



Report on benchmarking project at Messe Berlin

Facts vs. gut feelings

After the complete outsourcing of its IT services, Messe Berlin had the contract with its services provider reviewed to mark the middle of its term. This benchmark by Maturity gave both sides a sense of security.

With around 100 events organised every year under the Berlin radio tower and in other countries, Messe Berlin has one of the largest turnovers in the global exhibitions industry. As part of its strategic considerations the company decided to outsource all its IT services to T-Systems International GmbH. The company signed a contract for five years with the German Telecoms Group subsidiary, one clause of which called for a benchmark to be conducted when it reached the mid-point of its term. The results showed that the targeted cost reductions had been achieved and overall costs were below the peer group – in other words relief for both parties to the contract.

There were two main reasons behind the decision for outsourcing, “On the one hand we wanted to save costs and we set ourselves a very ambitious target compared to our internal IT costs at the time”, remembers Reinhard Haferkorn, Manager Administration & IT Coordination at Messe Berlin. “On the other hand we wanted to replace the former siloed solutions with a standard SAP solution. A change of that magnitude is easier with a service provider.” Around 20 staff transferred to T-Systems during the course of the agreement – without any problems whatsoever, says Haferkorn. T-Systems retrained them from Oracle to SAP.

As part of a thorough contract review by the benchmarking team from Maturity, the contract was checked for formal defects and the scope of services, their quality and price were also analysed. “The points in favour of Maturity included both the expertise of the consultants and also their database competence”, says Haferkorn. The costs of the project were shared between the two parties to the contract since the idea was that both would also benefit from the additional transparency. “A price comparison was not straightforward in our case”, continues Haferkorn. Normally there would be no exhibition companies in the peer groups which would mean that Maturity would first have to identify companies with similar complexity and similar requirements. “And then we also only had a single comparison base, the monthly all-inclusive price for the ‘all-encompassing worry-free package’ from T-Systems.” As a result the team of consultants first had to split all the contents into various services (from application development to PC operations), find the appropriate comparison prices and finally extrapolate the whole thing again.

Both Messe Berlin and T-Systems are very pleased with the outcome of the analysis. “Both sides are now very comfortable”, says Haferkorn. “We have achieved our target savings.” And

Profile



Messe Berlin

Company
Messe Berlin

Website
www.messe-berlin.de

Benchmark targets
Review the scope, quality and price of an outsourcing contract in mid-term

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Reinhard Haferkorn, Manager Administration and IT Coordination at Messe Berlin

the cost of the benchmark? “The project definitely made sense since it provided security. After all, you cannot simply continue to argue for a gut feeling or ‘it’ll be alright’ any longer, sums up Haferkorn. ■