

# be

## Case study



Collaborative working is now something that the vast majority of the UK construction industry claims to regard as a positive and necessary way of working. However, while the arguments about its principles and benefits are well rehearsed, the number of firms who genuinely practice it - not only to the letter but also in the spirit - falls far short of a majority.

Marks & Spencer and Gleeds have long been acutely aware that the traditional focus of the construction procurement process has been centred on obtaining the lowest price for an end product - often in a highly competitive and adversarial environment which does nothing to engender continuous improvement or efficiency.

By focusing on the end product, rather than improving the process that delivers it, both companies firmly believe that this approach is fundamentally flawed. Not only does it risk failing to deliver what the client wants but also, ironically, failing to deliver on the one thing it's focused upon - price.



Marks & Spencer and Gleeds joined Be in 2002. They have been working together for over eighty years and saw in Be an organisation that was working to achieve the wider adoption of the same working practices and principles that they believed in. Marks & Spencer is a highly educated construction client which has long recognised the need to 'partner' not only with the supply-chain but also with its consultants.



Like many organisations, Gleeds has seen the scope of its role and responsibilities increase dramatically - from being traditional quantity surveyors, they are now involved in supply chain management, performance management, procurement and maintenance contract management. Through their work with Be and the commitment of their own organisations, both companies have not only come to understand the power of collaborative working but also the practical steps and attitudes that need to be taken in order to make it a reality.



*"As an organisation, we are fully committed to collaborative working. Be represents us in the wider industry and proactively promotes the same principles and practices we believe in. Through Be, we are able to share experiences with other members of the supply chain and collectively benefit as a result"*

**Nick Roalfe, Quantity Surveyor, Marks and Spencer**

*"Our partnering relationship with Marks & Spencer demonstrates the role Gleeds now fulfils in the supply chain. Our work with Be allows us to share experiences with other supply chain members and continually innovate the way we partner"*

**John Enever, Partner, Gleeds**

***The average cost of a coffee shop is now circa £170,000 per installation, a saving of £130,000. It serves for exactly the same number of covers and is completed to the high specification Marks & Spencer demands.***

## Learning Point

### *Maximising efficiency, minimising waste*

An example of this theory in practice can be seen in Gleeds' involvement with Marks & Spencer's in-store coffee shops.

Gleeds was commissioned to prepare a benchmarking report which evaluated the cost parameters of Marks & Spencer's coffee shop installations against that of other leading retailers.

The report showed that, on average, each installation was costing Marks & Spencer £300,000; and that this cost was not equating to best value for money.

Both companies then worked in partnership with a series of 'best of breed' consultants, contractors, suppliers and designers to value engineer the existing design and assess the functionality and operational restraints of the environment.

A very open and unrestricted brief allowed the team to provide a wide selection of proposals. Generic designs were then developed and issued to three partnering contractors who priced the shopfitting element of the roll-out and provided further cost savings and an operation improvement rationale.

The three contractors were rewarded with appointments and further negotiations were held to secure additional savings and multi-project discounts over the entire roll-out programme.

Whilst the contractor was made responsible for all installations, Marks & Spencer and Gleeds negotiated directly with suppliers and manufacturers and secured additional savings with equipment being free issued to the contractor for installation only - in some instances, savings were as high as 120%.

With all parties working closely together, a detailed programme of installation was agreed that maximised efficiency and minimised waste, particularly in the case of labour. Potential delays or others issues were, wherever possible, highlighted well in advance and a positive 'problem solving' approach was adopted throughout.

*“Collaborative working provides the framework for a powerful, structured teambuilding process that works to define and build relationships and preventatively manage conflict at the earliest possible stage. In essence, partnering represents a philosophy of dispute avoidance and equitable risk allocation rather than a legalistic and confrontational approach.”*

**Nick Roalfe**  
**Quantity Surveyor**  
**Marks and Spencer**

### Delivery not rhetoric...

The retail environment is a highly complex, continually evolving sector, where the application of strategic planning and precise programme management is linked to successful, value driven implementation. Marks & Spencer therefore seeks to ensure that construction strategies, processes, improvement targets and performance measures are identified through negotiation with its partners and the supply chain.

A supportive style of leadership, with an open culture, is adopted and captured by the definition of mutual objectives. The long-term relationship of the two companies is based on achieving joint objectives that deliver projects and services that are:

- On time and within budget
- Of co-ordinated design
- Accident free
- Free of claims, disruption and litigation
- Delivered through a 'one team structure' for on-site operations
- Flexible enough to meet with the ever evolving retail environment

- Best value across the whole life of the project
- Innovative and leading-edge
- Able to identify examples of best practice, which can be translated to all areas of Marks & Spencer's business

For Gleeds, and other members of the supply chain, Marks & Spencer's commitment to its partners has allowed them to run their own businesses with enhanced certainty. Staff retention is maximised and, with the appropriate level of training and development, Marks & Spencer benefits from an empowered team who understand the business and its needs.



### Realising the Benefits...

Through collaborative working, Marks & Spencer, Gleeds and the rest of the supply chain benefit from the development of an empowered project team that takes skills and experience from project-to-project and a client that is committed to long-term relationships.

A supply chain that is committed to each other and dedicated to delivering best value for the client will ultimately result in an end 'product' that meets/exceeds the clients expectations and needs, which is delivered on time and on budget.

There are a number of factors that contribute to an effective collaboration but the underlying requirement is a willingness to embrace innovation and change culture.

***'If there's one thing I've learnt it's this - don't ever dismiss an idea however ridiculous, until you've fully tested and explored its potential. The results can be staggering'***

**Nick Roalfe, Quantity Surveyor, Marks and Spencer**

### Learning Point

#### *Eliminating bureaucracy*

To ensure effective communication between all members of the supply chain Marks & Spencer utilised a web based collaboration system - the BiW Information Channel. This was a major organisational change for Marks & Spencer and was initially dismissed as too big a risk. Marks & Spencer is a very traditional organisation and the conversion from traditional procurement methods to a web based system would mean a major cultural shift for the organisation. Marks & Spencer was reluctant to take such a big step change and risk losing control.

Through the company's close partnership with Gleeds during the rollout programme of the coffee shops, it became evident that drastic improvements to its procurement were a necessity as it was no longer feasible to use lengthy tender processes.

The procurement of Marks & Spencer's FM contractors was required in a very limited timescale and was previously a very bureaucratic process. Involving 27 maintenance packages and 109 contractors across the UK, the tendering process previously involved the printing and distribution of 250,000 sheets of paper which was unsustainable, costly and time consuming. The use of the web based collaborative system removed waste in terms of time and resources and has enabled the procurement of Marks & Spencer's FM contracts to be carried out quickly and efficiently providing contractors with direct but limited access to both generic specifications and documentation within relevant packages. Gleeds was therefore able to release documents as soon as they were completed to meet the contracted procurement program.

An additional benefit was that the system provided an audit trail of the entire process with the ability to quickly and efficiently release additions to the tenders.

The use of the collaboration system was easily adopted by the contractors with only 5 of the 109 contractors requiring additional assistance.

Web based tendering is now widely used by Gleeds and Marks & Spencer has rolled out its use for development programmes such as Simply Foods and now holds FM items such as stores' statutory and legislative certificates on the web.