THE CONSTRUCTION INDUSTRY TRANSITION TO ENTERPRISE WORKFORCE MANAGEMENT AND INFORMATION SYSTEMS

A DISCUSSION ON THE TRANSITION, ASPIRATIONS AND INHIBITORS FROM A ROUNDTABLE DISCUSSION AMONG LEADING UK CONSTRUCTION COMPANIES
A number of trends have emerged in the last few years creating a new and evolving regulatory framework within which the construction industry must operate. Firstly, the growth demands placed on the industry have demanded larger, more integrated construction businesses, often operating on a global scale, with a need to effectively manage complex information flows. Secondly, the increasing legislation around Health & Safety, migrant workers, passport to work and more recently carbon footprint information has demanded greater controls at the point of build: the construction site.

The management of and reporting at an Enterprise level against these compliance areas has been addressed, in the main, using basic office access control solutions and manual paper-based processes to collate site level information centrally. The key issue to address with this method is the inconsistent information achieved centrally as a result, along with the labour intensive and inefficient manner in which it is produced.

All of the above, combined with the fact that UK construction businesses are operating within ever tightening margins, has resulted in significant additional cost in capturing, processing and sending this information back to Head Office, turning companies to an Enterprise approach to the problem.

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**THE LEND LEASE STORY**

**2011**

- Multiple suppliers of access control, all standalone
- No cross company intelligence or capability
- Collating data centrally is very time consuming and almost impossible

**2012**

- Legal compliance with Lend Lease data protection and privacy law
- Able to monitor, report & control access across all sites
- Enforce & monitor compliance to required accreditation & training
- Subcontractor pre enrolment, reducing admin and induction times
The current economic crisis is impacting the construction sector in unprecedented ways, forcing major contractors to take a hard look at the way they operate. Surprisingly, while wholesale reviews of business processes are now commonplace, many contractors neglect to consider the significant efficiency gains that can be achieved through enterprise-level workforce management. In addition, the prominence of biometric technology in the industry for site-level access, especially relative to other similar industries, highlights the ability to move to enterprise-level thinking but this is not widely exploited.

Indeed, many contractors are not aware they can source enterprise solutions that centrally manage all projects, site security, credentials, training, carbon footprint and more at site level.

With the exception of the few, the main reason for lack of take-up is that construction procurement is not driven centrally but at site, with Head Office seen as an overhead more so than a profit centre.

As such there is a need for a cultural and organisational shift from the traditional approach of project management teams procuring systems and the associated duplication of effort to central procurement and delivery of company-wide benefit and value. Indeed, the need to support business compliance with ever-changing industry regulation, was identified as more the short-term driver for contractors to move to enterprise thinking, rather than the larger procurement efficiency gains and this is where Head Office is leading the charge.

There is often confusion: does such a solution fall under the remit of HR, IT, Procurement or Operations? All have different requirements and drivers but the truth is that it touches them all, which also highlights another reason for the gradual and not rapid uptake of enterprise workforce management. Put simply, whose budget pays for it? So systems continue to be procured at a site level, in an ad-hoc manner for access control purposes with little consideration to the level of tactical information that can be made available across the business. The Holy Grail is the solution that balances site-level requirements with company-wide information.

“There is considerable value in workforce management across our sites on an individual level and now with the introduction of centralised reporting, at corporate level”
Adrian Davies
Supply Chain Director - Carillion

“Critical business information is too often left in exposed spreadsheets or at the mercy of manual processes – a breeding ground for risk”
PriceWaterhouseCoopers

“There are isolated systems made it difficult for KCG to enforce its security policy group-wide”
Chief Operations Officer at KCG Construction Group
THE EVOLUTION OF ENTERPRISE REPORTING
FROM DISPARATE TO ALIGNED SYSTEMS

Enterprise workforce management systems have brought together previously separate streams of reporting under one roof.

Compounding the issue of typically disparate reporting is the fact that Head Office typically has no accessible view across its sites or contractors in an automated manner. Reports are produced in a labour intensive manner, often collated regionally before a cumulative company-wide view is manufactured. It is widely agreed that this manufactured view does not provide an accurate picture or any real operational value to an organisation.

Today the majority of companies do not have Enterprise reporting capability and it is a select few that are breaking new ground and capitalising on the savings such systems can bring to the bottom line. That said there has been an increase in the last year in the number of Tier 1 contractors that are in the process of investigating, specifying or procuring Enterprise site access and workforce management. Such a demonstration of appetite amongst the few informs the prediction of a shift to Enterprise and the removal of inhibitors in the wider construction market in the near future.

