



Change Management in the Private Sector

Challenge Consulting with Hitachi Capital Vehicle Solutions (HCVS)

Hitachi Capital Vehicle Solutions (HCVS) is a leading supplier of mobility and fleet management services, helping to keep vital public services moving and providing support to growing UK businesses. But, five years ago, it was obvious to us that HCVS faced huge challenges from out-of-date systems, inefficient organisation and operations, and –most worryingly –emerging evidence of poor customer satisfaction. The business needed to transform—and HCVS was keen to do this ‘in house’. With that and a historically risk-averse culture, we could only offer informal encouragement and advice from the touchline.

Four years on, we knew that customer disquiet was growing –internal change efforts had not really addressed the key issues and a business decision was made to embark on an IT-led transformation that was hoped would ‘save the day’—an approach we had warned against. When we saw the IT-led plan and business case (up to £40m of costs, no business benefit), we took the bold step of moving off the touchline and onto the field of play. Still as informal ‘friends’ to the business, we made impassioned pleas to Group that something had to change –it did.

A newly-appointed HCVS MD took control and asked us to help. His willingness to fully engage and jointly lead a business transformation has saved the day –a reversal of £40m costs to £8m annual benefits. More spectacularly, the business-led transformation has already supported the winning of c. £500m of contracts, some of which would probably have been lost otherwise.

We worked in true partnership with our client to re-set the change programme and re-engage the organisation in a change journey that would transform operational and organisational effectiveness as well as renewing customer confidence and market credibility.

One of our first tasks was to interview a cross-section of the ‘top 50’ customers to gain invaluable insight into how customers perceived their relationship with HCVS –the results were harder hitting than anyone imagined; it unearthed some ‘burning platform’ issues that became focal to the design and direction of the change programme.

The insight was key insensitively and quickly transitioning an IT-led programme into a business-driven one. In conjunction with market insight and internal opinion, this insight formed the basis of a strategy review which resulted in a refreshed and compelling direction for HCVS. In turn, this strategy allowed us to work with the leadership team to develop a set of design principles that would drive the design of a new target operating model.

From the target operating model design, we designed a new transformation programme which we helped to resource and initiate –the programme is successfully working towards a ‘go-live’ in December 2017. One of the real benefits Challenge brought was their ability to help unlock the potential within our business. Their work resulted in the creation of a robust strategy, finely tuned operating model and the creation of the right environment to help us succeed.

The Challenge team truly helped us transform our business and read yourselves for the future. (Jon Lawes, MD of HCVS)