



Case Study: HomeServe

The leadership issue: Transforming the effectiveness of the company's immense sub-contractor network.

Background

HomeServe is a major home emergency service provider which had a high dependency on third party contractors to meet its service commitments to its customers. The entire operation was performing inefficiently and causing customer service issues.

What we found

There were numerous issues relating to the management of the subcontractors leading to unsatisfactory performance, management controls, communication and customer service levels.

Half a million jobs a year did not meet performance requirements. Poor coordination combined with product and service issues accounted for 60% of compensation paid out. Over 200,000 customers required more than one visit before successful installation.

What we did

Our starting point was to understand the complete end-to-end Contractor Performance process and identify opportunities for improvement. These included:

- ◆ Standardisation of contractual terms across the third party network to drive consistency in approach and quality of service
- ◆ A revised set of KPI (key performance indicator) measures aligned to customer satisfaction and service delivery
- ◆ Introduction of benchmarking methodology to enable interim reviews to drive continuous improvement in service to customers
- ◆ Clear and explicit communication to contractors of how they will be measured and reviewed
- ◆ A clear set of actions and consequences for exceeding service levels (rewards) and failing service levels (penalties, action plans and termination)
- ◆ Clear definition of roles and responsibilities for network management teams with an increased focus on robust performance management coupled with the new suite of measures and tools

In addition to the design of the management control and reporting process, Curzon played a considerable role in coordinating diverse functions across the organisation, including: Marketing, Legal, Claims Management, Public Relations, and both internal and contractor networks.

Results

Twelve months following the completion of our initial analysis, compensation payments have consistently fallen, tighter management of the contractor base has resulted in annualised benefits in excess £5m per annum and there has been a significant improvement in customer service.