

case study



INVESTORS IN PEOPLE

Dtec Electrical Limited



Background

Size:	40 employees
Sector:	Electrical services
Location:	Oldham
Status:	Recognised in 2006

The organisation

Dtec Electrical Limited is a medium sized organisation providing electrical contracting services to the Construction and Telecommunications sectors. The company is based in Oldham and works across the UK, but with a particular focus in the North West of England.

The company's origins are as a family-run business, although over the last four years Dtec has undergone several major organisational changes, including both a management buy-out and subsequent sale to a large plumbing, heating and mechanical services group. Dtec is now owned by the PH Jones Group, employs 40 people and has an annual turnover of approximately £2 million.

Dtec's owners have ambitious plans for the business and Martin Kay was recruited as Managing Director in 2005 with the specific task of retaining the best elements of the firm's culture and values, whilst making the changes necessary to move the company to the next level so that it could effectively compete for larger and more profitable contracts.

- **1.5% reduction in its sickness and absence rate**
- **2.8% increase in turnover from 2006 to 2007**
- **The company maintained a month on month staff utilisation rate of 95% throughout the whole of last year, a substantial improvement on previous years when utilisation averaged only 80%.**

"Investors in People is a comprehensive management framework that can bring benefits to any business."

Martin Kay, Managing Director



The challenge

Martin Kay cites four key reasons why the company initially committed to using Investors in People:

1. The company was continuing to operate as if it were a small business, lacking many basic management tools such as a business plan or marketing strategy. The new Dtec Management Team recognised that radically upgrading the company's approach to planning was essential if it was to achieve its growth targets.
2. The new management team needed a comprehensive assessment of the strengths and weaknesses of the business and its systems. In order to achieve this it needed a tried and tested model of good business practice.
3. Communication between different tiers of staff needed to be improved so that all involved in the business understood what the organisation's objectives were and how they personally could contribute to them.
4. In the tight labour market it was seen as essential for Dtec to look to develop its own supply of newly skilled electricians. To achieve this, the company needed to further strengthen its training policies and procedures.

Martin knew from his experience with Investors in People over the previous fifteen years that implementing Investors in People's principles was one certain way the company could quickly and comprehensively address the issues it faced.

Martin states that "the Investors in People principles were fundamental in terms of my managerial approach to understanding the issues Dtec faced and then tackling them."

The results

Dtec committed to achieving Investors in People in July 2005 and was successfully recognised as an 'Investor in People' in November 2006. The key benefits to the company from recognition identified by the Management Team are:

The company now has a comprehensive and successful business planning process firmly embedded within the organisation which involves all employees. According to Martin Kay, this means that for the first time "everyone in the business knows where the company is going, what they can do to help it get there and how they need to develop their own skills to contribute to Dtec's success."

The new business planning process and systems have also improved staff motivation and loyalty to the business, with the fact that very few employees left during the recent changes in ownership cited as evidence of this strong commitment.

Investors in People recognition has also been good for Dtec's sales with a number of new customers, which are Investors in People recognised themselves identifying Dtec's recognition status as an important reason for choosing to do business with them. Martin Kay states "Approximately half of all new companies that approach us, which have never previously worked with us, state that they have selected Dtec on the basis that they have seen on our website we're Investors in People recognised. Organisations which are Investors in People recognised understand that it is a real mark of quality, and we have found they want to work with people who share their values."

Dtec also points out that Investors in People has helped them to build the values and ethos that the directors wanted to foster. In particular, Investors in People has helped Dtec to significantly improve the way the company communicates and interacts with employees. Examples of initiatives brought about by implementing the Standard include the annual business planning day-long workshop, to which every employee is invited to share their thoughts on what the organisation has achieved, as well as how the business could do better. Employees are also now provided with regular financial data on the organisation's performance, something Martin Kay feels is essential if you want people to take an interest in helping drive up profitability and reduce costs.



Greater transparency with employees about the business' objectives and performance is also starting to pay financial dividends to the company as well. Dtec believes that as a result of the cultural changes brought about by Investors in People, employees now more clearly recognise that their time equals money and are coming forward with suggestions for how they could be more productive and reduce "down time". As evidence of the quantifiable impact Investors in People has had on Dtec's business performance the company maintained a month on month staff utilisation rate of 95% throughout the whole of last year, a substantial improvement on previous years when utilisation averaged only 80%.

Dtec's turnover rose by approximately three percent in the year following its recognition as an Investor in People (as shown in Table 1). While Investors in People is not the only contributory factor behind this improvement in performance, the Dtec Management Team strongly believes that without the systems and cultural changes Investors in People brought about this growth would not have been possible.

Table 1: Dtec Turnover

	2006	2007 (% change)
Annual Turnover (£000)	2,320	2,385 (2.8%)

For Dtec, Investors in People has also helped them meet the challenge of developing a workforce that is fit for purpose and which nurtures future leaders. The appraisal and development structures developed to meet the Standard have significantly helped the business identify skills gaps amongst employees as well as those individuals who, with the right support, will become the supervisors and managers of the future.

The company has also achieved a 1.5% reduction in its sickness and absence rate which they believe has largely been influenced by a working atmosphere facilitated by Investors in People where employees now understand the importance and relevance of their attendance, and the contribution that their hard work makes to the business.

Where next with Investors in People?

Dtec has already committed to continuing to work with Investors in People for the foreseeable future, and hopes to continue to use Investors in people in order to continue their drive towards business excellence.

Martin Kay is also committed to giving something back to Investors in People and since January 2007 has been an Ambassador for Investors in People. This has given him the opportunity to share his experiences of best practice with other companies recognised as Investors in People or working towards it.

Dtec's positive experience with Investors in People has also prompted it to develop a forum within the Construction Sector to share best practice and encourage other companies to achieve Investors in People recognition and gain the benefits they have. Martin Kay believes that organisations need to take a fresh look at Investors in People: "it's not about a plaque on the wall; our experience is that Investors in People is a comprehensive management framework that can bring benefits to any business."

