



Building Success

Profit from business improvement



Innovation ■ Best Practice ■ Productivity

Foreword

Constructing Excellence is driving forward productivity improvements in the UK construction industry through a set of integrated programmes focused on delivering process, product and cultural changes.

The key objectives of Constructing Excellence are to improve performance through increased productivity and competitiveness; to improve the industry's image by changing its culture, developing its people and engaging better with communities and customers; and to engage and take action with individuals, businesses, organisations and industry associations.

This booklet focuses on sharing best practice that has been proven to boost profitability in companies large and small across the UK. Constructing Excellence spoke to a selection of companies, each operating at different points in the construction supply chain and each with their own best practice programmes. The programmes – many of them launched with help from Construction Best Practice, a predecessor of Constructing Excellence – have been running for several years.

The findings were remarkable. Although all the companies were very different from each other, the same challenges emerged repeatedly. The challenges could well seem familiar – the need for committed leadership, customer focus, integrated processes and teams, a focus on quality and a commitment to employees. What is particularly useful are the lessons these companies learned and are prepared to share in the interests of promoting best practice across the UK Construction industry.

The companies featured show how clear focus and vision can deliver measurable success. Striving to 'Profit From Business Improvement' can both enhance your own company's performance and promote the continuous improvement the UK construction industry must practice to prosper.



About the companies



Carmelcrest: is a small contracting company based in East London that started life as a family firm seventeen

years ago. Since inception, the company has reinvested in both premises and personnel. Despite being small, Carmelcrest has won ample business awards for 'best practice'. It was also one of the first BS 5757 Quality Assurance registered companies, and remains the only chartered building company in East London.

Contributions by Ray Spooner, MD



Colledge Trundle & Hall: (CTH) was founded in 1988 and is a Systems Integrator in the Intelligent Building

Controls (IBC) sector of the UK construction industry. CTH supplies engineering solutions for more cost-effective, safe and sustainable building services and environments. CTH actively encourages early supplier involvement and is committed to quality and continuous improvement.

Contributions by Bill Colledge, MD



Hackney Technical Consultancy: was formed in 1998, trading initially as a London Borough of Hackney

in-house service. It then became a semi-commercial unit but, following Hackney council's reorganisation, the Consultancy is now part of the Housing Directorate – it's main 'client'. The Consultancy has responsibilities for design and project management; currently the main task is managing the restoration of Hackney's housing stock to meet the Government's 'Decent Homes' initiative.

Contributions by Martin Weaver, Interim Head of Technical Consultancy



Haldane UK Limited: is a small specialist manufacturer of timber products. Founded in 1945,

Haldane was originally a crafts-based company. It now employs a trained workforce that uses state-of-the-art CNC technology to make intricate products with great consistency. In the last decade Haldane has widened production capabilities to include hand-rails, glazing beads and decorative surrounds. Its specialist wood-turning and moulding divisions are now acknowledged market leaders.

Contributions by Forrester Adam, MD.



MANSELL: is one of the UK's leading construction, and construction services companies. Its principal operations include both new build and repair & improvement and are focused on a number of selected market sectors, notably social housing, fit-out, education, health, airports, defence, and heritage. It has pursued a strategy of developing sustainable business through framework and partnering contracts.

Established in 1908, MANSELL has grown substantially over the past ten years and its success has recently led it to become part of Balfour Beatty plc. It has received many awards, including one for the development and delivery of best practice from Construction Best Practice.

Contributions by Richard Woodman-Bailey, National Projects Managing Director, and David Kershaw, Business Improvement Manager



Rollalong Limited: designs, manufactures and constructs precision-engineered permanent long-life buildings,

semi-permanent buildings, portable cabins and a variety of ready-to-use accommodation. Rollalong offers a value for money alternative to traditional construction with factory-controlled build quality, tight programming, reduced time on site, minimal disruption and early facility access.

Contributions by Karl Dixon, Instacom MD



Westbury: (formed in 1964)

is one of the UK's top-ten house-building groups. The company is pioneering the

use of modern manufacturing processes and technology to enhance the quality of products and services for home-buying customers. Westbury is using its Space4 modular construction system and e-business strategy to revolutionise upstream purchasing and logistics processes. The aim is to improve quality, reduce waste and boost cost-effectiveness across the whole construction process.

Contributions by Robin Davies, Group Business Development Director



Whitby Bird & Partners: is a leading UK engineering consultancy, providing comprehensive engineering

services for the design of buildings and bridges. London-based Whitby Bird was founded in 1984 and has six regional offices across the country. The consultancy has a reputation for innovative design and a strong commitment to the interests of its clients. Whitby Bird aims to continue growing by identifying and attracting key people and by creating collaborative relationships with complementary businesses to extend the scope of its operations.

