

# Costs Management



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# Background



- **DSO viability**
- **Loose control of workforce**
- **Limited management competency**
- **Spiralling costs**
- **Year on year bail out**

# De-Sophisticate



- **Complex spread sheets**
- **Regular exposure to managers**
- **Enthuse participants**
- **Creates positive culture**

# Action

- **Weekly Commercial management meetings**
- **Rationalisation of workforce & contractors**
- **Drive on productivity**
- **Managers tool kit improved financial info**



# Result

- **Viability positive**
- **Workforce controls in place**
- **New managers in place**
- **Costs managed**
- **No bail out required**

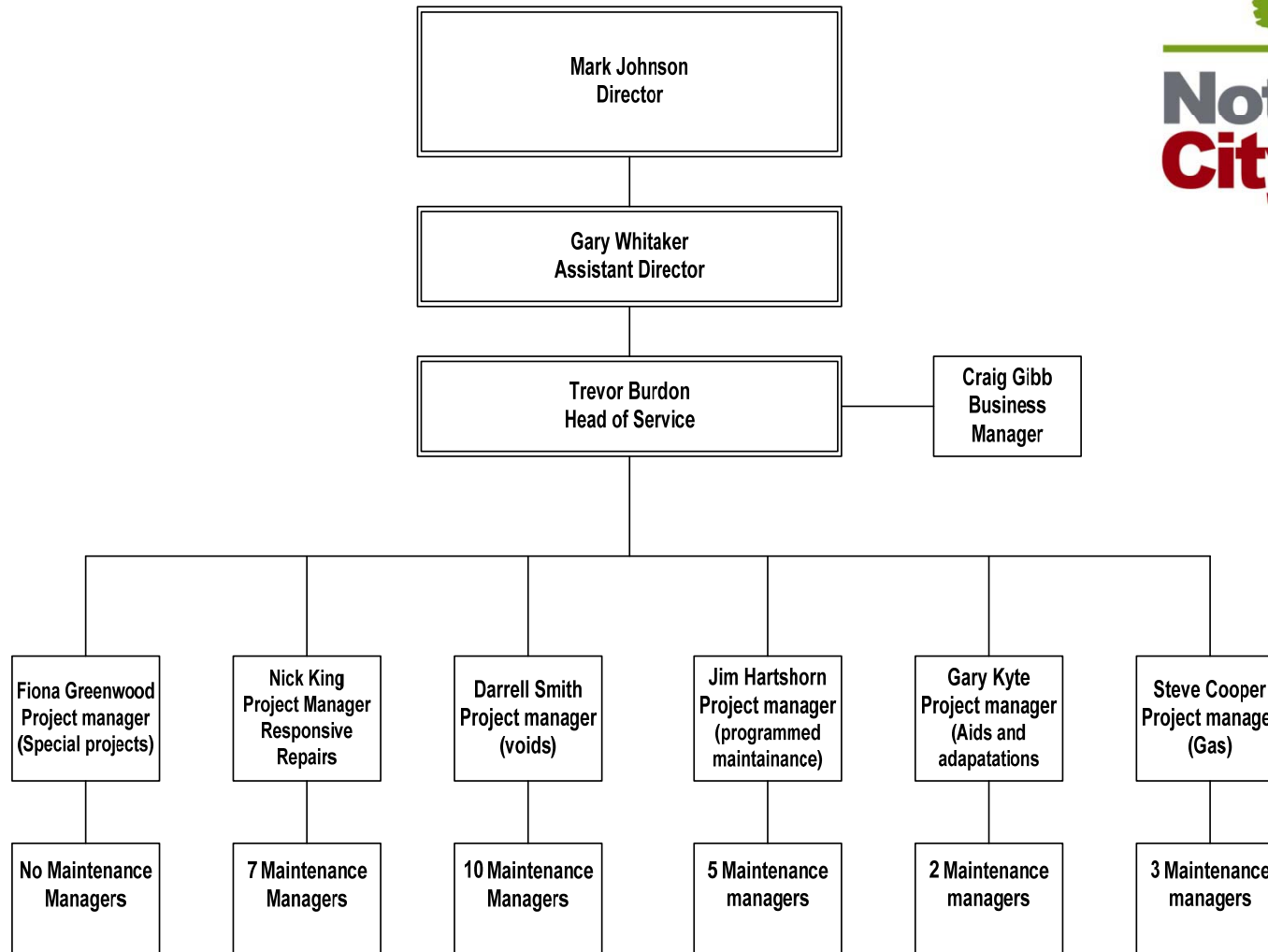


# Background - Cost detail



- **High level summary reporting (No detail)**
- **Reports not easily accessible to Front line managers**
- **Lack of control of cost management**

