Transform WITH Technology

Using technology to transform business performance is the core aim behind the operations of Europe's largest independent technology solutions provider, SCC.

Images by Ben Lister

While many family-owned-and-operated businesses are now defunct in the UK, SCC is staying true to its traditional roots as it leads the way in the technology solutions arena. Its mission statement— 'great things happen when we work together'—aptly defines its existence and what it aspires to be. By planning, supplying, integrating, and managing IT services, SCC is able to provide effective and sustainable results for a customer base of mainly mid- to large-sized companies. The goal is to make IT work for companies so that their operations are enhanced, while delivering long-term profit to invest back into the business and nurturing a network of partners to create enduring value to the client. The organisation has more than 5,000 employees who are dedicated to positively contributing to the IT industry in a way that is personal, valuable, and meaningful, displaying the core SCC values of independence, passion, care, and service excellence.

Second-generation family member James Rigby sits at the helm of SCC today. As CEO, he oversees all aspects of the technology business in the UK, France, Spain, and Romania, working alongside his father Sir Peter Rigby, who is chairman of the group. SCC is a subsidiary of Rigby Group PLC, which was established in 1975. Peter mortgaged his house and took out a £2,000 loan to start the business, which became national within a year and international within three. It now turns over £1.8 billion and has interests in six key divisions: technology, aviation, airports, hotels, property development, and investments.

The initial venture generated enough cash for Peter to meet his longer-term objectives of growth and diversification as the demand for the IT services he was offering increased. In 1980, he branched out into payroll services with the launch of SCS. At the time, the cost of computers was decreasing ›
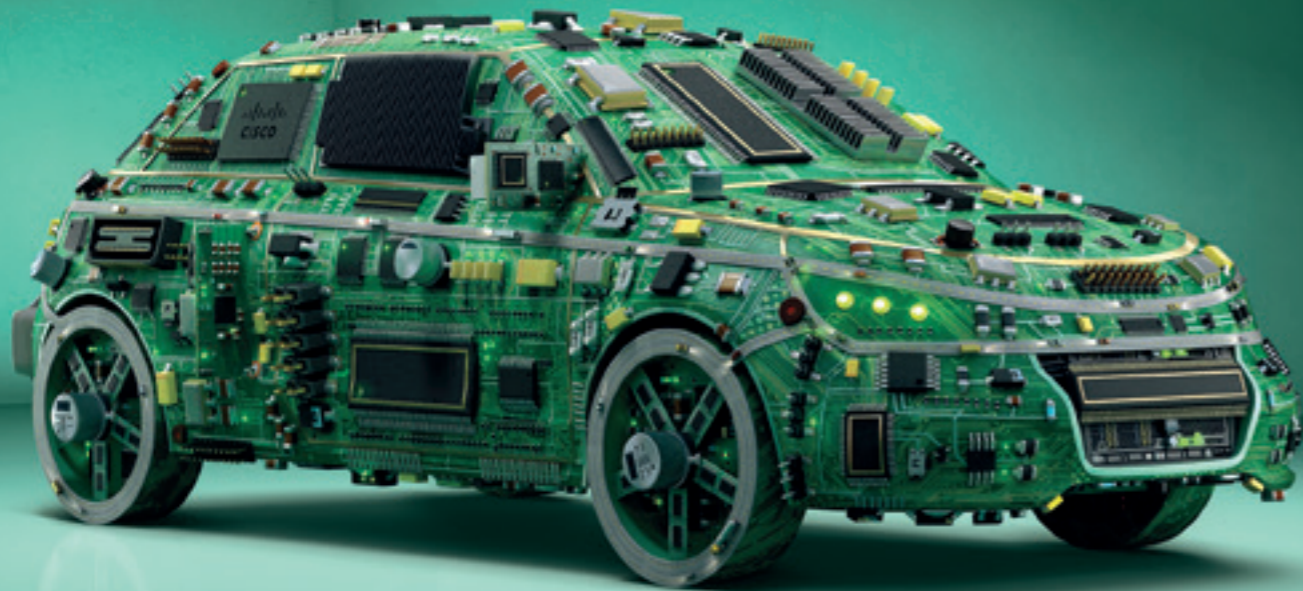
so market research predicted a growth in the technology sector, which Peter took on board and was able to tap into.

