

DEMONSTRATING COST SAVINGS THROUGH REFORMED SUPPLY CHAIN MANAGEMENT



Quintain Estates & Development plc owns or controls 30 million sq ft of land, much of it in significant urban regeneration schemes of national importance such as the 85 acre development surrounding the new National Stadium at Wembley and 190 acres including The O2 at Greenwich Peninsula. In February 2008, Quintain engaged EC Harris to help it shape and implement a corporate programme that would transform the way the organisation delivered its major urban regeneration schemes.

EC Harris and Quintain forecast a saving of between 3% and 9% across current and future property development expenditure (which represents tens of millions of pounds in cost savings for the company) by changing critical operational processes and driving a step-change in the way it worked with its supply chain.

EC Harris played a distinct and vital role, uniting supply chain expertise from across both organisations in order to realise the potential value of approaching supply chain engagement differently.

At the core of the programme was the requirement to fundamentally alter Quintain's approach to procurement. To integrate this activity with a long-term supply chain vision and strategy that was in turn, in alignment with the client's business strategy, would move the company away from project by project procurement towards long-term, cross-portfolio relationships. This would mutually benefit all organisations involved and create competitive advantage for Quintain.

Up to

9%

capital expenditure saving

“EC Harris displayed very reassuring professionalism to the point where we didn’t want their people to leave. The team had strong leadership, a good account structure and most importantly was able to flex to the changing demands of the different phases of the project.”

James Saunders, Managing Director of Towns as Businesses, Quintain

Creating Solutions

Within this project EC Harris and Quintain:

- Developed a new supply chain vision and strategy called SC², designed to influence Quintain’s operational performance beyond the arena of construction, driving a fundamental change of approach to procurement across the organisation’s daily business activities
- Created and implemented bespoke supply chain management and construction development control processes, including the tools and capabilities required to immediately realise a multi-million pound financial saving and allow long-term improved operational performance
- With the SC² brand launched, EC Harris and Quintain delivered financial savings by using the construction development control process, bespoke SC² process and Partnering Principles; this involved extensive engagement with new and existing suppliers. In order to have maximum impact, EC Harris combined the capability of its management consulting team and supply chain specialists in the implementation of a rigorous Category Management process
- EC Harris’ market and sector expertise enabled the team to recommend ways of standardising design to drive efficiency. During this stage EC Harris engaged with Quintain to transfer skills and knowledge, to ensure that the initiative would be sustainable once the commission had been completed.

Adding Value

The programme devised by Quintain and EC Harris would:

- Identify up to 9% savings against targeted spend categories
- Strengthen Quintain’s brand by ensuring consistently high and reliable levels of quality and new levels of sustainability in large-scale developments
- Influence and improve efficiency in all areas of the business beyond construction
- Enhance the existing governance structure and ensure compliance
- Demonstrate to shareholders and investors that Quintain was proactively decreasing capital costs through the potential financial savings identified by using EC Harris supply chain tool and benchmarks
- Allow Quintain to start building mutually beneficial, long-term relationships with its supply chain partners thereby securing the quality of resources required for its supply chain operations in the future.