

Labour Strategic Procurement Strategy

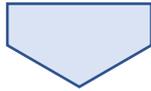
Executive Summary

Summary:

Working across the supplier community NH has a unique opportunity and capability to review all procurement and management practices and strategically assimilate what is industry best practice. Therefore the purpose of this Labour Strategy is:

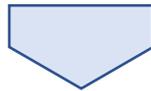
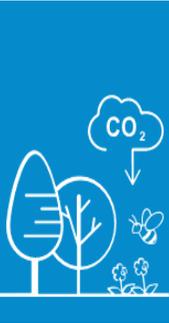
- Draw together intelligence from our market to determine industry practice.
- To translate this practice enabling anyone in our supply chain to utilise recognised industry best practice.
- Enable labour procurement and management to be part of sustainable procurement approaches which draw on award winning models that have been utilised within NH.
- Drive for procurement to influence safer working practices.

This sustainable improvement intelligence covers provision of trades and labour through directly contracted suppliers. In addition to any Construction Management Service charge from Tier 1 supplier, focus is around collaboration within the supply ecosystem to improve development of its workforce aligning people with NH values, and decision choices on NH schemes.



Challenges

- **Safety:** Improved Safety for all of the workforce associated to Highways Sector and our Suppliers & Customers.
- **Implementation:** Ability of supply chain to adopt consistent processes.
- **Supply:** Challenge attracting and retaining workforce in the sector & competing national infrastructure programmes.
- **Demand:** Lack of clear visibility on demand planning leads to loss of workforce on schemes and re-recruitment costs.
- **Technology Roadmap:** Risk of being behind the curve on technology advances and changing skillset requirements.
- **Standardisation:** Standardisation of collaborative models from a process and contractual perspective.
- **Working Together:** Establishing working groups to best deliver our opportunities.
- **Practices:** Identifying and eliminating malpractice associated to the Labour Industry.



To fully address the challenges and to align with our imperatives the strategy recommendations are as follows:

- Model Standardisation to ensure right people, right place, right time aligned with NH values.
- Pilot of guaranteed labour requirements to increase PAYE and localised workforce.
- Localised labour strategies specific for each region.
- Increasing attractiveness and retention within the construction industry by improved demand planning and analysing potential of agile working in trades and labour roles.
- Collaboration with Tier 1 supply chain on contingent vs permanent labour for in demand roles.
- Working group formulation to baseline current industry against future industry from skills for future perspective.
- Alignment of HE passport with biometric systems to monitor fatigue management, well-being, productivity and training records.
- Development of working group to focus on implementing a process to monitor eradication of modern slavery in the supply chain.
- Alignment with working groups focussing on EDI and social value.



Key aims of our strategy



Standardisation through utilisation of Collective Labour Environments to drive best practice and increase scheme efficiency.



Challenge the Market by strategic analysis into methodologies to increase attractiveness and retention within the construction industry, analysis into contingent vs permanent labour, and collaboration with national infrastructure programmes to ensure delivery of Highways Schemes.



Drive Innovation through digitalisation of our workforce, through biometric and mobiles technologies to improve safety, well-being and productivity whilst reducing carbon impact.



Be The Industry of Choice by driving Social Value and Apprenticeship targets, increasing EDI within the industry, eradicating modern slavery and raising the bar on well-being, inclusive of region specific localised strategies.



Develop Skills for the Future by collaboration with the supply chain to understand the emerging technology and how skills and job roles requirements will change with the digital drive.



Resource Demand Planning utilisation to maximise opportunities and minimise resource risks. Ensuring all schemes benefit by visibility of consolidated requirements and skill set requirements.

Rollout of short-medium term solutions

Model Standardisation

Data Analysis

Labour Standards



Employing the Right People

- Collaborative Labour Environment
- Best practice sharing
- Contract Standardisation
- Labour specific KPI's

- **Benefits:** Improved safety, compliance to standards (IR35), ensuring employment of labour aligned to NH values.