The SCC of today was officially launched in 1982 and filled a niche in the market by providing the expertise many companies lacked with regard to the right combination of hardware, software, and services. SCC was the first IBM PC authorised dealer and quickly grew to become one of the largest resellers in the UK. In 1984, it bagged its first major new business win, a £4 million per annum contract to supply IBM PCs to government communications headquarters. Several years later, it was voted IBM Quality Dealer of the Year and that same year reported an annual sales figure of £26 million. In the years that followed, SCC continued its investments into logistics and opened three new IBM System Centres, taking advantage of the rapid growth in PC sales. After investing in a connectivity centre to pilot applications and solutions in a 'live' environment, SCC hit a sales figure of £47 million and opened offices in Edinburgh and London.

> **"It was always in the plan that I would join the business."**
> - James Rigby

In 1990, the brunt of the recession hit the UK and the IT solutions market started to slow down. Luckily, Peter was always thinking ahead and SCC continued to prosper thanks to its well-established customer base, supplier relationships, and the fact that it hadn't borrowed any funds. SCC opened up in Bristol and then later it invested in providing highly responsive and scaling commissioning and assembly services as well as e-commerce solutions. In 2000, the organisation expanded from the UK into other parts of Europe.

James has been with SCC for 22 years, joining soon after he graduated from university with a management degree. "At some stage, it was always in the plan that I would join the business," James says. "We had an open mind about when, but I certainly took the view that the business was growing so quickly and so successfully that there was no better place to start and develop ›

my career than here. I did well at university, so there were other opportunities that I could have taken but I wanted to get going as quickly as possible in the family business." James worked his way through all sectors of the business, from logistics to supply chain to service operations, and became CEO about five years ago.

James has overseen exponential business growth—repeatedly achieving double-digit growth under his watch—and has played an integral role in its evolution to become the largest independent technology solutions provider in Europe, with long-term customers including The National Trust and British Airways, which have partnered with SCC for 20 years. His tenure has seen the company become the first UK provider to receive pan-government accreditation for its public sector cloud services platform Sentinel by SCC. This has enabled the group to provide a new generation of secure, flexible solutions to government and public sector bodies. In 2013–14, SCC's revenue grew 9.5 per cent on the previous year, returning approximately £1.74 billion across its European regions, while its EBITDA grew 93 per cent to £32 million.

Despite its rapid growth and potential, SCC has chosen to rein in its operations and focus on penetrating a small handful of countries effectively, rather than going absolutely everywhere. Two years ago, it sold its wholesale arm called SDG, which further enabled James and his team to concentrate deeply on the SCC part of the technology group. "Generally speaking, the whole technology landscape for us and our customers is much more complex than it has ever been. There is so much technology out there now and so much demand that the level of complexity has just exploded. It's our job to help our customers navigate through that. We have to be at the top of our game, in understanding and integrating all those technologies to help our customers.

"Sometimes as a business you can do too many things and you can address too many markets. What we have always been best at is serving the public sector and the corporate marketplace with the tools they need to get the best out of technology. There are others out

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> - James Rigby

there who are better at retail, mail order, and wholesaling than we are."

In recent times, the IT industry has experienced somewhat of a lull compared to the early days when it went through a stellar growth period. This has presented SCC with a number of challenges; however, James says the business has learned to embrace the ever-fluctuating market and adapt to it. "Certainly, more recently in our industry, like many others, there has been greater competition and a maturing of the market. Growth rates are lower, so you have to be much sharper and much better—you have to be bringing much more value to grow.

