

# Initial observations

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- **Performance** – variability in challenges in operational delivery in all areas of the business; notwithstanding some correlations by sector, etc., causation is consistently the quality of people on contracts.
- **Accountability** – need for increased accountability, with reward directly linked to performance, and consequence for non-performance.
- **People** – variability in quality of project leadership; consistent use of quantity of people to compensate for limitations in quality or skill set (particularly commercial acumen).
- **Cost** – inefficiencies in structure with excessive layers of management; also opportunities for savings deriving from activities review (excessive reporting, meetings, etc., where quantity of data hinders quality of information).
- **Non-core activities** – business and functional areas that do not align to core strategy, cause distraction, engender additional overhead, and in many cases would be better outsourced.
- **Transparency** – continued challenges in quality, accessibility and integrity of data, particularly profitability at contract level.
- **Culture** – defensiveness and aversion to change evident in some areas, at all levels; speed and attitude in response also variable.
- **Cash** – as with cost, still some gaps in alignment to status and focus.

# Our Priorities



<b>Simplification</b>	<ul style="list-style-type: none"><li>• Focus on UK and on core business areas.</li><li>• Delaying of organisational structure.</li></ul>
<b>Selectivity</b>	<ul style="list-style-type: none"><li>• Fewer, bigger things with better people.</li><li>• Right clients, right terms.</li><li>• Increased selectivity in all areas.</li></ul>
<b>Efficiency</b>	Phased overhead reduction, via: <ul style="list-style-type: none"><li>• Effective restructure</li><li>• Activities and process reviews (“less with less”)</li><li>• Step change in quality at all levels.</li></ul>
<b>Culture</b>	<ul style="list-style-type: none"><li>• Remove aversion to change.</li><li>• Increase diversity in thinking.</li><li>• Towards learning and continuous improvement culture.</li></ul>
<b>Capability</b>	<ul style="list-style-type: none"><li>• Quality of resource at all levels.</li><li>• Engendering a learning culture.</li><li>• Particular emphasis on commercial acumen and financial literacy.</li></ul>

# Performance observations

## Observations

1. Business prioritised short term benefits over sustainable performance
2. There is a level of complexity that appears unwarranted
3. Despite many layers of management, there is limited visibility and transparency of performance at the appropriate level to make interventions
4. There is abundance of data, however the complexity of systems, ways of reporting and processes makes it difficult to have meaningful information
5. The value that the Group provides to the performance of the business is not clear

## Manifestations

- Non-profitable contracts remain
- Under investment in systems and platforms
- Outsourced solutions not optimised for delivery
- Lack of accountability
- Proliferation of reporting
- Inability of senior managers to make fast decisions based on evidence
- Too many managerial layers
- Limited standards on ways of working
- Lack of professionalization and expertise
- Inward looking culture, limited adoption of market best practice
- Culture of non-compliance

## Key themes

- 1 *Ruthlessly rationalise the portfolio to focus on where we make money*
- 2 *Simplify and delayer the organisation*
- 3 *Upgrade the organisation through the right systems, processes and skills to enable quality delivery*