

RCL

REEVES CONSULTING LIMITED



STRUCTURAL
TIMBER ASSOCIATION

Building solutions in timber

**CITB
Management & Skills Development Programme**

Phase 4

Erector Programme

Report

December 2014

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Executive Summary

After the successes of 2013 it was important we maintained our involvement with our fifteen erector companies in 2014, albeit on a reduced one-to-one visiting schedule, and also communicate these successes to a wider audience. The 2014 programme does just that as Kevin Reeves and Peter Egan continue to work through face-to-face and telephone mentoring with the chosen fifteen companies, this time bi-monthly. Each company agreed new objectives for the year. Workshops were held in June in Birmingham and in December in Edinburgh. The workshops looked at topical issues for the erectors.

Achievements of the businesses on the programme

- Companies have for the first time recruited senior managers
- Most of the companies have increased their administration function providers (the lack administration staff was identified in the research as a key issue)
- Companies increased their senior management team by over 50%
- *Companies are spending more time planning and “working on” their business*
- As the upturn in construction unfolded the companies were able to identify and target good quality growth contracts
- The Directors of the erector companies have increased their leadership, business skills and their confidence to run their businesses
- Leaders have put more rigour into managing performance
- Recruited 29 additional apprentice (an average of 1.9 per company)
- Employed 10 additional managers, administrators or quantity surveyors

For companies on the programme for 2 years growth measured in 2014 was:

- Across the period of this programme the increase in the average per company Gross value added per full time equivalent employee (GVA/FTE) was 34%
- Total net profit for the companies increased from £270,000 to £1.1m (300%)
- The average percentage net profit per company increased from 2% to 7%
- Collective sales turnover grew by £4.4m (33%), the market grew 12% in 2103
- Total numbers employed increased by 73 (22%)

One erector business has been recognised across the whole business community for their excellence in training and developing people. The CITB acknowledged the success of this programme by presenting the STA with a *Growth Fund recognition award* in April 2013. The programme was short listed for the Building Magazine Training initiative of the year & Constructing Excellence South West/CIOB SW Built Environment Awards.

“The mentor has helped us to access networks. He has assisted us with difficult challenges and also wider business issues.”

“The mentor is good, I trust him. It’s lonely running the business and it’s therapeutic to talk to him about the challenges.”

1. Introduction

After the successes of 2013 it was important we maintained our involvement with our fifteen erector companies in 2014, albeit on a reduced one-to-one visiting schedule, and also communicate these successes to a wider audience. The programme this year does just that as Kevin Reeves and Peter Egan continue to work with our chosen fifteen companies, this time bi-monthly, and also we hold fifteen erector workshops around the UK to which we invite any companies involved in the erection of timber frame buildings. With the building sector now in sustained growth, particularly house building; there is a shortage of bricks & blocks with more and more house builders turning to timber frame. Consequently there is an acute need like never before to up-skill the erector companies. It is anticipated that 1000 new erectors will be needed in the UK this year to cope with the increased demand. This scheme proved last year that by business mentoring we can help grow the erector community.

This report concludes this programme.

2. Mentoring

*For each of the companies on this year's programme, see **Appendix 1** new objectives were agreed with the mentor and a mentoring agreement signed, see **Appendix 2**. Progress with the objectives has been regularly reviewed and each company has at the mid-point reviewed with the mentor the programme overall.*

The face-to-face and telephone mentoring sessions have continued to be regularly held with each of the 15 companies on the programme. These sessions have tended, through the agreed objectives, to focus on: forecasting and actual performance measurement and management; often leading in turn to a review of the future strategic direction of the business. Also in some of the sessions very specific issues for the individual company have been addressed and worked on, e.g. personal development of individual directors. See also December 213 report for details of the mentoring process.

Although it is not required for the 2014 programme, we have for each erector company that has completed the 2013 and 2014 programmes captured at the point of their latest annual accounts Gross Value Added (GVA) figures, **see Appendix 3** for GVA form.

3. Erector workshops

The first erector workshop was held in Birmingham on 5th June. This Birmingham workshop focused on the key current issues facing the 15 erectors. This discussion majored on the massive increase in demand for erector services, poor business *management and pricing by the erector's clients (the timber frame manufacturers)* and acute shortage of resources, particularly site tradesmen. Topical industry issues were also presented on and discussed (training, Payments Charter, insurances and risk). The workshop also introduced elements of best practice in the sector through the Centre Parcs case study,

The second workshop was held on the 9th December in Edinburgh. The agenda combined reviewing and reflecting on 2013 and 2014 and what the group of erectors had collectively achieved. Also, hearing from the Directors of each erector businesses how the programme was for them; what challenges they had faced and how they had overcome them and development themselves and their companies. The workshop looked forward at the future market conditions for timber frame and what funding might be available to the erectors to further develop their businesses.

See **Appendix 4**.

4. 'Going for Growth' workshops

Significant effort was put into engaging the wider manufacturer and erector community and as this evolved it became clear that accessing these individuals was best served by working through the wider STA membership and to leverage the support to the erector companies engaged on this programme to access those, who had not been previously involved.