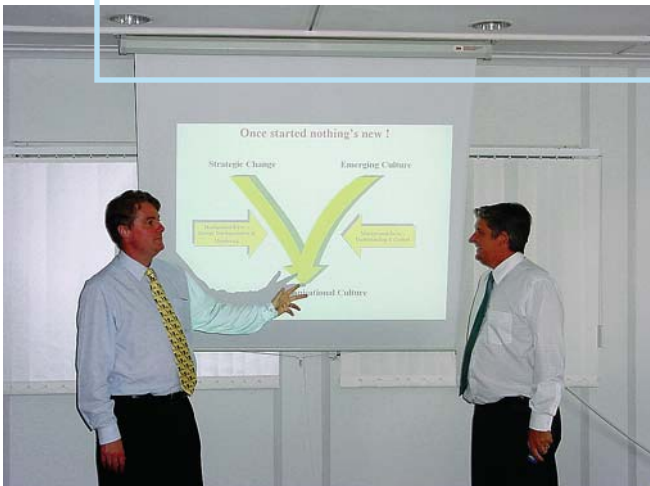
Contributions by Mark Whitby, Partner

Committed to leadership

These case studies show that successful leadership teams influence their employees and engage them in the process of developing the business towards the leadership vision. Commitment is achieved by creating a culture where learning, sharing and personal development is encouraged and best practice from outside the company is embraced. All the featured companies:

- Evolved a clear vision of where they were, where they wanted to be, and how they were going to get there
- Developed and shared values to achieve the vision
- Had a positive attitude towards change, were committed to it, and challenged the status quo
- Were willing to learn from experience, other companies and sectors, and were not afraid to try out new ideas
- Communicated requirements for cultural and operational change throughout the organisation, with passion, conviction and excitement

These case studies reveal just how important clear vision is to business success:



‘The industry has a lot to learn from non-construction markets – it can be quite blinkered in its outlook. There’s enormous scope for improvement.’

Richard Woodman-Bailey: MANSELL

Have a clear view of where the company is now, where you want it to go, and make a commitment to change

Rollalong radically re-engineered the company to improve productivity...

What we needed to do: “I knew we had to change because if we didn’t, we’d die.”

What we did: “We wanted to challenge accepted industry norms as construction hasn’t changed for a long time and there’s a huge opportunity for continuous improvement. We radically re-engineered the whole company from the processes on the shop floor to the culture, project management, performance measurement, productivity levels and rewards. We changed our focus to process rather than function to streamline production and put skilled staff where they are needed most.”

How we benefited: “Our productivity levels have soared: we now make over 50% more units a day than we did before.”

Develop and share values to achieve the vision

CTH’s niche business area was shrinking so they needed to differentiate to compete on a wider basis

What we needed to do: “When we first started it was easy to get work and make a decent profit but those days are gone. Our competitors started to acquire the skills we had and our niche started to disappear.”

What we did: “I started by asking what type of company are we? What is our culture? What sort of values do we wish to uphold? We asked not just employees but customers and suppliers, too. We needed a new approach as our competitors started to acquire the skills we had and our niche started to disappear.”

“I remember coming across the Construction Best Practice Programme (now part of Constructing Excellence) in a magazine and thought it sounded interesting: it was saying the things I believed in. We’d had experience of both the confrontational,

competitive tendering world of traditional contracting and partnering. We knew which route we wanted to follow: partnering."

How we benefited: "We now have a set of values we can articulate. Our economic driver is not necessarily to increase turnover, but to increase margins and quality business, based on relationships. We've had some very successful trading years and met our turnover and profit targets."

■ Rollalong established a manufacturing-style 'process culture' and made dramatic improvements

What we needed to do: "We needed to offer clients something better than that provided by traditional build."

What we did: "When I first joined there was still a construction build mentality with cost duplication and performance measured by time, not productivity. I realised we needed to adopt manufacturing culture and sell our capacity to enlightened customers who understand what they are buying and the benefits."

How we benefited: "We've achieved results just by looking at the processes. We've proved that we can make phenomenal improvements, and deliver in a shorter time, delighting our clients."

■ Carmelcrest wanted to grow but realised they needed to manage the process

What we needed to do: "We had a three-year plateau period but I didn't want to grow, I wanted to manage growth and not exceed our capabilities."

What we did: "Since taking over the business from our father we'd added about 50% to turnover but then it started to plateau. Although we were turning tenders away I didn't want to grow. I needed to understand what needed to be done, then grow from there. Now we have the systems in place to cope with growth. I can see the cost of each job by project centre and know exactly what the profit and turnover of each individual cost centre is."

How we benefited: "It's just incredible really – we've gone from 'two of us in a van' who knew nothing about running a business to a company that's turning over £2m a year."