"Another challenge is that over the past five years there has been a lot of pressure on cost from our customers and IT can be one of those things where you dial back on the capital investment during the tough times. The other big ›

"As a key partner to Cisco, SCC have really embraced our technologies allowing them to bring real value add to their customers."
- Justine McDermott, Partner Account Manager, Cisco

"IBM and SCC work together to support clients as they face unprecedented demands on their infrastructure brought on by the onset of real-time big data, hybrid clouds, and an increasingly mobile economy." - James Edwards, Vice President, Global Business Partners, UK & Ireland, IBM

thing has been the shift to cloud. Up until a few years ago, companies very much hosted infrastructure on their own premises—they had their own data centres, their own service, their own storage platforms—and of course now some of that is moving towards off-premise cloud solutions. People are clearly much more mobile these days—they want to connect with any device, anywhere, and access applications on the move. Standing up capability around those topics has been important."

With this aforementioned maturing market, the impact of cloud technology, and the issue of mobility, James says SCC has had to develop a much tighter relationship with its customer base, ensuring there is a strong element of trust. "That has been a key part of our transformation," he explains. "We still do the transactional reselling of IT

products to customers, but really it is now about how to maintain those relationships we have and how to develop further alongside the customer. It is about bringing value on how to get the best out of that technology and that means presales investments, it means architects, it means much more intelligent selling, and much more capability around cloud platforms. We have had to absolutely put those investments in and it's been expensive. Not everybody in our industry can afford to make those investments but fortunately, being a private business, we are able to put our profits back into the business. When we add customers like Highways Agency and WHSmith to our portfolio, it represents return on that investment."

Being a privately run and family-owned business has been beneficial for SCC as it has allowed it to keep its operations

aligned with its core set of values. "Some of the attributes we have, because we are private, are that we can make quick decisions and we have a very short line in the decision-making process thanks to us being owner–managers," James says. "There are very few levels of bureaucracy to get decisions or investments made and signed off. That also means we have quite a competitive cost structure; there aren't layers of governance or management to get through. We are in charge of our destiny. We don't have to go to distant boards or committees to get things done; we can move quickly. We have a long-term view and with publicly listed companies, particularly in our industry, and probably in others too, it's all about chasing that core set target or chasing a share price. We don't have to do that. We can make the right decisions. Even during the global financial crisis, we were still managing the company in terms of

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its performance but not shying away from making investments either that we knew would be the right thing to do in the long term."

An example of how SCC tackled the GFC was when it made a big transition towards data centre services. The organisation made £30-million worth of investments during the period of economic instability, which has worked out well for it today. "We would have been five years behind if we had put those investments on hold because of what was going on," James notes. He adds that being a private entity also motivates people because of the way in which it is structured. People see how involved the CEO and his leadership team are in the business; their strong commitment and passion for it to succeed. "That's got to have an effect on why people work for us," James says. "The business is stable and has been in the same family's hands for years. It also has an effect on settling some of the partners. Customers and staff know that they are in a safe, well-invested business, and you don't see that very often these days. You see it more so in Germany with the kind of mid-sized companies, but here in the UK everything seems to be for sale most of the time."

As well as having strong relationships with many customers in the UK and across Europe, including Stobart Group, Gist, Canal & River Trust, and Towergate, SCC also endeavours to develop beneficial alliances with its key suppliers and technology partners. Dealings are based on a model of stability, trust and a well-developed track record of working together. Some of the most significant relationships are with behemoth brands such as Cisco, HP, Symantec, EMC and IBM: "We have worked with some of these vendors for all of our existence and in many cases all of their existences as well." In fact, SCC was the first IBM PC supplier back in 1983 when it became an authorised dealer. Its first PC sale was an IBM DOS 1.0 to Massey Ferguson at a cost of £12,000.

"We go back a long way," James continues. "It's not about changing hands every five minutes; there is that stability with our supplier relationships. What they want to see from us, and what we need to see together, are things like technological competence and keeping up to date with their technologies. One clear feature of our industry is change. Technology is always changing and our customers expect us and our suppliers to be right at the ›

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"SCC has worked with Symantec for over 10 years, establishing itself as a platinum partner in their community and demonstrating expertise across multiple solutions. Through the development of strong customer relationships, SCC is considered a trusted advisor, understanding customer needs and requirements." - Geoff Greenlaw, Sr. Director, Channel, Northern Europe, Symantec

forefront of that—telling them what to do, advising them on what to do. So keeping up to speed technically, being competent, and investing in understanding those technologies is absolutely key.

