

Introduction



Welcome to our second joint research report between the Disruptive Innovators Network and Campbell Tickell, exploring how operating models are evolving as we move into a new phase of the Covid-19 pandemic.

This research explores the experience of the past two years in highlighting organisations' ability to: reassess core purpose and priorities; evolve flexible service models that respond to the emerging 'hybrid' world of service provision; and measure true value as delivered against purpose.

The all-hands-on-deck response necessitated by the pandemic – which no one's corporate risk analysis foresaw – has shown businesses that they can still operate with a high level of effectiveness, even when faced with unexpected and extreme external challenges.

Alistair Sharpe-Neal Senior consultant, Campbell Tickell

Campbell Tickell Innovation catalyst

What really matters can still get done, even when the usual rules, structures and ways of working do not apply. Unscripted initiative-taking and self-reliance are what ultimately got us through. This realisation is now acting as a powerful catalyst for driving innovation and new thinking, increasing efficiency and effectiveness, and ultimately building lasting resilience.



In this report, senior leaders within the housing, notfor-profit and commercial sectors offer their insights into the thinking that is driving emerging operating models. They ask fundamental questions of what we do and how we operate, and for who's benefit do organisations ultimately exist.

lan Wright CEO, Disruptive Innovators Network

The key questions

- 1. How can housing organisations reconnect and rebuild relationships with customers?
- 2. How can local presence and community connection be achieved within a hybridworking environment?
- 3. How can change be accelerated and innovation facilitated without a moralesapping centralised transformation programme?
- 4. How do we build business models around data and insight rather than process and technology?
- 5. What are the most appropriate measures of success moving forward?

This report lays out the context and seeks to answer these and other questions.

While presented as a series of chapters, each perspective in the report covers an aspect of an emerging operating model. This covers everything from redefining the customer offer, to organisational and operational refocusing, as well as embedding digital process transformation, scaling while maintaining a strong local identity and presence, at the same time as considering wider outcomes and sustainability.

We believe the central question housing leaders should be asking now is: How can we build flexibility and resilience into our operating models in a way that directly benefits the service relationship with our customers?

Ways forward

A subtle shift in the lexicon of operating model development is emerging, as leaders reflect on the true purpose, shared values and inherent strengths of their organisations.

Emphasis is being placed on continuous evolution and building solutions around people. Organisations are investing to improve, by designing in flexibility to services and operations, optimisation, and scalability, while recognising the wider benefits that can be achieved through collaboration, facilitation and empowerment.

As businesses seek to reaffirm their purpose and to reset priorities, our aim is for this report to help stimulate discussion at a fundamental level. We hope it helps engender long-term relationships with customers and in defining flexible and sustainable operating models that deliver true value beyond traditional measures of success.

While no two businesses share current target operating models, it is also true there is no one-size-fits-all approach or shared pathway. Housing providers can learn from the approaches adopted by others within and from outside the sector, adapting them to meet their own needs and circumstances. However, what is shared by all is the goal to provide solutions that meet the fundamental human need of a secure, safe and affordable living space.

OPEN

We interviewed a number of leaders and specialists as part of this research. Their quotes are intended to illustrate various points, but should not necessarily be taken as representing the views of Disruptive Innovators Network or Campbell Tickell.





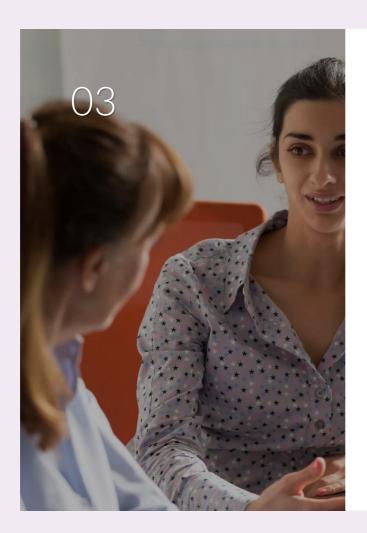








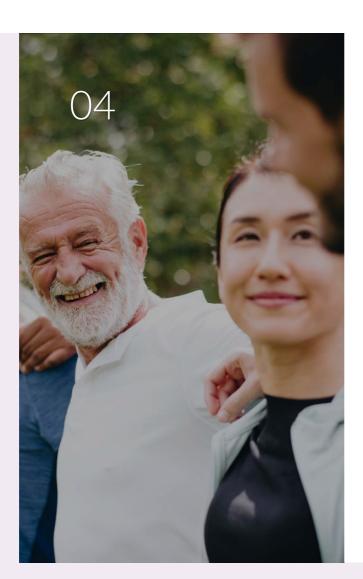






Yvonne Castle, CEO, Johnnie Johnson Housing

Workspace or workplace?