Other lessons learnt about committed leadership

■ "Although we survived the last recession we realised that we been lucky to get through the crisis. We needed to manage risk more effectively in the future." *Westbury Homes*

■ "We were under quite severe pressure to improve, as we were looking expensive. One of the biggest drivers for us was survival." *Hackney Technical Consultancy*

■ "The ultimate aim is a greater return for shareholders above the 1-2 that's a typical net profit in the contracting world. We needed to find a better way of working that delivered a better product and service than the traditional way in which our industry has operated." *MANSELL*

■ "What businesses usually do when they want to make money is say 'how can we drive more business?'. My viewpoint is 'get your house in order before you drive more business in'. We're forward thinking and we know our competitors; no one should be complacent about them." *Haldane*

Establish a learning organisation, receptive to ideas from outside

■ CTH understood they could learn from companies outside their sector

What we needed to do: "I knew we could learn a lot from the manufacturers. If you stand back and look at the way we design, procure and construct buildings, there's no intelligence in it at all. It's illogical and ridiculous with a lot of inertia and vested interest."

What we did: "Traditionally, we're a fourth-tier supplier and it wasn't delivering the business results we wanted. After three years we asked ourselves, 'Are we really happy with the processes; are we happy with the results; are we happy with the sort of relationships we're in; are we happy with the work itself?' The answer was a very big 'No'. So, we looked outside the industry at what other people had done and identified the things we'd like to do. Then we looked at the critical factors to achieve them. We also identified the sort of customers and suppliers we wanted to work with, developed contacts with other companies, and learnt from their experience. We realised that you need to be discerning about who you do business with and target the most enlightened."

How we benefited: "The work is more predictable and profitable and business results are more predictable too. And better customer relationships give staff greater fulfilment and enjoyment."

Focus on the customer

‘Growth doesn’t come as a result of just having expectations for the staff, it comes about as a result of clients’ expectations of us.’ Mark Whitby: Whitby Bird

These case studies show that the customer should be at the centre of activities as customer satisfaction drives everything in a business. Customer focus means understanding what the end-user wants, what they expect, and delivering direct to them. The successful companies have:

- Researched what customers expect and what they think about the service and products they’ve received, by measuring satisfaction and using benchmarking to help close any gaps
- Delivered service excellence and well-crafted products that raise customer aspirations and create more discerning customers who will drive improvements and better value
- Viewed every customer contact across the supply chain as an opportunity for developing long-term business.

Find out what the end-user wants and make sure you’re doing it

Westbury Homes carried out customer research to find out what the real issues were

What we needed to do: “The research gave us a lot of detailed information that proved we did have issues to address and helped us identify what action was needed to solve the problems.”

What we did: “We discovered that we were very successful during the period people were buying their new house but not as successful after they moved in. This boiled down to a quality issue and we needed to make sure the relationship was totally positive. We realised there were problems that needed resolution and part of that was customer satisfaction measurement. I think we were the first housebuilder to implement a rigorous and independent assessment of customer satisfaction using NOP (National Opinion Poll). We did it every three months until the new industry KPIs came in and then transferred to using KPIs instead.”

How we benefited: “We now offer an innovative product that performs to much higher levels of insulation, energy efficiency and quality, whilst still giving the appearance of a traditional



home – something our market research told us our customers looked for. We have also seen some quality improvements, not as many as we would have liked, but we are working towards further improvement and know where we want to be.”

Hackney Technical Services realised they needed to meet customers’ needs

What we needed to do: “Some customers weren’t happy and a message got out that we weren’t very good and weren’t going to survive.”

What we did: “This really gave us a jolt. It was only a minority but it made us think. We reviewed the whole operation again and I think it moved us forward. We made a lot of changes as a result.

“We looked at our services again, led by our executive director. She looked and looked again at each point – what we should do, and what people really thought about us. We realised we were seen as too expensive and needed to make some changes. As there’s not a lot of benchmarking information about the kind of work we do, we had to go on that. And we appointed a ‘performance manager’ so we manage by performance or results, rather than just line management. We also looked at customer preference modelling to understand what’s important to customers and how our performance compared against that, so we could see where the big variations were.”

How we benefited: “That review made us question things and improve them. If we do get complaints we take them seriously

and investigate. Now, in the last client survey 100% of clients said they would give us a positive reference and clients are satisfied with what we do. Our employees also feel pride and achievement; we've got very good people and they're contented. It's a great source of personal pride."

Measure customer satisfaction and act to close any gaps

Carmelcrest understood that the customer must be happy

What we needed to do: "How can I make sure that the customer is going to be happy?"

What we did: "We are driven by client satisfaction – that's important for us. We see opportunities for long-term business in every contract, we don't just look at today."

How we benefited: "We don't lose customers because the quality of service we deliver is sufficient to maintain a good customer base. I can't think of one client that we haven't worked for before. Repeat business is the measure of our success."

MANSELL uses KPIs to drive continuous improvement

What we needed to do: "One of the main drivers to take us forward was knowing that there was room for improvement in the industry. Standing still, if you want to survive, is not an option. Improvement is a continuous journey."