To this end 'toolbox talks' presentations were prepared and erector company personnel were coached in the delivery of the content, along with presenters at a wide range of STA events held over the year.

In total we presented to 480 individuals and 186 companies during 2014, against a target of 150 companies and 300 personnel.

5. Programme outcomes and conclusions

Reviews

The mentoring consultants undertook mid-year with each erector company a critical review of their individual programme. Included in this review was an assessment by the company of the performance of the consultant allocated to them, the process of the programme and progress against their *Objectives*. The outcomes of the review were used by the company and the consultant to, where *necessary, restyle or modify the company's programme for the remainder of the year*. For many businesses the turbulence in their markets and with their clients combined with supply side shortages and cost inflation were the drivers of change to the *Objectives*.

There is clear evidence from the confidence and behaviours of the directors that the learning they have taken from the programmes in 2013 & 14 is embedded into the companies; it is clear that the development of their leadership skills in *balancing the focus between 'working on' and 'working in' the business has had a significant impact on their performance*. The consultants are confident the learning will remain as a lasting legacy with the individual business after the end of the programme.

Similarly structured reviews were also conducted at the end of the programme in November/December 2014.

Individual Businesses

The progress made by each business is shown in **Appendix 5**

The following are the outcomes and conclusion from the programme:

Common changes and achievements

1. Most of the companies have, many for the first time, recruiting senior managers
2. Most of the companies have increased their administration function (either by recruiting staff or engaging specialist providers (the lack of administration staff was identified in the research as a key issue for the sector)
3. For many companies the senior management team has increased by over 50%
4. *Companies are spending more time planning and "working on" their business*
5. As the upturn in construction unfolded the companies were able to identify and target good quality growth contracts
6. The Directors of the erector companies have increased their leadership, business skills and their confidence to run their businesses

7. Leaders have put more rigour into managing the performance of their businesses

Timber frame house building in Scotland has been nominally flat over the last year. With recorded growth at only 1% (Timber Trends) However, the four participating companies based in Scotland have recorded exceptional performance with revenues growing by 49% for the year 13/14 over the previous year. Forecasts for the year 2014/15 are equally impressive with sales expected to grow by a further 68% year on year.

Across the 15 businesses on the programmes in 2013 and 14 the following has happened:

In 2013

- 29 additional apprentices have been taken on (an average of 1.9 per company)
- 70 extra site skilled and unskilled workers have been given work (employed and self-employed), an average of 5 per company
- 10 additional manager, administrators or quantity surveyors have been taken on
- Collective sales turnover in excess of £25m an increase of 14% (over the previous recorded year captured for the GVA calculations)

For companies that had been on the programme for two years their growth measured in 2014 was as follows:

- Across the period of this programme the increase in the average per company Gross value added per full time equivalent employee (GVA/FTE) was 34%
- Total net profit for the companies increased from £270,000 to £1.1m (an increase of over 300%)
- The average percentage net profit per company increased from 2% to 7%
- Collective sales turnover grew by £4.4m (33%)
- Total numbers employed (payroll plus self-employed and Sub-contractors) increased by 73 (22%)

Note: By volume the market for timber frame houses grew 12% in 2103.

Outcomes

- Each company engages with the programme and progresses at their own rate
- The companies need to trust and rate the (calibre of the) consultant mentor; and engage with them. For some companies this happens almost instantaneously for other it can take up to 6 months
- Strategy is always the key starting point. Participating companies have made key decisions on the long-term strategic direction of their business and put in place plans to deliver this new direction
- Strategy is followed by business planning and in turn performance measurement and management
- Each business has achieved what they wanted to achieve against their particular situation and objectives
- For all *companies one year's support is insufficient*. But mentoring support in the second year does not need to be as frequent as in the first year
- The research that preceded this programme was correct in the skills gaps it identified and their importance to allowing the businesses to grow and develop
- When the consultant mentors meet with the businesses they need to be aware of the burning issues- of –the- day and balance any discussion between these and the objectives agreed by the company
- Companies expanded and strengthened their client base and brought greater focus on securing work from *target* clients
- The businesses created detailed plans for managing and forecasting:
 - Marketing and sales
 - Business management requirements (managers)
 - Operational labour requirements (including apprentices)
 - Financials, including cashflow
- The erectors sustainably grew their business turnover by focusing on the quality of clients and that of actual contracts.
- New business streams were launched in sectors allied to timber frame
- The companies have identified different and new performance measures for the businesses and developed systems to measure and manage these

- The businesses on the programme have had to responded to turbulence in markets and clients; plus adapt to supply side shortages and inflation
- The companies have developed truly innovative approaches to supply side challenges and business development
- The consultant mentors are confident the erector companies on the programme will have an enduring legacy of new business skills and culture change, examples of these legacies are:
 - Ability to think strategically
 - Ability to plan and forecast
 - Improved skills for managing people
 - Learn culture
- The smallest participant companies would not have had the financial resources to engage a mentor to take them through this type of programme. Therefore the need for government financial support has (once again) for these sized businesses been demonstrated if they are to be encouraged to develop and grow.
- Many recognised the need to embed training as part of their strategic delivery programme.

