help a range of public sector and healthcare clients deliver more with less.

If you'd like to find out more about how arvato can help you serve your customers better, at a lower cost, [call 0844 846 0800](tel:08448460800) or [email us on info@arvato.co.uk](mailto:info@arvato.co.uk)

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WHY ARVATO

We put your customers first.

At arvato our ambitions go far beyond making your customers happy. We aim to turn them into ambassadors. People whose actions and recommendations will boost your balance sheet, reputation or growth; helping your organisation to be successful however you measure it.

We deliver this in a way that makes sense for your organisation:

Partnership: A collaborative and flexible approach to partnership where our teams become an extension of the organisations they serve

Innovation: Through problem-solving and delivering the right services for our clients and their customers

Scale: We combine big company reliability with small company agility

People: Our people are empowered and experienced. They listen first

Performance: We deliver on our promises and don't take risks with our clients' business



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We create happy customers

Take the story of a pair of silver shoes, born in Spain. Having seen them leap off the page of an online fashion shop's brochure - printed and distributed by arvato - a customer in the UK sets her heart on them.

She visits the shop's website, built by our e-commerce team, enters her payment details, which are handled by our finance team, and takes delivery of them via our pan-European logistics operation. But this is not the end of the story. She's ordered the wrong size and the shoes don't fit.

Cinderella calls the shop's customer service team - manned by arvato employees - and uses arvato's supply chain services to send the shoes back and take delivery of a pair that fits. She goes to the ball, marries the prince and lives happily ever after.

We are built for good business

We believe in creating sleek business processes that are efficient, save our clients money and - most importantly - exceed their customers' expectations. We take the administrative and logistical pressure off organisations so they can get on with what they do best.

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WHAT WE DO

LOCAL GOVERNMENT CUSTOMER SERVICE: WE PUT YOUR CITIZENS FIRST

The way citizens engage with their local councils is changing fundamentally.

A new digital generation has emerged that is no longer tolerant of more old-fashioned working practices. They treat public services as they would a large retail brand or private company and, as a result, demand the very best customer service delivered across a multitude of channels. Local councils across the UK are all too aware that these improved services must also be delivered at no extra cost to the citizen and at a time of bruising budget cuts.

"The project has had a significant impact on customer satisfaction in the borough and is helping to connect customers with new payment methods and self-service options."

Councillor Sharon Blank, Executive Member for Customers and Communities, Chesterfield Borough Council.



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Easing the burden

This is where arvato can help. We take the administrative weight off local authorities' shoulders. Our specialist local government teams will help to drive down costs, streamline processes and give staff the freedom to provide the best possible service. We already do this successfully for authorities across the UK. In fact, our countrywide network of customer service centres means that our local authority teams manage a million interactions every year.

Intelligent relationships

Our intelligent customer relationship management (CRM) helps local councils to respond directly to their citizens' needs and releases frontline staff to deal with more complex enquiries. We also cater to the emergent 'digital generation' by helping councils to offer a variety of channels that streamline customer interactions. These include face-to-face, online, social media and self-service options.

Leveraging private sector expertise

Our experience of providing market-leading customer contact solutions for global brands, including Renault and Zara, enables us to consult our public sector clients on how they can interact with citizens in the same way companies do with their customers. By implementing solutions that are tried and tested elsewhere, supported by training for customer service teams, we work with our clients to introduce new ways of communicating while addressing concerns around reputational risks and loss of control.

Specialist training

To keep pace with new legislation and to develop technically aware, multi-skilled employees, we run specialist programmes for local authority revenues and benefits practitioners. Our courses cover benefits assessment, council tax, business rates, recovery, enforcement and other associated topics.

58k

The number of UK citizens arvato supports through its partnerships with Sefton, Chesterfield and Slough Borough Councils

25%

Our local authority teams deal with around 800k calls and nearly 200k face-to-face contacts per annum

Client benefits

Use new communication channels to boost customer satisfaction:

By providing self-serve and multi-channel contact options for citizens, clients can improve customer satisfaction and speed up administrative processes, while simultaneously cutting costs.

Administrative support to free up frontline staff:

Integrating back and front office processes and training staff across a range of services means more citizen queries can be resolved at the first point of contact.