What we did: "We've always been very customer-focused in terms of outlook, but we nevertheless realised that customers were still to some extent neglected. A decade ago, we sought to get closer to customers and develop better relationships with them by asking for feedback on their perception of MANSELL, our performance and indeed of the industry in general. This drove the introduction of customer satisfaction KPIs. We have one for the product and one for the service and they're done on every project. We include environmental issues as well, and also we ask if we're nice people to do business with – which applies to us all whether we're buying a car or a loaf of bread. The acid test is to ask if they'd come back for more."

Other lessons on customer focus from the case studies:

"The key issue is to change the way we tackle what we do. At the heart of this is to provide exemplary customer service, because we think the construction industry is bad in this respect, and it's a differentiator from our competitors. We're also learning about the 'service profit chain' and how staff satisfaction is linked to customer satisfaction." *MANSELL*

"We're trying to push all the things that would give a client difficulty in going anywhere else next time: cost reduction, quality of service, faster, cheaper, no snags. We're focusing on why clients come to us to establish our brand values." *Rollalong*

"This was all driven by our desire to have a long-term relationship with our customer. We realised that if we didn't deliver 'right first time' quality then there wouldn't be a relationship." *Westbury Homes*

"When we're recruiting we now put more emphasis on attitudes: how they're going to relate to customers and work as a team." *Colledge Trundle & Hall*

"We have a long-term philosophy of seeing clients as potential long-term relationships; we're good at communicating with them and how we deal with them and that builds trust. Honesty and helpfulness pay dividends." *Carmelcrest*

"I think the initial thing was customer focus – saying the customer was right. Customer orientation was the biggest change in our culture." *Hackney Technical Consultancy*

How we benefited: "As we use the same questions every year we can compare projects on all of these issues, for example, defects at hand-over. Overall customer satisfaction has continued to rise, staying consistently ahead of industry benchmarks. Customer satisfaction targets are part of our directors' remuneration packages."

CTH uses client feedback to establish KPIs

What we needed to do: "One of the key things we wanted to know is would they use us again?"

What we did: "We seek feedback from customers and review it thoroughly. On major projects we do this face to face but on smaller ones we use a standardised questionnaire. We have a list of things we think are important and ask the client to score the importance to them and how we have performed – it's gap analysis."

How we benefited: "We've now established our KPIs and attached targets to them too."



Integrated process & team

‘We improved our hit rate and won more bids, just by doing things better.’

Robin Davies: Westbury Homes

Many companies do the same things year-on-year because it's always been done like that, no questions asked. But the case studies show that this rarely delivers the best results. Working back from the customer's needs and process mapping – of both practical jobs and indirect activities – can give a powerful insight into where inefficiencies lie. This evaluation should include suppliers and the role they play too, as they share responsibility for delivering client expectations. The case study companies all:

- Worked back from customers' needs and focused on delivering better value
- Used process mapping and teamwork to find different, better ways of doing things
- Invested in focused IT and technology to improve efficiency and customer service
- Involved people in developing partnering and mutually effective supply chain relationships

Here are a few ideas about how to achieve an integrated process and team.



How we benefited: “We appointed a supply chain manager with the responsibility of establishing longer-term relationships with key suppliers who could meet our criteria. We're also working with e-business processes to enhance supply chain integration.”

Work back from customers' needs and focus on delivering a better value product

Westbury Homes wanted a way to achieve their strategic objective of customer choice

What we needed to do: “We needed to find ways to achieve our objective of customisation and customer choice by integrating our suppliers into the process. Our Space4 modular construction system is a 'need' business and this gives suppliers a bit of a challenge because we don't have room for lots of raw materials. Many suppliers aren't used to timed deliveries and don't have the capabilities to achieve it either.”

What we did: “We carried out more research that looked at the tools needed to facilitate our objectives of customisation and choice to customers. The research covered process mapping across the entire construction process to help give us control of change as we moved forward. Process documentation is greatly neglected in the construction sector.”

Look at your processes to find better ways of doing things, including the use of IT and technology

MANSELL felt they needed to revisit their processes to see if further improvements could be achieved

What we needed to do: “We really started to properly address the Egan agenda, best practice and lean construction and thought that maybe we should revisit what we'd done six years before to see what was right, what was wrong and what we needed to do to improve.”

What we did: “I came across an article about integrated management systems used in the petrochemical industry and it mirrored what I wanted to do. We put everything into a pot – safety issues, environmental management, quality and rewrote the whole as one issue. Instead of having 'a quality plan for that job', and 'a site fire plan for that job' we now had one integrated plan.”

"We set up separate workshops across the regions to look at value chain analysis. It looked at what people actually did, what they think went well and the key issues. What they effectively said was 'this is important but we don't do it well'.

"We found some local issues that could be dealt with and we uncovered some broader issues that needed to be tackled on a wider basis. We've now established more permanent 'product groups' that work on understanding the market and customer requirements, defining best practice, and capturing knowledge to share throughout the company."