# Commercial Delivery Team – Management Structure



# Actions

- **Managers tool kit enhanced**
- **Financial support for All levels of management**
- **Financial training delivered**
- **Regular repairs clinics**





# Managers toolkits

- **Craft workers productivity**
- **Craft workers un productivity**
- **Craft workers quality**
- **Materials usage (DLO Supplies)**
- **Purchase order commitment**
- **Work in progress (with costs)**
- **S.O.R's Out-turned**
- **KPI out-turns and targets**
- **Vehicle locator information**



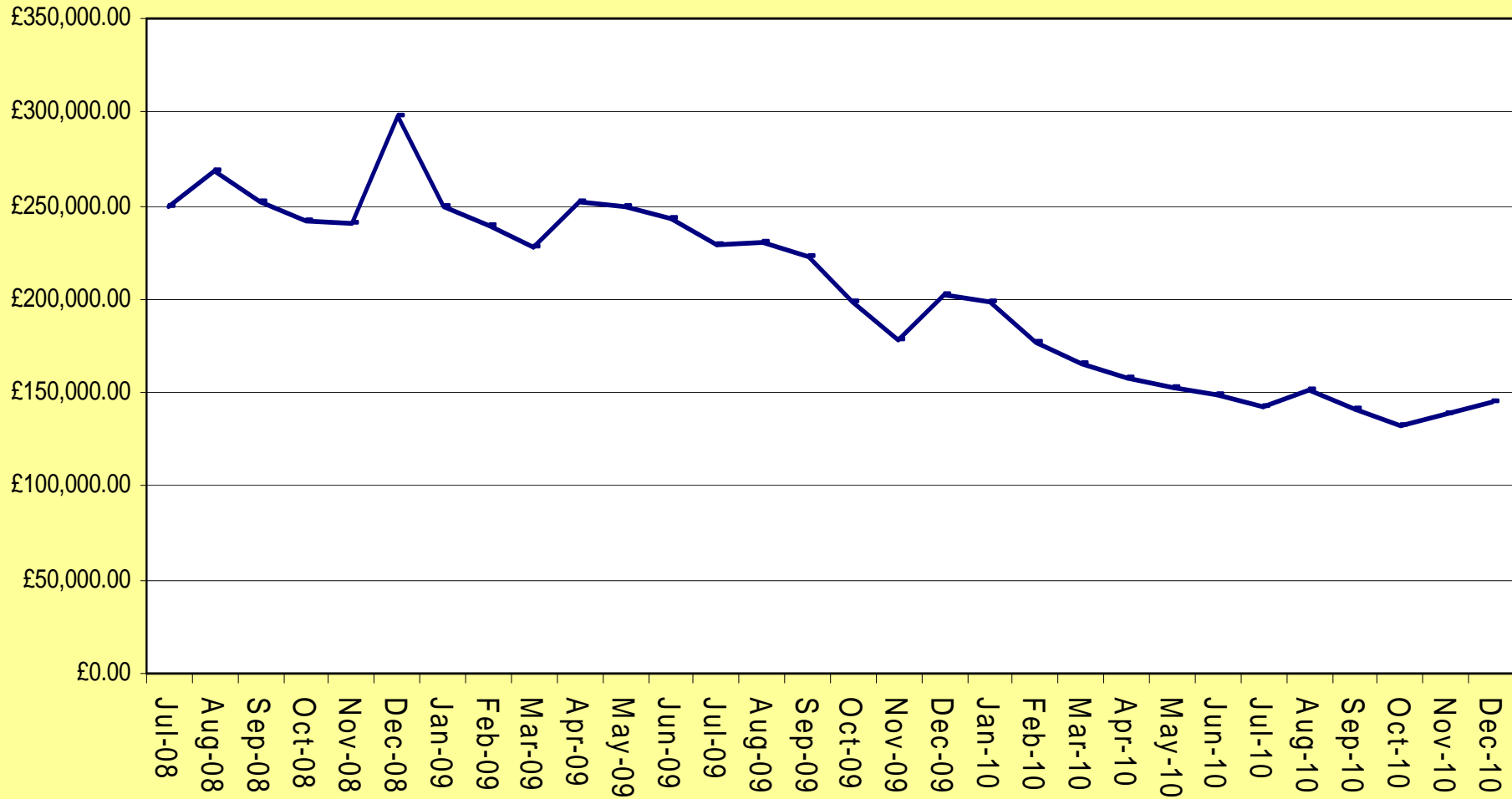
# Results so far

- Unproductive costs
- Use of sub-contract Labour
- Average cost of a works order