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USING TECHNOLOGY TO POWER CHANGE IN LOCAL GOVERNMENT

Putting in place the right technology and processes can make the difference between an inefficient authority that struggles to provide basic services within budget, and an efficient local authority that gives its citizens a first-class service, at less cost.



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Enabling technology

Appropriate information and communications technology (ICT) can help councils to improve their services while simultaneously driving down costs.

At arvato, our ICT services are business driven. This means they are designed to look at the whole organisation and its services and not just the underlying technology. For us technology is an enabler, but not a means in itself.

Better service for less

Put simply, arvato's ICT expertise enables councils to provide better public services for less cost. We use technology to create savings by increasing public sector productivity and efficiency.

Robust back up

Our ICT service is backed by a robust global network of seven secure data centres that operate twenty-four hours a day, seven days a week. Collectively, they house more than 4,500 servers with more than 2.5 petabyte of online storage capacity.

A partner in ICT

We can achieve these savings because we work in close partnership with our clients. Our experts identify where efficiencies can be made, and then choose the appropriate technology to enable those efficiencies. Clients can choose from a wide variety of ICT services, which include:

- Infrastructure design and management
- Hosting
- Systems integration
- Desktop and application management
- Telephony and call centre technology
- Cloud services
- Service desk operation
- Application support and development
- Electronic document management
- Procurement
- Consultancy
- ICT security
- Printer rationalisation
- ICT in education.

130

The number of schools and colleges we work with nationally, providing customised ICT services that cover everything from networks and infrastructure, to hardware and software

98k

The number of calls our ICT helpdesks in the public sector deal with every year

Client benefits

Use ICT as a strategic enabler, not a daily worry:

Our managed service offering takes care of your ICT, enabling you to focus on driving strategic initiatives.

Tailored technology to fit your needs:

Our technology agnostic approach to shared services means you'll get a solution that fits your needs while gaining access to the latest technologies and proven process expertise.

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REVENUES AND BENEFITS SERVICES THAT BENEFIT COUNCILS AND CITIZENS

Change is the only constant when it comes to managing local authority revenues and benefits.

With an average of one adjustment to the UK's benefits system per week, it is not surprising that councils can struggle to keep on top of the administration. Recent welfare reforms have put a huge strain on councils' ability to collect revenues and disperse benefits efficiently. This strain is made ever more acute by far-reaching budget cuts and a new era of local autonomy.

"arvato's finance and accounting expertise has benefited the council, our residents and local businesses. New technologies and processes, combined with a sensitive approach to dealing with our 'customers' has ensured the best results all-round."

Mark Evans, Deputy Chief Executive, Chesterfield Borough Council.



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Adapting to change

arvato helps local governments adapt to change by using a mixture of first-class training, new processes and technology. We work in close cooperation with our clients to review operating structures and then reduce costs by driving efficiencies.

Maximised revenues

Such is the success of our approach to maximising government revenue, that our clients are positioned in the top 10% of comparable public sector organisations in the UK. We take an intelligent approach to revenues collection that makes best use of processes and technology. We use customer insights and data matching to identify households with late or missed payments, households that ought to be able to pay versus those struggling to pay, and households likely to pay via Direct Debit and take up e-billing options.

Tangible benefits

When it comes to benefits, we believe in balancing efficiency on the one hand with providing vital services for those that need them on the other.

For example, we help councils build the technology required for citizens to make claims online or via self-service systems. This allows for a quicker, more accurate application and payment process, while maximising the take-up of benefits. Our benefits caseload is currently over 60,000 individual claims.

Specialist training

To keep pace with new legislation and to develop technically aware, multi-skilled employees, we run specialist programmes for local authority revenues and benefits practitioners. Our courses cover benefits assessment, council tax, business rates, recovery, enforcement and other associated topics.

£568
million

Tax and rates we collect each year on behalf of our public sector

98.6%

The average client rating for our revenues and benefits training course

Our benefits caseload is currently over

60k

individual claims

Client benefits

Do more with less:

Standardising and centralising back-office services, such as HR and revenues and benefits, delivers substantial cost reductions.

Use new communication channels to boost customer satisfaction:

By providing self-serve and multi-channel contact options for citizens, clients can improve customer satisfaction and speed up administrative processes, while simultaneously cutting costs.

Administrative support to free up frontline staff:

Integrating back and front office processes and training staff across a range of services means more citizen queries can be resolved at the first point of contact.

