



Case study

Name: Soft FM Contract for Public Sector

Sector: Soft FM

Contract clean up for public sector

This company is a global facilities management services provider working in the public and private sector, offering a wide range of services including catering, cleaning and grounds maintenance, security, waste management and hard FM.

The business secured two significant sized public sector contracts providing soft FM services across a number of regions, until 2023. With the contract performing well and a good relationship with the client, there was a strong desire to retain the contract.

Managementors were brought in to assess the opportunity and identify transformation activities and efficiency opportunities in order to optimise the contracts and maximise the benefit being delivered to the client.

Key objectives

- Strong desire to deliver benefits to their client and turn high performing contract into a long-term partnership
- Desire to demonstrate operational excellence as a smart service provider in the public sector and grow revenue in this sector
- Need to focus on delivering innovative solutions through smarter ways of working
- Ambition to optimise operation and tackle day-to-day frustrations
- Enhance understanding of resource requirements across a complex portfolio
- Improve managerial skills

Key gains

- Increased visibility of resource requirements on a site-by-site basis
- Significant financial benefits delivered and opportunity identified across the two contracts to further reduce cost post project
- Improved review structure to facilitate effective issue escalation and resolution
- Increased understanding and visibility of chargeable vs non-chargeable work
- Optimised cost model created to drive competitiveness for the upcoming rebid

Background

This client delivers soft FM contracts within the public and private sector. Following previous successful performance improvement projects, Managementors were invited to conduct an operational review of two significant sized public sector contracts, to assess the opportunity to drive efficiencies. Whilst the client seemed happy with the quality of service, a focus on innovation, sustainability and cost efficiencies was high on their agenda in the run up to a contract rebid. The Senior Management team, who managed both contracts, recognised the opportunity to improve performance and optimise the contract to help enhance the likelihood of securing the contract.

A performance improvement project was initially undertaken within one of the contracts as a pilot, which delivered substantial financial benefits and effective behavioural changes, as well as facilitating innovation. Following the successful completion of this project, the decision was taken to roll out to the second contract (a portfolio of approx. 200 buildings), with a similar approach taken to optimising contract performance.

The Challenge

During the initial analysis phase, it became clear there were challenges around allocation of work, variances in the frequency of cleans vs scope and no effective mechanism to raise and resolve issues. Due to the nature of the contract, many sites didn't have supervisory presence on a daily basis, leading to a lack of active management. In addition, there was confusion as to whether select activities were outside of scope and therefore chargeable vs works within the scope. There was a general lack of focus on performance and outputs and, as such, cleaning routines were not optimised and over-frequent cleaning was hiding the opportunity to reduce resource and/or cost in particular areas of the contract. Consequently, the resource plan was not optimised against the specification and required outputs.

Furthermore, the management team's bandwidth was stretched and, as a result, crucial innovation opportunities were stymied. Whilst there were examples of innovation at a local level, some initiatives weren't shared as best practice across the contracts.

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“The engagement with Managementors brought great ideas to the table! We've all done courses on motivation and smart thinking before but it was good to get a refreshed view and new outlook. Some great ideas were brought to the floor. There were some good systems and tools that they provided us with like the resource model and auditing to make sure the team aren't sitting around.”

Regional Manager

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“It was a positive project, it was eye opening and working collaboratively it gave us the bandwidth to be able to look at things with new view!”

Contract Manager

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“The whole process was positive because it gave Managementors a chance to look at the business through the site visits which were useful. Specifically, for newer members of the team or people who don't have as much knowledge or understanding of the business, it gave them a lot more information and specific knowledge in terms of their operational management. It taught me how to try and manage my process every day. Some of us had been working 12-13 hours a day and we've kind of put a stop to that now. For the overall process, we got as much out of it as you did!”

Area Manager

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The Outcomes

Through developing an accurate resource model, reflecting the nature and requirements of the portfolio and workloads, significant cost reduction opportunities were identified, some of which were realised during the project period with further opportunities to be enabled at a later date. A number of vacancies were cancelled realising immediate financial benefit. A more thorough understanding of resource requirements on a site-by-site basis allowed for more intelligent allocation of resource to sites and this could be developed in the event of any changes to the estate.

Introducing a more scientific approach to forecasting sub-contractor requirements frequency of service and consumable spend linked to building utilisation, enabled over £200k savings in consumable spend and reduced waste disposal costs which were shared with the client.

Managementors supported the client post-COVID lockdown - as such a new operating model was reviewed - aimed at redefining the service provision, cleaning regimes and frequencies in light of reduced footfall and building utilisation, as hybrid working was evolving. The project provided detailed insight and modelling for our client to discuss cost reduction opportunities with the end client and created the opportunity to demonstrate added value based on a more data and intelligence led service delivery, actively promoting opportunities to realise shared efficiency gains.

Through developing a target operating model, detailed insight and data was provided for the client to submit an optimised cost model at bid stage, therefore increasing the competitiveness of the future bid and the likelihood of retaining the contract in its next generation.

Contact us to find out what Managementors can do for you

Call +44 (0)1256 883939

e enquiries@managementors.co.uk
w www.managementors.co.uk