

PARTNER CASE STUDY: LAING O'ROURKE

BACKGROUND

Laing O'Rourke is a multinational organisation that operates in construction, infrastructure and development, but is unique as it offers its own modular manufacturing, engineering expertise and support services. Projects span a range of sectors including, building, transport, power, water & utilities, mining & natural resources and oil & gas. Laing O'Rourke's typical clients include United Utilities, Crossrail and National Grid. Examples of recent work on major projects include the re-development of Bond Street Station and Hinkley Point C nuclear power station. They employ 3,500 staff directly and have a turnover of £2.85billion.



Tracey Fogg, Procurement Leader for Infrastructure is the School's main contact and has been involved with the School since they first became a partner in 2013. Tracey also played a key role in the development of the Infrastructure arm of the School which launched in February 2015. Tracey's main role is to ensure that Laing O'Rourke is competitive in all its tenders and that the procurement processes within all key projects are not only cost effective but also sustainable. The School is a resource which Laing O'Rourke uses to up-skill their suppliers' knowledge on sustainability.

SUSTAINABILITY CHALLENGES

As a major contractor, one of the key challenges in relation to the sustainability agenda is the different meanings and understanding of the topic. Their clients' definition of sustainability varies, which in turn defines the requirements of any particular project. This makes sending a consistent message about the sustainability to suppliers particularly challenging as not only the definition between clients is different, but also the related targets can differ from project to project.

ENGAGEMENT WITH THE SCHOOL

Tracey actively and continuously promotes the School to her suppliers, believing that the School is the best platform in the industry to engage with suppliers and get everyone working together to understand the key sustainability challenges.

Tracey promotes the School in a number of different ways, and finds the most effective way of encouraging engagement is face-to-face. Tracey has attended over ten of the School's Supplier Days, including the Infrastructure School launch in February 2015 and the Midlands Supplier Day in June 2015, believing that showing suppliers that the School's partners are working in collaboration will drive the message through the supply chain. The School is also an agenda item on all supplier forums or meetings.

Laing O'Rourke is also using the School to improve their own sustainability knowledge. Eddy Taylor, Head of Sustainability and Carbon Management, has been responsible for completing the self-assessment and completing the action plan.

As a result of the recommendations in the action plans, the e-learning modules have proved to be both a valuable resources for the company; online learning is an efficient and quick way of learning. The nature of the projects the organisation work on has meant that monitoring, measuring and reducing their embodied carbon is a key driver from their clients – the e-learning modules on carbon have been the most popular with the procurement team and have helped highlight some of the key challenges faced by their clients.

IMPACT

Laing O'Rourke has:

- ✓ Taken a proactive approach to School partnership, promoting the School to its supply chain at every opportunity to encourage active engagement within the School.
- ✓ Set an ambitious target for all of their top 25 suppliers for the different parts of the business to have their School Silver badge by 2016; this is built into the personal objectives of all relevant procurement managers.

- ✓ Up-skilled 30 of their own procurement staff through use of the e-learning modules and attendance at workshops.
- ✓ Used the self-assessment tool to help develop sustainability knowledge and competence internally.
- ✓ Successfully engaged 798 of their suppliers with the School - including attendance at supplier days, workshops and accessing the resources online. On average Laing O'Rourke's suppliers have improved their self-assessment score by 8.41% from first assessment to most recent reassessment, which is higher than the School average.



BENEFITS

Collaboration between contractors – Laing O'Rourke believe that collaboration between the major contractors within the industry is the only way to tackle some of the most challenging sustainability targets. The School provides a platform for collaborative working, not just with other contractors but clients and suppliers too. If everyone has a better understanding of the challenges faced then it can make small work of a big problem.

Supply chain has a better understanding of client requirements and priorities - the sustainability agenda is being driven by the clients, so it is important that all suppliers are aware of the challenges and everybody is speaking the same language. The School communicates out a consistent message to suppliers.

An up-skilled and more competitive supply chain– being more sustainable means improving efficiencies, saving money and becoming more competitive. Laing O'Rourke wants to work with suppliers who are part of the School and are committed to improving their sustainability performance. They have awarded contracts to suppliers who are actively engaged.

THE FUTURE OF THE SCHOOL

In order for the School to continue to be of benefit to Laing O'Rourke it is important to:

- ✓ Focus on impact and ensure that the School's members are genuinely improving their understanding of sustainability – this includes the promotion of the Bronze, Silver, Gold membership.
- ✓ Improving learning journey's for individuals – it is important to make the process as simple as possible for suppliers and point them in the direction that partners want them to follow.
- ✓ As the School continues to grow, it is important to ensure that it doesn't become another "tick – box" exercise.