



## Case study

Name: Kier in partnership with Major Water Supplier

Sector: Site/Depot Based Maintenance

Location: Scotland

## Transforming R&M Delivery in a Critical Waste Water Contract

A historically problematic contract - Managementors worked alongside the team to enable end-to-end transformation.

Using a facilitative approach, Managementors helped both organisations to realign how they delivered against the expectations of the model. With focus on re-engineering processes, and ensuring that an effective Management Operating System (MOS) was established across operational and commercial teams, both sides of the partnership regained confidence in the contract's ability to successfully deliver.

### Key challenges

- Contract was struggling to deliver both operationally and financially; neither Kier nor their client were satisfied with performance
- Breakaway from the mentality of 'we've always done it this way'
- Lots of data but no insight
- Lack of a performance ethos

### Key gains

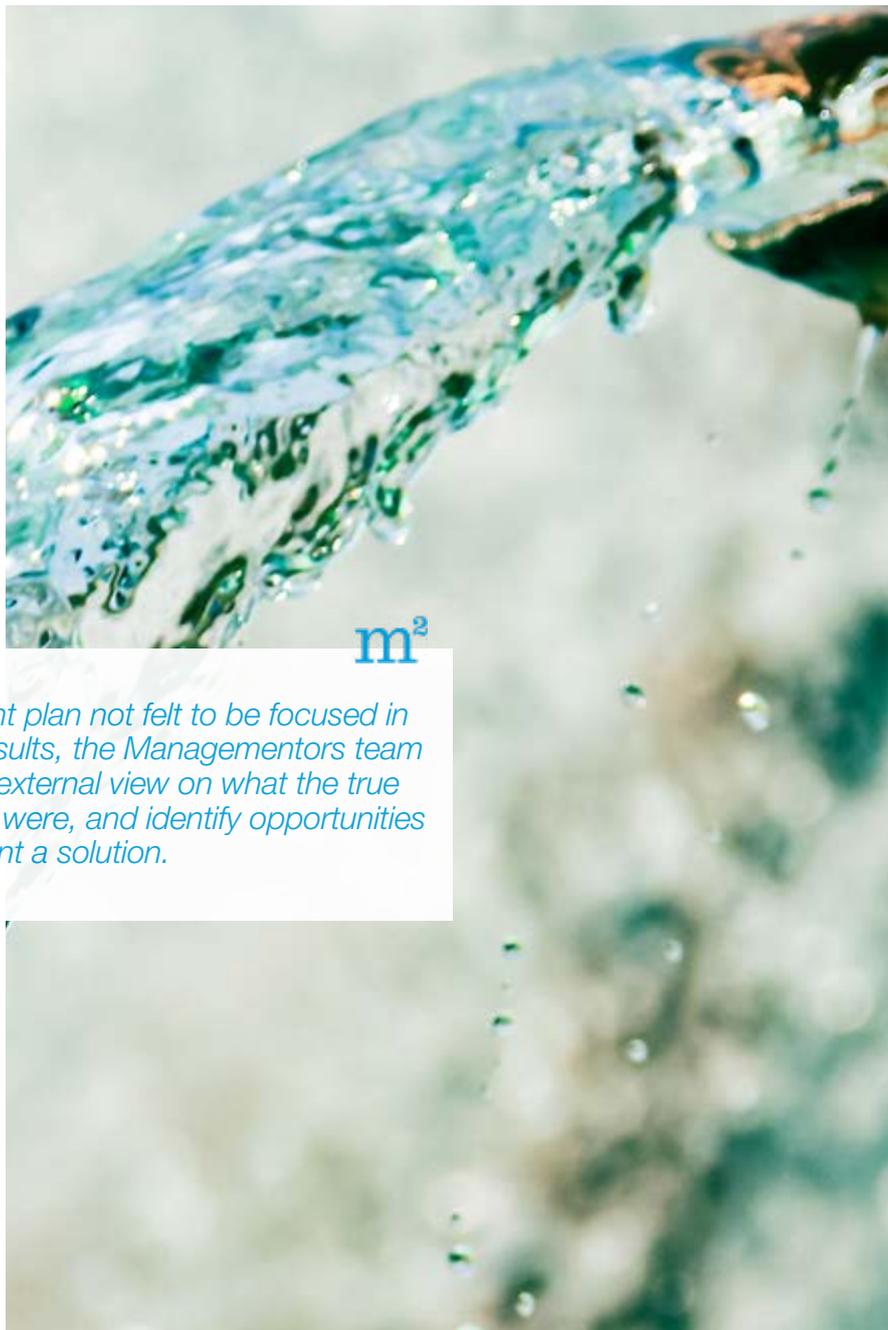
- A tight set of KPIs which are utilised at a daily level by the supervisory management team to drive performance
- A transformed relationship with Kier's client and significant increase in SLA performance
- Increase of 22% productivity in R&M delivery
- Increase of 37% productivity in ironworks delivery
- Streamlining of back office headcount by 17%

## Background

Two years into a 5-year contract to provide waste water Repair and Maintenance (R&M) services, Kier were struggling to meet the demands of their client and make the expected margin. Covering the entirety of Scotland, the geographical region is vast, although the majority of work was delivered across the central belt between Glasgow and Edinburgh.

