



Case study

Name: OCS
Sector: Specialist Services (Horticultural and Cleaning)
Location: National project, remotely delivered

Trimming waste from OCS' Vegetation Management contract

OCS has provided horticultural and cleaning support across the UK's canal and river network for the last 8 years. The contract offerings include seasonal hedge trimming, grass cutting, bin emptying and cleaning across the national network of canals including pathways, horticulture cafés and shops.

OCS sought to significantly improve the margin achieved on the contract with the aim to increase productivity of the operative teams, enabling them to deliver more work in-house and reduce costs.



"The changes implemented in the SE transformed the region from loss-making to profitable, with further opportunity still to be realised. In some areas we are seeing productivity increases of 200% and are now trying to re-allocate labour to other profitable work streams. This outcome has surpassed my expectations."

Donovan Gosher, Director of Utilities and Horticulture



Key challenges

- Low operative productivity, and contract not meeting margin expectations
- Lack of visibility of profitability on a daily basis, and between sub contract vs self-delivered work
- Poor quality service information
- Lack of understanding of resource requirements – capacity within regional operative teams hidden and high levels of work subcontracted
- Client frustration & poor interface with client

Key gains

- Single, central, programme created giving the Contract Manager visibility on progress and highlighting issues
- Substantially increased operative productivity enabling cost to deliver the service to be reduced and previously subcontracted work to be delivered in-house
- More effective and accurate forecasting allowing greater confidence in expected revenue and profit
- A more collaborative, action-focused partnership with their client
- Demonstrable increase in contract performance achieved:
 - £804k annualised financial benefits (through increased productivity and margin, overtime reduction, reduced subcontractor spend as well as management restructure, and vacancy closures)
 - Average operative gang size reduced from 3.2 to 2.3
 - Increased operative daily time on site

Background

Following a previous successful engagement with OCS supporting performance improvement within their National Grid contract, the Managementors team was asked to undertake a project with OCS' Canal Vegetation Management contract.

OCS' Senior Management team recognised that numerous issues existed within the contract causing poor margin performance, low team output and frustration for both the client and service delivery staff.

Project Conduit commenced in November 2020 and was a 27-week engagement, concluding May 2021.

The Challenge

Initial analysis undertaken by the Managementors team before the project commenced highlighted a number of key issues across the contract. These included a lack of visibility of operational performance, measures, targets or a review structure through which to effectively manage team and regional performance. This resulted in low operative utilisation and productivity, excessive overtime and subcontractor spend and a contract failing to meet margin expectations.

Inaccurate service information hindered their ability to plan and effectively utilise resource. There was also a general limited understanding with regards to resources required to deliver the expected work volumes and insufficient systematic data capture to quantify issues with asset information and a lack of a structured feedback loop to improve the quality of this.

With no planning guidelines in place to inform planning of tasks, it was proving difficult to understand resource requirements, highlight operational issues and issues/opportunities with the agreed rates. Consequently, many of the gangs were over-resourced.

A lack of financial forecasting or visibility of margin was also leading to 'surprises' when P&L was released following month-end.

Further issues included:

- Lack of consistency / standardisation across regions particularly with regards to planning and reporting
- Plans were disconnected from each other
- Passive management and a lack of short interval control

