

Award Submission for Outstanding Collaboration

All Under One Roof – exploring the Value Chain

AmicusHorizon Ltd and Hedley Visick Ltd working in association with Procurement for Housing (PFH), Rixonway and Inspired Home Interiors (Stamco)

This proposal highlights how the simplicity and structure of TPC2005 can drive continuous project improvement and create a truly aligned Partnering Team.

It shows how alliance, perseverance and learning can achieve outstanding collaboration across the supply chain and the project team – and deliver remarkable performance and efficiency.

The project is delivering savings of 18% and an incredible 99% customer satisfaction through a relentless, one-team focus on delivering exceptional customer experience.

The success of this project – and its engagement with smaller businesses and the supply chain – is heralding a new way of working for the Client as it looks to meet the political and commercial demands of the future. We call it the Value Chain.

The Background

The current contract was not working. Fragmented communication, overlaid processes and general mistrust were driving KPIs down. The Partnering Team appointed a Partnering Advisor to improve delivery across the programme of internal improvements. The Service Provider also introduced their second-tier Specialist, Hedley Visick, to the Partnering Team.

The challenge for the Partnering Team in adding value to the project focused on improving communication lines and collectively driving out waste from the processes.

There was a mutual appetite for honest dialogue and willingness to act openly and transparently for the Client's benefit. Through this, the Partnering Team began to reveal an emerging and innovating way to capture real value in programme delivery. And whilst this sophistication challenged the role of the Service Provider, the Partnering Team were sufficiently mature to test a brave new approach.

The approach would see a complete overhaul of how project risks were being traditionally managed. It saw a move towards the Client taking on greater risk

ownership and opening up the ability for the Specialists to focus on delivery.

The move to test this new way of working would see the Client Representative taking direct responsibility for programming, purchasing and customer management – exposing them to new relationships with the ‘hidden’ second and third tier suppliers.

The Pilot:

The small pilot of 5 kitchens set new roles and responsibilities for the Team.

The Client Representative coordinated and purchased the delivery of the key components through a purchasing consortium, Procurement for Housing. Benchmarking these rates with those the Service Provider could achieve, gave us confidence we could lever competitive rates directly.

The Client Representative took on the programming responsibility. They planned the Programme through direct consultation with both the customer and the Specialist.

The customer liaison role switched to the Client.

The Specialist, Hedley Visick, controlled and coordinated the component delivery and the logistics of the work trades – retaining full responsibility for health and safety.

Within the pilot timeframe, the Partnering Team tested the interaction among the different roles and parties - from manufacturing and delivery through to post completion wrap-ups with the customers.

It also tested the fiscal control and fluidity of cash flow along the supply chain.

The intense pilot was a hard earned success - with a catalogue of learning for the Partnering Team. What it presented was an ambition to stress-test across a wider scale. With the conclusion of the phased Programme, the Partnering Team transformed their delivery approach for the final year.

The Risks:

For the Specialist, a small business, their greatest risk was liquidity and cash flow. The process of valuation and invoicing had to be easy and effective. The Price Framework set a fixed price - further supported by a standard monthly payment and monthly reconciliation. This gave Hedley Visick full sight of their outgoings and income.

The Client took on direct purchasing of the major components. In doing so, it took away the payment ‘lag’ for Hedley Visick and the charges this risk traditionally attracts.

This saw the Client taking on the risk of co-ordinating the supply and delivery from Rixonway, located 200 miles away and without a local depot. We created direct relationships with the third-tier manufacturer and merchant to ensure delivery to the door. Working with PFH, Rixonway and Stamco, a local builder's merchant, the Client also benefitted from great commercial rates, stripping away the Service Providers on-charges and overheads.

The Client took on responsibility for resident engagement, a role traditionally sitting with the Service Provider. Service excellence is central to AmicusHorizon's culture and mission. Staff training in the psychology, language and behaviour of service excellence is delivering sector leading customer satisfaction levels. Quite simply, we felt we could manage the resident experience better than our Service Provider.

The Mobilisation:

As an effective, mature and energised Partnering Team, full migration took three months. The Team focused objectives on establishing:

- local, shared premises
- a support team and communication structure
- preliminary work surveys and design
- new agreed processes and KPIs
- engagement across the wider team and stakeholders
- agreed programmes and individual customer requirements.

A shared, local premise has proved essential. It provides an environment supporting the whole team – with office space, training & welfare facilities and warehouse space for stocking sundry materials.

We jointly developed the Key Performance Indicators and re-engineered the processes. With the learning captured from the earlier involvement of the Partnering Adviser, a cycle of review, adapt and change helped shape new processes and communication routes. The KPIs were purposefully challenging - this team wanted to make a difference.



The Delivery:

Communication

Weekly operational meetings, monthly performance meetings and quarterly Core Team meetings maintain clear focus on operational and strategic objectives – and keep clear communication lines open.

Having direct contact between the Partnering Team and third tier suppliers has accelerated the decision making process. It's fostering an alliance towards common goals. And for the customer, it's delivering a coordinated and seemingly effortless service where they maintain control and influence within their home.