With the client logging faults, carrying out simple initial fixes where appropriate and passing more complex jobs to Kier to complete the repair and subsequent reinstatement, the process is fairly standard for the industry. The gangs operated out of a depot and were responsible for all traffic management and plant required to complete the work.

Before the engagement it was perceived the main issues were outside of the control of the delivery team and focused on a lack of work volume and unattractive commercial rates, making margin achievement impossible. Additionally, simple work was being subcontracted out and this led to the misconception that to make greater margin, more work should be outsourced rather than given to the directly employed gangs who were tasked with more complex repairs.



*With the existing improvement plan not felt to be focused in the right areas or delivering results, the Managementors team was engaged to provide an external view on what the true root causes of the frustrations were, and identify opportunities to implement a solution.*

## The Challenge

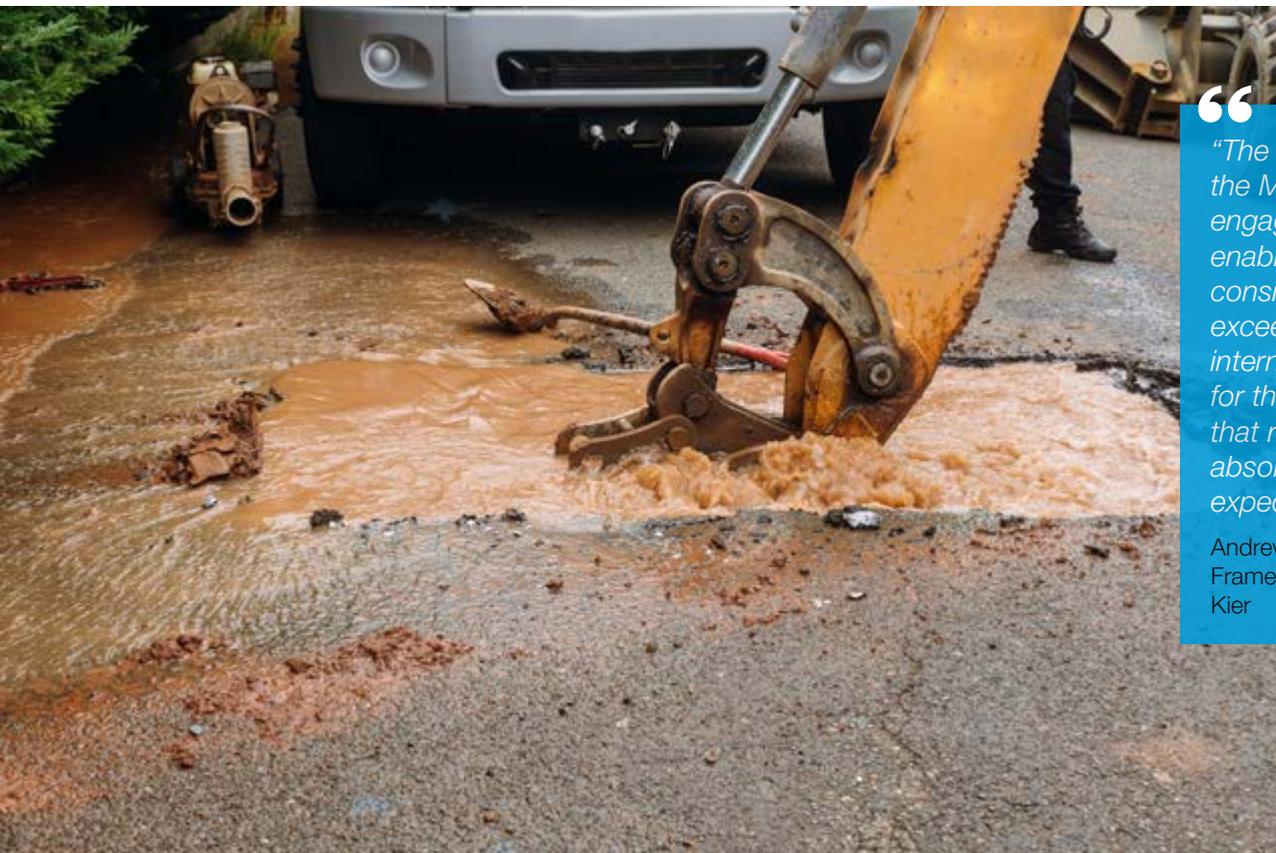
In the space of just a couple of weeks in-depth analysis on site, Managementors quickly helped to shed light on what was preventing success. The contract had suffered from significant churn throughout the management layers and it was clear there was a lack of accountability and engagement from staff.