In order for senior management to make informed operational decisions there has to be clarity of information in a manner that is concise, presenting site-level and company-wide information in an automated manner and without the need for detail.

A collection of disparate systems across all projects does not facilitate informed decision making. By way of an example, for the majority of companies reporting on and managing the performance of a sub-contractor across sites, there is reliance on little more than price. In an Enterprise environment, a Procurement Director can provide the sub-contractor with KPI’s on accurate time keeping, local labour statistics, incident records etc. More importantly they can access with ease, a contractor’s performance company-wide rather than the traditional silo view on a site by site basis. Such an approach should facilitate significant labour purchasing economies of scale and drive real performance, as well as a partnering approach to sub-contractor relationships.
THE BENEFITS OF ENTERPRISE REPORTING
AN IMPACT TO THE TOP AND BOTTOM LINE

In traditional forms of reporting each business unit operates in silo from one another yet all business units require reports and information that come from all sites.

Enterprise wide site access and workforce management has a positive impact across all of an organisation and all key business units as illustrated above. It is expected that the cumulative impact of adopting this “best practice” will be that it becomes the standard by which contractors are successful on tenders, through best sub-contractor management, best price and water-tight regulatory control and adherence.

This positive impact and competitive advantage ensures there is a vested interest from across the organisation, especially at board level, to understand how to drive the central agenda whilst still giving site a level of required autonomy. While regulatory compliance will initially drive the agenda, the bigger picture and potential gains will drive the next generation of leading construction contractors.
The conclusion is a simple one: major construction contractors are missing out on opportunities to drive significant benefit and competitive advantage across the organisation through the deployment of Enterprise site access and workforce management. In addition to this impact, Enterprise systems provide reliable information across an organisation facilitating operational decision making that was never before possible, especially as regulatory requirements and reporting are becoming more prominent.

There is little doubt that a number of main contractors have already transitioned their approach from site level procurement of access control systems to Enterprise level workforce reporting and management systems. The challenge to the industry as a whole is to resolve the organisational and cultural challenges that introduce a barrier to change and keep pace with those early adopters. It is expected that regulatory compliance will primarily drive this change, but those organisations who take the early initiative will be in prime position when the economic situation improves and UK PLC and the construction industry enjoy significant growth again.

All major contractors will tell you they place the upmost emphasis on ensuring that all personnel working on a project are legally authorized to be there, all relevant checks are carried out and they have the correct credentials and training. In order to adhere to this commitment there is considerable overhead on the company to continuously verify workers credentials. Every time a worker starts on a new project the process is repeated time and again.

The alternative, as part of the Enterprise site access and workforce management system discussed in this white paper is to centrally manage all pre-employment, referencing and screening checks. This would streamline the process and remove duplication of effort with a single point of storage for all employee profiles and vetting applications, plus associated skills and credentials: creating an online passport to work.

The final piece of the jigsaw is incorporating an individual’s biometric signature to tie their identity to their profile and create that “trusted worker.”
ABOUT HUMAN RECOGNITION SYSTEMS

Human Recognition Systems provides advanced, industry specific products and services to customers operating in highly regulated or secure working environments, such as the Construction industry, ensuring that the right employees are able to perform the right tasks safely and securely through the application of biometric assurance.

Currently the largest independent biometric technology company in the UK, HRS is responsible for delivering 4 of the 5 largest biometric transactional systems in the UK, with our solutions underpinning a number of high-profile construction sites, the entire Her Majesty’s Prison Service (HMPS) estate and the Ministry of Defence in various deployments across the world.

Specifically within the Construction market, the MSite product is the market leader for Enterprise construction site management, with a number of framework agreements with top-20 Construction companies, deployments in over 250 site locations and being responsible for the largest construction site in Europe at the Olympic Park.

A THANK YOU

Human Recognition Systems would like to thank the key industry figures from Lend Lease, Shepherd, Carey’s and CSCS who participated in the round table discussion. The session provided a tremendous forum to understand common themes across organisations with regard to current site access and reporting practices, the issues and risks associated and the increasing appetite for reliable enterprise level information.

“There was some great debate. The discussion on the potential savings by the adoption of an enterprise system was very compelling and a great way to open minds”

Andy Puttick (CSCS Business Development)