Challenge the Market

- Cross Category Collaboration
- Push for permanent employment for key skill roles to ensure resource availability
- Guaranteed Labour Provision pilot to increase localised labour strive towards PAYE
- Formulate clear vision from demand planning

- **Benefits:** Improved strategic approach, basis for future innovation, leverage of suppliers' expertise and quality, increase in resource for NH schemes.



Be the Client of Choice

- Establish Modern Slavery Working Group to focus on monitoring supply chain to eradicate modern slavery instances
- Alignment with existing best practice working groups for Social Value and EDI
- Contract Term Review
- Tender Approach Review

- **Benefits:** Reputational benefits of being leaders in eradication of labour malpractices and increasing diversity within the industry.

Rollout of medium-long term solutions

Attractiveness & Retention



Increasing Attractiveness and Retention in Highways Industry

- Cross-Category Collaboration
- Pilot of Agile working in trades and labour industry
- Alignment with D&OP to avoid re-recruitment costs
- Support of Technical Qualifications

- **Benefits:** Associated to Productivity Increase, Retention of Right People, Right Time, Right Place, move away from Programmatic approach.

Skills for the Future



Develop for the Future

- Value Chain Analysis
- Cross category collaboration on Technology Roadmaps
- Demand Planning Development
- Align with Digital by Default
- Carbon Skills Focus

- **Benefits:** Improved Strategic approach, capitalise on technology roadmaps, improve productivity, build on supply chain expertise.

Drive Innovation



Be the Change

- Carbon Skills Development
- Reduction in Health and Safety related incidents
- Eradication of malpractice associated with the Labour Industry
- Increase in Well-being and Fatigue Management

- **Benefits:** Greater alignment of NH and suppliers' objectives, drive improvements and innovation (e.g. reduce carbon footprint).

Carbon strategy

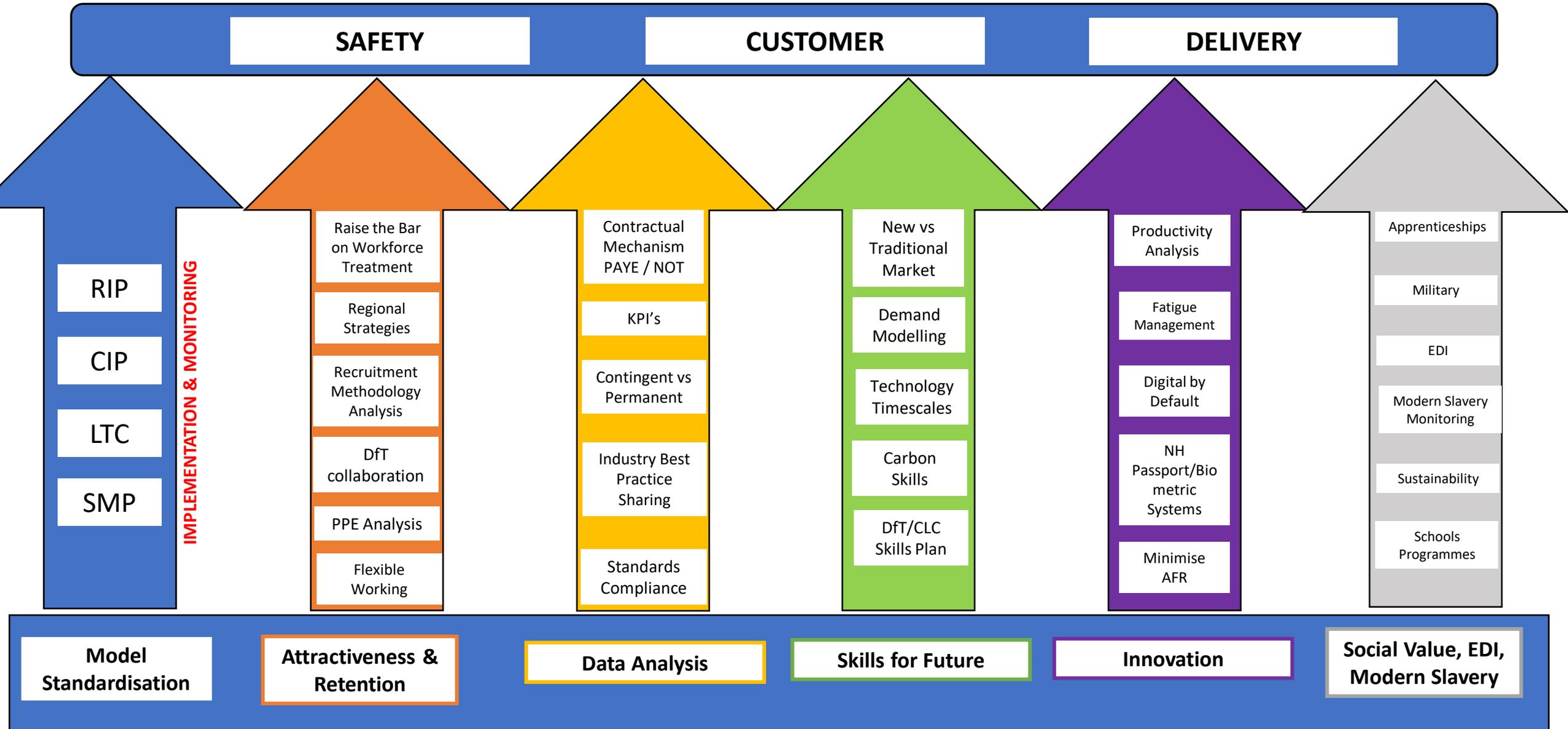
Key drivers of carbon emissions in category	Corporate emission	Maintenance & construction emission	Road user emission	Estimated Carbon emissions per year associated with key driver [tons of CO2]
1. Labour Transportation to NH schemes		x		*pending collated information from SES