How we benefited: "We were the first construction company to have an integrated management system, and now we've used web technology to produce interactive 'process maps' that deliver guidance at the click of a button. The system improves communication and embeds philosophies into our operations. Where it all comes from, of course, is our customers. It gives them the satisfaction of knowing they've got some reliability and consistency."

Haldane wanted employees to think about systems rather than mass production

What we needed to do: "We wanted employees to think about the principles of systems rather than mass production and focus on results, not just tasks. That meant going back to the shop floor to find out what our business was all about."

What we did: "We started right at the front end of the business and analysed the type and frequency of customer demand. Then we mapped the whole process from start to finish using people from the shop floor. We said to them: 'this is your business, this is where the costs are, do you want it to remain like this or would you like to change it?'

"Doing something differently initially met with resistance because the shop floor can have a macho image but that barrier has slowly been broken down.

"If the MD doesn't believe in change then his team will never support it financially. But it was the workforce that it all came back to. We always get the people who've done the mapping to do the presentation to their peer group as it has the most power. When the group says this is how it works, it's at that stage you get the impetus for change."

How we benefited: "We see results, we get good feedback from the shop floor about what's happening and what they think about things. They own it and feel part of it. We now have shorter lead-times, increased production, reduced overtime, and error-free stock. We've streamlined the process from 25 stages to about two!"

Other lessons learnt about integrating the process and team:

"Clients must also drive change. They need to buy into the process and drive improvement otherwise the industry won't change. You need to find customers who are responsive to change and allow earlier supplier involvement and a different way of procuring materials and services. We're trying to offer 'added value' and help companies procure in a different way." *CTH*

"Just by getting out of the day-to-day and focusing on the longer term we've increased productivity by over 50%". *Rollalong*

"Supply Team Management is now an integral part of our business. We've set up a portfolio of formal relationships with suppliers that allows us to look collaboratively at longer term benefits such as waste minimisation, recycling, off-site fabrication, standardisation and health, safety & environmental issues." *MANSELL*

"I know the only way people are going to buy into the system is if it's not imposed on them – they're more comfortable that way. What we have now is a good base on which to build the business. We have documented processes in place and everyone knows about them. It's rather like a franchise; we have a formula that works. But I've also learnt the hard way that budgeting, cashflow, overheads and business planning are essential." *Carmelcrest*

"Our relationship with supplier is key to the changes. We developed a reputation for being good people to work with, not just because of the quality of information we provided but how we handled problems when they were around." *Whitby Bird*

"Integrated processes are very important because there are reducing numbers of skilled people out there. We need processes that don't rely as much on skilled labour. For example, we've worked closely with suppliers to solve problems in our production line. Last year our factory won the Contract Journal's 'Construction Product Manufacturer of the Year' award – so we must be doing something right!" *Westbury Homes*



Quality driven agenda

‘Whatever I do, whether I own a building company or if I were a mechanic, I’d do it to be the best company. I keep striving for standards.’ Ray Spooner: Carmelcrest

The case studies show that quality is seen as a kind of ‘short-hand’ for what a company delivers and its structured approach to everyday operations to achieve these outcomes. Everyone who works for a company needs to have one eye on the end result and the other on how that’s going to be achieved. It’s no longer all about cost but about long-term value, results, and delivering what the customer expects. External quality accreditation can help because it provides a ready-made framework and stimulus for achievement. Each company in this study:

- Innovated to benefit the customer and strip out waste, developing systems to deliver ‘right first time’, on schedule and to budget
- Looked at long-term benefits not short-term costs and made decisions on a ‘value for money’ basis
- Monitored, measured and evaluated to stimulate continuous improvement
- Considered accreditation or third-party corroboration to boost credibility and achievement

These examples show how adopting a quality-driven agenda can improve results for both customer and company.

Adopt innovations and learn from other sectors to boost efficiency and deliver results

Westbury Homes invested in focused IT/technology

What we needed to do: “It was a wonder anything got done at all, never mind in ‘right first time’ quality. There was just one manager on-site trying to control lots of sub-contractors and raw materials and produce the houses – and we didn’t want to let people down.”

What we did: “We went back to the construction process itself, to see how we could improve and radically change it. By luck, we discovered a company that was working on a panel system which fulfilled most of our criteria and eventually bought the factory. It wasn’t our intention to set up a manufacturing firm but we couldn’t find a supplier who met our needs. This really speeded up the development of our Space4 modular construction system.”



How we benefited: “There’s this huge commitment and pride. If things don’t go right, or we build poor quality houses and disappoint people, it has a big impact. Staff will go the extra mile to avoid being in that position. Our remedial costs have come down – by over a third in some regions – and there’s also been a tremendous reduction in waste. Our customers seem satisfied too, as they have much lower fuel bills.”

Carmelcrest put systems in place to ensure they delivered to expectations

What we needed to do: “I realised that I couldn’t be hands-on all the time and needed another way of ensuring we delivered to expectations.”