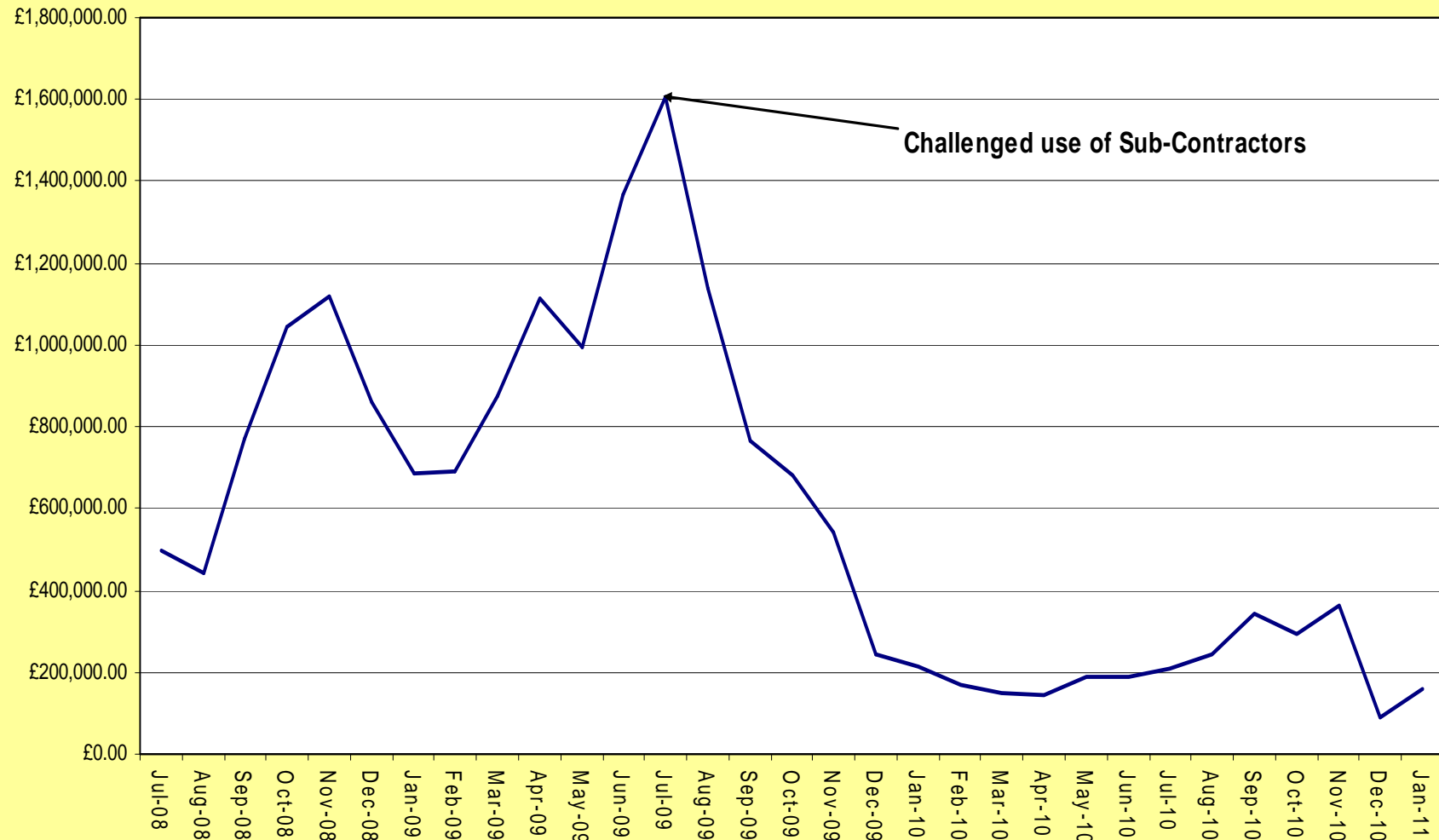


## Unproductive Craftworker Cost From Jul-08 to current



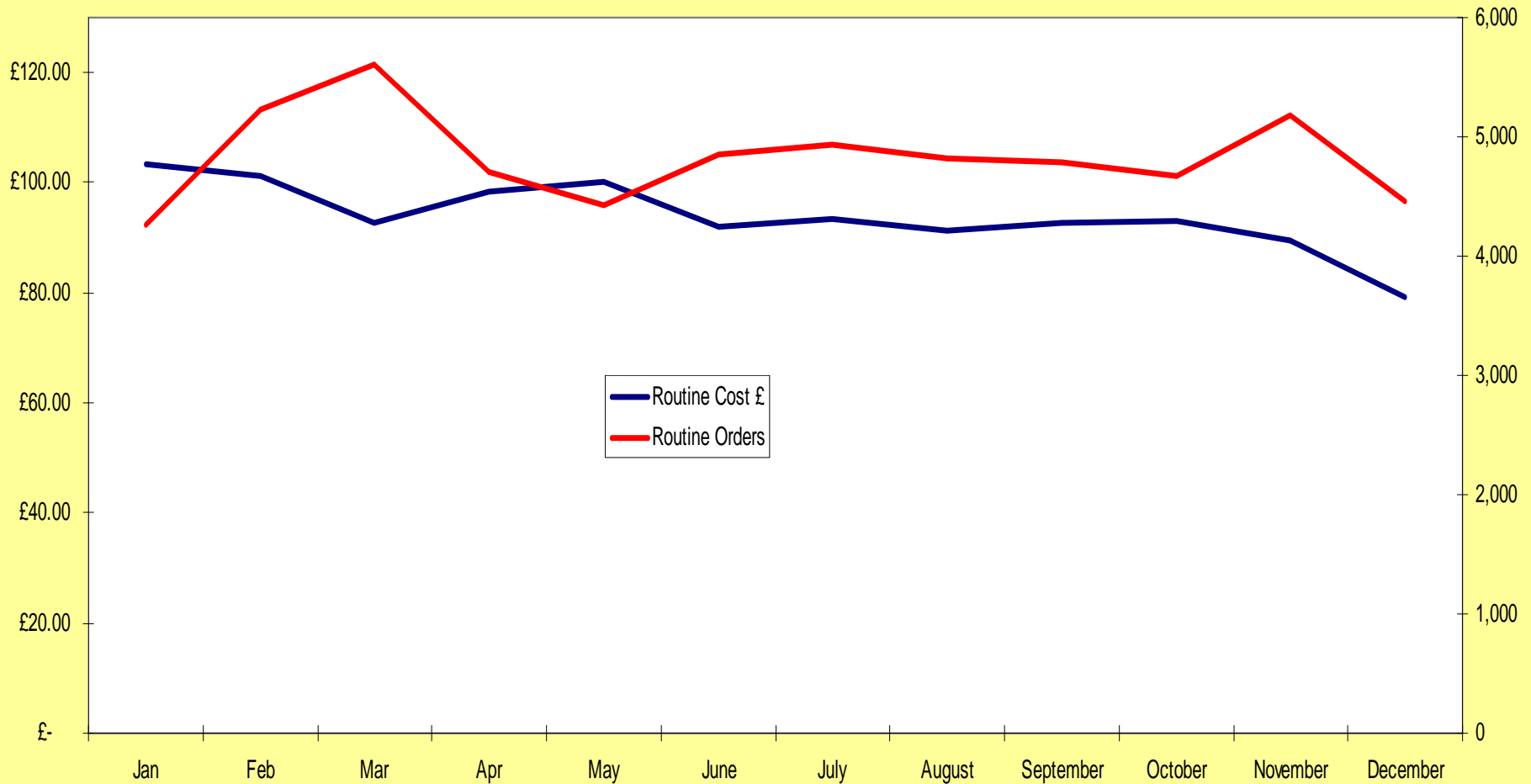


## Usage of Sub-Contractor Labour from Jul-08 - Current





# AVERAGE COST OF A WORKS ORDER ORDER - 2010



# Future

- Mobile technology
- New payment system
- New terms & conditions
- Profitable viable Commercial Services

