

Recreational Services turns process into profit

Recreational Services is New Zealand's leading provider of turf, parks and facilities management. The company provides turf, horticultural and asset management services to councils, schools, golf courses and public parks and gardens across the country. Since start-up in 1992, the company has grown from a small business of just six people to become a multi-million dollar operation with a huge inventory of plant and machinery, and more than 220 staff.

Examining the business

In 2008 the world was beginning to feel the first rumblings of the global financial crisis. Keitha Turner, Director of Recreational Services, decided it was an ideal time to gauge the company's performance as a business against international standards.

Turner explains, "We had been introduced to Baldrige Performance Excellence Program and the New Zealand Business Excellence Foundation. What we were trying to do was benchmark ourselves internationally, to know that we were up there with everyone."

"There are seven sections of Baldrige," she says, "and we were really good at six of them, but our biggest weakness was the area that I thought was our strength, and that was process. We didn't understand what our processes were and we didn't measure whether they were working." It was an uncomfortable realisation.

Seeking improvement

Determined to rectify the problem, Turner resolved to introduce a program of continuous improvement of processes and systems (CIPS). She approached Professional Advantage. When she started to discuss their objectives, it became obvious that PA was in tune with their business and the focus on process as a means to business improvement.

"But also there was the fact that when I rang their MD he responded quickly. He was honest. There were no promises early on that they could do this or that. It was open communication," Turner notes.

What the two organisations agreed on was a program involving:

- a continuous improvement program;
- system and process improvement;
- short and long term planning to develop a program to achieve Recreational Services' business goals.

Solution Snapshot

Solution

XMPro

Benefits

- \$3 million revenue increase without the need to increase administrative staff
- Increased competitive standing with future opportunities
- A clear path of on-going improvement and tools to implement cost effectively
- Engaged staff leading to high satisfaction levels and retention

Step 1: The Optimisation Review

In August 2009, the project kicked off with an optimisation review. A critical part of the overall program, the review helped management better understand the organisation's processes leading to development of the CIPS program.

Within a month PA provided Recreational Services with a list of recommendations including the deployment of a holistic Business Process Management System. This new BPMS would automate processes and strengthen links between the company's applications, people and processes. To maintain consistency with the company's performance expectations and direction, each optimisation recommendation was linked to the company's key performance indicators.

Business Improvements

- Job and time management
- Customer and employee management
- Asset management
- Policies & procedures compliance
- KPI tracking

“The benefits are immediate, both in time and cost.” - Director



“What came out of the optimisation plan was the ability for us to plan for five years ahead,” Turner says. She believes the plan helped to draw a clear picture of where the organisation is heading. “It clarified our selves. So if, for example, we’re tendering for a contract, **we are really, really clear where we are, where we want to be and how we’re going to get there. It is a very strong sell to a new customer and to existing customers,”** Turner says.

Step 2: Business Process Management

Encouraged by the success of the optimisation review, Recreational Services quickly agreed to deployment of PA’s business process management solution, XMPro. The first processes to be addressed using the system involved the use of job numbers and automation linking the company’s financial management software with its call centre system. Shortly thereafter the software was again pressed into use, this time to introduce a new timesheet process for employees.

Within eight months business processes, including KPI reporting, annual leave, asset recording, uniform requests, mechanical requests, and the company’s process recording system had all benefited from Business Process Management automation and streamlined workflows. In almost every instance the software provides a connection between Recreational Services’ core applications, introducing links between a range of different systems and people.

The benefits

Since the optimisation review, Turner says, “We’ve probably put on \$3 million of business without growing our administration team.” She believes the company is now positioned to grow by a further 30% more without the typical extra admin overheads that previously would have eaten into the profit.

Turner says the benefits have been immediate, both in terms of hours saved for accounts and operations staff, and in reducing costs. One of the first improvements tackled had an instant impact freeing up 10% of every week for a key member of the team.

The process improvements at Recreational Services have increased their ability to meet and exceed contract service levels and the demanding reporting requirements. They can now add extra value with insightful analysis that sets them apart from their competitors. Turner points out that asset management is a critical tender criterion for one client. For another, there is a need to demonstrate a technical ability to capture and interpret contract delivery information. In such circumstances the optimisation, better processes and more automation have increased Recreational Services’ competitive standing.

“The risk is that we would have been going backwards if we hadn’t done what we’ve done in the last two years,” Turner acknowledges. **“It’s kept us relevant and kept us ahead of the game.”**

Prior to the optimisation project, Recreational Services felt that its systems were piecemeal, with no particular direction forward for technological development. Turner says, **“Optimisation complemented our journey of process improvement.”**

“It has given us the building blocks to assist us in planning, **prioritising and most importantly, it provides the tools to implement system optimisation cost effectively.** We now have a clear understanding of the complexities and non-complexities of utilising technology to assist us in our business. Whilst it is one step – one improvement – at a time, it is the continuous improvement and development that now is a core part of our business and planning process. This is what the optimisation project has achieved for Recreational Services.”

One of the benefits of implementing the business process management system has been the impact on the way employees view the business. “They see us competing effectively against the bigger boys and they see us doing it better. Our people are happier, we’re retaining staff and they’re onboard.” With employees engaged in the improvement project, staff have contributed suggestions for improving other processes. This was the origin of the service request form that was developed.

Working with PA has meant that Recreational Services have gained “a partner not just a supplier”. Turner believes that the two businesses have worked hard to build a relationship that is mutually beneficial, that considers both companies’ goals and objectives.

“We’ve really developed a high level of trust in PA and our partnership as this project has been very important to our business. It’s quite a different relationship than what we’re used to in the past and it’s really appreciated as a result.”