What we did: “I found out about BS5750 from a friend who was a Quality Manager. He said it was going to come into the construction industry and at first I said ‘no way’, but the seed was planted. Within weeks I was saying to myself ‘this is brilliant’ because what I was attempting to do was bring a level of control or a sense of awareness about what’s going on and provide some sort of reporting mechanism. BS5750 would achieve just this. I sat down with a controller and wrote the ‘menu’ together. That was the start of our systems.”

How we benefited: “We now have an efficient system of reporting back from site, client satisfaction, staff satisfaction and how the job is doing, and have since upgraded to ISO 9002.”

Use metrics & monitoring to stimulate continuous improvement

Rollalong measure sub-contractor performance to drive improvement

What we needed to do: "We realised that old methods of project costing encouraged waste and distorted delivery times."

What we did: "Because we've looked at our processes and developed complete build profiles for each project, we know where and when our sub-contractors skills are needed and where extra support is required. We can give clients a more accurate view of the overall project costs because we understand the norms."

How we benefited: "Because we're measuring our processes and planning resources better, we're managing our projects better and everyone knows what needs to be done. We've found that our sub-contractors like this timed approach to working as they know when we need them, leaving them free to find other jobs when we don't."

Hackney Technical Consultancy measured customer satisfaction

What we needed to do: "We currently measure customer satisfaction as part of the project – it's also part of our culture management system."

What we did: "I'm trying to achieve something we can all look at on a network so that we can see the information managers need. We currently collect ad hoc data such as feedback from tenders and we pick up price information through contacts. There's a whole range of indicators to measure and we've adopted those most appropriate for us. We've drawn up a customer questionnaire that looks at service and looked at customer preference modelling with an internal consultant. You do need a handle on things."

How we benefited: "We can see what's important to customers and how our performance compares against that. We can also see where there are any big variations. We learn from customer feedback as well as from project and personal appraisals. If we do get complaints we take them seriously and investigate."



Other lessons learnt about striving for quality

"I don't think the industry as a whole delivers good value and I'm not the sort of person who's happy with second best or second rate. I want to deliver quality. Our economic driver is not to increase turnover necessarily but to increase margins and quality business, based on relationships. Our business plans are now very different and include achieving a measured improvement in customer satisfaction and a mission statement." *CTH*

"You can't be insular, as you'll only have your own experiences to draw from. I signed up to Business Link Benchmarking, as I believe in trying to exploit the bigger picture and other people's ideas. You get information on how clients perceive other companies and to learn about customer satisfaction and you can compare yourself to that." *Carmelcrest*

"Implementing change through continuous improvement is something everyone can understand and it applies to all your business functions. The tools are benchmarking and Key Performance Indicators (KPIs). If you are going to improve, you need to continue doing what went well and learn from mistakes to improve what didn't go well." *CTH*

"We've now achieved ISO 9001: 2000, following a year spent re-mapping our processes and orienting ourselves around the project life cycle from inception to completion. This reflects our collaborative team-working approach. We have a clear definition of the requirements (inputs), the activities, and the expected deliverables (outputs)." *MANSELL*

Third party accreditation can help win business

Carmelcrest knew that accreditation could give them the edge over competitors

What we needed to do: "We knew we needed to go through a 'professionalising' process to grow and set us apart from competitors."

What we did: "We achieved chartered company status from the CIOB (Chartered Institute of Building) – we're the only chartered contractor in East London."

How we benefited: "Winning good quality business: it's opened up doors for us. We'd never have won a big on-going contract if we hadn't had that – and our values. When our clients came to see us they just felt our philosophies were so matched to theirs that they thought 'we're going to give this company a go'."

Commitment to people

‘A motivated team is going to enjoy the job better and get better results for the business as a whole.’

Richard Woodman-Bailey: MANSELL

Clients and customers might think they're buying a building but the case studies show that what they're really buying is people – people they trust to deliver what they want. As the following case studies demonstrate, the way to achieve this is ensuring employees are happy, motivated, competent and committed to the client. The companies featured:

- Supported and trained existing staff to cope with change and to 'buy-in' to the new culture
- Accepted that some people might not want to make a change and leave, but that potential gains outweighed the risks
- Established on-going training and development programmes for all employees, regardless of level, and held regular personal reviews
- Developed a supportive 'no-blame' culture based on engagement, empowerment, openness, teamwork and trust
- Carried out project evaluations, providing timely feedback for continuous improvement
- Recognised achievement and offered suitable rewards – and not just financial.

Develop a supportive culture by increasing 'buy-in', empowerment, openness, teamwork and trust

■ *MANSELL recognised they could increase staff commitment by making them feel more part of the business*

What we needed to do: "We realised we had to have employees who wanted to do what they were doing. We're in a people industry. If you've got uncommitted staff that are under-achieving you are never going to move forwards."

