

## A wall to wall improvement programme for the UK's biggest homebuilder

**Company Name:** Barratt Homes

**Country:** UK

**Sector:** Construction

**Function:** Customer Service

**Business Challenges:** A sharp downturn in the UK's housing market dramatically reduced profits, so costs had to be cut without affecting quality or customer service

**Consulting Services:** Performance Improvement, Change Management

**Capabilities:** Process Excellence, Business Performance Management, Organisational Effectiveness, Asset Performance Management

**Client Quote:**

*"Q&C has focused all of us on the real issues in the business and now the benefits are being seen by all and we anticipate more improvements being realised in our results plan and more efficiency to our business."* Douglas Macleod, Managing Director, Barratt East Scotland.

### Situation

Barratt Developments is one of the UK's largest homebuilders and consists of Barratt Homes (traditional homebuilder), David Wilson Homes (larger family homes), Ward Homes (operating in Kent and SE England) and Wilson Bowden (commercial and mixed use property). It directly employs 5,200 people across 26 UK Divisions and most site work is subcontracted. The housing market was one of the earliest and hardest hit in the economic downturn, so as homes sold at up to 40% discount pre-tax profits dropped by 68%. To remain competitive, the Group reduced site and Divisional office headcount and then brought in Celerant to help drive its 'Quality & Cost' Programme.

### Approach & Delivery

Barratt has a overriding culture of customer satisfaction and provides a 2 year warranty on new homes, so Celerant's experts focused on helping it get things 'Right First Time' – whether that was building a new home or correcting a defect during the 2 year warranty.

After site walking tours to perform root cause analysis of construction and correction failures and a detailed analysis of all the processes involved, Celerant designed and implemented:

A comprehensive MCRS®, with a balanced focus on time, cost and quality metrics, to drive accountabilities for performance down to the right level

Employed our Closework® approach to eliminate construction and correction failures by active site management.

A leaner process of Customer Service contact after move-in

A leaner Customer Service organisation, better suited to future reduced work volume, was also identified and managers were given extensive coaching on how to develop and performance manage their people.

### Results

A 35% reduction in remedial work during construction has been achieved, together with a 25% reduction in remedial material costs.

In customer service, a 40% reduction in costs after move-in has been achieved.

Working alongside the client, Celerant also identified a 25% reduction in the Customer Service organisation, delivered annualised benefits of £12.06m (with £10.86m agreed on) and identified £5.8m in further savings.

### Client Satisfaction

*"Q&C is the most successful project ever rolled out by the Group. It is the first ever project to improve quality and at the same time reduce costs."* Tom Proctor, Construction Director, Barratt North East