Kate Wareing, CEO, Soha Housing

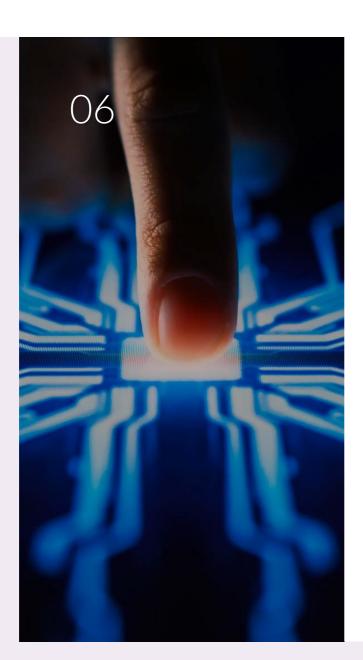
How housing can learn from the international development sector





Ben Denton, Managing Director, L&G Affordable Homes

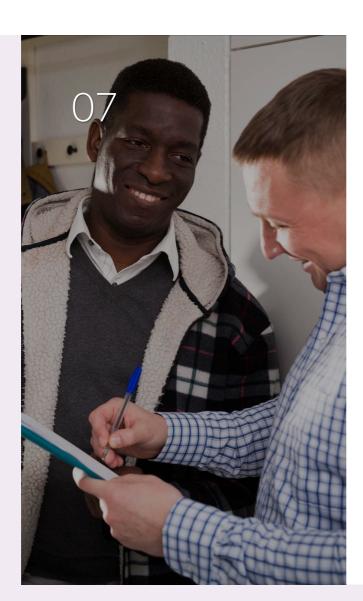
What commercial new entrants can teach the housing sector





Jonathan
Gregory,
Interim CEO of
Industrial
Dwellings
Society; Senior
Associate
Consultant,
Campbell
Tickell; and
Director at JG
Associates

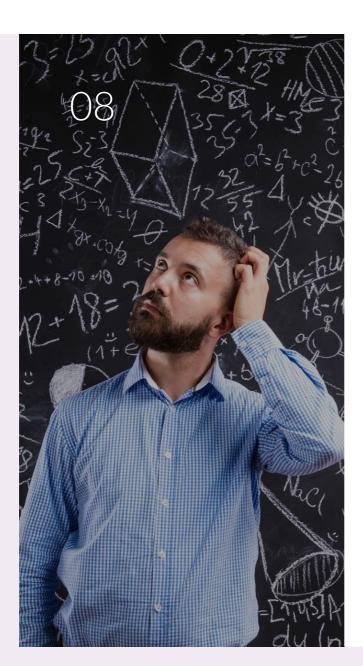
The disruption of digital





Colette McKune, Group CEO, ForViva

Genuine change comes at a short-term cost





Andy Skarzynski, Executive Director of Strategy, Business Intelligence & HR, Abri Group

Creating a new organisation during a pandemic

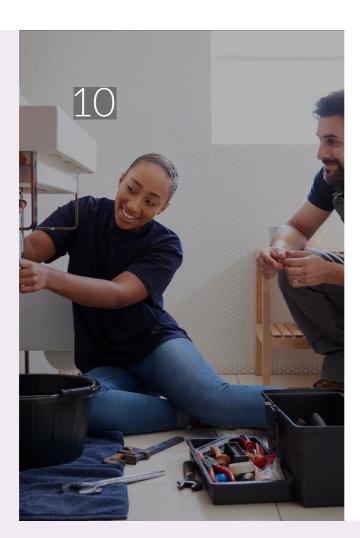




Cem Savas, Founder and CEO, Plentific

Making the most of a global talent pool



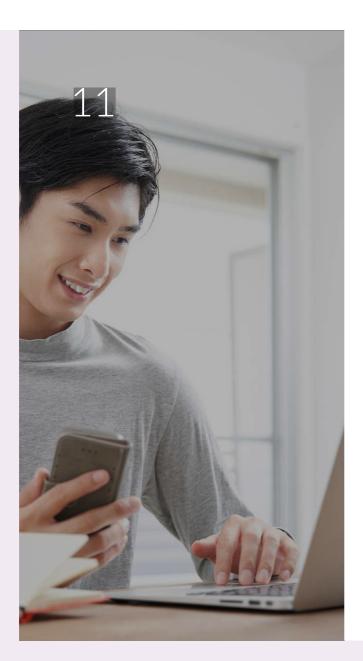




Barbara Brownlee, CEO, Soho Housing Association

Reshaping the client/contractor model

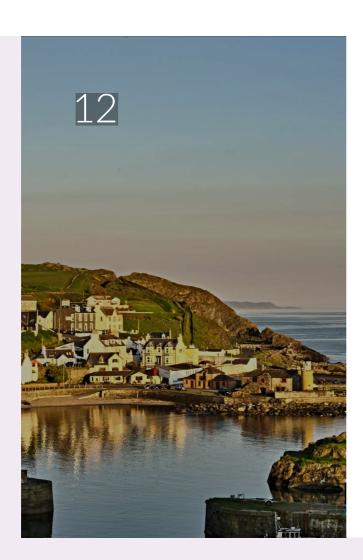






Graham Hodgkin, Head of Communications in EMEA, Sumitomo Mitsui Banking Corporation