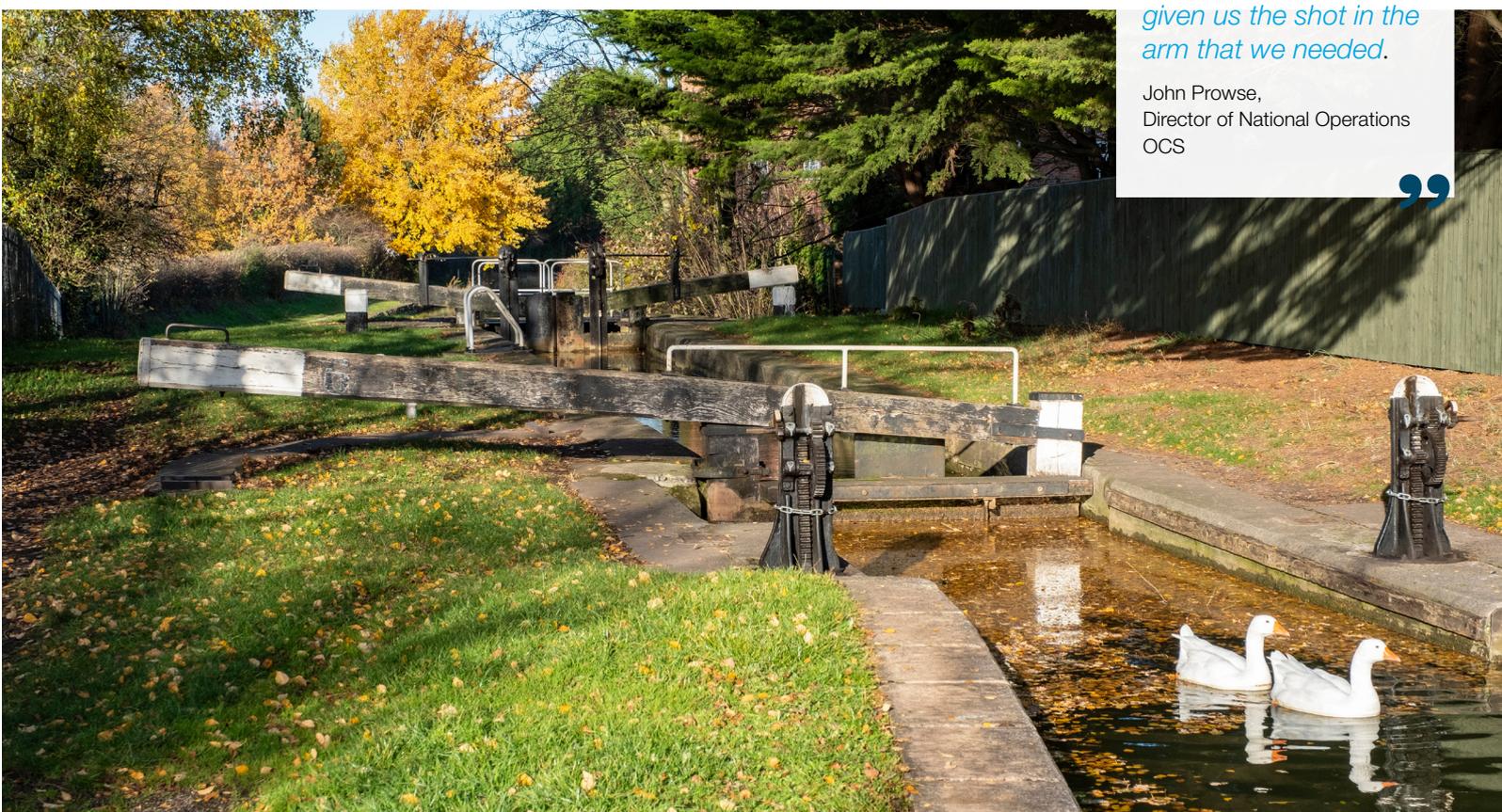
This combination of issues was leading to a frustrated client that did not have the visibility they needed of the progress against plan.

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Managementors has given us the shot in the arm that we needed.

John Prowse,
Director of National Operations
OCS

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Approach & Outcomes

Taking a facilitative approach, Managementors worked in partnership with key OCS stakeholders to implement processes, tools and management controls to form a stronger, more productive contract team, delivering an improved service at a reduced cost and assisted by a more collaborative, action-focused relationship with their client.

At the start of the project, it was crucial to gain visibility and consensus with regards to the key issues hampering performance within each of the regions.

To achieve this, workshops were organised involving the Service Management teams to map and critique the 'as is' process and Management Operating System, with gaps, root cause issues and regional differences identified. Following the process critique workshops, work streams were defined and OCS project team owners were assigned to ensure ownership and that internal expertise and knowledge was being utilised.

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“One of the biggest changes is being able to raise even the smallest issue – we now make sure we have actions against them which is driving out the issues”

Neil Towle, Team Manager

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Training workshops quickly followed, accelerating team and service managers understanding of the project and key principles such as active management, short interval control and management operating system.

From the initial analysis and workshops held, it quickly became apparent that planning and reporting would be key focuses on the project. Additionally, emphasis was placed on defining and rolling out operative best practice to improve consistency and quality as well as to increase productivity through reducing gang sizes.