Identified measures to address key drivers in category	Expected impact / CO2 reductions [tons of CO2]	Timescale	What is needed to implement measure (investment/support, etc)?
1. Utilisation of Agile Working	- 10%	Trial of Agile working 2022/2023	Provision of Pilot programmes to trial agile working – In discussion with SMPA and RDP
2. Increase in off-site working	-20%	2022/2023	Category Collaboration
3. Increase in localised labour utilisation	- 20%	2022/2023	Tier 1 working group to understand how this can be progressed
4. Carbon Skills Development	TBC	TBC	

Labour is a low direct opportunity area for Carbon Reduction but will pursue decrease through the above initiatives and key cross collaboration with other categories.

Currently in discussion with SES on baseline for carbon emissions contribution for Labour within the Supply Chain.

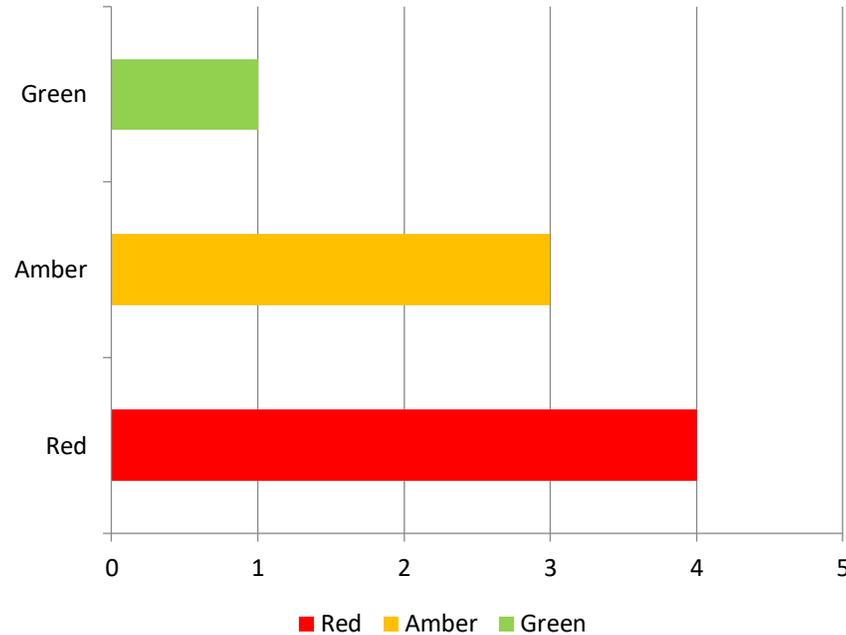
STRATEGIC THEME DEVELOPMENT



Risk Register

5	Amber	Amber	Red	• Resource Demand	Red
4	Green	Amber	Amber	• Demand Data • Industry Attractiveness & Retention • Workforce Diversity • Ageing Workforce	Red
3	Green	Green	Amber	• Cat Man Understanding • Tier 1 - Ability to Adopt	Red
2	Green	Green	Green	• Skills for the Future	Amber
1	Green	Green	Green		Amber
	1	2	3	4	5

No. of Risks



Conclusion:

- Implementation of Sector Improvement Working group focused on Workforce which is looking to attempt to mitigate some of these risks with pillars of;
 - Industry Attractiveness / Skill Retention
 - Skills for the Future

Category Profile

Vision: Working across the supplier community NH has a unique opportunity and capability to review all procurement and management practices and strategically assimilate what is industry best practice. Therefore the purpose of this Labour Strategy is:

- Draw together intelligence from our market to determine industry practice.
- To translate this practice enabling anyone in our supply chain to utilise recognised industry best practice.
- Enable labour procurement and management to be part of sustainable procurement approaches which draw on award winning models that have been utilised within NH.
- Drive for procurement to influence safer working practices.

Goals:

- Standardised model utilised across MP consistent contracting methods and rate utilisation, model to focus on labour aligned to HE imperatives.