"Through our suppliers we are able to bring different technologies together to benefit our consumers. Cisco, for example, stand out as market leaders in networking, EMC in storage, and Symantec is clearly a leader in areas like security and backup. There is not one manufacturer or supplier that can address all of the customers' needs. Our job is to make that ecosystem work together—so make an EMC solution work with a

Cisco solution and that with an IBM solution. We make it all hang together and work for the customer.

"That sort of ecosystem has contributed to our success. We have to be specialists; to advise and deliver on each of those technologies. Being able to integrate them and bring that value to the client—that's what customers look for from us and it's what those suppliers look for as well. Because they are specialists in certain areas they can't necessarily bring all the value that they would want to their customers so they absolutely need us to work as agents for them in order to help them to do that."

SCC also invests heavily in its staff to ensure the customer is given the best care possible. Given the nature of the industry, the technical training of employees is

incredibly important. "Keeping the workforce current with new and developing technologies is absolutely essential so we can bring those to market, and bring those to our customers," James explains. "We invest heavily in the technical training but we also run training programs at all levels of the organisation, even in non-technical areas. We run training starting from basic health and safety, right through to people and communication skills, customer service, leadership, and development. Everyone has access to those programs and we have got a large in-house training team.

"Some people go on recognised courses but we really do try and develop people internally. My preference is always to look inside the business. As we have grown, there are many people working for us who, as you can imagine with a business that has

been in the same ownership for a long time, have grown with the business. A lot of our senior management team started here in junior positions and that's always my preference, to help people move their way up the business. Clearly, we do recruit people outside and we do advertise our positions, but growing our own is very much in our ethos. That is how we like to do it. I don't think it is just about training in itself either—it's about real life experience."

SCC runs an apprenticeship scheme for 16- to 19-year-olds within its Managed Services division. The trainee technicians are able to gain hands-on practical experience as well as invaluable knowledge on computerised products. At the completion of the program they earn a City and Guilds qualification, which is a great anchor for their future career.

According to James, his biggest success and something he is extremely proud of is that he has managed to build a great leadership team. "It's not all about me. I think the most important job of any CEO is to recognise that it is about the whole team. I think what I have done is built a good leadership team who are focused on results and customers. They are loyal, they are hardworking, and we all respect each other. Building that team and putting good people in the right positions has probably been what's allowed us to grow the business successfully.

"That's the real aim—to bring the technology aspects of what we do together to help peoples' wellbeing and help peoples' lives both within the company and outside of it."

- James Rigby

"Coming off the back of that strong team, we have got a good strategy. Our strategy is clear—we all understand it. We understand what makes us money and what doesn't. We understand what we are good at, and we are not afraid to stop or start doing things. A team that understands what it does, its business, its drivers, what customers want, and what we are good at is crucial. Putting together that team has been the biggest success."

SCC encourages its staff to positively contribute to society through its corporate social responsibility (CSR) programs. The approach it takes is simple and underpins its values as a family-run business. It is

committed to ensuring its operations are consistently ethical, safe, professional, environmentally responsible, and community minded. James explains that SCC's CSR policy focuses on three components: charity and community, its own people, and sustainability and the environment. Over the last couple of years, it has supported and won awards, held charitable and community events, continued to implement sustainable projects, and formed national charity partnerships with Marie Curie Cancer Care, The Prince's Trust, and Alzheimer's Society.