Changing the culture at a 400year-old business





Lorraine Usher, CEO, Loreburn Housing Association

Hub, home and roam





Bill Fullen, CEO, Believe Housing

Embedding transformation





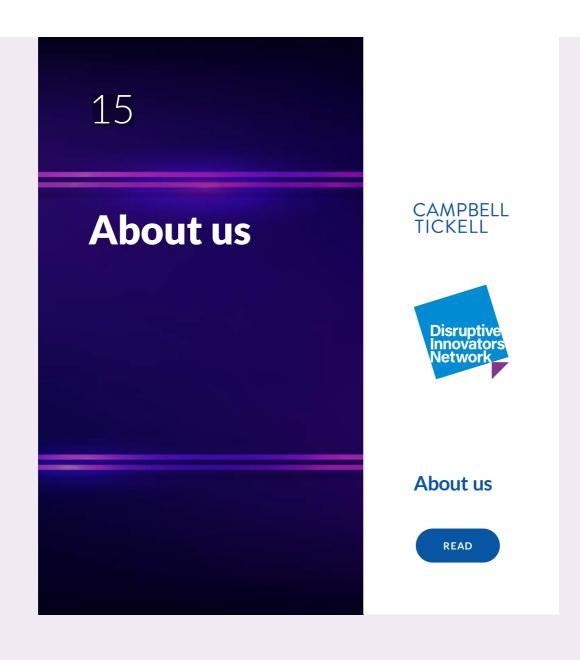


Alistair Sharpe-Neale, Senior Consultant, Campbell Tickell



lan Wright, CEO, Disruptive Innovators Network

Top 10 key learnings







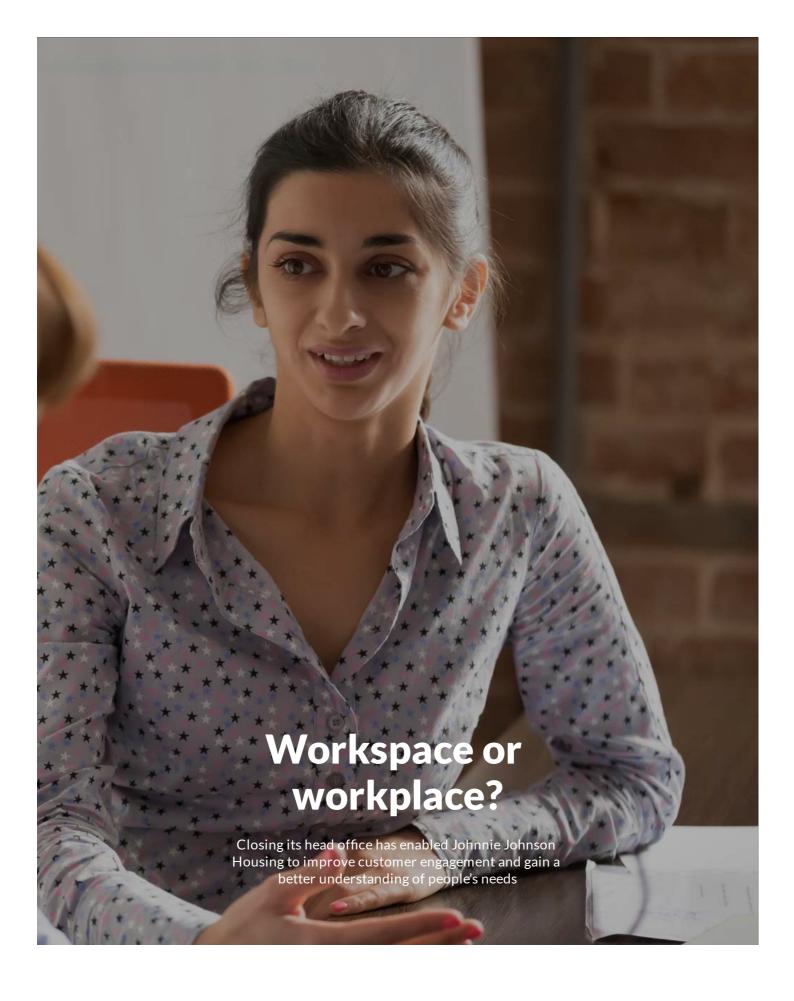












Few, if any, organisations were not severely disrupted by Covid-19 and the ensuing lockdowns. Many businesses changed the ways they worked – and the locations from which they did that work – virtually overnight.

But while some may have seen the 'work from home' mandate as a temporary inconvenience, others have used it as a starting point to entirely reimagine how they can deliver their services.

Traditional offices replaced

Johnnie Johnson Housing is part way through putting in place its 'Customer First' programme, which chief executive Yvonne Castle says "will change the operating model for service delivery". Although a number of the things that 'Customer First' entails were already being planned pre-Covid, it was the pandemic that has proved a catalyst for some of the biggest changes.