Recognition

- In 2014 one erector business has been recognised across the whole business community for their excellence in training and developing people
- The CITB acknowledged the success of this programme by presenting the STA with a *Growth Fund recognition award* in April 2013.
- The programme was short listed in 2014 for the Building Magazine Training initiative of the year and Constructing Excellence South West/CITB SW Built Environment Awards.

Appendix 1

Companies engaged on the programme

Advantage Timber Systems (replaced Advantage Timber Construction)

AJC Carpentry Southern Limited

All Timber Frames Ltd (replaced Stephens and Giles)

Beechrow Homes Ltd

Brian Black Joinery and Construction Limited

Brind's Timber Frame

C&L Timberkits Ltd

CLB Joiners Ltd

Dickie & Moore Limited

Innovation on-site Limited

Lilley and Son's Limited

Mint Construction Limited (replaced Regal Carpentry)

Pury Construction Ltd

SC4 Carpenters Ltd

Smiths Carpentry Ltd

Appendix 2

Mentoring Agreement

Company Name	
Address (including postcode)	
Contact	
Consultant	

Objectives and goals – detailed description of the objectives and the goals the Company wants to achieve from the programme. Refer back to the pre-selection/enrolment form.

1

Objective	
Expected improvement to the business (inc growth)	
Goals (inc timescales)	
Details	
Performance indicators and frequency of measurement	
<i>“Skills gap” addressed</i>	

2

Objective	
Expected improvement to the business (inc growth)	
Goals (inc timescales)	
Details	
Performance indicators and frequency of measurement	
<i>“Skills gap” addressed</i>	

Details of the mentoring

Details of sessions & workshops (dates & times)	Face-to- face meetings: to be agreed Telephone meetings: to be agreed Workshops: 5 th June, Birmingham and 9 th December, Edinburgh
Fees per session	The sessions are free of charge to the Company
Procedure –details of meetings e.g. venue and any arrangements to be made	Face-to-face meetings will be at
Changes – arrangements for re-scheduling/cancelling sessions	5 Days notice by either party
Additional support/extra time – details of extra assistance/sessions or support provided by consultant can email information to Kevin for comment before contact sessions
Problems – procedure for Company to identify issues/concerns	If the Company has any concerns with the way the consultant is working, please let your consultant know as soon as possible. For our work together to be effective, you must alert your consultant to any problems. Alternatively, you can contact STA.
Trigger dates – dates for periodic reviews	In September 2014.
Formal Review – dates for formal review/evaluation	At the end of the project in December 2014.
Statement of confidentiality	The Consultant recognises that anything the Company shares with them is regarded as confidential, whether it is business or personal information. The Consultant undertakes not to, at any time, either directly or indirectly, use or disclose any information that the Company shares with them during their sessions. The content of this contract and generic information is shared with STA and CITB.
Consultant's commitment and objectives	The Consultant will act as a detached, independent thinker enabling the Company to address their objectives by helping the Company to work out for themselves how to achieve them and the actions they will need to take.
Nature of mentoring	Mentoring must in no way to be construed as psychological counselling or any type of therapy. Mentoring results are not guaranteed. The Company enters into the Mentoring with the full understanding that they are responsible for creating their own results.
Company commitment	The Company agrees to provide the Consultant with the relevant financial data and other information about their company. The Company must be committed to achieving their goals and active in working towards them between sessions.

Company read and agreed the above:

Company signature

Date

Consultant signature

Date

Appendix 3

GROSS VALUE ADDED FORM

Company name:

Company contact:

End month of business' financial year:

'Actual' figures supplied for financial year ending:

	Actual (last FY accounts) £1000's	Estimated (current FY accounts) £1000's	Forecast for next year £1000's
Sales Turnover/revenue			
Total Labour/wages costs			
Total Sub contract labour/wages costs*			
Net Profit (<i>before tax & interest</i>)			
Depreciation			
Number of employees (FTE)			
Sub contract employees* (SFTE)			
Circle source of accounts	a) Audited or Final b) Management c) Estimate accounts	Estimate accounts	

Total labour costs includes support staff costs and Director's emoluments

** If applicable*

Signature (Company) **Date**

Signature (Consultant) **Date**

Confidentiality

All data provided to STA will be treated as confidential

Appendix 4

**STA/CITB M&SDP Erector programme
Workshop, 5th June 2014,
Arden Hotel, Solihull**

Attendees

Attendee	Company
Andrew Carpenter	STA
Kevin Reeves	Reeves Consulting
Peter Egan	Egan Consulting
Marcus Saunders	Lucas Fettes
Brian Black	Brian Black Joinery and Construction
Chris Brind	Brind's Timber Frame
Colin Linskey	C&L Timberkits
Charles Brown	CLB Joiners
Tony Wren	Innovation On-Site
Chris Lilley	Lilley and son's
Gerard Lockey	Mint Construction
Ben Clark	MrSIPS
Stuart Horn	Pury Construction
Vicki Wootton	Pury Construction
Conrad Hall	SC4
Simon Griffiths	SC4
Shaun Smith	Smiths Carpentry
Vicki Smith	Smiths Carpentry