The recent Challenge Africa trip was in partnership with CO2balance and saw SCC ›

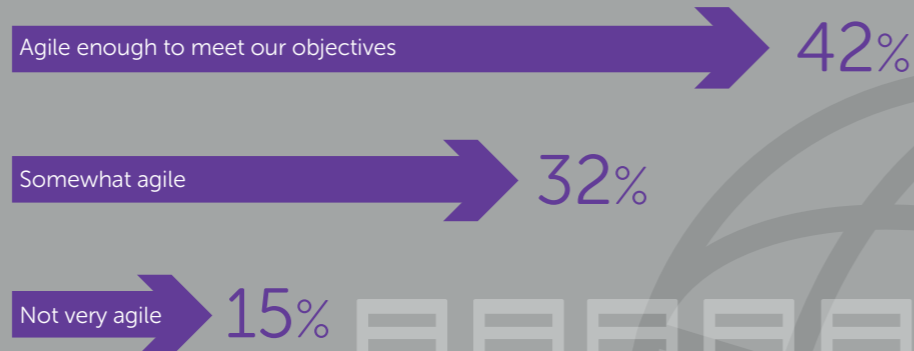# THE CRITICAL PATH TO AN AGILE DATA CENTRE

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ACROSS THE GLOBE, IT LEADERS AGREE ON THE INCREASING IMPORTANCE OF IT AGILITY AS THEY STRIVE TO ACHIEVE THEIR ORGANISATIONS' DATA CENTRE OBJECTIVES OVER THE NEXT TWO YEARS. THIS IS PARTICULARLY RELEVANT IN LIGHT OF RECENT RESEARCH:
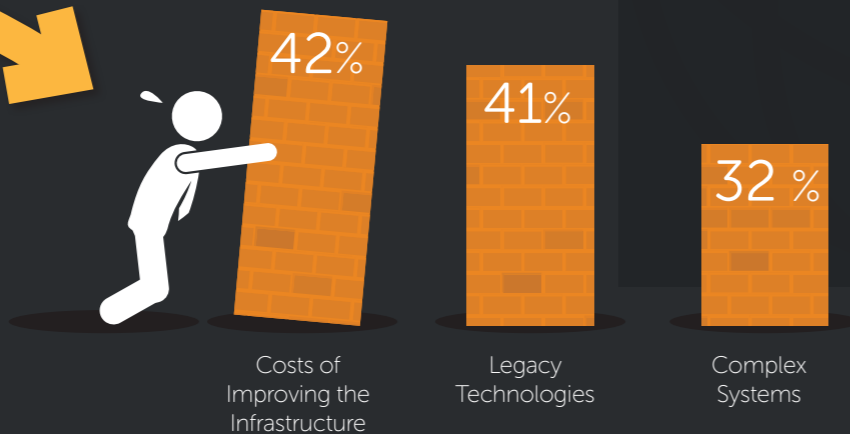
7 in 10

respondents are either **planning or embarking on data centre transformations** within the next 12 months.

YET ONLY 11%

of IT leaders in the EMEA region believe their data centre is highly agile. Others say ...

Agile enough to meet our objectives — 42%

Somewhat agile — 32%

Not very agile — 15%

WHAT ARE THE TOP 3 BARRIERS?

42% — Costs of Improving the Infrastructure

41% — Legacy Technologies

32% — Complex Systems

WHAT IS CRITICAL TO ENABLING IT AGILITY?

45%
Ability to **pool and provision resources across data centres regardless of OS**, storage or interconnects in use

44%
Secure recovery for critical business services and associated data

43%
Automated application-centric security across the entire physical and virtual environment

UNFORTUNATELY, LESS THAN HALF

say their current data centre solutions give them access to the top capabilities they associate with IT agility.

OF THOSE CAPABILITIES, WHICH DO YOU HAVE ACCESS TO?

32%
Automated application-centric security across the entire physical and virtual environment

41%
Ability to pool and provision resources across data centres regardless of OS, storage or interconnects in use

49%
Secure recovery for critical business services and associated data

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employees help make a difference to the children of Shikadabu Primary School in Kenya. The annual 'Byte Night' is aimed at raising funds for the charitable organisation Action for Children. Last year, SCC employees fundraised for the cause before sleeping out for a night. Regular 'dress down' days are also held each month in support of alternating charities, and various fundraising and volunteering days are put on each year. And the Police Community Club Internet Safety in Schools Project is sponsored by SCC to promote safe internet use to children.