- Focus on increasing in well-being factors across HE construction management roles
- Increase in retention of construction labour across HE schemes
- Drives strategy to focus on improving EDI, Social Value, Apprenticeships and training initiatives
- Reduction in H&S related incidents
- Increase in Workforce Digitalisation
- Elimination of malpractice associated to Labour Industry

Scope:

This sustainable improvement intelligence covers provision of trades and labour through directly contracted suppliers. In addition to any Construction Management Service charge from Tier 1 supplier, focus is around collaboration within the supply ecosystem to improve development of its workforce aligning people with HE values, and decision choices on HE schemes.

Opportunities:

- Innovations for Safety
- Increase in productivity
- Standardised Labour Models for Integrated Labour Teams
- Increased attractiveness of the construction industry and retention of labour within HE schemes
- Collaboration with wider DfT
- Drive Skills for the Future

Business Need

Safety

Customer Service

Delivery

Labour Category Strategy Executive Summary

Landscape:

The construction sector is one of the largest in the UK economy – employing 3.1 million people or over 9% of the workforce. It relies on a labour-intensive business model, which is becoming unsustainable due to the impact of demographic change. Of the current UK construction workforce, 32% are aged over 50, with a further 58% aged between 25 and 49. Only 10% are under 25. The sector faces the twin challenge of equipping workers with the skills needed to adopt digital and manufacturing technologies effectively, while recruiting and retaining enough people with traditional skills to replace those leaving.

<https://www.gov.uk/government/publications/construction-sector-deal/construction-sector-deal>

Market Analysis

Labour market conditions are forecast to deteriorate further over the coming months and are expected to dampen consumer confidence and expenditure, including in the housing market

The A14 integrated labour team, recognised by NH in 2019 for 'Improving employee engagement and behavioural change – Supply Chain', stands as an exemplar for improving labour accessibility on large projects.

Brexit / Covid may prompt a supply decrease due to lack of interest from EU nationals however NH's maintaining Demand acts to ensure labour availability.

