

## A national contractor used CLIP to define their company's corporate strategy & then drive improvements down their supply chain

The senior management teams attending a CLIP workshop



By using CLIP...  
 “We developed a focused business plan that has helped us improve profitability across the entire business. The visions and values we developed from this exercise are at the core of our business today”

### THE PROJECT

Setting up a strategy network to improve supply chain performance

#### CONTRACTOR:

Shepherd Construction

#### SUPPLIERS:

Roofdec Ltd, Airedale Glass and Glazing Company Ltd, MWS Joinery Ltd & Landscape Contract Designs Ltd

Robin Davies of Shepherd Construction tells how CLIP helped them to re-define their long term corporate strategy, and how they then engaged their key supply chain partners in the same activity.

### VIEW FROM THE CONTRACTOR

#### Background to the project

Shepherd Construction is part of the Shepherd Building Group. We are a family-owned private company operating throughout the UK. We work in a number of key sectors for both public and private clients.

We put a strong emphasis on quality, and work closely with our clients and suppliers on every project.

#### What attracted us to the CLIP programme

In 2000 our new Chief Executive Vaughan Burnand decided to refocus the business. The first step was to clearly re-define our vision and strategy. We realised this process would require a significant change in the company's direction and priorities.

We needed a set of tools to help us effectively make this change, and then manage it. We heard about the programme through an industry contact, and got in touch with them.

Their team explained the details and the management tools involved. We knew instantly it was the right path to follow, and that it would help us to deliver our new strategic plan.

#### What our aims & expectations were

The whole management team worked with the mentoring team, who delivered a series of workshops and meetings. We conducted a comprehensive review of our activities, covering both internal and external areas. This enabled us to define the critical areas for improvement within the business.

We then developed a focused business plan. This helped to improve profitability across the entire business. The visions and values we developed from this exercise are at the core of our business today.

Given the success of using the programme, we decided to bring our suppliers on board. Our main aim was to help support them, and to ensure that their business strategies would keep them profitable in the long run. This would ensure their future, and allow us to benefit from their improved performance.

**■ We also expected the CLIP 'leadership' module would help our suppliers to:**

- Develop some tangible plans for the year ahead and to define 'where they want to be'
- Set the best possible leadership processes in place for the future
- Determine how best they can manage our expectations of them during projects.

**How the CLIP process worked for us**

We set up a strategy network to raise awareness of our proposed changes to the supply chain. A number of our approved supply chain members quickly expressed an interest in joining the new network.

We needed to ensure the senior management team (SMT) at each



*CLIP workshop – identifying the critical business activities to work on*

company was fully involved in the process. We did this by organising a workshop with them, through CLIP.

At these workshops we got the SMTs to scan the business environment, and to define where they saw their business in three years time. CLIP then challenged the teams about how their business objectives, leadership processes and tactical plans could deliver their vision.

As the CLIP workshops progressed we could see all the companies starting to get more involved. They found that the tools and techniques used at the workshops allowed them to spot weaknesses in their own businesses. Four of our suppliers started to undertake individual workshops with the CLIP team, when they saw the advantages of participating.

One of the most powerful tools the teams used was the 'Hoshin' single page planning process. This involves condensing the strategy of the business into a single page. It aligns strategic imperatives to specific implementation activities. This focuses the management team on the critical parts of the business, where the greatest improvements can be made.

All our suppliers undertook CLIP workshops that focused on analysing their management processes. As an example, Landscape Contract Design's SMT worked carefully to review past business data and the profiles of their key customers. This allowed them to separate out the critical business activities they needed to address and guide them in the future.

Effective leadership is a big part of the CLIP workshops. Roofdec's SMT review of their business processes led them to look at ways of evolving their management structure to reflect the type, and volume of work the company undertook. The key leadership skills to deliver their new plan were then defined and implemented.

Another of the CLIP workshops focuses on developing a clear vision for the company. Airedale Glass's SMT carried out an appraisal of their business's internal operating structures and a critical examination of how it operates in its selected markets. The workshops revealed that they needed to improve the internal barriers between the office, factory and site personnel if they were to achieve their vision.

*‘We see our CLIP strategy network as a bow wave that will spread down our supply chain and ensure that everyone benefits from it in the long run’*

*Robin Davies of Shepherd Construction*

MWS joinery also identified the key business areas to focus on. The SMT were introduced to benchmarking tools to help measure and manage these key areas more effectively.

Another benefit of the workshops was that they enabled us to see how the way we do business impacts on our suppliers. We realised just how important it is to pay suppliers regularly and on time. We are now even more focused on their needs in this area.

We are encouraged that all our suppliers have each built a new vision for their company, and now have a detailed plan of what needs to be done to achieve this. The workshops also helped build a sense of urgency about how best to develop a business strategy.

