



Case study

Name: Global Project
Development and
Construction Company

Sector: Facilities Services

Location: London, UK

Managementors Increases Performance

The Facilities Services division of this global project development and construction company deliver site-based, pre-planned and reactive maintenance for their clients. These services are carried out through various contracts defined by financial penalties, meaning performance optimisation is vital. A project was carried out within a specific PFI contract in order to improve performance and reduce costs.

Background

Established in 1887, this is one of the world's leading project development and construction groups. The UK operation is one of the country's top contractors, famous for building many iconic structures, and is known for constructing, upgrading and maintaining the country's infrastructure.

Key challenges

- Extensive amount of work being completed by sub-contractors
- Considerable overtime costs with a high percentage being unrecoverable
- Operation not achieving financial expectations
- No effective means of measuring operational performance

Key gains

- Significant annualised benefits
- Ability to quantify workload and engineering resource requirements
- Clear visibility of performance
- More accurate and timely capture of job status and completion
- Improved clarity of supervisory roles and responsibilities

Operational Analysis Identifies Opportunities for Improvement

Working alongside a selection of site-based teams and mobile workers, Managementors carried out an in-depth analysis of overall operations within two sites of the PFI contract. The findings were presented to the Operations Director for Facilities Services, illustrating reasons for non-achievement in performance as well as cost inefficiencies, explaining how this could translate into a quantifiable recoverable opportunity. Evidence illustrated that a high proportion of work was being carried out by sub-contracted labour, alongside a significant level of overtime costs per year, of which a high percentage was not recoverable.

Target areas for improvement included: under-utilisation of manpower; the supervision of day-to-day activities of staff; the absence of an effective system to define, monitor and measure operational performance. Some engineers commented that poor planning of work meant that work kept being postponed for avoidable operational reasons.

Control and communication of work performance was highlighted as a key area requiring change. There was poor visibility of the jobs actually being conducted, along with limited proactive follow-up of jobs, which meant that - in effect - engineers could dictate

their own priorities and workload. This was evident through extended breaks and early finishes, plus overtime claims were commonplace.

Supervisors were finding themselves spending a considerable amount of time performing administration tasks or having to react to emergency issues as they occurred, rather than being able to proactively manage the workforce in scheduling and monitoring jobs. The impact on operations was no forward planning of regular jobs, with a lack of plans for expected completion and responsibility. In addition, where issues occurred these were not being fed back or recorded systematically in order to be addressed and rectified. The lack of quality information meant that it was difficult to understand the impact on operations and plan effectively to avoid recurring issues or identify potential new ones. This was further complicated by a backlog of sub-contractor work and delays in completing and entering paperwork onto the facilities management system.

Managementors undertook a project, together with the Facilities Services division, within the PFI contract, focusing on performance improvements in engineering and supporting operational management.

“Working in a secure environment is always a challenge and this was one of the most secure locations in the UK. Close collaboration with the on-site team and planning of activities ensured that we were able to deliver on time and on budget, whilst both delivering the necessary savings and maintaining the required level of service”

David Beggs, Director of Projects, Managementors



Delivering Visibility of Performance

This project had the core objective of developing new ways of working, driven by end-to-end processes, coupled with the implementation of an effective management operating system. By doing this, the company would gain greater visibility of operational performance, improved workforce productivity, financial efficiencies and the delivery of higher quality standards in service.

Despite a management operating system already being in place, this was identified as being ineffective, missing the ability to identify issues impacting operational performance due to a lack of proactive forecasting, detailed schedules for planned maintenance and the associated resource allocation; all of which are key elements for continuous improvement. Operational reporting delivered both limited and sometimes fictional information, with hours assigned to jobs just to fill in a working day, not backed up with detailed information based on allocated and actual resourcing, details of work undertaken, results and feedback. Regular performance reviews between teams and management did not occur, so there was no dialogue around effective plans, metrics or identification of variances, and performance was not being captured or actioned for change or improvements. The lack of effective resolution of these process issues led to delays, lost time, customer dissatisfaction and financial penalties.

Supported by the Operations Director, Managementors and the Facilities Services management team worked closely with all line managers and supervisors to communicate a clear and consistent message to all employees. The project's success relied on all staff being engaged in the project and adopting change for success and sustainability. Managementors worked alongside teams to understand the day-to-day working processes – their workload, communications, challenges and results – to identify the target areas for change and deliver more visibility on performance.

Weekly reviews between the project and contract management staff were carried out to

track progress towards the achievement of the project's objectives and to ensure any issues and potential problems were identified along the way. Where appropriate, actions to address those issues or problems would be agreed and taken, allowing for a speedy resolution. Equally, monthly milestone reviews were scheduled to assess progress at a strategic level and evaluate wider implications of any necessary changes. Existing initiatives were re-evaluated for their objectives, associated benefits, approach and timescales.

Benefits achieved during the course of the project were tracked to illustrate improvements. These included a reduction in the number of overtime hours worked per month, with the identification and quantification of under-utilised engineering capacity, coupled with the ability for engineers, sub-contractors and supervisors to log issues as they occurred throughout the working day, and a new organisational structure put in place based on daily supervisory routines.

A new Management Operating System was developed and implemented to manage the planning guidelines, workload forecasting, resource planning, issue logging, daily and weekly reviews and daily and monthly reporting. By return, this would illustrate the quantification of workload, resource planning/capacity utilisation, earned hours/output and the effectiveness and productivity.

As a result the business now has the knowledge and ability to quantify workload and engineering resource requirements. There is real-time visibility of performance, with more accurate and timely capture of job status and completion, as well as KPI's. Smarter working goals and targets are focused on the performance that must be achieved to minimise or eradicate financial penalties. Management and supervisors now have a new organisation structure, with clear supervisory roles and practical supervisory routines. Furthermore, operational performance is improving as workload is now more quantifiable with recognition of the gaps, such as under-utilised capacity, and the challenges ahead.

“There were a number of people on-site who had been there some time and were used to a certain way of working. It was positive to see them change as the project progressed and adopt new methods of working which delivered a greatly improved level of service at a lower overall cost”

Allan Moktar, Project Manager, Managementors

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