JULY 2019

Building Vision

Market insight to help your business thrive

Welcome to our latest communication. Building Vision aims to engage you with useful content, creating conversation and collaboration as we navigate our way through the months ahead. We aim to issue our communication quarterly and would love to hear what is affecting your business, to open debate and solutions as we move forward.



AIM HIGH

Maintaining Strategic Strength

By George Morris - Chairman

Morris & Spottiswood has a strong history embedded within three generations of my family. From as far back as my Grandfather George, our strength has come from clear strategy, plotting our way through World Wars and boom and bust economic cycles. Today's complexities and uncertainties are equally difficult to navigate and require the same careful strategic management to secure the best possible outcomes for both our people and our clients.



Customer Intimacy: We have enduring relationships with key business partners, maintaining these relationships by matching the ever-changing needs and demands of the external market is crucial. For all our clients, across many sectors, which include RBS, Britvic and University of Glasgow, our people aim high and step forward, innovate, offer solutions and meet the demands of our clients. Complacency is not a word we understand, and we are continually striving to add value and continuously improve.

Governance & Innovation: We are a secure business with cash in the bank, simple shareholding and no borrowing. We don't take risks, but we invest carefully in areas that drive innovation and value for our clients. Our recent acquisition of Livingston Mechanical Services for example, bolsters our M&E division and subcontractor network, and positions ourselves as M&E specialists. It also widens our ability to drive pre-fabrication to our client base which in turn provides them with increased safety, productivity, quality, cost control and programme certainty. We also protect, with clear strategies around risk which include managing outcomes from Brexit and market uncertainty.

Value People: One of our core values is 'Value People', and as a management team we are aware that our most important asset is our staff. We are always looking at ways in which we can support the Morris & Spottiswood family. We invest in developing people at all levels across the business through our Training Academy, from operatives on site right up to senior managers and directors. Our ambition over the 10-year strategy is to have a high percentage of our senior management to have come from within the business.

Most importantly, our business is founded with a deep and rich culture embedded in our values – Aim High, Act Responsibly and Value People. As a family and a team, I am very proud to see that our strategic strength and resilience is being built upon, even in times of economic uncertainty. Our recent framework wins and renewals across many sectors demonstrates that our investment in our people and staying true to who we are, and who we have always been since 1925, gives us foundations to stay strong.

Managing Summer Spikes in the Education Sector

By Gordon Clyne - Director

As a business, we have been working in the Education sector for over 50 years, and personally, I have for 15 years within Morris & Spottiswood. It is an important sector for us, financially, historically and culturally and accounts for approximately 20% of our turnover across Fabric, Fitout, M&E and Flooring. But the sector is not for the faint hearted, it is one that needs careful planning and forecasting across the business, and one where you need to plan for the unexpected.



One of the key problems for Universities and many school projects in the summer timetable – knowing that you have a limited timeframe of June to August / September to deliver. At a time when pupils, students, staff, consultants and clients are needing to take a well-earned rest, building projects are in full swing with staffing and delivery at capacity. For delivery to work perfectly, our clients need to have their budgets secured, consultants issuing tenders in March / April with tenders in and signed off in May, allowing a month to plan delivery on site – the reality is that this ideal scenario often just doesn't happen.

Universities for example, can often only have limited workload certainty at the start of the financial year making it incredibly difficult to communicate, plan and forecast their work; schools and colleges apply for funding, some of which is received, some is not. Emergency repairs and programmes can be prioritised because of events out with the normal programme of activity and funding shortages and excesses can lead to peaks and troughs that we need to simply absorb and manage.

So how do we manage this? The priority for us is knowing our client. The more we understand about their pain points and their strategic objectives, the more we can position ourselves to deliver what they need. Understanding how they work, their processes, their priorities, their strengths and weaknesses, the more we can structure ourselves to plan, manage and deliver their requirements. Customer intimacy is crucial, where we have the best client relationships, we have the best delivery.

Planning resulting from years of experience and knowledge is also fundamental to success. Our Education Steering Group begin fervently working from Easter to ensure we manage our staffing levels and supply chain partners through the summer months. Do we forecast any issues to physically deliver? Have we aligned the right management and delivery structures, what skills do we need to pull from other divisions and what continuous improvement initiatives can we put in place to improve internal and external engagement and efficiencies?

Our strong and rich culture is also crucial to success – our values of Aim High, Value People and Act Responsibly are part of everything we do. In delivering projects for our clients, we are continuously ensuring that our people have the right training and support and that we contribute to the bigger picture – ensuring we add back to the community and drive the environmental agenda as much as we can.

The Health & Safety of our staff and people is always top of our agenda. With many school programmes, we work in live environments. It is crucial that our teams deliver projects ensuring the safety of everyone. Our Health & Safety teams in collaboration with all our personnel work together to drive this agenda and put safety first.

I admit that I am lucky. Leading the Education Steering Group is made significantly easier due to many factors – our culture, our people, our strong client relationships, our experience and our knowledge. However, there is no doubt that during September handovers, as students start to trickle back to their studies, there is a huge amount of both satisfaction and relief.

ACT RESPONSIBLY

Brexit Impact

By Jon Dunwell – CEO

Brexit continues to be a huge headache for the nation, as we move past the initial deadline to 31st October 2019, continued uncertainty around the type of deal that will be agreed (if any) creates potential risk that needs to be carefully managed. So how have Morris & Spottiswood approached this?

Our Brexit Risk Committee, led by myself, meets monthly to review our Brexit Risk Register and address the impact of the ever-changing Brexit



environment. We have ongoing and developing strategies to prepare for several potential Brexit negotiation outcomes. As more information is known on any potential deal, our strategies are adapted and refined to ensure that we are in the best position possible for ourselves and our clients.