**STA/CITB M&SDP Erector programme
Workshop, 5th June 2014,
Arden Hotel, Solihull**

Agenda

9.30-10.00		Registration & Networking with tea/coffee
10.00 -10.05	AC/KCR/PE	Welcome & Introduction
10.05 – 10.30	KCR/PE	Discussion: State of the market Where are you now What do you see as the key issues for your business?
10.30 -11.15	KCR & PE	Centre Parcs case study Why was this project a success?
11.15-11.30		Tea/Coffee
11.30-12.15	AC/PE/KCR	CITB training for CSCS carding: Update, Q&A Toolbox talks – materials & timescales
12.15-13.00	AC/PE/KCR	Payments Charter: What is it? How will it work for erectors? Project bank accounts Contract terms and conditions for erectors Q&A
13.00-14.00		Lunch
14.00-14.45	Marcus Saunders	Risk and insurance Intro to Lucas Fettes How can erectors minimise the cost of insuring their risk
14.45-15.50	KCR & PE	Collaboration & Partnering – how can we make it work more effectively for the sector
15.50-16.00	AC	Close

**STA/CITB M&SDP Erector programme
Workshop, 9th December 2014,
The Apex International Hotel, Edinburgh**

Attendees

Attendee	Company
Andrew Carpenter	STA
Kevin Reeves	Reeves Consulting
Peter Egan	Egan Consulting
Jenny McIver	CITB Construction Skills
Brian Black	BBJ&C
Chris Brind	Brind's Timberframe
Charles Brown	CLB Joiners
Lee Verdorn	C&L Timberkits
Colin Linskey	C&L Timberkits
John Dickie	Dickie & Moore
Stuart Horn	Pury Construction
Vicki Wootton	Pury Construction
Conrad Hall	SC4
Katy Hall	SC4
Simon Griffiths	SC4

**STA/CITB M&SDP Erector programme
Workshop 9th December 2014
The Apex International Hotel, Edinburgh**

Agenda

Times	Presenters	Item
9.30 - 10.30		Tea, Coffee and networking
10.30 – 11.00	Kevin Reeves , Peter Egan & Andrew Carpenter	Welcome & Introductions
11.00 – 12.00	Erectors	Erectors present on 2013/14 Q&A
12.00 – 12.30	Kevin Reeves	What has the programme achieved?
12.30 – 13.00		Lunch
13.00 – 13.30	Andrew Carpenter	Update on the STA
13.30 – 14.15	Kevin Reeves	Future market conditions for timber frame Q&A
14.15 – 15.00	Peter Egan & CITB	Available business support funding in 2015 & beyond
15.00 – 15.15		Tea and coffee
15.15 - 16.00	Kevin Reeves , Peter Egan & Andrew Carpenter	What do the erectors want in 2015? Final Q&A Evaluation forms Close

Appendix 5

Company

Advantage Timber Systems Ltd

The issues

Advantage Timber Systems was born out of the former business Advantage Timber Construction Ltd (ATC). The challenge for the leader was to establish and build the new business whilst earning the lessons from the demise of ATC.

The leader realised the new business needed a robust Business strategy, model and plans. He also recognised the business would need good forecasting and historic data capture and analysis systems; and that management would need to understand this information and act upon it.

Key growth & development achievements or milestones in 2014

The people in the business have:

- Adjusted to the new business
- Developed skills and focus on the key business performance metrics of risk, profit and cashflow

The business has achieved:

- Created a detailed 3 year Business strategy and detailed plans
- Built up from a zero base business to average monthly sales in the fourth quarter of £60,000
- Achieved no bad debt through both strategy and relentless focus
- Analysed and decided on a core of key clients
- Established a mixed portfolio of work types and geographical coverage
- Analysed the existing and potential profitability of business streams
- This company has developed a training culture

What the participating companies thought about the programme

The mentoring process works well and the business leader really benefits from having someone outside of the business to talk to. The mentoring consultant is perfect.

Company quote

“The mentor makes realise what I’m not doing, to look at the important stuff. He understands and makes me focus on the know failings of the business”.

Company

ALC Carpentry Southern Limited

The issues

Having started to explore the timber frame markets in the South and South East of England the company were faced with a number of key business decisions Firstly, what type and level of timberframe work was needed to be profitable? Given a significant upturn in demand for their services from the private residential sector. What would be the right mix of timberframe erection and core business of 1st and 2nd fix carpentry to be over time sustainably profitable?

Could close working relationships be built with the key clients and influencers in the timber frame sector?

During the year the lead director suffered severe ill health which meant he was away from the business for significant periods of time.