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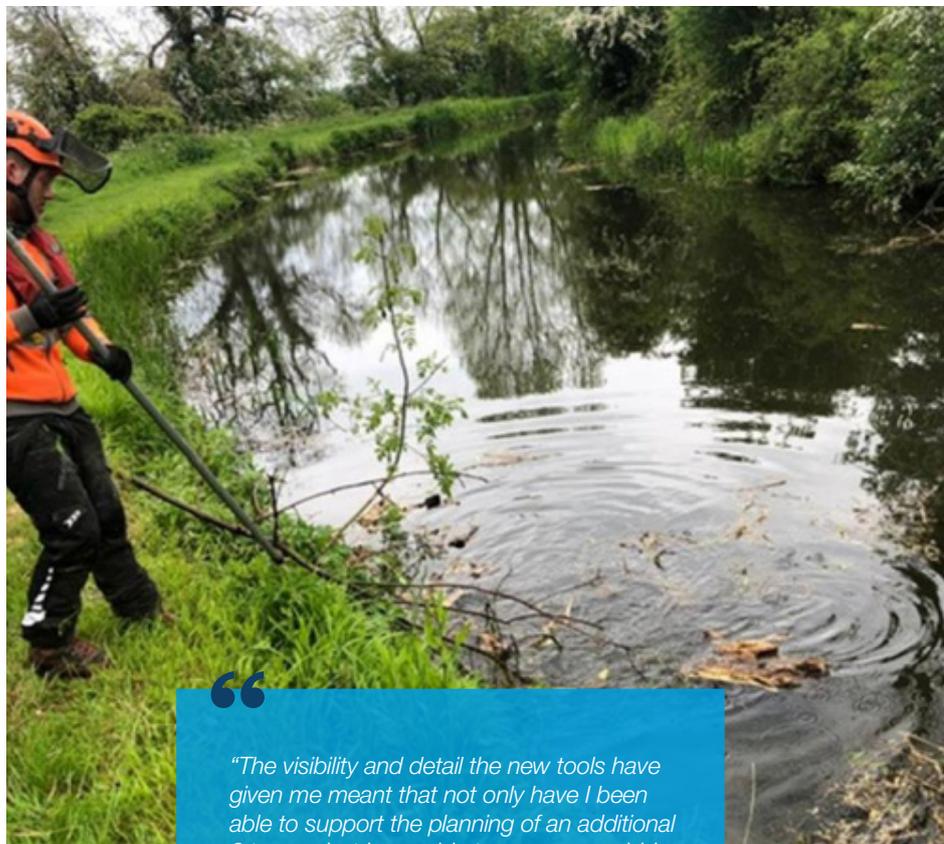
“Everyone is now working in the same way. It doesn't matter which region it is, I can go straight in and find what I need to know. I can see what I need to focus on and can manage by exception.”

Rob Howes,
Regional Operations Manager

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Subcontractor spend was also reviewed as part of the project, with spend by region and subcontractor heat mapped and a series of recommendations made to the business to take forwards.

During the initial phase of the project, the management structure was reviewed and a recommendation made both to consolidate both the Regional and Team Manager (sub regional) structure. The Regional restructure was implemented during the lifetime of the project and Phase 2 (sub regional) restructure was in progress at the close of the project.



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“The visibility and detail the new tools have given me meant that not only have I been able to support the planning of an additional 6 teams, but I was able to remove a subbie that previously was doing £80k of work!”

Neil Towle, Team Manager

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At the heart of the project was the development and implementation of a bespoke Management Operating System (MOS) – providing Service Management with the tools & reporting needed to gain control of the operation and build a strong platform for continuous improvement. Key elements of the OCS MOS included:



Finally through ongoing coaching, and the tooling and behaviours underpinning the MOS, the Service Managers brought a more collaborative and structured approach to the monthly client NVES meetings, utilising action logs to resolve issues, and more effective feedback loops to improve and accelerate programme delivery.

OCS' Director of Utilities and Horticulture, Donavon Gosher reflected, "When the project started, there was a significant amount of scepticism and resistance to the project from some of the management team...now that the project is complete, there are only positive messages. I have now worked with you on three projects and every time, the well-tailored approach to implementing the project goals has led to successful outcomes and a much stronger, more productive team once the project ends."

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"I really like the new tools – it sticks out like a sore thumb when you've had a bad day."

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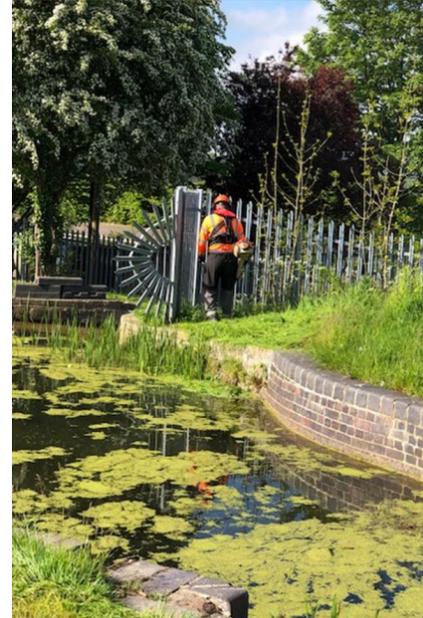
"It's been a real eye-opener for the managers, and the new ways of working are now embedding into routine. My team managers have really taken this and run with it. Having daily targets, clear expectations and financial control over their areas is really driving the guys."

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"I now have visibility and am able to influence outcomes before month-end. If our productivity is strong I know the finances will follow."

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