Following a PESTLE Analysis to identify our key areas of risk, we identified three key areas of focus to actively monitor and manage – Delay of Materials to Site, Material and Labour Costs and Labour Shortage.

Approximately two thirds of UK construction materials used are imported from the EU. Therefore, the tracking of material lead times is being continuously monitored to predict and act on any material shortage. There is ongoing communication and collaboration with our suppliers and supply chain to ensure that where there is potential risk, we have alternative options in place.

The availability of labour constitutes one of the largest issues for the UK Construction Industry. Morris & Spottiswood have assessed all their existing workforce and have low reliance on workers who would be affected by Brexit in terms of being non-UK nationals (currently <5%). We also continue to regularly liaise with our supply chain partners as skilled and unskilled operatives are going to be increasingly affected across all trades. As part of our risk mitigation, we continue to invest in apprentices and our 'Training Academy'.

We're keen to hear if Brexit is starting to impact on your business – have you concerns about materials, delays on site or the stability of your labour force? Let us know by contacting info@morrisandspottiswood.co.uk, we'd love to hear about any issues or concerns facing your business.

Raising Awareness of Health & Safety Best Practice



Our HSQE team ran a very successful workshop to raise awareness of Health & Safety Best Practice across our key supply chain partners in Warrington. The day comprised of presentations and interactive workshops from our very own team and external representatives covering key themes and topics ranging from mental health to dust control. These workshops are set to continue across our national network ensuring that health and safety remains to be of the highest standard.

Going for Gold



We are extremely proud of our Leeds and Warrington offices, who were presented with their Gold Award in the internationally-renowned RoSPA Health and Safety Awards. They join our Scottish offices in achieving a Gold Award in the longest-running industry awards scheme in the UK. This is in recognition of our commitment to raising Health and Safety standards, and rings true to our values of Aim High, Act Responsibly and Value People.

Design Exhibition Scotland (DES)

We are passionate about supporting our local supply chain, together with promoting activity which benefits the environment, people and communities in which we work. We are proud to support this initiative which showcases the work of over 20 local designers and artists working in a range of materials and processes to create tables, chairs, lights and flooring. Engaging with pertinent issues surrounding function, materials, sourcing and sustainability, DES's aim is to invite debate and champion contemporary design excellence and exploration in Scotland.

To find out more please visit: https://www.designexhibitionscotland.co.uk/

VALUE PEOPLE

Putting People Back into Employment

We partnered up with the UK Asbestos Training Association (UKATA) and the Department for Work and Pensions (DWP) to deliver a series of free training courses equipping unemployed people with asbestos awareness skills.

The free training was delivered as part of the UK-wide "Train Safe, Work Safe, Keep Safe Campaign" led by the UKATA in partnership with Jobcentre Plus, which is part of the DWP.

Morris & Spottiswood is one of several UKATA member companies pledging thousands of free training hours to people who are Not in Education, Employment or Training (NEETS) or looking for a career change.

DWP Employability Suite Employer and Partnership Advisor said: "Working with Morris and Spottiswood on the UK Asbestos Awareness Training in partnership with DWP was a real honour and has resulted in 15 candidates going directly into full time employment."

The 'Train Safe, Work Safe, Keep Safe Campaign' has formed part of our wider corporate social responsibility programme and efforts to give back to the communities in which we work.

Bucking the Trend



We are proud to be bucking national trends with a growing female workforce.

Our female staff members make up 17% of our overall staff which is above the national average of 13%

There is a common misconception that the construction sector is limited to just male builders with hard hats and high-vis jackets. The reality is it's no different to many other industries in requiring a huge range of people with varied skills.

Our women work in a variety of roles within Administration, Quantity Surveying, Estimating, Human Resources, Finance, IT, HSQE, Procurement, Business Development, Marketing and Proposals. We also have female recruits on our Trading and Operational Boards, as well as in apprentice, trainee and graduate positions.

Our Strategic Development Director Viv Sutherland said:

Training Academy



We are heavily committed to training and currently have 50 of our staff upskilling by studying for various qualifications. Our Training Academy is in place because we believe in helping our people to develop to the best of their ability.

"One of the key challenges is the lack of awareness of these opportunities. Construction desperately needs women. Businesses are naturally improved when there is a healthy balance of men and women offering different opinions, approaches, styles of management and communication processes."

Mental Health Matters



Did you know that 1 in 4 people will experience a mental health problem this year? We want to improve awareness and outline where we (and others) can offer support.

This year we have partnered with the charity Mates in Mind which promotes positive mental wellbeing across the UK construction industry and seeks to challenge the stigma of mental health.

During Mental Health Awareness Week 2019, over 130 of our staff attended mental health awareness sessions and mental health first-aid training across the business. Following this, we are proud to announce that 1 in 7 of our employees are now fully qualified Mental Health First Aiders.

It is important that everyone is aware that they are not alone, and that the business is here to support them.

Celebrating our People



Ross Walsh, one of our site managers, was amongst the 8 finalists in this year's Trades House of Glasgow Modern Apprentice Awards. He picked up his award for Community Engagement whilst also receiving the Scottish Building Contractors Association Fund Award for Best Candidate in the Construction Industry. Here's him collecting his awards at this year's ceremony.

Another of our site managers, Greig
Gilmour, has been commended by a top
financial client for going above and
beyond in his efforts and for being a true
ambassador on their behalf. This included
spending extensive time away from his
family on numerous occasions and
reinvesting his time back into the local
community where he was working.

As a business, we truly value our people and this is testament to that.

View our new corporate video here: https://www.youtube.com/watch?v=1opbkV27fJY

We'd love to hear from you about how we can help with current and future projects. We'd also love to hear your thoughts and comments on the content within our new look Building Vision update.

Please get in touch at: info@morrisandspottiswood.co.uk

unsubscribe from this list.