Strategic Approach

Objectives	Year 1	Year 2-3	Year 4+
Collaborative Labour Models	Supplier Community Development Analysis of Permanent vs Contingent	Localised Labour Strategies Demand Modelling Provision	Review and update for continuous improvement
Workforce Development	Drive to increase EDI within Construction Industry. Workforce Digitalisation Analysis	Focus on building attraction and retention of labour in Construction Industry	Skills for the Future Implementation
Be the Industry of Choice	Assessment on training standards Support Apprenticeship initiatives	Reduction in H&S related incidents	Continuous improvement

Statement of Need



A Safer Network

- Collaborative Labour environment ensures that roles are filled & recruited by individuals aligned to NH values with a focus on quality and delivery and moves away from competitive recruitment process
- Reduction in safety related site incidents associated to human factors



Improving Customer Satisfaction

- Increased efficiency in programme completion
- Improvement in staff retention
- Continued compliance to nationally driven labour standards/objectives: EDI, Modern Slavery, Social Value Agenda, IR35
- Driving focus to be on the people



Delivering the RIS

- Demand Management – Avoids/minimises skills and labour shortage by better alignment to other national programmes
- Improved innovation through collaboration, leading to improved delivery of programmes in RIS3.

The Requirements

- Utilisation of a labour model which capitalises on collaboration and employment of the right person for the role to in turn increase efficiency of the delivery to the customer and mitigates negative practices associated to a competitive labour industry
- Progress understanding and development of Skills for the Future inline with innovations within the industry
- Raising the bar on workforce wellbeing and improvement of safety
- Reduction of Carbon impact associated with Labour
- Increase in EDI, Apprenticeships and support of national initiatives inclusive of the eradication of modern slavery

The Objectives

- Reduction in Safety & Wellbeing Related incidents associated with Contingent Labour
- Reduction in labour shortages leading to inability to deliver HE programmes.
- Compliance to and active monitoring of dedicated labour related practices/ standards
- Reduction in overspend and unknown costs related to labour based on streamlined contracts with standardised rates visible across the labour alliance with removal of hidden costs
- Increased attractiveness and retention of the construction industry
- Clear strategy on skills for the future
- Strategic analysis of Contingent vs Permanent Labour Models

The Challenges

- Ability of Tier 1's to adopt consistent collaborative labour model
- Ability of Tier 1's to adopt a consistent approach to workforce digitalisation
- Ability to understand clear requirement on skills for the future

The Outcomes

- Collective innovations from a collaborative supply chain
- Reduction in health and safety incident's related to labour
- Reduction in labour impacts from other national programmes due to the collaborative forecasting approach
- Standardised Contracting approach and rates across NH programmes portfolio
- Workforce Digitalisation
- Implementation of sector improvement project output
- Drive understanding of Skills for the Future
- Localised Labour Strategies which focus on key areas such as wellbeing and social value

Conclusion:

- Requirement to standardise approach to labour and work towards collaborative approach and to work with the supply chain on driving attractiveness of the construction industry and retention on National Highways schemes
- Opportunity to strive for Workforce Digitalisation in collaboration with National Highways passport scheme
- Opportunity to work collaboratively with the wider agencies in the DfT to mitigate demand risks
- Opportunities to raise the bar on workforce wellbeing

Service Description

Name	Description
 <p data-bbox="86 402 270 434">Site Labour</p>	<p data-bbox="647 268 1462 299">Provisioned Site Labour through Tier 1 Supply Chain:</p> <ul data-bbox="647 311 993 568" style="list-style-type: none"> • General Labourer • Banksman • Chain Person • Cleaner • Storeman • Skilled Labourer • Semi-skilled Labourer
 <p data-bbox="86 639 270 742">Professional Services Labour</p>	<p data-bbox="647 602 1916 634">Construction Management Labour charge provisioned through Tier 1 Supply Chain:</p> <ul data-bbox="647 645 1029 745" style="list-style-type: none"> • Engineering • Site Supervision • Administration/Clerical