When the first lockdown was announced, back in March 2020, Johnnie Johnson had just approved its new corporate plan. Two days later, the association closed its head office, Astra House in Stockport, and began work to revise its strategy to fit the new environment that both staff and tenants found themselves in.

Over the course of a few months, Johnnie Johnson decided to:

- Make the **closure of Astra House permanent** and drew up plans to turn it into 40 extra care apartments for its residents
- Launch its 'My Futures Group', comprising people from across the business to co-design how the organisation would look in the future
- Use feedback from staff surveys to open an Innovation Hub a new space where colleagues could get together to meet and collaborate

Workspace at housing schemes

Today, Castle and her colleagues work either from home, at the Innovation Hub, or from small offices embedded in Johnnie Johnson housing schemes, so they are closer to their residents.

"The longer-term plan is that when we build new schemes – should the land and cost etc. allow – we'll be building in professional working space," she says. "In the shorter term, when we remodel and invest in existing schemes, we'll be doing the same. These will be places where colleagues can dive in and out and get closer to the customer."

But while, for some organisations, the closure of the traditional office has been driven by resource management or cost cutting, for Johnson it's about allowing staff to better understand the needs of the people they serve.

"It's aligning everything with the customer in mind, and [thinking] what can make their experience with Johnnie Johnson better," says Castle. "So that's about cost, it's [about] engagement, but then also the main driver is making sure we're providing what they want us to provide, as opposed to us providing what we think we should be providing.

"The concept is about getting closer to customers so we understand our customers' needs, so that they can meet us, and we have much better engagement and understanding of what customers want from us. We also talked about how one of our priorities is to be a listening business, so it helps us with that vision too."



"The concept is about getting closer to customers so we understand our customers' needs, so that they can meet us, and we have much better engagement and understanding of what customers want from us."



24-hour service

Now, staff at Johnnie Johnson can choose when and where they work, with hours managed on a week-by-week basis within each team and governed by a set of 'Guiding Principles', which include putting the needs of the business, customers and colleagues first. One of the aims behind this approach is to become a 24 hour-aday service to residents – something which is only possible through truly embracing both flexibility and the potential of digital technology.

And that adoption of digital technology, while a challenge, also confronted a lazy assumption about catering for older residents. Castle and her team made sure that digital tools, such as Microsoft Teams, were made available to all residents and encouraged their use – particularly during the first lockdown. The result has been more, rather than less, engagement.

"On the digital side, we've got some people that love it and some people that don't like it and would have preferred face-to-face. So it's quite a mix, but what I would say is we're getting more people online than we've ever done before. We were getting new people that didn't want to come to the face-to-face gettogethers, but they're happy to spend time with us online."



FIND OUT MORE: Read Johnnie Johnson's 'What if the future of resident involvement is now?'



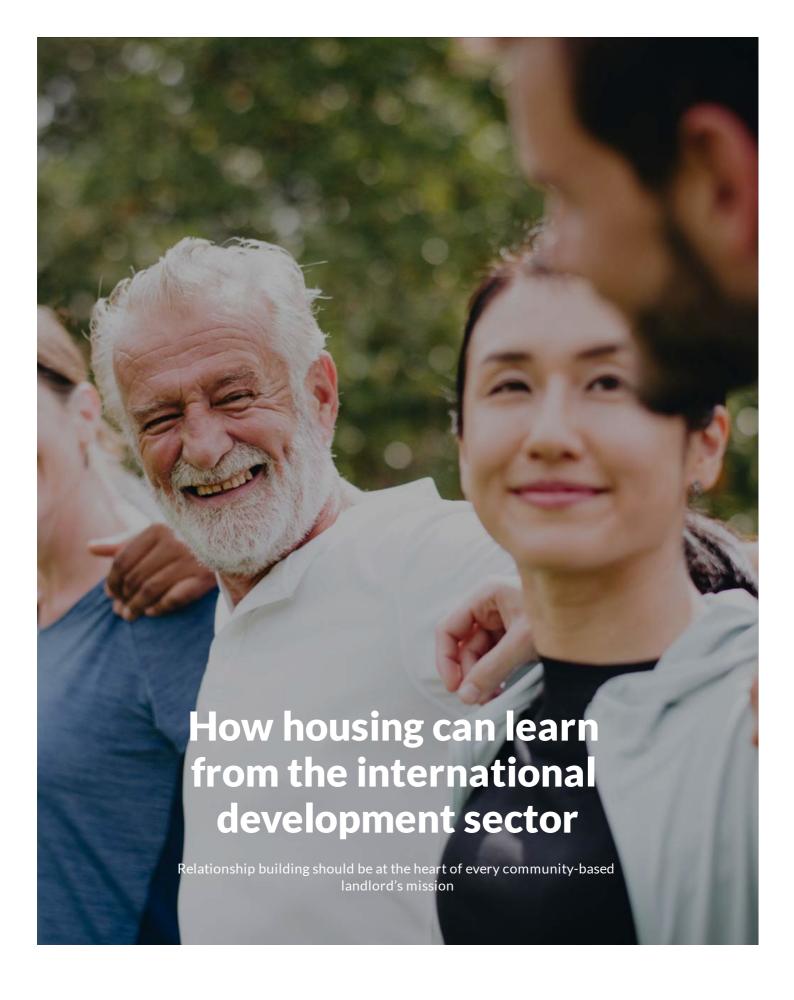












Kate Wareing, chief executive of Oxfordshire's Soha Housing, has a background in international development, which informs how she thinks about the role of a housing provider.

