

case study



INVESTORS IN PEOPLE

Rabbit Contracting



Background

Size:	6 employees
Sector:	construction
Location:	national, based in brighton
Status:	most recently recognised in 2008

The organisation

Rabbit Contracting Ltd was founded by its current Managing Director, Adrian Breeds, in 2002. The company specialises in epoxy and polyurethane coating and screed systems, and designs and installs systems for floors, walls, roofing, corrosion control and chemical containment. The company operates across the UK and in many industries, although they are particularly experienced in dealing with the needs of the manufacturing, food processing and medical sectors.

Adrian was joined in running the business in 2005 by his partner Korinna Stiebahl and together their vision was to create an organisation that “bucked the trend” in the construction sector by offering its customers a truly first-class service experience.

Despite outstanding product knowledge and a strong personal commitment to delivering an excellent end result for their customers, Adrian and Korinna were, prior to engaging with Investors in People, finding it difficult to grow their business as they hoped. Specifically, they were having problems managing their sub-contracted workforce, which did not share their commitment to the highest standards of workmanship and customer service and, as a result, were damaging the company’s reputation. This also had knock on effects as customers frequently delayed paying Rabbit for the work it had done because of minor quality concerns. Furthermore it meant that the business owners were spending a disproportionate amount of their time and energy fire fighting rather than driving the business forward as they had hoped.

- **repeat business accounted for 67% of all orders during the last seven months**
- **despite the generally worsening economic conditions, business performance has improved markedly since the company began working with Investors in People, with turnover up 39% year-on-year**
- **Profitability up by 25%.**

“The significant “benefits of our engagement with Investors in People have much more than justified our investment. We would definitely recommend it to other small companies in a similar position. We only wish we had known about it five year earlier.”

Adrian Breeds, managing director



Looking back on how the company was operating before it committed to working with the Investors in People model, Adrian Breeds acknowledges they lacked any clear strategy to deliver the growth they desired: "We had never run a business before and were operating on a month to month basis. Our quality issues, and the ensuing impact on areas such as cashflow, meant there wasn't time to strategically consider how we could deliver improved results."

Motivations for using Investors in People

Concerned that despite the investment of more and more time and energy Rabbit Contracting was not developing as they wanted, Adrian and Korinna began exploring business improvement models and programmes. According to Adrian: "While we were generating higher levels of business it was obvious we weren't handling it very well." The fun and pleasure of running their own business had also started to wane and Adrian believes that had they not been able to turn the business around, as they have done with Investors in People, it is unlikely the business would still be trading.

Rabbit's journey with Investors in People began in February 2008 when Adrian and Korinna attended a breakfast briefing about the model and how it could benefit businesses of all sizes and operating in any sector. While initially sceptical, Adrian admits: "the plan, do, review components of the model just made a lot of sense."

After further investigation of the model and how it could be used, the company committed to achieving the Investors in People Standard in March 2008 and was successfully recognised in December the same year.

For Rabbit Contracting the key motivating factors behind their decision to engage with Investors in People framework were:

- The business had grown to a size where it needed more formal structures and plans in order to succeed. The lack of a formal business strategy meant the organisation was living a month-to-month existence and, consequently, huge amounts of managerial effort were being used to "fire fight";
- The directors had a huge wealth of technical knowledge and commitment but lacked the skills and experience of create a strong business which foresaw challenges and devised ways of meeting them;
- The company's workforce did not share the owners' vision of a company that delivered a first-class product and service every time. This created a gap between customers' expectations and the service they received, and as a result clients took longer to pay and the level of repeat business was not as high as it should have been;
- The directors recognised that they had large gaps in their own managerial skill set, particularly in areas of human resources such as recruitment, staff development and motivation.

In addition to the basic plan, do, review structure of the Investors in People model making sense, the six month development programme offered in the South East region was also an attraction to Rabbit as it meant that Adrian and Korinna were able to tackle the individual elements of the standards in manageable chunks. According to Korinna: "For a small organisation like ours, the whole framework would have been very daunting, but the six month development programme and the expert help along the way helped us consider each element of the standard separately."

Benefits of Investors in People

For Rabbit Contracting their engagement with Investors in People has delivered a range of important and valuable benefits including those set out below:

- The individual elements of the Investors in People model, and the support they received during the six month development programme, forced the directors to really address for the very first time what they actually wanted to achieve with their business. As a result, Korinna and Adrian now have a clear and agreed vision of how they want the business to develop in the short and medium term, as well as a considered strategy for how this will be achieved;
- The company's directors feel they now have the skills with which to achieve the results they want. In particular, when it comes to the recruitment and development of new team members the directors feel equipped to identify what skills and attributes they require and are able to identify these in potential recruits;
- Business performance has, despite the generally worsening economic conditions, improved markedly since the company began working with Investors in People, with turnover up 39% year-on-year and profitability up by 25% as well;



- The whole team at Rabbit Contracting, including the sub-contractors, now share a common understanding of why the quality of work must be right first time, every time. As evidence of the impact of this change in culture, repeat business accounted for 67% of all orders during the last seven months, with one customer now having used the company on seven separate occasions;
- Improvements in levels of customer satisfaction have had a positive impact on the company's cash flow position as more customers are completely satisfied with the work and therefore settle their accounts on time;
- Money invested in training and development activities is now much more carefully considered and targeted, with a business case being made for each episode of training. This has already begun paying dividends, with a recent investment of £2,000 securing new business of more than ten times that amount. According to Adrian they are: "no longer investing in people randomly, but in accordance with our business objectives";
- The company is growing both in terms of its core team but also the variety and complexity of work it is willing to consider undertaking. Adrian states: "In the past there were high-risk jobs that I wouldn't have considered tendering for because of the quality problems we were having and the financial penalties we might have incurred. Now I know we have the team, skills and attributes to take these on and do an excellent job first time, every time."
- Most importantly, both Adrian and Korinna are agreed that without the Investors in People programme Rabbit Contracting would not have still been in business. Korinna states: "Before we worked with investors in People we didn't have the skills to do the job and we weren't enjoying running the business. Thanks to Investors in People we are now properly structured, skilled and equipped to meet the challenges."

Where next with Investors in People

Having seen the positive impact it has had on the whole business, Rabbit Contracting are committed to continuing to operating in accordance with the principles of the Investors in People standard for the foreseeable future. The company is also interested in looking at other Investors in People modules, such as the one concerned with leadership and management, to see how they can help them develop the business further.

Summing up their overall experiences with Investors in People Adrian states: "The significant benefits of our engagement with Investors in People have much more than justified our investment. We would definitely recommend it to other small companies in a similar position . We only wish we had known about it five year earlier."