Key growth & development achievements or milestones in 2014

The people in the business have:

- Through necessity one of the Directors has had to grow to run the business
- The directors and senior managers have learned more about the technical aspects of timber frame and the business economics of the market

The business has achieved:

- Continued to develop performance measurement and management systems for the timber frame side of the business
- Furthered working relationships with 4 key target clients and influencers
- Explored strategic options with a manufacturer
- Continued to secure and fulfil timber frame contracts

What the participating companies thought about the programme

The mentoring consultant is good value, someone we trust. He is both constructive (sowing good ideas) and challenging, which is what we need.

Company quote

“The mentor as helped me develop through the year. He understands and works well with me. Working with the mentor I have developed more confidence and learned to see a wider picture”.

Company

Beechrow/Oak Hill Homes Limited

The issues:

As previously reported, there is huge potential for this business, having identified bespoke design and build services to private house builders in addition to its traditional Timber Frame erection business. The challenge to the directors of this business has been how best to respond to the demand for their services, that has grown strongly during 2012/2013.

Key growth & development achievements or milestones

The team had a clear vision for the medium term future of the business, but the pressures on them make prioritising and decision making difficult to manage. As a consequence it was easy to get lost in *“managing the day to day activities of the business”*

A review of the issues facing the business produces an outline plan indicating the revenue, profitability and resource needs of the business through to calendar year 2015. This quickly identified the need to produce a *cash-flow plan to identify where the “pinch-points” would be over the next year* and also to give the directors an indication of any potential need to look for external financing to support their growth ambitions.

The key challenge to the team has been to manage delivery consistent with meeting client expectations, and critically to the business, its working capital requirements. The management team *now recognise the importance of being able to work both “on the business” as well as “in the business”*

Recognising this the company has engaged with CITB to support its apprentices and have become members for the Structural Timber Association. It has recruited two apprentices and a part time QS to handle the growing demand for quotations to clients. As the workload grows, this appointment is likely to become a full-time recruit, along with an administrator to manage the office.

The performance of this business can only be described as outstanding, particularly when it has financed its growth from on-going revenues. The business model provides a win-win to both the client and the company in the way it manages its cash flow and payment terms

The challenge for 2015 will be to ensure that this performance continues, but a critical element of this on-going success will be to underpin it by putting in place the necessary resources and management team.

Measure	Plan				Forecast
	2011/1 2	2012/1 3	2013/1 4	2014/1 5	2014/15
Revenues	100	202	377	562	377
Profitability	100	125	309	423	423
Employees	10	28	42	55	55
Products/Services	1	4	4	4	4
Sectors	2	2	2	2	2

Key:

Revenue &

Profitability are shown as a % change on base year 2012/13

Sectors and key clients are shown as actual numbers

What the participating companies thought about the programme

James Clinton commented *“we now have more focus because we have a plan. We certainly are more aware of the pitfalls and decisions that must be made when building a business organically. The fact that we have targets to aim for, enables us to plan and makes our decision making and ability to prioritise, easier ”*

In 2014 he added:

“We were concerned that we would be unable to handle the volumes of new business coming through at the beginning of 2014, but the work we did on cash-flow tracking and management gave us the confidence to go for it. We are glad we did and we are now working to build a small management team to support us as we continue to grow”

Company

Brian Black Joinery and Construction

The issues

BBJAC was incorporated in February 2011, so was approaching two years of trading when it got involved in the Erector Development Network. By this time it recognised the issues facing a young business and in particular building credibility as a service supplier and more especially the challenges of cash flow whilst building a working capital base.

Key growth & development achievements or milestones

An initial review of the business in the form of a SWOT analysis, helped the business to work up a medium term plan that projected performance to 2015/16

The predominant activity of the business has been Timber Frame Erection and first and second fix.

Key projects identified for 2013/14 were:

- 1.0 Deliver the home improvement revenues at a level of profitability consistent with the plan
- 2.0 Establish the BBJAC apprentice scheme and engage with CITB
- 3.0 Develop the BBJAC sales and marketing plan

In reviewing performance during the year it was decided to stick to the core business of Timber Frame 1 & 2 fix joinery.

Coaching activities included working with *and managing "difficult" employees and working in teams*. It also focused on building relationships with the client and employees alike.

During the year two apprentices were recruited, which will substantially add to the resource base of the business over the next eighteen months as they spend more time on site.