"I think there's an awful lot of parallels actually between some of the ways in which we need to think about what our mission is," she says. In particular, she adds, both of them should have what she calls "building resilience" in communities as their primary aim – something which she believes is rooted in relationships.

"I think we have a great opportunity as an association generating significant surpluses, to really think holistically about what it takes for communities to thrive and residents within them to lead full lives," says Wareing.

Building resilience

She thinks too many housing providers have often focused on too narrow a set of outcomes when trying to help their residents, such as helping them into employment or helping them better manage their finances. This, she explains, is only a part of the job.

"An awful lot of residents of social housing lead very precarious lives," says Wareing. "And as associations, we tend to focus on income maximisation, potentially a bit of help back into employment, or giving someone an asset – a home.

"But if you think about things in terms of what keeps people okay when they hit a crisis – and everyone hits a crisis in their lives – some of it is savings and money, some of it is assets, whether that be a house or car... but an awful lot of it is relationships. And we saw that in the pandemic: everybody intrinsically knows that the way you hold your job down is if you've got friends you can call on to pick your kids up from school the day they get sent home sick rather than having to leave yourself; it's who you can rely on, who will bail you out when you know the benefit cheque is delayed. As a community-based landlord, the idea that part of our job is to build the relationships that help people stay safe, that's something I'm very committed to."





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Community mutual model

Soha is well placed to do some of this work, being one of only a handful of community mutual associations in the country, meaning it is owned by residents and staff, with both groups having significant representation on the board.

One aspect of this structure is that – alongside more traditional KPIs around resident satisfaction and repairs undertaken – one of the ways that Soha tracks its performance is to measure the number of evictions it carries out.

According to figures from the Regulator of Social Housing, during the pandemic year of 2020/21 – when evictions were banned in most cases – there were none, while in the previous year there were 12. This compares to 798 evictions reported by English housing providers with more than 1,000 units in 2020/21, and 10,311 evictions by those providers in 2019/21.

"Eviction is something we see as a failure," says Wareing. "Our job is not to evict people; our job is to stop that eviction being required.

12 → Evictions in 2019/20 Evictions in 2020/21 ← 0

Empowering residents

Soha also tracks things that Wareing reluctantly describes as "the softer side of the service offer", based around "advocacy", or empowering residents to take action in their communities.

"We've got an area in the corporate plan about advocacy, which is potentially quite unusual. [This includes] both things that as an organisation we want to advocate on, but also enabling communities to take action on things that matter to them," she explains. "And what we are measuring is whether the communities have taken actions that matter to them. We don't know what those are going to be because it's not for us to say what needs to change, but we need to be able to check that that is delivering something positive."

Wareing knows that some of the things Soha wants to achieve in terms of community action will remain unquantifiable and may not fit into the value for money framework that so many organisations – including housing providers – have been wedded to for so long. This might require a change in priorities for some, but it's one that she believes is necessary if housing providers want to fulfil their true purpose.

"We don't have to prove how many pounds have been saved for everything that we do because actually it's about improvement in people's quality of life," she concludes.



