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# ACCELERATING GROWTH

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## Unlearning Behaviours

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Meeting national needs through people and innovation

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Our current relentless focus on cost and efficiency

COSTAIN

- Programme management
- Supply Chain competitiveness
- Challenged norms
- Challenged standards
- Asset Management
- TAR guidelines.....



Halved average unit  
operating costs

Increased production

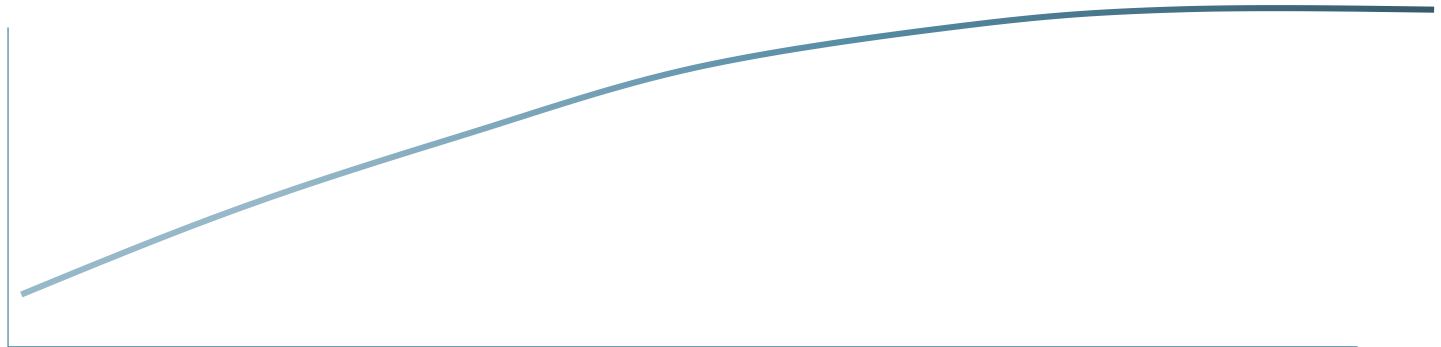
Business behaviors that are a great opportunity



Procure on outcomes not inputs	Collaborative working	Shared objectives and incentives (strategic partnering)
<p>Traits:</p> <ul style="list-style-type: none"> <li>• Enable innovation to achieve outcomes</li> <li>• Ask the big questions – share the problem/ opportunity</li> <li>• Select and reward on value</li> <li>• Being open to new ideas</li> </ul>	<p>Traits:</p> <ul style="list-style-type: none"> <li>• Mobilise the right team</li> <li>• Create the right environment</li> <li>• Empower with the big questions</li> <li>• Unlock the ideas</li> <li>• Use the whole team</li> <li>• Collect all the ideas</li> <li>• Find the great solutions</li> </ul>	<p>Traits:</p> <ul style="list-style-type: none"> <li>• Share the challenge and be open</li> <li>• Long term focus on programmes of work</li> <li>• Engaged on outcomes</li> <li>• Shared targets / incentives</li> <li>• Targeted drive on innovation and technology</li> <li>• Integrated working</li> <li>• Early supplier involvement</li> </ul>

Benefits

- Production
- Efficiency
- Innovation
- Ownership
- Pace



## Case Study 1 - Outcomes not inputs

COSTAIN



- Completion in 2015 of Dimlington Terminal Freon Replacement Upgrade contract for Perenco
- Contract secured as a result of innovative conceptual study by Costain
- Delivered ahead of deadline set by new EU legislation
- Improved terminal energy efficiency and achieved significant saving in capital cost
- Completed without interrupting terminal operation, saving daily revenues of circa £3 million
- Resulting in repeat order work with the customer
- Winner: iChemE Industry Project of the Year Global Awards 2016



## Case Study 2 - Collaborative ideation

COSTAIN

COSTAIN

SEVERN  
TRENT  
WATER

**STRIVING FOR MORE**

**C&C Batch Programme - Productivity Enhancement**  
Thinking differently to generate big savings (£££ and time) and reducing risk

>28% Efficiency / 75% Time Saving / Zero Interruptions / To Plan



**Key attributes:**

- The seven partners selected based on their capability, experience and ability to collaborate.
- The partners worked together as an Alliance to develop and deliver the programme
- The partners are paid a fee for providing their services which represents the cost of doing business.
- All the partners share in a Risk, Opportunity and Innovation (ROI) gain/pain share incentives; which effectively represents the partners profit, which include:
  - Outcome delivery incentive performance
  - Customer service performance
  - Programme and business efficiency
- The partners were appointed 18 months prior to PR14 in order to work with Thames to develop the 5-year business plan highlighting how the outcomes would be achieved.
- Thames Water commenced PR14 with an underwritten business plan and a team that hit the ground on day one.

**Benefits:**

- Single Alliance with shared performance incentives
- Improved safety performance
- Outcomes delivered ahead of regulatory deadlines
- >20% efficiency being delivered
- Broader benefits being realised
- Supporting PR19 strategy development
- Solving challenges previously deferred

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- Great progress made to date
  - Different business behaviours present a great opportunity through
    - Outcomes focus
    - Integrated working (collaboration)
    - Alignment
    - Striving for innovative solutions
    - Embracing technology
  - To deliver
    - A step change in production, efficiency, innovation and service performance