



## Case study

Name: MoD Facilities Management

Sector: Facilities Management

Location: London, UK / Devon, UK

## Transformation of FM delivery for the MoD, maximising best value for UK taxpayers

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

### Background

Under the MoD's Prime Contracting initiative, the supplier to the Regional Prime Contract South West (RPCSW), is responsible for estate management services at almost 60 establishments and some 200 separate parcels of land within the South West region. They manage around 9,000 assets that vary from barrack blocks, galleys and offices to infrastructures, sports pitches and reservoirs.

In total, around 600,000 planned maintenance routine are undertaken each year, alongside 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 the Defence Infrastructure Organisation (DIO), collaborates with their supplier, enabling improved engagement for all
- Systems, behaviours and processes are readily transferrable to other regional MoD contracts to generate significant future savings

## The challenge

In 2011, the MoD's newly created Defence Infrastructure Organisation (DIO) unveiled a number of demanding new requirements. These required a radical restructure of their supplier's contract delivery model in a bid to cut costs and generate demonstrable and ever improving value for money.

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

## First steps

A twelve-week pilot project to drive increased workforce and resource utilisation at sites in Devon was begun. 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," Operations Improvement Manager, supplier.

"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."



## Transforming productivity

To maximise productivity and performance, Managementors supported the MoD's supplier 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 the Operations Improvement Manager. "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.

Operatives and supervisors meet on a daily basis to plan the next day's tasks and resolve identified issues. In this way, teams were able to address gaps, eliminate bottlenecks and reduce cycle times to provide a highly effective service engagement.

The way customer fault information was captured and validated, was also reviewed. In turn this improved the 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.

This project 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 are transferrable to other MoD contracts and will deliver significant benefits to all stakeholders.

“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,” Operations Improvement Manager, Supplier.



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**Call** +44 (0)1256 883939

**e** [enquiries@managementors.co.uk](mailto:enquiries@managementors.co.uk)

**w** [www.managementors.co.uk](http://www.managementors.co.uk)