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TRANSFORMING LOCAL GOVERNMENT

The financial constraints local governments are forced to operate within today are unparalleled.

It is not just that people demand better services - at no extra cost - but these improvements must be delivered against a backdrop of crushing austerity. Budgets are being squeezed like never before.

The way people interact with the public sector is changing fundamentally too. A new digital generation has sprung up that is no longer tolerant of traditional business practices. They demand seamless online access to their services and treat the public sector as they would a big retail brand or private company.

While 'digital by default' is a key strategy for many local authorities across the UK - as a way to deliver more with less and reach this digital generation - its implementation often requires a new approach that can be challenging for the public sector. New technologies and channels might be readily available, but using them requires people with the right skills and openness towards a different way of communicating.



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26k

The number of invoices we process each year for our public sector clients

27%

The savings created for Chesterfield Borough Council by streamlining their invoice processing

Maximising resources

Councils across the UK today face an unenviable task: to balance cost savings and budget cuts on the one hand, with modernisation and top-quality service on the other. But it is a task they need not face alone. At arvato we specialise in forging long-term partnerships with local authorities to help them fundamentally re-think how they provide and structure their services.

580k

The number of UK citizens arvato supports through its partnerships with Sefton, Chesterfield and Slough Borough Councils

£568m

Tax and rates we collect each year on behalf of our public sector clients

Tangible benefits

We pride ourselves on making a real difference to our clients and their citizens. arvato uses a combination of private sector business expertise, training and intelligent technology to help local governments cut costs, improve public services and increase revenues. We work with our public sector partners to streamline back-office administration, improve front-line customer services and maximise business rates and council tax collection.

Successful partnerships

Our track record speaks for itself. We've been a partner to UK local governments since 2005. In addition, we've played an integral part in the UK cabinet office's Strategic Plan for Next Generation Shared Services, which aims to save between £400m and £600m year in central government back-office costs. We've also garnered 20 years' experience delivering specialist HR and back office consultancy to the NHS and 50 other health service organisations. In the private sector, we've worked with some of the world's biggest companies, including Microsoft and Amazon.

Our clients can be certain they are in safe hands when they partner with arvato.

10k

The number of Disclosure and Barring checks our HR teams process for our public sector clients per year

UK

Our public sector partnerships span the United Kingdom, from Swansea in Wales and Slough in Southeast England to Sefton in Northern England and Glasgow in Scotland

"The cultural fit between the Council and arvato was underpinned by a feeling of mutual interest. We had a strong sense of being an important component in arvato's portfolio and that arvato would invest with us in creating a best-practice model for district councils."

Huw Bowen, Chief Executive, Chesterfield Borough Council.

Our services

Business transformation

We offer a comprehensive business transformation consultancy to our local government clients. With each client, we undertake a full strategic review of their operations and then work together to speed up administration, improve customer service and reduce costs. It could be a shared service centre to streamline back-office administration, a contact management system to help employees deal with enquiries more efficiently, or a complete digital transformation that dramatically reduces printing and paper costs. In each case, we will identify what needs to change and put in place the necessary infrastructure, training and technology to implement those changes.

Revenues and benefits

Our revenues service helps councils to maximise revenues from taxation and business rates and minimise the cost of collection. Our benefits service helps with the efficient processing of applications and payments and maximises the take up of benefits. We use customer insights and data matching to identify households with late or missed payments, households that ought to be able to pay versus those struggling to pay, and households likely to pay via Direct Debit and take up e-billing options.

Customer service

Our UK-wide network of customer service centres means that our local authority teams manage almost a million contacts every year. Our intelligent customer relationship management helps local councils to respond directly to their citizens' needs and releases front-line staff to deal with more complex enquiries. We offer a variety of channels to the local community that streamline customer interactions. These include face-to-face, online, social media and self-service options. We work with our clients to introduce new ways of communicating while addressing concerns around reputational risks and loss of control.

HR and payroll

We offer over 20 years' HR expertise to our clients. For arvato, HR is not just about administration. It should contribute strategically and operationally to organisational performance. By introducing shared services and automated and web-based technology, we take time-consuming administration off our clients' plates - leaving them more time to give employees and customers alike the best possible treatment.