SCC gives its employees the chance to improve their health and wellbeing through a host of initiatives which are delivered by the government's Cycle to Work Scheme, and partnerships with The Healthy Employee and Salary Extras. With regard to sustainability and the environment, SCC is continuously making a difference. In 2011, it won the Data Centres in Europe Green Grid Award for Sustainability and then, more recently in 2013, it was presented the title of Electrical and Electronic Equipment Recycler of the Year at the National Recycling Awards. SCC's long-standing partnership with CO2balance has

enabled it to offset 100 per cent of carbon-dioxide emissions from its data centres and recycling operations. Furthermore, for four consecutive years it has been declared a 'CarbonZero' company.

"Most of what we do with our CSR policy is very technology related but it is mainly things that involve the company not only giving money to charities and causes, but also involving our staff and sometimes our suppliers. So the whole community is getting involved in these kinds of programs. That's the real aim—to bring the technology aspects of what we do together to help peoples' wellbeing and help peoples' lives both within the company and outside of it. We make what we have got, what we do as a company, and what skills we have, relevant to the wider community.

"Our CSR is partly born out of the culture of the business. We have that family feel to the business; we care about people and we care about the business. We care about the impact we have on the community and the ability we have to do good in the world. Certainly, that's something we hear from our staff all the time—they want to join in with that. So I think that our

CSR policy relates well to our values as a business."

SCC is well placed to continue its journey as the principal player in the IT services sector. Its focus will be on managed services in mid-sized organisations' cloud. "It makes no sense for mid-sized companies to invest in their own IT," James says. "They should be leveraging companies like SCC to help them grow. We are well positioned with that type of organisation. Those companies often don't want to deal with the very big IT players. We are a mid- to large-sized player that has got the capability and has got the resources to partner very well with mid-sized organisations, for them to outsource their IT to us. That's where our future is and all of our investments and acquisitions are going into that to continue building our services capability. We have spent £30 million in the past four years on data centres. We now have three major data centres and about 1,700 racks, making SCC a top-three provider in this space. We have put another £8 million into the cloud platforms which are being taken up very strongly, seeing triple-digit growth in cloud and data centre services alone.

"We are really trying to build long-term relationships with customers by providing strategic

direction as well as delivery. Building that long-term income stream which, for us, makes the performance and the visibility in our performance much more dependable, is important. If you've got five-year relationships then you can really plan for the future, rather than perhaps retail operations, wholesaling or product reselling where it's very transactional and dependent on the economy. In a more service-focused business we have much more dependable income streams and can build those long-term collaborations.

"The other big part of our success, which will be a big part of the future, is the fact that as well as consistently growing our UK headcount, we have also grown the international side of the business. We have a staff head count in areas like Romania of about 800 people out there providing services back in to our UK and French customers. That's been a key part of our success. It's a very competitive operation. But it helps
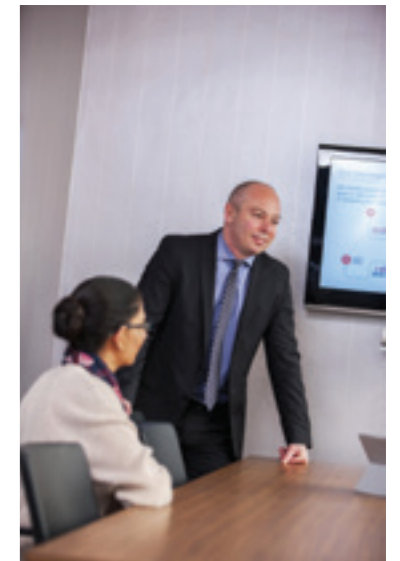
us to grow our UK business and skill up our UK workforce. We are probably one of the few UK businesses that has made a success of the French marketplace. It's a tough place to do business. It's very different from here in the UK but we have a big business there that's successful and a key part of our future." ○

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