



Case study

Name: Fortune 500
Global Technology and
Services Company
Sector: Facilities Management
Location: Zurich, Switzerland

Smooth Operators

In just 35 weeks, a performance improvement project transformed the delivery of a managed FM service delivery operation and made the achievement of tough cost reduction and performance targets possible.

Background

Employing 170,000 people around the world, this company is a global diversified technology and industrial leader with customers in more than 150 countries.

A leading provider of integrated facilities and corporate real estate management, this company's global facilities management (FM) division works with some of the world's largest businesses. As a trusted outsourcing partner, it enables operational excellence that unlocks future value for customers.

Key challenges

- Reengineer FM operations to achieve a lower delivery cost base
- Generate operational efficiencies and improved workforce performance
- Manage cultural change and modernise workplace practices

Key gains

- Generated ROI of \$5.5 million
- Elimination of a substantial subcontractor cost burden
- Achieved tough cost reduction/performance targets imposed by the FM customer

The challenge

Following a substantial reorganisation and rationalisation of its Swiss-based businesses, this major telecoms provider took the decision to outsource its underperforming group facility management unit.

Under the agreement employees were transferred to a global FM provider, which took responsibility for delivering managed services at multiple locations across Switzerland.

Raising overall performance was a priority if the FM contract was to deliver the cost reductions the customer expected to see. Eliminating headcount to achieve these gains was not an option; strict covenants were in place protecting the employment rights of transferred personnel.

Transforming the outlook and working practices of the FM organisation and its personnel had proved difficult as the regional account manager explains: “Employees seemed to think it was ‘business as usual’. As a result, productivity remained low and delivery costs remained high – which was why the customer had outsourced the division in the first place.”

“We needed to transform the outlook and working practices of the entire organisation we’d inherited – and that meant enlightening personnel on the new commercial realities impacting their roles.”

Exploring the issues

The takeover of the FM department represented a singular challenge in itself. The three operational regions – East, West and Central – incorporated French, German and Italian speaking workforces, each with a unique cultural dynamic and little incentive to work collaboratively across regional borders.

“We were operating in a highly sensitive cultural environment,” confirms the EMEA regional manager. “The workforce still largely viewed itself as ‘employed’ by the customer, with little appreciation of the fact that the customer now viewed them as an accountable external business unit with all the expectations this entails.”

To overcome historically embedded working practices and recalibrate productivity drivers across the organisation, the FM partner needed to convince the workforce of the need to change.

To achieve this transition, and ‘win hearts and minds’ the FM organisation turned to Managementors to tackle the complex cultural issues at work.

“Managementors enabled us to navigate complex cultural waters and recalibrate the organisational effectiveness of an entire workforce.”

Regional Account Leader, EMEA



Preparing for change

Native speakers from Managementors spent time working alongside the regional operational teams to understand exactly how personnel went about their working days. Their observations lifted the lid on a host of historic work practices that had not changed in decades. For example, local FM engineers and building managers routinely subcontracted even the most basic tasks, which explained why the supplier base had burgeoned out of control – over 12,000 suppliers and growing.

“Local sites largely determined their own activities and delivery timescales while regional business managers appeared unwilling to challenge the status quo. It was a case of ‘this is the way we do things here.’”

With little active management taking place, engineers and building managers were left to their own devices. With no clear guidance of what was expected of them, they simply passed jobs to external contractors as they felt these activities were outside the scope of their role.

Things had to change and fast. It was time to bring the entire business and the mindset of its personnel into the 21st century.

Starting the journey

The establishment of new operational contact centres marked an important first step in establishing some much needed control within the business. With customer calls now logged and managed centrally, regional managers for the first time had a consolidated view of workloads and the formal scheduling of technicians and specialists could begin.

Working alongside regional teams, Managementors reviewed and sequenced all work processes, defining standardised work practices against which performance could be managed. Next Managementors educated team leaders, schedulers and building managers in their new roles and responsibilities, including how to use the new active management tools that had been developed.

The regional consolidation of all planning functions – including the allocation and control of daily work schedules – meant Regional Managers could now map business costs and delivery against SLAs. Meanwhile, regular compliance audits were implemented to ensure local operatives became accountable for their workloads.



“Managementors are collaborative, well informed and knowledgeable. They were able to adapt their approach to meet the needs of an overseas workforce in transition to a new identity and helped us create a long lasting change legacy.”

Counting the gains

Today, management and staff all work within a clearly defined activity framework and performance data is monitored at an individual, supervisor, team and regional level. Everyone has a clear understanding of the KPIs that drive performance within the business – and the productivity expectations they are expected to deliver against.

“We’re delighted to say the entire workforce has finally transitioned to a new way of working. At last there is widespread acceptance of the commercial imperatives that impact on their daily roles.”

This reinvigorated approach to work has boosted productivity and the organisation has been able to slash its costly reliance on subcontractors. Building managers now receive daily schedules and actively work on assignments within the agreed timeframes. Specialists from across the region can be mobilised to tackle issues outside the expertise of building managers.

The outcomes

During the 35 week performance improvement project, operational processes were redesigned and implemented with a high degree of ownership and acceptance. The productivity benefits gained represent an operational saving of more than \$5 million over the course of the FM contract.

With variable costs now under control and productivity up, the long term security of the contract is assured. What’s more, with the organisation is at last achieving tough customer imposed KPIs – which means financial penalties are no longer an issue.

By tackling the significant cultural barriers that were impeding output, the outdated ‘us and them’ atmosphere that previously characterised the operation has gone. Historic work practices have been redressed, and the FM company is finally delivering the much anticipated sustainable operational and financial benefits its customer expects.

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