

Offshore Application Maintenance Powers PSEG's IT Excellence and Cost Savings

Keane's Application Management Methodology
Strengthens IT Processes, Reduces Costs of US-based
Energy Company

Abstract

When Public Service Enterprise Group (PSEG) sought to reduce costs while continuing to deliver the highest quality service to its customers, the company turned to Keane for creative solutions. Keane recommended several options, including the use of offshore resources. PSEG embraced Keane's suggestion — and extended its long-term relationship with Keane by leveraging Keane's Advanced Development Center in India to maintain and support many of its mission-critical software applications.

Client

Public Service Enterprise Group (PSEG) is a \$25 billion diversified energy company based in New Jersey. PSEG subsidiaries include Public Service Electric and Gas (PSE&G), one of the

largest combined electric and gas companies in the United States and PSEG Power, an independent power producer with more than 16,000 megawatts of generation in operation or development.

Since 1996, Keane has played a significant role in PSEG's IT outsourcing strategy by managing the support and enhancement of PSE&G's mainframe and client/server business applications. Keane also brought PSE&G into Y2K compliance and helped the company create the IT infrastructure it needed to operate in a deregulated business environment. Across all projects, Keane met its IT service guarantees, delivering on time and within budget.

Challenge

To gain economic advantage despite challenging market conditions, PSEG

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needed to reduce expenditures while maintaining exceptional customer service, quality, and efficiency — and saw offshore applications outsourcing as a prime opportunity. Based on its successful partnering with Keane, PSEG turned to Keane again — this time to leverage its offshore delivery capabilities.

Bert Simpson, PSEG's Senior Vice President of Information Technology and CIO, explains, "PSEG must contain costs to ensure long-term operational success in the energy sector and to address the challenges created by volatile financial and energy markets. We decided to access the cost benefit of moving ongoing application maintenance and support offshore to India, and chose to make this transition with Keane, a long-term partner that knows our application environment."

Solution

Through a combination of onsite management and delivery — coupled with offshore delivery — Keane is providing maintenance and support of PSEG's mission-critical application software, including PSE&G's Customer Information System (CIS). CIS is a pivotal application for PSEG, as it connects data from customer interaction and maintenance requests with back-office systems that manage resources from personnel, dispatch, material assignment, and billing.

To ensure seamless service delivery, Keane will leverage its Program Management Office (PMO) — an existing

"command and control" function onsite at PSEG's New Jersey facility. The PMO will manage client interaction, work distribution, logistics, and local support. The PMO will also interface with delivery teams onsite and offshore at Keane's Hyderabad-based development center — one of the few development centers in the world that is both ISO 9001:2000 certified and assessed at Level 5 on the Software Engineering Institute's (SEI) Capability Maturity Model (CMM).

The entire team will use Keane's proven Application Management Methodology that incorporates core project management and quality management disciplines in the delivery of services.

Benefits

Keane's ongoing applications maintenance engagement for PSE&G has been assessed at Level 3 on the SEI's CMM, as verified through an independent audit. This achievement — accomplished in a fraction of the time organizations normally require to advance to CMM Level 3 — has equipped PSE&G with the IT processes to continuously improve cycle times, cost-effectiveness, and quality. By accessing offshore delivery through Keane, PSEG will continue its commitment to IT excellence, while gaining significant cost savings.

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About Keane

Keane is an IT services firm headquartered in the US with more than 12,000 professionals worldwide. For 45 years, Keane has been an Application Services specialist with distinguished project management credentials. Today, we offer a flagship suite of Application Services, as well as Infrastructure and Business Process Outsourcing solutions delivered through onsite, nearshore, and offshore resources. Visit www.keane.com to learn how our projects, managed services, and outsourcing engagements deliver value for a range of businesses and government agencies.

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