Finance and accounting

Using our extensive experience across the public and private sectors, we can help councils to overhaul legacy systems and streamline their finance and accounting processes. We work with clients to eliminate the waste caused by manual processes and improve the speed and accuracy of payments. Our end-to-end service includes full order-to-cash processing, auditing, debt recovery, and credit and debit card payments processing. We are no strangers to managing complex finance and accounting processes.

ICT services

Our information and communications technology (ICT) services are business driven and therefore look at the whole organisation and its services, not just the underlying technology. We deliver innovative services whilst driving down costs.

Print and design

Our print and design services range from initial creative concept, design and artwork, through to print and production. We build key performance indicators and service level agreements into our client contracts to guarantee our campaigns and services are delivered on target, on budget and on time. We design, print and produce everything from books, brochures, posters and payslips, to direct mail and dunning letters.

Logistics

Our logistics services enable our clients to achieve transport efficiencies, manage documents and archive paperwork effectively. We have long-standing relationships with major UK carriers and can pool our buying power to pass on outstanding transport rates to our clients. Our services include: post distribution and collection, processing and dispatch, archiving and secure destruction and disposal.



Core client benefits

- 1. Delivering more with less**

The standardisation and centralisation of back-office services, such as finance and accounting, delivers substantial cost reductions.
- 2. Access expertise through shared services**

By sharing services, public sector clients benefit from process improvements and economies of scale.
- 3. Improving front-line services**

By working with a trusted private sector partner, public sector organisations can achieve more efficient back-office services whilst also being able to focus on delivering and improving front-line services for residents.

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WHAT WE THINK

DIGITAL TRANSFORMATION IN LOCAL GOVERNMENT

Local authorities up and down the country are grappling with the challenge of dealing with dwindling budgets and resources while meeting increasing demand from citizens for their services.

One solution for doing more with less is transitioning to digital services. That means enabling citizens to conduct simple transactions online, like paying council tax or registering a change of address. This in turn, frees up much-needed resources for councils to deal with more difficult queries in person.

Digital transformation is also being mandated from above, with the central government pledging to collaborate more with local authorities to improve the provision of online services whilst creating common standards to support residents more efficiently.

We believe the digital journey doesn't have to be long or revolutionary. Working with our partners at **Sefton Metropolitan Borough Council**, we replaced a complicated 39-page benefits application with an online form that can perform eligibility checks at the beginning of the process, filtering a third of applications from the outset. It also identifies mistakes early and coaches applicants on what additional information they need to provide to qualify for benefits. This speeds up the process immensely and enables the council to provide a faster response. As a result, more than 80 per cent of all new benefits applications are now completed online.

ATMs can also be used as an effective solution. We've introduced payment kiosks across a number of our partnerships to allow citizens to pay council tax and other authority bills quickly and securely without the need for cashiers. With our partners at **Chesterfield Borough Council**, we've introduced two self-service machines to the customer service centre that have proven incredibly popular with residents - the first year saw 66,000 transactions handled worth more than £6m. In turn, this has significantly reduced the number of staff needed, allowing the team to be redeployed to deal with more complex enquiries on a face-to-face basis.

However, some local authorities have been apprehensive about the Government's plans to make digital the default channel for citizen services, believing it will be met with resistance from the general public. Whilst this concern is understandable, in our experience, reservations about

residents' reluctance to use new channels are unwarranted. There is absolutely a consumer appetite out there for convenient self-service options - the popularity of online banking and supermarket self-checkouts is ample proof. Why should it be different for public services?

Of course, those people who struggle to use online channels or do not have access to the internet will need to be adequately supported by well-trained staff and publicly available equipment. With our council partners, we've installed dedicated demonstration computers in one-stop shops and equipped our advisers with tablet computers to provide online payment demonstrations. This ensures that everyone is empowered to make the digital transition, regardless of their situation.