What we did: "We do a lot of training including workshops, which we use to identify training needs. We deliver training in-house where we have the expertise, but we do bring people in, if necessary. We expect senior people to cascade information through the organisation – it's no good just sending people a memo and expecting them to get on. It's not a bolt-on to what we do. All these initiatives are seen more as an investment rather than a cost and aid the buy-in and ownership."

How we benefited: "People become part of the business and 'own' it. By getting people to chair individual task forces at regional level, you get them to 'buy in' and become champions for that particular issue and they do this as part of their usual role. We also operate a share-save scheme which makes it more 'us' rather than 'them'."

■ *Whitby Bird realised that new employees sometimes felt let-down and they needed to improve internal communications*

What we needed to do: "Feedback told us staff believed the outside world knew where we are going – but that they didn't. We also discovered that new recruits felt a bit disappointed after all the 'buzz' before joining. People didn't seem to expect them to arrive and they felt they were not immediately put to good use."

What we did: "We realised we needed to communicate inwardly as well as outwardly. There's a lot of communication face-to-face – not just by email and the intranet. Also, we never go to meetings on our own. Someone from the team always comes with us so they see who the clients are and what they want."



"We give new people an induction and we assign a 'chaplain' to take care of them. We also encourage last year's graduates to be responsible for the new intake and help them find accommodation and things."

How we benefited: "This kind of active education and sharing rubs off on everybody and new people are more quickly integrated into the group. We have a fantastic working environment and people are proud of what they do. We're still buzzing; we still have that excitement and we pass that down – people here are excited, too. It's not just what we do but how we do things."

Find out what the real issues are and use reviews and training to address them

Whitby Bird has regular staff appraisals and project reviews

What we did: "We have regular staff appraisals and internal project reviews. We also run in-house management training for our more experienced staff."

How we benefited: "Any lessons learned are spread across the company."

Westbury Homes used focus groups to clarify the real issues

What we needed to do: "We wanted to find out whether the issues we felt were important were important to our employees."

What we did: "We ran focus groups to clarify what the real issues were, rather than concentrating on things that we thought were the problems."

How we benefited: "The way our staff members feel about the company and the fact they take a pride in it, makes a tremendous difference to the way we're presented in the market place. We have staff who feel they're working for a company they can be proud of, and that's very important."

Recognise achievement and offer suitable rewards

Carmelcrest realised that people have different motivations and that a carrot is better than a stick

What we needed to do: "I realised that you're not going to get commitment without some sort of reward – and money might not be the main motivator. You can't get people to do what they don't want to do."

What we did: "I started to really involve people and understand them. I discovered that the less you control people the more they will do for you. It's far better to set up a framework in which they can flower themselves."

Other lessons on commitment to people from the case studies:

"We've broken down a lot of 'chinese walls' by giving people more responsibility for making improvements and communicating. People feel more valued and involved." *Rollalong*

"If we can give people a better environment, a more enjoyable job, more satisfaction with what they're doing, they will benefit and as a result the company will benefit. The benefits easily outweigh the costs." *MANSELL*

"Improved image, staff motivation, enjoyment, satisfaction. People are proud to work here. I can pick any employee, snap them in half and they'll have 'Haldane' written through them like a stick of rock." *Haldane*

"We looked at the rewards for working here to retain our longer-serving members. We've also become incorporated and can now offer staff a share-save scheme to engage them in ownership." *Whitby Bird*

"Consistent delivery of information and knowledge is essential to achieve both staff and customer satisfaction." *MANSELL*



How we benefited: "There's a lot more enthusiasm now – they're buzzing down there! We have low staff turnover (less than 5%) and strong staff commitment. It's a lovely environment – people don't mind coming to work here."

Westbury Homes discovered that staff wanted external recognition for what the company had achieved

What we needed to do: "A staff focus group told us that staff felt we hid our light under a bushel and would prefer us to be a little more pro-active in promoting our achievements."

What we did: "We've taken part more in awards to give our employees some recognition for the hard work they've put into the change."

How we benefited: "Although land may be our most important material we have to compete for people resources more now, and this kind of recognition helps."

Checklist and learning points

The companies featured in this booklet are all different but, they have things in common which have given them the impetus and means of improving their business.

EVERY COMPANY

- Recognises the need for change and continuous improvement
- Has a clear vision of where they want to be
- Makes the customer their focus
- Values their team and engages them in the development of the business
- Seeks to deliver 'right first time'
- Has made big improvements that have delivered real business benefits.

COMMITTED LEADERSHIP

- Be positive about change, be committed to it, and challenge the status quo
- Evolve a clear vision of where you are now, where you want to be, and engage employees in the process of how you're going to get there
- Communicate any requirements for cultural and operational change throughout the organisation, with passion, conviction and excitement
- Be willing to learn from experience, other companies, and other sectors, and not afraid to try new ideas
- Develop and share values to achieve the vision.