The back office was not adding enough value, setting the delivery teams up for success, and were just administering the contract. Furthermore, overtime costs were high and, whilst the vast geographies involved had an impact, there was an absence of effective control and challenge, resulting in added costs.

Initial surveys were of poor quality and were not only creating excessive delays but first line management time was taken up reworking them to pick up missing information.

There was a lack of meaningful performance measures across the contract. Reporting was limited to managing work bank (WIP) levels and first line managers were not focused on driving productivity. Andrew Dickov, Framework Director for Kier commented that they “had a lot of reporting in place, but as it turned out it was fairly futile and repetitive with the same information going to different places in different formats – so we needed standardisation.”

Overall, there was a significant amount of frustration from both Kier and their client at the absence of performance, which was creating added pressure and stress to the delivery teams.



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*“The outcomes of the Managementors’ engagement have enabled us to consistently meet and exceed external and internal client targets for the contract and in that respect the project absolutely exceeded expectations.”*

Andrew Dickov  
Framework Director  
Kier

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## Approach

The detailed findings of the analysis were fed back to the contract management team and, whilst the findings were shocking in nature, they acted as the required call to arms. “When we did the brown paper exercise during the Analysis and had disclosure of just how bad things really were – it really hit home for me. It made me realise the investment in the analysis is vital, because in order to implement the benefits you really need to know where the issues lie in order to shock people into action. If you don’t, people just see it as another thing from management that they have to do – so it loses impact” Andrew comments.

With clarity and acceptance of the issues being faced, the project was kicked off and a series of quick win activities commenced. These were focused on surfacing and resolving issues and driving greater focus on daily performance through the creation of simple performance measures which were reviewed every day by the management team. In addition, emphasis was placed on coaching managers to more actively manage their teams on a short interval basis.

Andrew commented that “the actual approach that Managementors took was to very much integrate as part of the team – it felt like they were part of the family. They accepted part of the problem as their own and empowered the team to make the required changes”.

With the foundations laid and some momentum building, greater focus was placed on building robust daily and weekly plans for the gangs. A set of ‘Planning Guidelines’ was developed, which enabled greater accuracy on how long jobs should take to complete based on their type and category. Initially, with more stretching plans being created, attainment to plan struggled, however as more issues were resolved and the active management became more effective, what would have previously been perceived as an unattainable plan due to the amount of work being scheduled, became the norm.

Focus was also placed on enhancing the commercial process to ensure timely processing of work. The interface between Kier and their client was strengthened, in addition to ensuring the necessary controls were embedded on a daily basis to significantly reduce the commercial WIP.

*Very quickly the results started to show through with the number of completed jobs rising and the WIP falling, despite inbound volumes remaining constant.*

## Additional areas of focus



Through the use of tools, such as activity lists and standard days, the first line management became much more connected with their teams and had more time to spend on value adding work and active management.

Focus was placed on enhancing the quality of the initial survey to enable better categorisation and planning of jobs. Simple tools and measures were developed to ensure the right number and quality of surveys flowed through into the repair pipeline.

A combination of engineer charters, well-constructed plans and daily gang productivity measures, meant that gangs became clear on what was expected from them. The increased active management and new approach to issue resolution also enabled frustrations from the gangs to be aired and resolved. Productivity was increasing but this was through the gangs being more effective rather than being simply forced to work harder.

Importantly, emphasis was placed on making the flow of work from survey through to reinstatement much more visual so that issues could be swiftly picked up and resolved. Every job was visualised at each stage of the process and coaching provided to ensure collaboration and accountability took the place of any complaining or finger pointing.

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## Outcomes

The WIP was significantly reduced to manageable levels, with greater insight into what the appropriate level of WIP is.

The back office team became far more proactive, engaged and accountable for field performance. A significant amount of upskilling occurred in what had previously been perceived as administration roles.

A substantial increase in gang productivity through better quality work being fed into the process, planned properly and then actively managed.

This increase in productivity meant subcontractor and overtime spend reduced, with a focus on ensuring maximum effectiveness when it was utilised.

The management team became truly empowered and accountable for the delivery of the contract targets and a noticeable shift was observed by Kier's client in the way service was being delivered.

The operation became driven by meaningful data and productivity measures. Managers were able to utilise the insight from the KPIs to make daily adjustments to the overall plan to ensure performance levels were maximised. "Our performance metrics have been a key driver of success going forward and the behavioural change that resulted has been quite phenomenal," adds Andrew.

The focus on enhancing the commercial controls and process saw a significant reduction in the commercial WIP.



*The project took Kier from being on the back foot to enabling them to bid for an increased share of the overall contract in the next control period, whilst also significantly enhancing margin performance.*

Contact us to find out what Managementors can do for you

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