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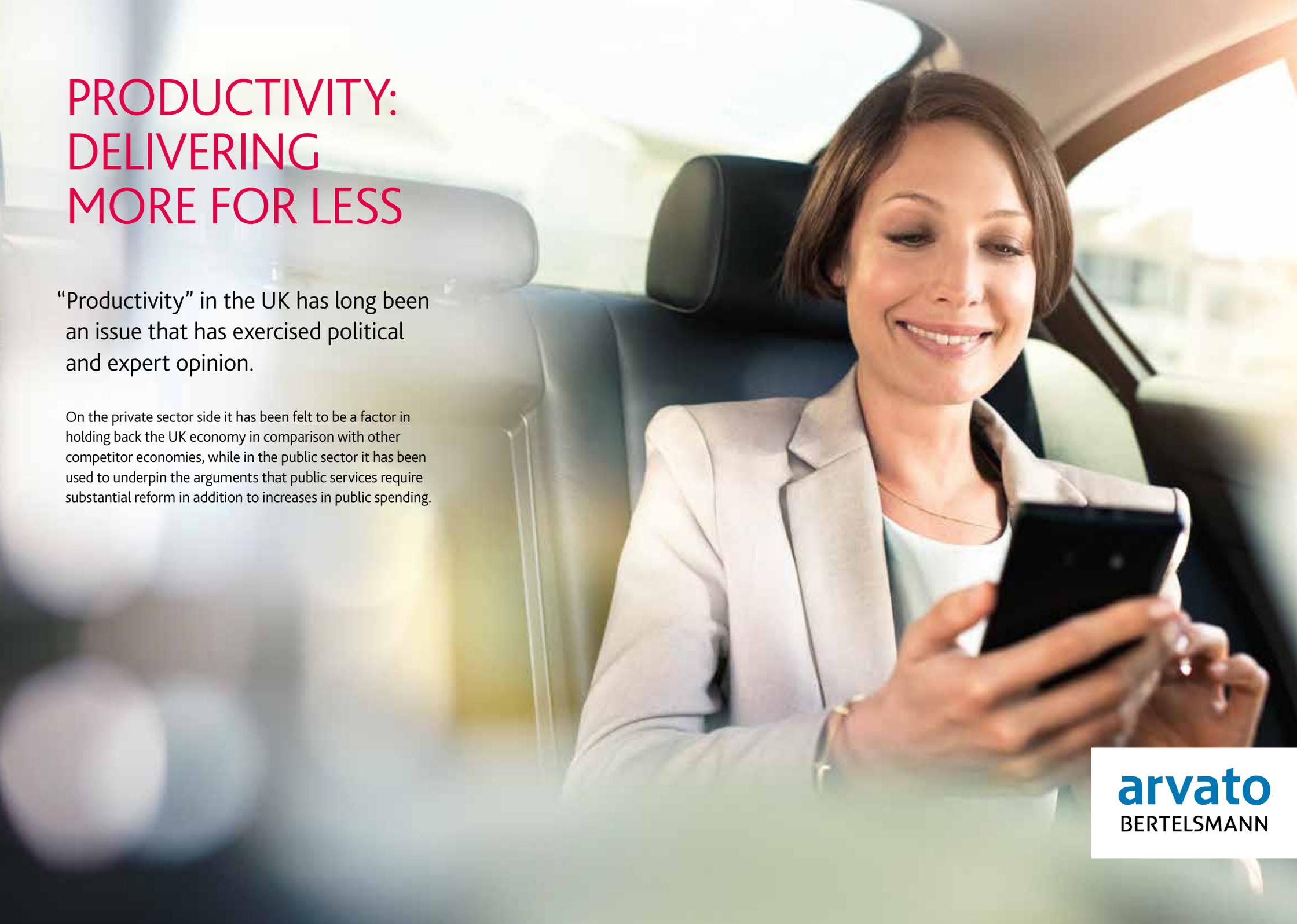