## How we benefited from this initiative

Since our suppliers got involved with CLIP we have noticed that we all are collaborating more effectively on projects. The level and type of communication has improved, and we are working closely together to solve common issues. This in turn is leading to improved productivity and a better quality of work on projects where these suppliers are involved.

The strategy network gives us the confidence that our supply chain is working on a calculated well thought out track, and that they are operating in a way that will bring benefits to all parties. We can also be certain that their long term plans involve working with Shepherd.

Each of the suppliers involved has also benefited from going through the CLIP process. Roofdec has developed a set of KPIs to help keep the management team focused on their new strategy, which is also helping to drive out waste from their processes. MWS Joinery's management team now has a better

mechanism for prioritising and making critical decisions. This has helped their projects run more smoothly.

Landscape Contract Designs has developed their understanding of which customers they are most suited to partnering with in the long term, which is leading to increased growth and collaboration. Airedale Glass and Glazing has now developed a number of strategic partnering arrangements with key customers and suppliers as a result of going through the CLIP process.

## How we plan to use the skills & lessons learned

The lessons we learned from CLIP are now very much part of the company, and the tools we were introduced to are used on a day to day basis to help keep us on course. We are now in the process of developing a set of tangible measures that will allow everyone to stay focused on the 'right things', when delivering their plans.

The process has definitely helped to build and strengthen the relationships between our suppliers and us. All the companies involved have been appreciative of the help they have received in getting their strategies right. Two of them have even invited the CLIP team back to give more advice on how to effectively implement the strategies they have developed.

We are going to keep working more closely with our suppliers who are part of the strategy network, to drive further improvements and savings. We are also looking to get another 18 suppliers involved with CLIP, as the potential benefits of using their 'leadership' module are so great.

We see our CLIP strategy network as a bow wave that will spread down our supply chain and ensure that everyone benefits from it in the long run.

*‘We have seen clear benefits from using the CLIP approach, and we are increasingly finding that clients are actively wanting to partner with us on projects’*

*Simon Prince of Landscape Contract Design*

## LEARNING POINTS

- Get as many companies involved as possible to maximise the potential improvements for all parties. Develop a network so you can share improvements and productivity gains.
- Get the whole management team involved in the workshops to ensure everyone buys into the CLIP process.
- Be prepared to make some big changes to your corporate strategy and to try and look at your business in new ways to spot where improvements can be made.
- Scan the whole business environment, and write down where you see your business in three years time. Challenge how your business objectives, leadership processes and tactical plans can deliver your vision.
- Determine a core set of activities to focus on and then ensure the management team develops a set of KPIs to help keep them focused on the new strategy.
- Effective leadership is a big part of the CLIP workshops. Get the management team to define and discuss what key skills are required to deliver your strategy.

## JARGON BUSTING BOX

### ■ **7Ws – look for seven wastes that can never be added value:**

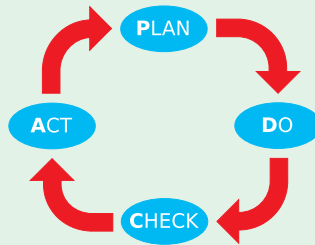
- Motion    ■ Transport
- Waiting    ■ Overproduction
- Defects    ■ Unnecessary inventory
- Inappropriate work or processing.

### ■ **5Cs – check these to lay the foundations for continuous improvement:**

- **Clear out** – separate the essential from the non-essential
- **Configure** – a place for everything, and everything in its place
- **Clean & check** – assess the current condition of the environment
- **Conformity** – ensure standard easily maintained
- **Custom & Practice** – ensure everyone follows the rules.

### ■ **THE PLAN-DO-CHECK-ACT (PDCA) CYCLE –**

a way of thinking which encourages continuous improvement



### ■ **THE CLIP – ‘standard structured approach’ – which is made up of four main stages:**

- **Pre-diagnostic** – setting the aims and training the team in lean tools and techniques
- **Diagnostic** – practically applying the tools to analyse the situation
- **Improvement activity** – looking at the data for opportunities to improve processes
- **Follow up** – identify barriers to success and set improvement actions in place.

### ■ **VISUAL CONTROL –**

a major part of the CLIP process is to use visual tools to display data, highlight improvements and record ideas. These include:

- **Key Performance Indicators** – are the measure of performance of activities that are critical to the success of an organisation
- **Pareto Chart** – a comparative bar chart that shows the number of defects for each chosen area of work, and the cumulative total of defects over the whole project
- **Fishbone Diagrams** – are used to identify the possible causes of problems. Start by defining the problem to be investigated and write it down. Then draw lines (bones) to represent each cause that runs into it. Finally you can brainstorm what is actually the cause of the problem
- **Priority Matrix** – a quadrant chart used to prioritise which improvement areas to focus on first. For example, you can place activities that will have a high impact at a low cost in one quadrant and focus on these first.

# GETTING HELP

## CONTACT DETAILS

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