Supply Chain Risks - Labour

Risk type	Risk Description	Impact	Priority	Mitigation/Action
Supply Chain	<ul style="list-style-type: none"> Brexit and Covid placing short to medium term Supply constraints Labour-intensive business model, which is becoming unsustainable due to the impact of demographic change. 	<ul style="list-style-type: none"> Lack of labour availability, delaying projects 		<ul style="list-style-type: none"> Risk is largely mitigated by continuation of works, but remains susceptible to falling supply. Encourage collaboration of more established suppliers with SMEs to develop increased understanding of NH's requirements & influence opportunities to work directly.
Innovation	<ul style="list-style-type: none"> Twin challenge of equipping workers with the skills needed to adopt digital and manufacturing technologies effectively, while recruiting and retaining enough people with traditional skills to replace those leaving. 	<ul style="list-style-type: none"> Skills gaps in digital and off-site manufacturing forcing reliance on onsite construction with people – plant interface H&S risk 		<ul style="list-style-type: none"> Technological advances in plant, automation reduce the need for less skilled labour. Increases the wider supply chain's skilled labour requirements in R&D, plant operation.
Capacity	<ul style="list-style-type: none"> Increased investment by UK Government in large infrastructure projects, such as HS2, is placing increasing demands on the market. Limited interconnectivity with other delivery suppliers to find better sequencing of works activities & shared benefits. A notable exception being the A14. 	<ul style="list-style-type: none"> Lack of skilled resource & plant available. 		<ul style="list-style-type: none"> Government level visibility of competing demands to co-ordinate resource requirement & avoid pinch-points. Adopt a works 'community' where suppliers on the scheme can actively engage & collaborate as the works progress.

Conclusion: Labour availability is affected by political factors influencing the availability of non-UK national supply. These are expected to be short-medium term and mitigated by consistent or rising Demand from the UK public sector. Technological advances and new ways of working e.g. off-site manufacturing will affect the need for on-site labour, transferring the need to a skilled, digitally enabled workforce.

Category Analysis

<p>Strengths</p> <ul style="list-style-type: none"> Government support for innovation and skill improvement through Construction Sector Deal Award winning model has already been successfully implemented by NH Workforce development task force implanted to address key issues – Attractiveness, EDI and skills for the future 	<p>Weaknesses</p> <ul style="list-style-type: none"> Attractiveness of other national infrastructure programmes Ability of Tier 1's to adopt the same labour model for capitalization on economies of scale Ageing workforce – 32% over 50, 58% 25-59
<p>Opportunities</p> <ul style="list-style-type: none"> Continuous investment by the UK government to improve the road infrastructure Construction sector on the largest in UK economy – employing 3.1 million people over 9% of workforce Provision of guaranteed labour figures leading to increased retention of labour Biometric reporting to increase productivity and decrease H&S incidents Technology Changes – reduction in potential supply shortages, increase in attractiveness of different skillsets 	<p>Threats</p> <ul style="list-style-type: none"> Lack of skilled workforce, ageing working population and rising cost of labour Substantial fall in apprenticeship completions Short term impact of Brexit on site labour workforce Supply chain appetite to adopt change Technology changes – Autonomous plant, off-site manufacture – Demographic change in construction industry

<p>Political</p> <ul style="list-style-type: none"> A stable political environment would be observed after Brexit, and hence, can have positive influence on construction market 	<p>Economic</p> <ul style="list-style-type: none"> As per IMF, UK's GDP growth was less than 1% in 2020 and is projected to grow by 4.5% in 2021; however, the impact of COVID-19 outbreak is yet to be considered 	<p>Social</p> <ul style="list-style-type: none"> Increasing preference for employees with adequate skills, which would focus on increasing apprenticeships Social Value Agenda
<p>Technological</p> <ul style="list-style-type: none"> Rising focus on adoption of modular construction methods, such as design engineering and DfMA Autonomous plant and off-site manufacture impact 	<p>Legal</p> <ul style="list-style-type: none"> Extending support through full implementation of Modern Slavery Act 2015 in mid 2019 and enforcement of construction regulations 2015 	<p>Environmental</p> <ul style="list-style-type: none"> In January 2020, the UK government introduced Environmental Bill to improve air and water quality Zero Carbon Agenda