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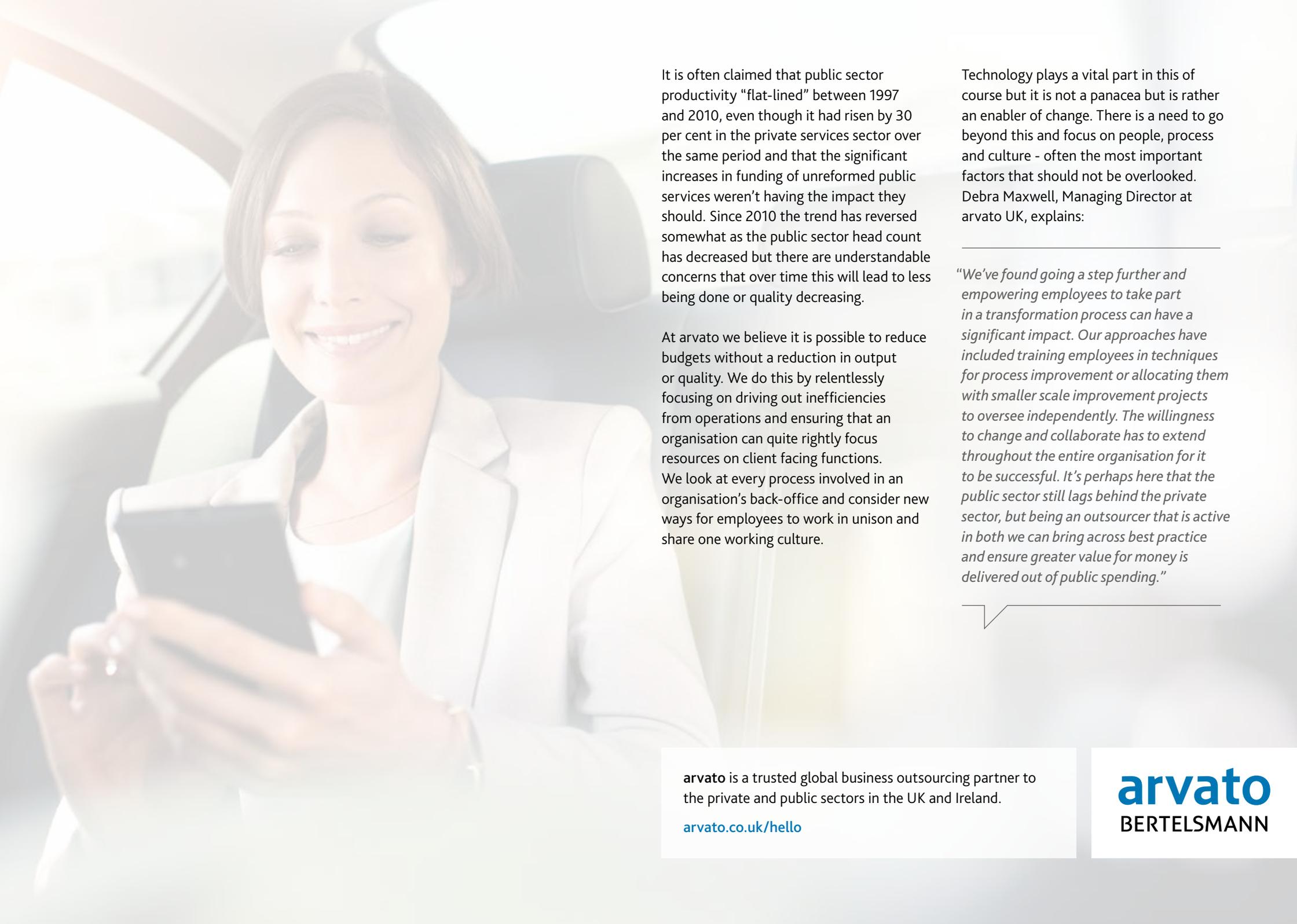
PRODUCTIVITY: DELIVERING MORE FOR LESS