Sales have grown significantly against the expected 20 % growth during the year 2013/14, to achieve an increase of 68% in the year and are running at a rate which will see sales double over the 2012/13 level during the year 2014/15

Measure	Plan				Forecast
	2012/13	2013/14	2014/15	2015/16	2014/15
Revenues	100	168	265	275	265
Profitability	100	127	164	282	127
Employees	10	15	19	20	20
Products/Services	2	2	2	2	2
Sectors	1	1	1	1	1

Key: Revenue & Profitability are shown as a % change on base year 2012/13
Sectors and key clients are shown as actual numbers

What the participating companies thought about the programme

Brian black commented *"it has been of tremendous benefit to my business to have the benefit of expert outside support in forcing me to think about the difficult challenges of balancing day to day work from building the business and our customer service offering. This has been to our benefit this year as we expect to beat our revenue target for 2013/14"*

In 2014 he added:

“On reflection, I can see that I was being overly cautious in planning for growth and I can now see that being encouraged to take advantage of the opportunities available has helped me to achieve a growth rate that I had previously considered unachievable. Having a coach has given me the confidence to be more assertive with my business to make it happen”

Company

All Timber Frames Ltd

The issues

All Timber Frames was started in 2012. It operates a business model where manufacturing and site installation are vertically integrated within the company. The business provides timber frames and associated timber constructions to a variety of end user and developer clients. The business has consistently increased its average monthly sales and maintained a good financial performance (cashflow and profit) through focus on certain markets and through good management disciplines.

In 2014 the business faced a number of key issues around continuing to sustainably grow sales and net profits. These issues revolved around the management structure of the business and roles and responsibilities. Business planning, forecasting and performance measurement.

Key growth & development achievements or milestones in 2014

The people in the business have:

- Engaged with the mentoring process
- Realised the achievements of the business and what the business does well
- Developed skills and abilities to look forward to plan the business and establish what structure, systems and data are needed to run it

The business has achieved:

- Created a 3 year business plan including capital expenditures for new offices and enlarged manufacturing facilities
- Started developing new internal systems and performance measurement
- Continued to grow monthly average turnover and profit
- Commenced redefining roles and responsibilities within the business
- Identified within the business the next senior manager and begun his transition

What the participating companies thought about the programme

The mentoring sessions and process have been valuable. They have forced both of us to sit down and go through things, and prompted us to do certain things.

Company quote

“The mentor has the right approach and understands the different personalities of the two directors.”

Company

Brind's Timber Frame

The issues

Brind's Timber Frame was a new business start-up in 2013. During 2013 the business established itself as an erector in the Timber frame and associated timber constructions market; and also as a supply and erect Company in the small developer and self-build timber frame markets.

The challenge in 2014 was to build the business (turnover, resources and profit) whilst bedding in the systems and processes developed in 2013.

Key growth & development achievements or milestones

The people and the business have achieved:

- Developed and enhanced estimating and pricing systems
- *Improved Brind's standard contract terms and conditions*
- Reviewed and re-designed erector services
- Grown the business
- Developed more focused marketing planning and sales
- Selectively grown the client pool
- Reviewed site management of contracts
- Identified a key member of staff who could be developed into a supervisor
- Grown the skills of the on-site labour force
- Engaged a person to provide commercial, administration and website support

What the participating companies thought about the programme

The workshops and mentoring work OK. It is good to be able to talk to someone outside the business, who understands the business and what it needs.

Company quote

"The mentor is doing very well".

Company

C&L Timberkits Ltd

The issues

The leaders of the business faced some difficult decisions regard two members of staff. They also knew that some of their internal systems needed major overhaul and or development.

The business also faced particularly turbulent market conditions and contractual behaviours from some Main Contractors. It also experienced difficulties in the recruitment and retention of site labour

Key growth & development achievements or milestones

The people and the business have achieved:

- Undertook appraisals for the two directors
- Managed a difficult redundancy of the office manager
- Managed the sudden resignation of the Contracts Manager
- Undertaken a review and some rescheduling of roles and responsibilities
- Restructured the management
- Decided to increase the scope of the company providing accountancy services
- Decide to move away from the former financial costing system and to a MS excel based system
- *Focus of sales on “more profitable” work types*
- Developed and enhanced some internal systems
- Continued to grow the key client base

What the participating companies thought about the programme

It's good to have an outside mentor come in and help the business. The erectors need to look more inside their own business rather than criticising their clients. The workshops are a good forum for discussion.

Company quote

“The mentoring consultant has good knowledge and his style is about right.”

Company

CLB Joiners limited

The issues

The challenge facing this business has been one of managing a relatively large team of erectors and facing up to the challenges of change to secure the next phase of this business's development.

The management team recognizes that it will become necessary to change the way the business is managed, away from the more "hands-on" style that it has been used to, to progressively managing through a supervisory management group over the next three to five years.

Key growth & development achievements or milestones

The challenges of managing a disparate set of erection teams, who are employed predominantly through the Central belt of Scotland, places increasing pressures on a small management team. This is potentially a barrier to the continued growth of what is otherwise a well-run business.

Much of the emphasis for this business centres on how best to develop the key skills of the business to meet its needs, primarily in developing its internal admin systems and in recruiting key supervisory management skills. This is a major issue for the business as it wrestles with how best to arrange its operational management to enable the proprietor to embark on the development plans he has for the medium term.