FIND OUT MORE: Read Soha's Corporate Plan



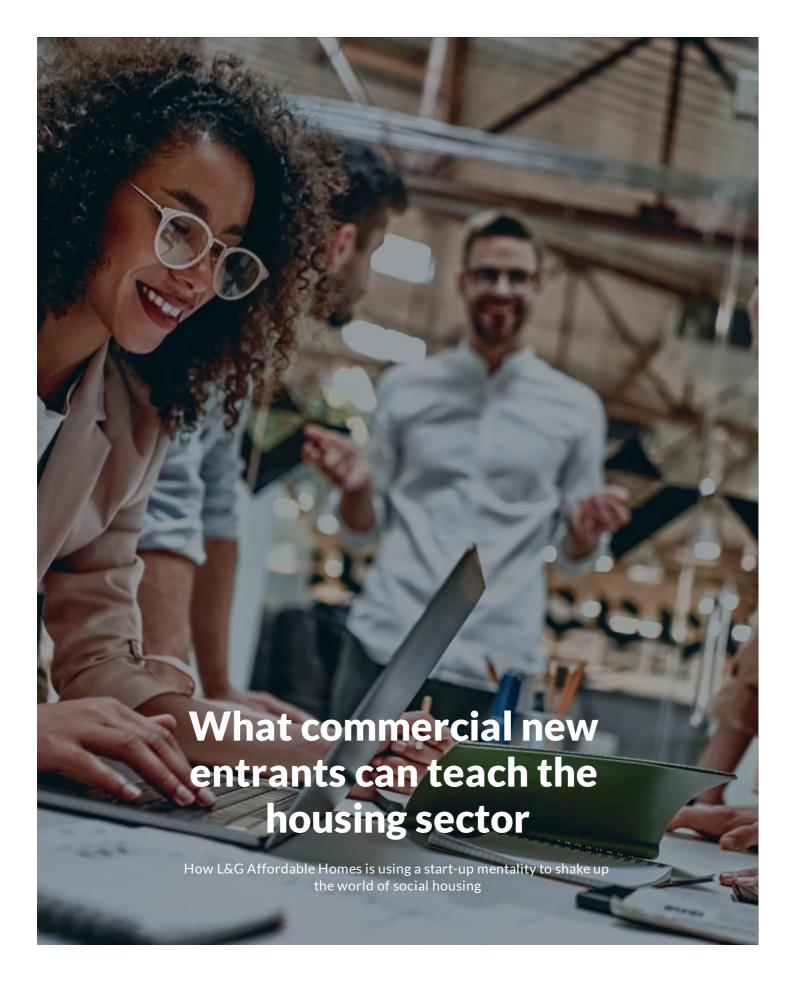












One of the advantages of being new to a sector is that the new entrant is not burdened by the weight of old operating systems and outdated ways of working. That is what Ben Denton, managing director at L&G Affordable Homes, has found since the for-profit registered provider made waves by entering the world of social housing in 2018.

L&G's ambitions in the sector are significant, with plans to build 3,000 homes a year and for all the homes it develops to be net zero-carbon by 2030. And although it won't manage all of those homes itself, that level of building will quickly make L&G one of the biggest social housing landlords in the country. Denton says that being a new entrant has allowed L&G to be more nimble in terms of its operating model.

Nimble model

"Because we were a start-up, we didn't have lots of the legacy that existing players in the sector had, so it was so much easier to innovate," he says. "And so we used that position to make sure we could innovate as quickly as possible in the sector, and to evolve our business as quickly as possible."

In terms of detail, L&G believes its operating model will be significantly more efficient than the housing providers with which it is competing. "Our analysis is that in the sector, 25% of all costs are back-office costs," explains Denton. "You could argue [that is] a bit of waste. So if we can design out that waste, it will either add capacity to the sector, or it'll allow people to be deployed from back-office into the frontline, supporting their customers."

Denton says this is particularly important when it comes to the organisation's decarbonisation targets. "How can we accelerate what we're doing to get to net zero-carbon as quickly as possible?" he asks. "Because we're starting off from scratch and we have no legacy, it's much easier and quicker to design high-performing environmental housing solutions and ways to live in those homes than if we were a big business with 50,000 [existing] customers."

In numbers: L&G Affordable Homes

3,000 number of homes L&G plans to build per year

165 number of employees to run the business

billion in capital to be managed

f1





Ben Denton
Managing
Director,
L&G Affordable
Homes

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Data pool

By building a data pool in a single place – rather than spread out over various housing management, asset management and financing systems – L&G plans to have a more centralised data resource – something which Denton says is crucial in driving efficiency. By having a better, more complete and more central dataset, L&G expects to be able to run its business with just 165 people – a remarkably small headcount for a landlord that expects in time to own up to 6% of all affordable homes in England and manage £1 billion in capital.

While Denton believes that L&G's example could help maximise efficiencies across the social housing sector, it is as a partner to existing players where the new entrant expects to make the greatest impact. The business will use its larger balance sheet and development capacity to work with local landlords to try to fill some of the gap between supply and demand for new housing.



FIND OUT MORE: Visit the L&G Affordable Homes webiste

Support partners

"We're asking what would your plan be if you had no financial limits, or you had no organisational limits? What would you do and where would you go and how would you do things differently? Let's say it's a smaller housing provider that might build 350 homes a year. Actually, they might have enough people and enough aspiration to build 500 homes a year. And there might be a need in this local marketplace for 1,000 homes a year. So if we can increase what we're supporting being delivered, we can help narrow the gap between what's needed and what's currently supplied."

The future model then, for L&G, might be for the for-profit commercial developer to partner with a smaller local association that knows the needs of its particular community.

"It's not appropriate to go out there and empower [them] with what we think the solution is," says Denton. "Because the solution for a local area is really understood very well by a local player. There's lots of amazing organisations out there and great ideas. We are just a platform to help take those ideas and aspirations and deploy them in practice, understand how they work and then see how we can then scale them up. We're constantly saying how can we crowd in good ideas and scale them up?"



