

- development
- implementation
- PARTNERING
the supply chain
- PRODUCTION
of components

PROJECT



MAY 2000

Mace opens Pandora's box of innovations

The Egan health and fitness workout

When Mark Reynolds, operations director at Mace finished work on BAA's Genesis project, he was determined to find another enlightened client with whom he could further develop the Egan approach.

He found that client in Cannons Health & Fitness (formerly Vardons Leisure).

When Mark met Cannons in 1997, their business comprised just 11 health and fitness clubs. But they had a vision of growth and today they own and operate 41 clubs in the UK.

Reynolds argues that, "a key factor in success for Cannons has been developing their leisure building product and continuously improving it by driving out waste." Mace have assembled their supply chain specifically for this purpose.

Ken Redman is technical services director for Cannons and he has put a solid foundation in place to allow their business to grow. "When we began our relationship with Mace we didn't realise we were a leading edge client," he claims modestly, "but we're certainly seeing real benefits from Mace's supply chain management. I would recommend this approach to any client whose business relies critically on its facilities."

Benefits of developing the Cannons supply chain

Since the beginning of the Cannons programme in 1997 Mace and the supply chain has delivered:

- **11% reduction in capital cost**, whilst simultaneously increasing the quality of the product
- **25% reduction in construction time**
- **Approaching 100% predictability**
- **Approaching zero defects at handover**
- **Zero reportable accidents** throughout the entire programme.

For each successive project, typically 80% of the suppliers are from the previous team. This means a more predictable workload and has enabled some suppliers to enjoy significant business growth.

Partners are beginning to discuss profit margins, and key suppliers are certainly admitting to charging less but making increased profits on Cannons projects.

CASE HISTORY



Cannons Health & Fitness, Swindon

“a key factor has been developing their leisure building product and continuously improving it by driving out waste”

Mark Reynolds, Mace Ltd

Case histories will be prepared for these innovations

Generic design brief

Cost benchmarking and cost model

Mapping the supply chain

Implementation process mapping

Product Extranet

Last Planner

m|a|c|e

Cannons
HEALTH CLUB



CREDITS

- Constructor – Mace Ltd
- Client – Cannons Health & Fitness Ltd
- Architect – Hadfield Cawkwell & Davidson
- M&E Services – Kestrel Technical Services Ltd
- Cost Consultants – Quantum Partnership

Mace opens Pandora's box of innovations

The Challenge

Focusing on the health and fitness centre product, Mace sought to establish a virtual company that would manage the supply chain and beat the competition.

Solving problems

The main problem encountered during the process has been non-performing suppliers. However careful you are in the selection, finding the right supplier for the team requires an engagement before marriage. Inevitably some suppliers have been dropped because of poor performance. The team is now concentrating on supporting their best suppliers and assisting them to develop the whole supply chain including materials suppliers.

The uncertain timing of site acquisition by Cannons exposes the project to conflicting demands on resource plans. Nevertheless the team maintains a positive approach and Cannons are working to resolve this problem.

Implementation

The core team was assembled for the first of many projects in 1997. They immediately set about developing a generic brief, establishing standards and cost benchmarks. By 1998, a framework supply system had been developed and a full cost model was in place. During 1999, mapping the supply chain had led to sourcing better and cheaper materials. A productivity management system known as the Last Planner was introduced to improve predictability of delivery. Also in 1999, updates were made to the process and generic brief.

2000 has seen the introduction of formal partnering arrangements. The development of the Product Extranet enables partners to collaborate and share information from any location.

Future development

The team will develop 3D modelling and build the knowledge of the supply chain members, combined with a continuous improvement programme.

Innovation case history

This case history is a snapshot of just one innovation making construction in the UK more profitable for the supply chain and the Client. Further details will be found in the Knowledge Exchange or you should contact the Innovator directly or M⁴I.

How to make this radical change in your business

To maximise your chances of success in repeat business:

- Make sure your client understands the benefits of developing the supply chain specifically for his projects
- Assemble the core team
- Establish a generic brief with corresponding performance standards and benchmarks for cost
- Map the supply chain, identify preferred suppliers and assist them to develop lower level suppliers
- Establish information and communication systems that will reinforce supply chain commitment.

Contact the innovator

Mr Mark Reynolds
Operations Director
Mace
Telephone: 020 7554 8000
E-mail: mreynolds@mace.co.uk

Links

Mace: www.mace.co.uk
Cannons: www.cannons-group.co.uk

Related Topics

Visit the Construction Best Practice Programme: www.cbpp.org.uk/cbpp/themes/theme_list.html

Our vision

is for the whole UK construction industry to create self-sustaining continuous improvement leading to **world class performance and better profitability**



M⁴I, Building 3, BRE, Garston,
Watford WD2 7JR,
Telephone: 01923 664820;
E-mail: support@m4i.org.uk; www.m4i.org.uk

The M4I Strategy Model applied to this innovation