The basis admin systems of the business were reviewed and templates created to allow for the automation of time recording and payroll management. During 2014 these systems have been further developed resulting in management data being entered once, improving the quality accuracy and timeliness of information produced

Coaching on developing the key client relationships for the business were explored in detail, as were the issues around managing a growing book of self-employed erectors. The business recognised that it needed to expand its product/service offering to ensure that it avoided, what was often referred to, the stop-go nature of erection to ensure that continuity of work could be provided to its contractors. This was identified, as a key differentiator for CLB and the business is keen to ensure that it maintains this capability to underpin its growth plans.

A key objective for 2014 will be the challenge of balancing the growth of "costs" alongside growth in revenues and the impact it has on profitability.

Measure	Planned Performance				Forecast
	2012/13	2013/14	2014/15	2015/16	2014/15
Revenues	100	102	105	107	105
Profitability	100	119	122	224	122
Employees	25	26	26	29	26
Products/Services	1	1	1	1	1
Sectors	1	1	1	1	1

Key
:
Rev

Revenue & Profitability are shown as a % change on base year 2012/13
Sectors and key clients are shown as actual numbers

What the participating companies thought about the programme

Charles Brown commented in 2013, *“it has been very useful to have someone to refer to in helping me to consider the options open to me and to challenge my thinking and the risk profile of decisions to be made”*

In 2014 he added:

‘The coaching provided me with the support necessary to step back and consider the broader issues affecting my business and how best I might respond to them. It is very easy to get buried in the day to day stuff, when what really helps is to have someone challenge you to see the big picture’

Company

Dickie & Moore

The issues

The challenge to Dickie & Moore at the beginning of 2013 was how best to capitalise on a slowly improving construction sector. This included the need to clearly define what the business was offering to its marketplace and how its resources matched the needs of those identified customers/sectors.

Key growth & development achievements or milestones

The management team undertook a full strategic review of the business and identified key objectives for growth in revenues and profitability, increased employment and career development opportunities, and most critically focussed its energies on targeting a small number of target industry sectors. For each of these milestone targets were established in terms of numbers and scale of engagement with key customers, and the sales, marketing and operational resources necessary to deliver them.

Project teams were established to deliver the 2013/14 objectives, namely:

- 1.0 To deliver the revenue and profitability objective for the year
- 2.0 To develop and implement the Dickie & Moore Sales and Marketing Strategy
- 3.0 To identify the key processes in the
- 4.0 To put in place the training and development plan to ensure that the above is delivered

In addition to the above and to support team development, the management team undertook the Myers Briggs Type Indicator profiling test, to understand how they processed information, made decisions and how they supported each other through effective planning.

In completing the review of the business, skills gaps were identified resulting in the appointment of a part-time QS and a fulltime trainee Quantity Surveyor, plus the addition of one more apprentice making three in total in the business.

Measure	Plan				Forecast
	2012/1 3	2013/1 4	2014/1 5	2015/1 6	2014/15
Revenues	100	151	256	300	256
Profitability	100	200	466	666	200
Employees	19	20	22	28	20
Sectors	4	5	5	5	5
Key Clients	3	8	8	13	8

The strategy will be reviewed as part of the support provided by CITB, during quarter one 2014

Key: Revenue & Profitability are shown as a % change on base year 2012/13
Sectors and key clients are shown as actual numbers

What the participating companies thought about the programme

John Dickie commented “the process has created a framework ensuring that our strategy is implemented in an organised and consistent manner. It has brought it to life and made it visible, challengeable and it is now auditable. It has helped us to focus on our direction

and provided clarity around where we want to be”

In 2014 he added:

The continued support of the programme funded by CITB on behalf of the STA has really proved of benefit in that it has helped us to maintain our focus through a period of rapid growth, when it would have been very easy to prioritise the day job only and lose site of our overall strategic direction’

Company

Innovation on-site Limited

The issues

The leader of the business realised that 2014 was a year when the company needed to further bed-in the changes and developments it had made in 2013. Also, there was the challenge of identifying and then delivering more profitable business in sectors allied to timber frame erection.

The business identified that the recruitment and retention of skilled site labour was going to grow in significance. In 2014 it became the single biggest constraint on growing the business.

Key growth & development achievements or milestones

The people and the business have:

- Reviewed their approach to the recruitment and retention of site labour
- Developed innovative approaches to the recruitment of site labour
- Considered and employed different approaches to the operational delivery of site work
- Winners of the 2014 Bedfordshire Business Awards for Training and development¹
- Developed a marketing plan to research and make market entry into a new sector
- Business plan for the whole of the I O-s business
- Developed and promoted staff from within the business
- Further developed the performance related incentives system for key managers

What the participating companies thought about the programme

The two monthly mentoring process is working very well.

Company quote

“The mentor has helped us to access networks. He has assisted us with difficult challenges and also wider business issues.”

¹ *The judges commented that “The vision of the training plan and the return of investment shown by Innovation On-Site was unrivalled. The empowerment of the workforce was clearly a key to their continued growth and successes to date”*

Company

Lilley and Son's Limited

The issues

2014 was the second year of trading for *Lilley and Son's*. The business faced the challenges of continuing to establish its brand whilst sustainably building turnover and profit.

