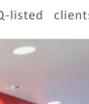


CREATING THE LINK BETWEEN EXCEPTIONAL CLIENT SERVICE AND PROFITABILITY

Many thanks to **Steve Revell**,
B.Eng (Hons) C.Eng MCIBSE F.Cons.E,
Managing Director of Maleon, for his input



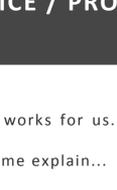
Maleon is a successful 30-strong firm of consulting engineers specialising in innovative design and management solutions for modern building services, predominantly for FTSE & NASDAQ-listed clients.



Maleon client project example

EXPLORING THE LINK

Ever since *The Service Profit Chain* became a bestselling business book 20 years ago, management gurus have proclaimed that if you improve customer service you can achieve better profitability too.



But does that theory still work? More relevantly, would it apply in the cut and thrust of the notoriously cyclical building services sector of today's UK consulting engineering world? We asked Steve Revell for his views...

IS THERE A SERVICE / PROFITABILITY LINK?



Yes. It certainly works for us. We find a strong link between the two. Let me explain...

.....

'Clients want value. There's lots of pressure on construction costs today. For example at the moment materials costs are escalating, and this is putting the squeeze on.

'But the bigger picture is that clients need to get their jobs delivered properly, and on time. They depend on service providers to deliver on their commitments. Getting a cheap quote is no help to them if the job goes wrong. They know that.

'Clients are willing to pay for **expertise, trust, reliability and advice**. If the service they get is excellent, it's worth a lot to them, reducing their risk. We invest in giving that service. The margins ensure we'll remain there for them. So that's the link between exceptional service and profitability. It works, but only if you **follow 7 golden rules...**



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THE 7 GOLDEN RULES

1

HAVE TIGHT MARGIN CONTROL. Giving exceptional client service is expensive. So to make it feasible you have to have real-time margin visibility, job by job, to track it constantly.

2

BUILD FOR ENDURANCE. We're in a sector that is famously prone to cyclical. We've been through two recessions, and emerged strongly each time. You can only do that by focusing on KPIs and delivering on long-term relationships.

3

DRIVE UTILISATION LEVELS. Good engineers are expensive, so you need to use their skills fully, not have them waste time on unproductive, administrative or unbillable work.

4

RAISE THE ENGINEERS' GAME. Engineers need to give exceptional client service, in addition to their technical skills. There's a skill-set revolution going on today. Engineers need to have...

- Commercial consciousness of their project.
- Complete visibility of job status at all times.
- The tools to make decisions based on fact.
- Awareness of problems the moment they arise.

5

FOCUS ON THE IMPORTANT THINGS. Everybody's always busy. But doing what? Your team needs to be able to prioritise the things that will make a real difference.

6

GIVE INTELLIGENT ESTIMATES. Every company has a lot of experience of past jobs. Your engineers need access to it so all that hard-won experience is reflected in future estimates. You need data, not wishful thinking.

7

TURN DOWN WORK. If the margins are too tight, you shouldn't be tempted to take it on. We don't accept projects here that we couldn't afford to give great service on. Our reputation is at stake, which is worth everything.

HOW CAN THOSE GOLDEN RULES BE ACHIEVED?



You need lean business processes and a solid job-based management system that gives the engineers and management team all the real-time visibility and tools they need. Only a serious system can pull all that together.

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'We chose Synergist. It delivers for us. We wouldn't look anywhere else. I can't think of any limitations with it.

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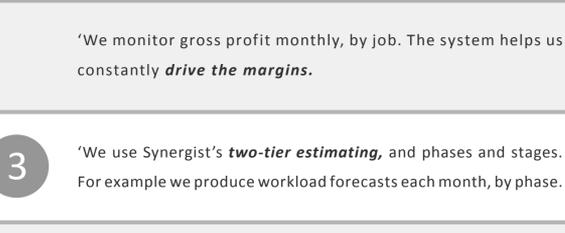
'We looked at 3 or 4 systems before we made the decision.

.....

'Before Synergist, we used a lot of spreadsheets. But we were constantly moving data about, often 3 or 4 times. It wasted time and introduced errors.

.....

'In those days there was no way to track a job properly all the way through. How much time has been invested in it? How much time is left? What modifications have been made along the way? What are the margins? We needed a *serious system*.



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Photo Credit: David Churchill

WHAT SYNERGIST DELIVERED

1

Synergist helps our engineers focus on what they do best. We now achieve very high utilisation rates – over 90%. The admin is removed from their day. We give them great support: they work hard, they're well qualified, we want to keep them. The system helps them **concentrate on the essentials**, which is what they want.

2

'We monitor gross profit monthly, by job. The system helps us constantly **drive the margins**.

3

'We use Synergist's **two-tier estimating**, and phases and stages. For example we produce workload forecasts each month, by phase.

4

'We track **new business** with the system, looking 3 months ahead.

5

'We now track WIP so we know cost accurately on each project.

6

'Synergist helps us decide **which work to take on**. It gives us the data that makes such decisions easier.

7

'We wanted software to help us run our business more smoothly, help steer decisions, manage margins, and **pull everything together**. Synergist does that.

8

'It is linked to **our accounts system**, Quickbooks.

9

'Synergist has **lifted client discussions**. The system flags up problems early, so we can immediately talk it through with the client rather than discover it too late. Clients really appreciate that.

10

'It also **trains the client**. They now know that any variation is going to be tracked. It educates them into understanding the implications of asking for changes.

11

'The best thing? It's **live data** that drives the decisions that we make every day. Everything is at your fingertips. A client phones you and – two clicks – you have it all in front of you.

12

'We create very **comprehensive fee proposals**, down to the number of meetings. For example if the number of meetings starts to go off-track, we alert the client and decide together what needs to be done.

13

'Our engineers get better and better educated about the big picture and how everything fits together, plus the financial implications of their decisions. **It's raised their game**.

14

'We also **learn from past jobs**, updating our intelligence on profitability, analysis by types of job, by sector, by size of client, by type of client, and so on.

15

'We **couldn't run the company without it**.

16

'Synergist is **constantly being enhanced**, and it keeps looking better and better.

17

'The Synergist software **paid for itself within the first year**.'

17

Maleon client project example

CREDITS. Maleon initially worked with Louise Neale from Magnifeye, part of The Agency Works team. Magnifeye implemented the system, trained the Maleon personnel, and gave consultation.

Louise Neale

Implementation and consultation by