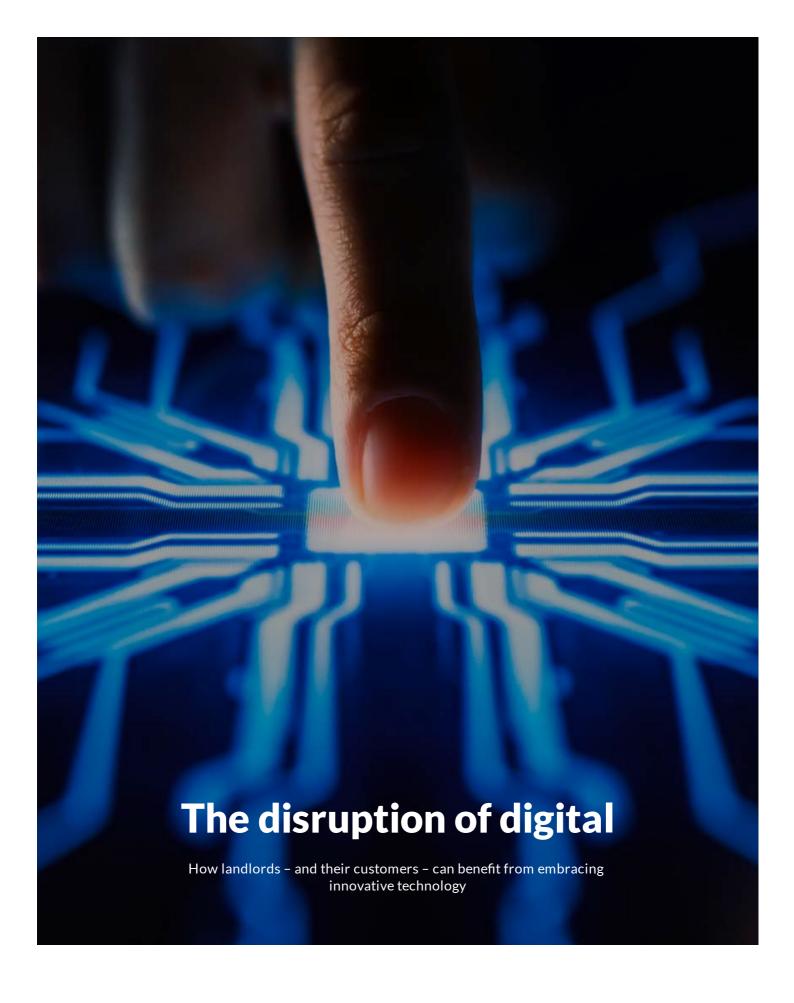












The pandemic has accelerated the adoption of new technology at a rate that would have been hard to imagine before 2020. The social housing sector has traditionally been slow to accept and integrate innovative technology platforms, but over the past two years a small cohort of early adopters has begun to make use of some of these to transform how they deliver services.

Plentific and Viewber are exciting examples of disruptive technology. On the property management front, some social landlords have partnered with Software as a Service (SaaS) or cloud-based platform Plentific to help them order and track repair jobs. A growing number of organisations have signed up to viewings and inspections platform Viewber and Jonathan Gregory, a director at JG Associates and a senior associate consultant with Campbell Tickell, believes that such technology could be transformative.

A room with a Viewber

Viewber matches landlords and estate agents with thousands of on-demand, local 'viewbers', who can carry out viewings and inspections of properties on their clients' behalf, allowing them to operate more quickly and efficiently across wider geographies.

The social landlords using Viewber tend to use it for sales viewings, property and vulnerability checks – especially in areas of dispersed stock. But Gregory, who has been working with the company to provide bespoke solutions to the social housing sector, says the potential scope of such platforms is something that landlords should start engaging with, using their influence to develop tailor-made services.

"One of the biggest challenges in the sector that needs massively disrupting, is the whole way in which we inspect and survey problems with our properties," he explains. "Given that these are our number one asset, you'd think we'd have that sewn up. But we haven't and it's really to our shame that we haven't taken it seriously enough."



Jonathan Gregory
Interim CEO of
Industrial
Dwellings Society;
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Inspection quality

Gregory says that new post-Grenfell building safety regulations, which are expected to come into law in 2022, will force social landlords to up their game when it comes to the quality of inspections. And this is where new technological solutions could help out.

"You could get [someone] to go out and look at the repair [needs] of a property," he continues. "Now, they won't necessarily be a qualified surveyor, but they can film it, photograph it, do a video walkthrough of it, send that back to our office, and then a qualified surveyor can look at it – and potentially those images will be good enough to diagnose a problem and enable a decision, or identify that specific property for a fuller inspection."

To take full advantage of new platforms – such as Viewber, Plentific and others – Gregory insists that the sector's leaders need to be more proactive about embracing new ways of working. "Firstly, organisations have to look at who they are recruiting into senior roles, so they've got people who are positive about disrupting existing practices, when appropriate, or at least are keen to explore new approaches."

Embrace disruptive ideas

And from more forward-thinking leaders, a different attitude to change in general in the sector could – and should – emerge.