<p>Total Spend</p> <p>High ↑</p> <p>Low ↓</p>	<p>Core Suppliers</p> <ul style="list-style-type: none"> Labour providers work across our supply chain, providing skilled, semi-skilled and unskilled labour to meet short-term interim needs and / or deliver large projects. 	<p>Strategic Suppliers</p> <ul style="list-style-type: none"> Include tier 1 suppliers engaged mainly on capital works, such as designing, contract and project management services
	<p>Transactional Suppliers</p> <ul style="list-style-type: none"> Primarily include Tier 3 suppliers that offer localised contingent labour 	<p>Niche Suppliers</p> <ul style="list-style-type: none"> Include some of the Tier 2 and Tier 3 suppliers that niche contingent labour fields
<p>Business Criticality</p> <p>Low ← High →</p>		

Strategy - Short to Medium Term

Labour Procurement Strategy	Description	Benefit	Action
Demand Planning	<ul style="list-style-type: none"> Improvement in resource demand planning across NH schemes 	<ul style="list-style-type: none"> Industry commitment and investment Security of Resources for NH Schemes Increased retention of people on NH Schemes Increase in localised Labour and localised apprenticeships Reduction in re-recruitment costs 	<ul style="list-style-type: none"> Working group to develop for approval Obtain all relevant scheme delivery data Engagement with Tier 1 & 2 on resource availability – Local and National Engagement with D&OP SIP group Cross Category Collaboration
Model Standardisation	<ul style="list-style-type: none"> Standardised models across MP with utilisation of Collaborative Labour Models 	<ul style="list-style-type: none"> Consistent Methodology utilised across NH Best practice collaboration between Tier 1 supply chain Consistent Contractual Mechanism Right People, Right Place, Right Time 	<ul style="list-style-type: none"> Scope requirements Working group formulation on best practice and lessons learnt with Tier 1 Contractual Mechanism Review
Data Analysis	<ul style="list-style-type: none"> Collaboration with Demand Modelling to understand key roles required by NH and challenge the supply chain on Contingent vs Permanent Roles Analysis on ensure compliance to IR35 Review of guaranteed Labour provision Localised Labour Supply Mapping 	<ul style="list-style-type: none"> Upskilling and Increase of number of roles within the highways sector Ensuring compliance to nationalised labour requirements Increase in PAYE employment Increase in localised workforce Increase in number of apprenticeship in the Highways Sector 	<ul style="list-style-type: none"> Engagement with D&OP and Workforce Development SIP Localised Workforce Strategy group development Wider DfT collaboration
Labour Standards	<ul style="list-style-type: none"> Be The Industry of Choice by driving Social Value and Apprenticeship targets, increasing EDI within the industry, eradicating modern slavery and raising the bar on well-being, inclusive of region specific localised strategies 	<ul style="list-style-type: none"> Increased support of the social value agenda by our supply chain Increase in Apprenticeships Target working group focused on the eradication of modern slavery Improvement of EDI within the Highways Sectors Focus on increasing localised labour Reduction in Labour Malpractice within the industry 	<ul style="list-style-type: none"> Working group development specifically focused on modern slavery and increased monitoring of the supply chain to support eradication Alignment with existing working groups on EDI and Social Value Engagement with the supply chain sustainability school Contractual Term Review Collaboration with Corporate Assurance Team