FOCUS ON THE CUSTOMER

- Put the customer at the centre of all your activities – the customer drives everything
- Systematically research what the end-user wants and expects, both before, during and after project completion
- Seek to provide precisely what the customer wants, when it's needed and at the right price, reflecting the product's value
- Raise customer aspirations and educate them to become more discerning by exceeding customer expectations and delivering service excellence and well-crafted products
- Measure customer satisfaction, benchmark against previous projects and industry experience and act to close any gaps
- View every customer contact as an opportunity for doing long-term business – not just a one-off event.

INTEGRATED PROCESS AND TEAM

- Work back from customers' needs and look at what you do from a different perspective
- Focus on the product or service and the value it delivers to the customer
- Use process mapping and teamwork to find out how to do things differently, streamline the operation, deliver better value to the customer and eliminate waste in the supply chain
- Invest in focused IT and technology for improved efficiency and service
- Involve people in developing partnering and mutually effective supply chain relationships.

QUALITY-DRIVEN AGENDA

- Adopt innovations to benefit the customer and strip out waste
- Develop systems to deliver 'right first time', on time and to budget and aim for zero defects
- Look more at long-term benefits not short term costs and make decisions on a 'value for money' basis rather than lowest price
- Monitor, measure, evaluate and benchmark to stimulate continuous improvement
- Consider accreditation and third-party support or corroboration to provide a framework and stimulate professionalism and consistent results
- Remember that quality includes after-sales care and reduced costs in use.

COMMITMENT TO PEOPLE

- Encourage a supportive environment, through teamwork and openness
- Develop a no-blame culture based on engagement, empowerment and trust
- Conduct regular project evaluations and personal reviews and provide timely feedback
- Recognise achievement and offer suitable rewards where they're due
- Train and develop a team of committed, capable managers and supervisors
- Show respect for all parties regardless of level, and involve them in sustained improvement and learning
- Do what you can to give your people decent working conditions, fair wages, and ensure due care on health and safety issues.

Summary

‘We can learn a lot from the manufacturers. If you stand back, and look at the way we design, procure and construct buildings there’s no intelligence in it at all.’

CTH

The case studies show that there is scope for business improvement, regardless of company size. Change is possible and brings better results. But the impetus for change must come ‘from the top’. Everyone needs to be committed to guarantee success. And that means engaging people from the bottom up, not imposing regimes and processes on them. This reflects a modern view of leadership.

Making changes can cost money. But all the case study companies agree that the benefits far outweigh any costs. The enthusiasm and desire to be better at what they do, however, doesn’t cost a thing.

Change will need a firm foundation and that means going back to basics. Work out where the problems lie and look at how to resolve them. This might mean looking outside your company or sector for inspiration you could apply to your own business.

But making changes alone won’t deliver quality: the entire team must focus on

delivering a better service, a better product, and consistency.

The aim is to ‘delight the customer’, and everything you do must point towards this. As the case studies show, focusing on the customer should guide every action.

Committed leadership: management should enable the employees to engage together in the process of developing, sharing and moving into the vision. Companies need to understand what business they’re in, and where they want to go. They need to develop core values and strategies for long-term success, through their employees.

‘I’m a vehicle for the way the staff want to steer the company. Sometimes I am the one with the ideas but I wouldn’t dream of forcing them through anymore.’ Carmelcrest

Customer focus: customers should be at the centre of activities as customer satisfaction drives everything in a business. Customer focus means understanding what the end-user wants, what they expect, and delivering it.

‘Growth doesn’t come about as a result of just having expectations for the staff; it comes about as a result of clients’ expectations of us.’ Whitby Bird

Integrated process and team: working back from the customer’s needs and process mapping can give a powerful insight into where inefficiencies lie and where value can be added. This includes suppliers too.

‘We improved our hit rate and won more bids, just by doing things better. Process documentation is greatly neglected in the construction sector.’ Westbury Homes

Quality driven agenda: everyone needs to have one eye on the end result and the other on how that’s going to be achieved in a structured way. It’s about long-term value, results and consistently delivering what the customer expects.

‘I don’t think the industry as a whole delivers good value and I’m not the sort of person who’s happy with second best or second rate. I want to deliver quality.’ CTH

Commitment to people: businesses need a culture of training, empowerment, teamwork, respect and trust, so employees are motivated, competent, and committed to the client.

‘Snap them in half and they have Haldane written through them like a stick of rock.’ Haldane

the eight contributing companies





Northern Ireland

Scotland

North West

North East

Yorkshire & Humber

East Midlands

West Midlands

East of England

Wales

London

South East

South West

Building Success

Profit from business improvement

Constructing Excellence

25 Buckingham Palace Road

Victoria, London SW1W 0PP

T 0845 605 5556

E info@constructingexcellence.org.uk

www.constructingexcellence.org.uk



**CONSTRUCTING
EXCELLENCE**

Innovation ■ Best Practice ■ Productivity