Key growth & development achievements or milestones

The people and the business have:

- Created commercial and business terms and conditions
- Developed its marketing planning and implementation
- Grown the client base
- Improved confidence to manage and lead the business
- Further developed internal IT based forecasting and performance management systems
- Explored new business streams allied to timber frame erection

What the participating companies thought about the programme

The two monthly cycle between mentoring contact sessions is too long. It unfortunately allows the business to let things drift. It would be great to see the workshops continue into 2015.

Company quote

"The mentor is good, I trust him. It's lonely running the business and it's therapeutic to talk to him about the challenges."

Company

Mint Construction (Bedford) limited

The issues

In early 2014 Mint construction was born out of the former Regal Carpentry. The directors had clear ideas on how they wanted to develop the Mint Construction brand and to grow the business. They were faced with achieving this in a turbulent market and one where there would be high demand for on-site skilled labour.

The leaders of the company realised they could benefit from being individually coached.

Key growth & development achievements or milestones

The people and the business have:

- Undertaken a strategy formulation meeting
- Drafted a clear vision and strategy for the business for the next 3 years
- For the first year, drafted a detailed business plan, with short-term targets
- Secured sufficient business to meet (and exceeded) first year turnover target
- Through one-to-one coaching developed key people management skills of one of the directors
- Worked on developing their interpersonal and people management skills
- Developed recruitment and selection skills and a system

What the participating companies thought about the programme

The face-to-face mentoring works well and the two monthly cycle is about right.

Company quote

“The mentor is good.”

Company

Pury Construction Limited

The issues

The leaders of the business realised that in 2014 they needed to embed the learning and development from 2013. Also they needed to make some changes to the management systems. All of which they would be forced to do in the context of rapidly changing market conditions.

Key growth & development achievements or milestones

The people and the business have:

- Further developed skills and abilities in business strategy and business planning.
- Produced a detailed business strategy and plan
- Developed their skills and abilities to plan and implement marketing and sales
- Created a marketing strategy and plan
- Increased forecasting of marketing and sales and requirements for on-site labour resources
- Become more confident and assertive in managing and leading the business
- Increased the pool of key clients
- Looked critically at their existing clients and undertaken some rationalisation
- Continued to develop recently promoted contracts manager
- Undertaken transition of financial management system to sage based software platform

What the participating companies thought about the programme

In the turbulent market conditions two monthly mentoring sessions have been about right for us. The programme has been very beneficial and insightful. We have embedded the learning and changes from 2013 and stated talking the next steps.

Company quote

“The mentor makes us think about the important things in the business. He forces us to think out of the box! *He’s what we need for running the business*”

Company

SC4 Carpenters Limited

The issues

In 2014 the leaders wanted to develop the measurement, target setting and management of performance of the business. They knew this would give them better information to allow them to make smarter decisions about the business. They also realised that marketing planning and some aspects of implementation needed to be improved.

They also faced a sensitive situation with a long-term employed Contracts manager.

Key growth & development achievements or milestones

The people and the business have:

- Learned skills in target setting and performance measurement and management
- Developed skills in marketing planning and implementation
- Drafted and implemented marketing plans
- The Directors have further increased their confidence to run the business
- Created detailed business plans and financial projections for all business streams in the SC4 company
- Further developed data capture and analysis systems
- Transferred financial management over to Sage system
- Reviewed how the performance on contracts is measured and assessed
- Used performance data from live contracts to influence decisions on future work
- Successfully recruited a new contracts manager
- Improved performance management regime for senior managers
- Developed the relationship with its sister manufacturing business

What the participating companies thought about the programme

The Directors have learned a lot from the mentoring and workshops through 2013 and 14. In the second half of 2014 and looking forward the challenge is to bed-in *what we've learned and the changes we've made*.

Company quote

"The mentor is someone who challenges us. He has given us the tools and motivation to grow our business".

Company

Smiths Carpentry Limited

The issues

The leaders of the business identified that in 2014 a number of key actions were needed. Firstly, the embedding of the learning and changes from 2013 and to further develop some aspects, i.e. Business planning and systems development. They also realised that a number of new issues need to be faced and address, i.e. creating company policies and development of key client relationships.

All the above would be carried out in the context of increasing turbulent market and supply side conditions.

Key growth & development achievements or milestones

The people and the business have:

- Learnt skills in business strategy, business planning and sales & marketing
- Drafted detail business plan with targets
- The Directors have further increased their confidence to run the business
- Directors have developed and used skills in being more assertive
- Improved systems to:
 - Forecast future workload
 - Measure performance of contracts
 - Manage purchasing
 - Management of financials, inc cashflow
- Drafted plans for new offices
- Secured new customers and increased the pool of Key Clients
- Further developed the *client scoring matrix*
- Created company policy for financial and risk management of contracts and exposure to individual clients.
- Reviewed and changed term of trading

What the participating companies thought about the programme

The two monthly cycle of mentoring sessions in 2014 is about right.

Company quote

“The mentor keeps us on the straight and narrow his approach and style is just right for us”.