

Executive Q&A transcript

Q1. Now, you're an outsourcing business, but outsourcing is quite a big term. What does outsourcing mean to Capita?

Paul: I think outsourcing to us really means taking responsibility for activities that were previously run by the clients themselves. And when we do that we really have, fundamentally, three objectives.

One is to provide a demonstrable improvement in service quality.

The second is to save our clients a material amount of money.

The third, and probably most fundamental, is to actually look at transforming the underlying business on behalf of our client, ultimately to improve the success and profitability of that client.

It's a very easy cliché to say that you will go in and take responsibility and run something better – but Capita will enter into a service contract whereby we will be measured on a daily, weekly or monthly basis to deliver services to a far higher standard than was previously delivered from within that client's organisation. And we are very happy to be measured on that performance

Gordon: The benefits of outsourcing have really evolved over time. At the beginning... saving money was the highest thing on people's agenda. But I think that as the service delivery model from an organisation such as Capita has been able to improve and improve, we've been able to deliver far wider benefits than just purely saving money.

Paddy: An example would be a customer that worked within the retail sector. Initially, the contract we had with that customer was very much about transforming the business in terms of making it more cost-effective. Trust has built up with that customer over time, and we now find ourselves in a situation where we're actually selling on behalf of our customer to their customers and increasing their sales in a considerable way.