

CASE STUDY

UK Railway Reorganizes Contractor Management



Aim	Improve contractor management, reduce overall costs
Status	Significant financial benefits realized and more expected in the long-term
Client	Large UK railway operator
T.A. Cook	Selected for objectivity and expertise

Background

A large metro railway operator serving 200,000 people every day across six main depots was seeking new ways to improve upon old management and update. They had been using outdated processes dating back to its duration under state ownership.

The organization has high maintenance demands stemming from over 150km of track and an abundance of infrastructure, including stations, signals, rolling stock and more. The company turned to contractors to maintain these assets within the timeframe of midnight and 5am on a daily basis which would otherwise be overlooked

The operator looked to T.A. Cook to carry out an analysis of their maintenance teams and contractor organizations to identify potential savings, opportunities for short and medium term improvement of organizational effectiveness and to conduct an overall review of organizational charts.

Approach

After a thorough analysis, a culture of uncertainty relating to accountabilities, roles and responsibilities was identified. This trend was the key factor in inflating overall staff numbers on both client and contractor sides.

Feedback from the rail operator and contractors alongside quantitative findings from process analysis helped determine an optimal client/contractor structure and partnership. An account team was created with clear day-to-day responsibilities as well as longer-term technical and commercial accountabilities.

Once these structures were clarified and communicated, the roles and responsibilities of work execution were strictly defined. This included outlining expectations and escalation procedures reflecting about 25 of the most probable events and situations encountered during setup, commissioning and running of a contract. All staff skills were evaluated for appropriate personnel assignments and any competence that was lacking in the crew was addressed with the suitable support or training.

Achievements

As a result of this partnership structure reorganization, the short-term contractor headcount was reduced by avoiding unnecessary consultancy and part-time work, ultimately saving £500k. The first goal-oriented meetings took place with key contractors using simple KPIs, resulting in immediate improvement in contractor performance and corrective actions identification.

The new formalized coordination between operations and projects will improve efficiencies. Long-term recommendations stipulate that all new hires should fill asset management requirements. The lower headcount targets and realigned contract management structures should save £2m in the future.

Benefits

- Staff costs reduced by £500k
- A further £2m reduction identified
- Clear accountabilities across client and contractor interfaces created
- Contractor performance driven by undisputed key performance indicators
- Contractor dispute resolution improved
- Opportunity for contractor and task consolidation identified and initiated

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