Strategy – Medium to Long Term

Labour Procurement Strategy	Description	Benefit	Action
<p>Attractiveness & Retention</p>	<ul style="list-style-type: none"> Focus on how we can look to increase the attractiveness of the Highways Sector and retain and develop resource within the sector Review varied methodology used to recruit in the Highways Industry 	<ul style="list-style-type: none"> Increase in diversity of the workforce Reduction in Ageing Workforce Increase in apprenticeships Increase in localised workforce Move away from programmatic approach 	<ul style="list-style-type: none"> Working group development with SIP Alignment with D&OP Recruitment process analysis Contractual Requirements review
<p>Skills for the Future</p>	<ul style="list-style-type: none"> Development of Skills for the future plan for NH, focusing on Technology changes and timescales to ensure resource availability Carbon Skills Development 	<ul style="list-style-type: none"> Cross Category Collaboration Right People, Right Place, Right Time Mitigation of Skills Gap Improvement in Carbon Skills Drive Change 	<ul style="list-style-type: none"> Value Chain Analysis on Skills for the Future Cross Category Working group set up to understand technology roadmaps Research into Support schools Technical Qualifications Sustainability School Engagement SIP Engagement Digital by Default alignment Deep Dive into published skills strategies
<p>Drive Innovation</p>	<ul style="list-style-type: none"> Utilisation of Digital and Biometric Systems in collaboration with NH Passport for Training, Fatigue Management, Productivity Strive to increase workforce well-being within the construction industry Support rapid change in technology within the construction industry Pilot of Agile Working within Highways Sector 	<ul style="list-style-type: none"> Reduction in Health & Safety incidents associated to the Workforce Reduction in malpractice associated with the Labour Industry Increase in Productivity Reduction in Carbon Impact 	<ul style="list-style-type: none"> Engagement with NH Passport scheme and the supply chain to align capabilities Define parameters of agile working Supply chain engagement on implementation Data Collection and Analysis

Opportunity

Strategic Themes	Opportunities	Benefits	Obstacles
Supplier Relationship Management	<ul style="list-style-type: none"> Investment in people and skills for the future Greater Collaboration with the wider DfT Best practice collaboration 	<ul style="list-style-type: none"> Proactive relationship management Greater ability to forecast and understand potential gaps, drives for apprenticeships in key areas 	<ul style="list-style-type: none"> Ability to provide accurate model Willingness of supply chain to knowledge share best practices
Sourcing Strategy	<ul style="list-style-type: none"> Standardise Collaborative Labour Model Challenge the market – Contingent vs Permanent Contractual Terms Review Focus on Right People, Right Time Right Place Localised Labour Strategies 	<ul style="list-style-type: none"> Benefits of visibility of rates between Tier 2 providers Reduction in negative competitive environment with the recruitment industry Drives toward increased employment in Construction Industry 	<ul style="list-style-type: none"> Ability of the Tiers 1's to adopt same rates and contractual mechanisms
Continuous Improvement	<ul style="list-style-type: none"> Sharing of best labour practices inclusive of apprenticeship schemes and approaches too social value & modern slavery Improved Demand Forecasting Cross Category Collaboration Skills for the Future 	<ul style="list-style-type: none"> Optimisation of best practices across all NH programmes Understand of skills for the future to ensure that apprenticeship and training schemes are focused on this skills to avoid labour shortages. 	<ul style="list-style-type: none"> Obtaining timescales and demand modelling for skills for the future Ability of all NH schemes to adopt same methodology
Innovation	<ul style="list-style-type: none"> Reward innovation and actively encourage suppliers to work together to come up with better ways of working Development of Carbon Skills Pilot of Agile Working 	<ul style="list-style-type: none"> Provides a baseline for productivity of construction processes to measure productivity cross schemes and tier 1 suppliers in addition to monitoring fatigue management and reducing potential labour malpractices Increase in productivity and well-being through agile working 	<ul style="list-style-type: none"> Ensuring that the Tier 1 supply chain are working towards the same baseline
Performance Indicators	<ul style="list-style-type: none"> Specific to those around labour criteria such as apprenticeship levels, retention, training, social value Increase in Productivity of schemes Improved Wellbeing and reduced fatigue 	<ul style="list-style-type: none"> Baseline to compare supply chain with focus on people 	<ul style="list-style-type: none"> Ability to have the same performance indicators cross Tier 1 supply chain