

£600K per annum in savings for mhs homes

Results & ROI

- Total ROI more than 15:1 for the whole phase
- Voids period reduced from 29 days to 22 days (and still reducing)
- Savings of £600k p.a. recurring identified across voids and repairs, of those £180k cashed in year one

The client

mhs homes is one of the largest housing providers in Kent. Formed in 1990, it owns and manages more than 8,500 homes in Medway and has 20,000 customers. In 2013 mhs homes embarked on a Lean implementation programme, working through some of the key services in mhs homes, the main focus of this first phase was staff engagement and training in Lean principles.

The challenge

Ad Esse were engaged to support Phase two of the rollout needed to demonstrate the tangible benefits of a Lean programme, whilst also developing mhs homes' in-house Lean capability. 'Voids and repairs' was identified as a priority area for review. A brief diagnostic found dissatisfaction with the existing processes, a need to reduce rent losses and a need to improve customer service. The diagnostic also revealed there was a lack of robust data-management processes using Keystone, the asset management system, so this was also selected for review. In addition it was agreed the recruitment process would be reviewed as it was causing pain across the organisation with a high spend on temporary workers and lengthy recruitment timelines.

The approach

A Master Schedule was developed to ensure that resource was in place to deliver the projects and that proposed Lean activity was incorporated appropriately into the mhs homes calendar. The Master Schedule was created in a workshop with the Executive team and monitored weekly to track progress and identify where intervention and/or support would be required.

Workshops were then held for each service review area with representatives from teams involved in the process. Common themes were identified across service review areas including a lack of standardisation, targets driving the wrong behaviour and multiple teams delivering parts of the process but doing so based on conflicting priorities.

After the diagnostic work the teams redesigned the processes by developing an ideal world processes before adding in reality to design a future state process which could realistically be implemented. The team then worked through these new processes and identified the actions that would need to be completed in order to implement new designs. As well as simplifying the process the team also agreed roles and responsibilities and identified measures that would drive future improvement and better collaborative working between the teams involved.

The benefits

- Simplified processes in place with targets previously driving the wrong behaviour and conflicting priorities removed across the whole organisation
- Clear roles and responsibilities between teams involved in each of the processes
- A reduction in void days and rent loss by moving void activity to 'outside' of the void
- Improved customer service by moving to any day tenancy sign ups and improving tenant incentive and decoration schemes
- Reduction in work allocated to sub contractors by freeing up the repairs diary
- Improved accuracy of data on system through improved guidelines and definitions
- Number of emergency call outs and rework has reduced