The management team, supervisors and resident liaison staff meet briefly each week to review the key operational matters affecting:

- programming, scheduling and performance
- emerging risks, early warnings and hurdles
- customer feedback & handover reports.

The merchant and manufacturer also have access to these briefing sessions.

The Partnering Team meet formally once a month. A representative from the Client's Resident Governance Structure also participates. Their role, as an 'Interested Party', is to provide scrutiny across the pilot from a customer's perspective.

The Core Team meet to examine outcomes and KPIs. This is driving the Partnership Team's ongoing cycle of 'learn-adapt-do' to further develop processes and integration.

The high level commitment to solutions is driving the culture of this project. It's recognising the importance, contribution and value of the staff and people delivering the programme. The culture encourages full engagement across the team and a common sense of pride in each Task. Every little success is acknowledged or celebrated. And everyone across the Team knows current KPI results.

The focus of this pilot is to drive down cost – and drive up the customer experience. This message is relentlessly driven through regular meetings and toolbox talks with the wider team. The team come together for joint internal and external training courses. The team commissioned ACA accredited training on the TPC2005 to drive common understanding. And a Client-led training series of "Putting Customers First" is helping operatives recognise the role they play in providing an excellent customer impression.

The investment and energy across the Partnering Team during this transformation period exemplifies the TPC's objectives for mutual co-operation, understanding and a dedication to common goals.

Performance and KPI monitoring

Active programme management is assisting the Client to forward plan resident engagement, purchasing and forecast spend accurately. Hedley Visick has the necessary foresight for allocating resources and briefing the installation teams.

Customer satisfaction and feedback are collected in a variety of formats from satisfaction surveys and daily diaries to our monthly Resident Monitor visits. Residents are encouraged to complete a daily diary throughout the works describing what went well, what didn't and what we could do better. This is fed into a Service Improvement Plan reviewed monthly by the Partnering Team.

The Team review performance to specifically look at areas where processes can change. The Supervisors daily visits are examining the execution of the Task as it proceeds, the provisions for safe working and emerging factors affecting delivery timescales. The Resident Liaison Officer is working in unison with the Supervisor and on hand throughout the process.

Processes

Through review, an ongoing and rigorous snagging process has streamlined the handover process. The review has tackled the difficulties of the original contract; setting up direct communication lines and removing the previously familiar backlogs. The Resident Liaison Officer controls and monitors the remedying of defects. And also visits again within three months to reappraise the resident's perception and their experience.

The Partnering Team have the confidence in using the Early Warning mechanism to formally highlight issues and actions. This transparency is highlighting where processes are not working and warrant review – and in effect, supporting the one-team culture.

The Progress:

This enhanced pilot set out to install 310 kitchens and 150 bathrooms across the Sussex Region by March 2016 with targeted savings of £395,000.

To-date we have delivered 149 kitchens and 93 bathrooms and are on target to achieve programme. Through the ongoing process review we now forecast savings of £450,000.

Our target for improving customer satisfaction levels was moderate, aiming for a one point increase across a scale of ten. We're presently achieving an incredible level of 9.9 out of 10 – and a significant increase over previous years.

"All the workmen were friendly and polite. I would recommend to anyone. They left my house clean and tidy really pleased with my new kitchen. They all work with each other well. Great Team." 9 Hawthorn Rise

"We are pleased to be working with PFH and Rixonway, ultimately providing kitchen units to AmicusHorizon properties on a just in time basis." Stamco Inspired Interiors

"Always felt comfortable with them in my home, always let me know what was happening. Thank you very much for my new bathroom." 101 Quebec Road

Wrapping up

This project is demonstrating how investing in a simple, pragmatic and solution-orientated approach to relationships and partnership is getting value from the supply-chain.

It shows how the Client and their Representative, engaging with second and the third suppliers, is achieving an alliance focused on common goals and mutual benefit.

With a fresh outlook to sharing risk and balancing both Client insourcing and Provider outsourcing, the process chain is being revolutionised to deliver added value.

The response to Lord Young's reforms and the government's commitment to working with SME contractors are being shaped at AmicusHorizon. We have made it easier for SME's to do business with us. Hedley Visick now has an opportunity to offer further employment incentives and apprenticeships within the local community including hard to reach groups.

We continue to explore direct purchasing with procurement consortiums to lever in further efficiencies.

This project now acts as the template across AmicusHorizon.



"For us as a company being offered the chance to work this closely with AmicusHorizon was an opportunity not to be missed. We are very proud to have been selected to help them shape this new delivery model. Cutting out that extra tier of middle management has transformed the lines of communication. When we need answers we get them, when we have suggestions they listen. Working as a team developing site processes together has simplified the contract in every respect. There are no delays, customer satisfaction has increased dramatically and best of all we get paid promptly and on time." Hedley Visick

"There are several benefits of a client lead working arrangement, it not only creates a one team environment with clear lines of communication but the client gets what the client wants insuring one hundred percent satisfaction for the resident and value for money for the client." Rixonway