“Productivity” in the UK has long been an issue that has exercised political and expert opinion.

On the private sector side it has been felt to be a factor in holding back the UK economy in comparison with other competitor economies, while in the public sector it has been used to underpin the arguments that public services require substantial reform in addition to increases in public spending.



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It is often claimed that public sector productivity “flat-lined” between 1997 and 2010, even though it had risen by 30 per cent in the private services sector over the same period and that the significant increases in funding of unreformed public services weren’t having the impact they should. Since 2010 the trend has reversed somewhat as the public sector head count has decreased but there are understandable concerns that over time this will lead to less being done or quality decreasing.

At arvato we believe it is possible to reduce budgets without a reduction in output or quality. We do this by relentlessly focusing on driving out inefficiencies from operations and ensuring that an organisation can quite rightly focus resources on client facing functions. We look at every process involved in an organisation’s back-office and consider new ways for employees to work in unison and share one working culture.

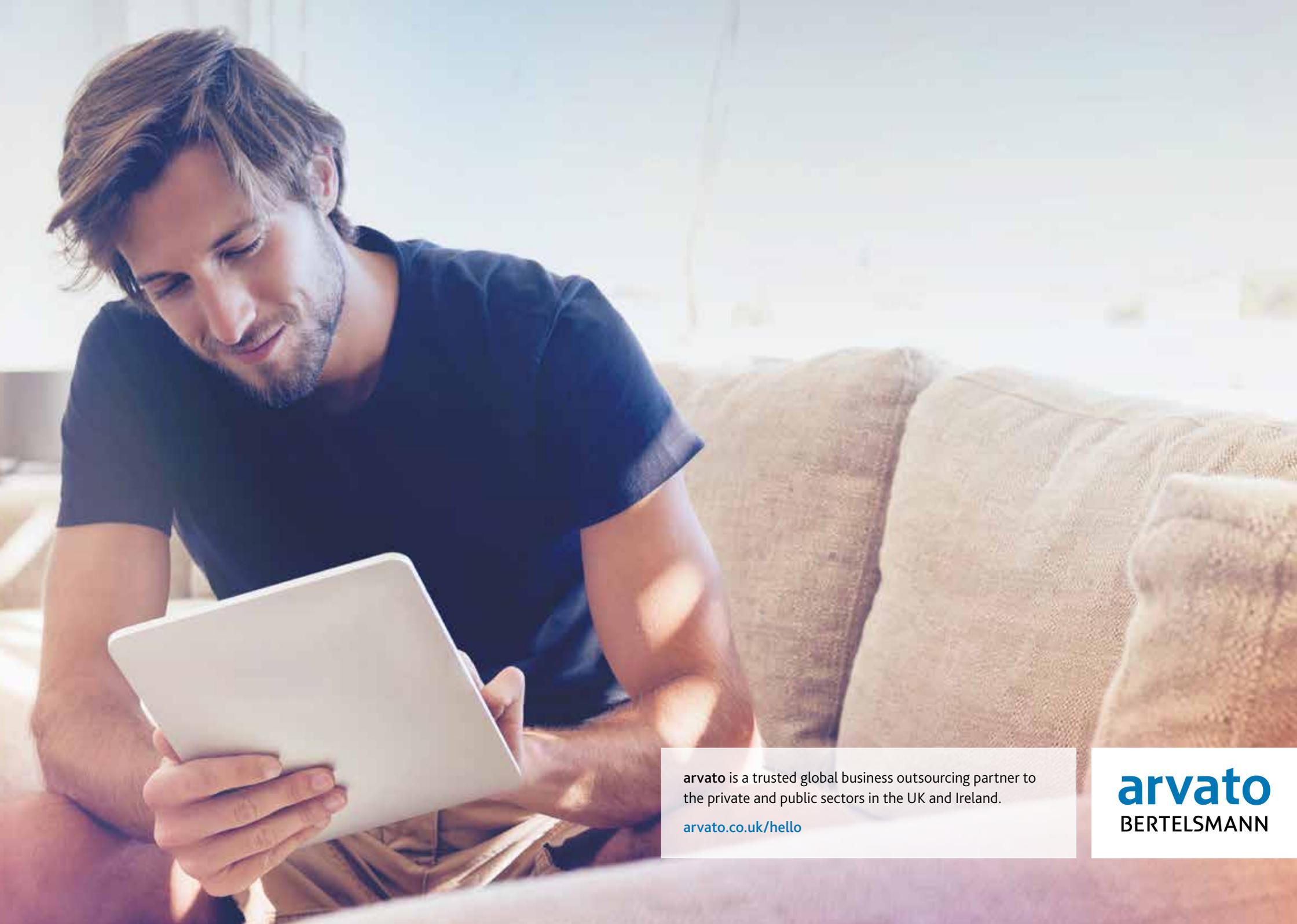
Technology plays a vital part in this of course but it is not a panacea but is rather an enabler of change. There is a need to go beyond this and focus on people, process and culture - often the most important factors that should not be overlooked. Debra Maxwell, Managing Director at arvato UK, explains:

“We’ve found going a step further and empowering employees to take part in a transformation process can have a significant impact. Our approaches have included training employees in techniques for process improvement or allocating them with smaller scale improvement projects to oversee independently. The willingness to change and collaborate has to extend throughout the entire organisation for it to be successful. It’s perhaps here that the public sector still lags behind the private sector, but being an outsourcer that is active in both we can bring across best practice and ensure greater value for money is delivered out of public spending.”

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