



trusted to deliver™



Case study

Name: Babcock International Group PLC
Sector: Facilities Management
Location: London, UK

Babcock transforms FM delivery for the MoD, maximising best value for UK taxpayers

Babcock's newly invigorated and highly sustainable FM model now generates enhanced value for money and assurance for the MoD's Defence Infrastructure Organisation.

Background

Babcock is the largest provider of property management services to the MoD and also serves customers in local government, education and the emergency services.

The Regional Prime Contract South West (RPCSW) is the second of five regional contracts awarded to Babcock under the MoD's Prime Contracting initiative. Responsible for estate management services at almost 60 establishments and some 200 separate parcels of land within the South West region, Babcock manages around 9,000 assets that vary from barrack blocks, galleys and offices to infrastructures, sports pitches and reservoirs.

The seven-year contract includes the delivery of FM services across a broad property portfolio that includes airfields and training establishments. In total, Babcock undertakes around 600,000 planned maintenance routines each year and handles 10,000 reactive calls a month.

Key challenges

- Restructure a major regional hard facilities management services contract to deliver value-add economies for the MoD.
- Apply active management techniques to reduce cycle times, identify and cut wastage, and maximise operational performance.
- Implement best practice materials management and resource planning to generate 'right first time' service delivery.

Key gains

- Delivered annualised savings of £1.6 million in the South West region for the MoD.
- Real-time operational reporting has transformed the way Babcock collaborates with the Defence Infrastructure Organisation (DIO), enabling improved engagement for all.
- Systems, behaviours and processes are readily transferrable to other regional MoD contracts to generate significant future savings.

The challenge

To ensure an efficient and effectively managed estate, in 2011 the MoD's newly created Defence Infrastructure Organisation (DIO) unveiled a number of demanding new requirements.

The DIO wanted Babcock to undertake a radical restructure of its contract delivery model in a bid to cut costs and generate demonstrable and ever improving value for money.

"The new directive means we needed to build continuous improvement and best value into our DNA," explains Sue Harvey, Operations Improvement Manager – Infrastructure, Babcock International Group.

"That meant implementing tools to improve the way we forecast and plan works services and initiating a mechanism to give us verifiable performance and productivity data that would provide the basis for generating improved output."

With the MoD on a mission to cut running costs by 25 per cent by 2015, the bottom line was that Babcock was tasked with doing more for less without compromising on quality of service or responsiveness to fast evolving and changing Defence needs.

First steps

Babcock turned to Managementors to launch Project Deliver, a twelve-week pilot project to drive increased workforce and resource utilisation at its sites in Devon. The project encompassed almost four hundred management, supervisory, administration and operative staff.

"Managementors conducted a detailed review of our operations to identify where the opportunities for improvement lay," continues Sue Harvey.

"Their findings revealed that by applying active management techniques and improving the planning and control of parts, we could eliminate time and resource wastage and enable a higher ratio of first time fixes."

"Babcock is committed to helping customers to achieve their key outputs, which includes delivering cost savings and improved efficiency."

David Plester, MD – Infrastructure, Babcock International Group



Transforming productivity

To maximise productivity and performance, Managementors supported Babcock to undertake an analysis of workloads, standard job durations and operative allocation and institute processes to gain real-time visibility of operative loading. At the same time, new processes were devised to support best practice parts planning and controls to ensure operatives always had the right part for their daily job allocations.

Next, Managementors developed a suite of management tools to support the improved forecasting and planning of works services and create verifiable performance and productivity data. Supervisors and managers were given coaching in how to use the new tools to drive increased utilisation and resolve any issues that impacted on productivity.

“Together we evaluated process flows, eliminating unnecessary task activities and bureaucracy,” confirms Sue Harvey. “We also completed a comprehensive and objective measurement of task completion times, creating Planning Guidelines for each task. This enabled our operatives and supervisors to measure their performance against set targets and plan tasks more effectively.”

Actively managing performance

Implementing a framework for real time reporting has enabled managers and supervisors to apply active management techniques and speedily identify and resolve issues that impede productivity and performance across the operation.

“Our operatives and supervisors met on a daily basis to plan the next day’s tasks and resolve identified issues. In this way we were able to address gaps, eliminate bottlenecks and reduce cycle times to provide a highly effective service engagement,” says Sue Harvey.

“We also reviewed the way we capture and validate customer fault information, which in turn has improved our ability to achieve a ‘right first time’ approach and boosted first time fix rates.”



Outcomes

The powerful application of a Forecast, Plan and Control model, integrated with resource-to-work planning, and active management techniques has transformed operations.

Project Deliver has been rolled out through the South West Regional Prime Contract, generating annual savings of £1.6 million with the potential for further future savings across the MoD estate.

“The lessons learned on Project Deliver are transferrable to other MoD contracts and will deliver significant benefits to all stakeholders,” confirms Sue Harvey. “We’re now able to operate as a true strategic partner to the DIO and demonstrate we have a process for continuous improvement in place.”

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