The Performance Gap.

*How to deliver better performing built assets - CE's asset management group lessons learnt*

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Introductions

John O’Brien
The CE vision

“Improving industry performance to produce a better built environment.”
Context – the background to CE task group

- Clients recognise need to dramatically improve capability to better define, procure and assess ‘performance in use’

- Performance gap in asset performance

- Structural disconnect – between procurers, constructors, operators and users
So, why do clients invest in buildings?
Building costs and value

- Design: £100K
- Construction: £1M-£5M
- Operation and Maintenance: £1M-£5M
- Business Costs: £200M

Outcomes: £250-£2000M?

Process Push

User Pull
The benefits of better delivered buildings

• Improved asset performance – user satisfaction, space utilisation, resource efficiency

• Improved energy and sustainability performance

• Reduced capital investment, reduced operational cost = improved return on investment

• Improved productivity and outcomes
The performance challenge – client feedback

• too many suppliers in the construction industry are currently paying lip service and servicing clients poorly

• clients need to play a stronger role to push their construction supply chains into delivering their required outcomes and performance

• to deliver successful project/asset performance, clients need to stay in control of time, understand project/operational risk profiles and have a knowledge and information strategy in place that allows them to get the data/info they need to effectively operate their assets
The performance challenge – client feedback

• there are real organisational and process difficulties in optimising capital and revenue spend to deliver optimum whole life cost for clients on their projects/assets

• there is an appetite to understand and influence the BIM, soft landings work of Government

• people know what project excellence looks and feels like but not yet operational excellence
How to deliver better performing buildings

• **Invest in an estates strategy** – articulate and agree with stakeholders how the operation of your estate will support the organisational aims, measure and track progress

• **Become an intelligence client** – resources and information

• **Future proof any capex** – users, flexibility and adaptability, alignment with all requirements

• **Simplify user interfaces, commission assets and train users**

• **Structure, manage and review your asset information**

• **Benchmark you operational performance against peers and your estates strategy**

• **Listen to your customers, ask for and act on feedback, build strong open relationships and communicate regularly**
Delivering better buildings CE operational excellence model

1. Create estate strategy
2. Define operational metrics
3. Squeeze & align capex and opex
4. Benchmark performance against others
5. Track customer feedback and asset info
What does this mean for the supply chain?
What does this mean for the supply chain?
Summary

• Clarity of purpose
• Whole life thinking
• Joined up supply chain
• Improved productivity and outcomes
Q&A?

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