Gregory thinks this is crucial if transformation programmes among social landlords are to have any impact.

He doesn't pull any punches, saying: "If there's one thing we need to transform in housing more than anything else, it is our approach to transformation, because too many people haven't got a clue how to approach it."

"Everyone's got a 'transformation programme'. In most cases, these programmes are not fit for purpose. Too often, it's little more than rebadging the day-to-day work, but with more meetings, more scrutiny, more reports, more toing and froing. And the worst of it is, poor performers remain so, while the good people get overworked even more and become ineffective because they can't keep up with the workload that's dumped on them."



FIND OUT MORE: How Viewber is doing things differently



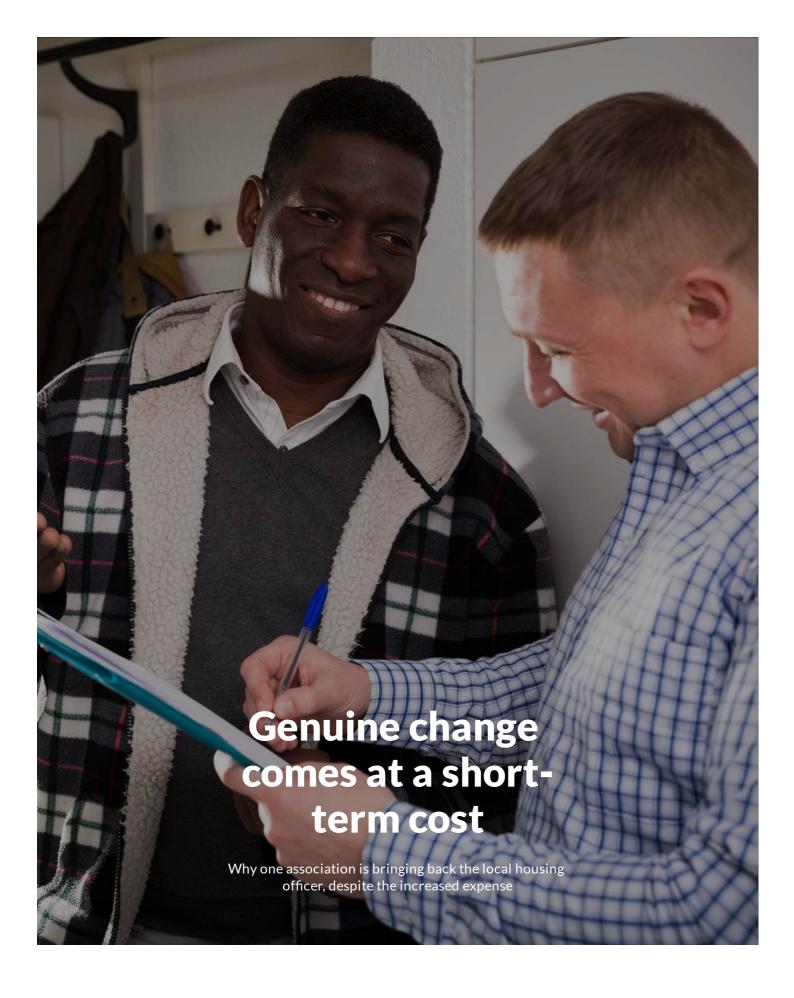












ForHousing (part of ForViva group) is another housing provider that used the Covid-19 pandemic as a chance to reimagine how it organises itself to better fit with the needs of its customers. The north-west of England landlord is about to commence the 'proof of concept' phase for a new operating model, born from its pandemic experience.

Chief executive Colette McKune explains that Covid-19 exposed the increased levels of vulnerability in the communities where ForHousing works. The solution? To reorganise the entire business, replacing a more hierarchical structure with one that centres on locally focused teams of multi-skilled colleagues, who can deal with a wider range of tenant issues. "Less back-office and more front-office," is how McKune describes the proposed set-up, which she says is something of a throwback.

Back to the future

"It's almost to some extent going back to the 70s and 80s, where everybody knew their local housing officer or their local neighbourhood officer, and they went to that neighbourhood officer, and that neighbourhood officer would be able to sort out whatever their issue was instead of being passed from pillar to post."

One of the reasons this model has fallen out of fashion is that it costs more. McKune is clear that is also the case with the proposals that are on the table at ForHousing, but she's equally clear that it will prove worth the investment in the long run.

"It will be more expensive and this is going to be the challenge for us as leaders in the organisation and also a challenge for the board to recognise that actually this is going to cost more in the short term. But actually there'll be a medium-term and long-term gain because we'll be much more proactive around the homes that people live in, and much more supportive of the people who live in those homes.

"We'll undoubtedly need more staff and we'll need to train staff up, [but] we're not just looking at the financial cost: what are the benefits to tenants, the benefits to staff, but also the benefits to the organisation as a whole?"



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Empowering staff and tenants

McKune says the driver is empowerment, of both staff and tenants: "That is a fundamental shift. So we're doing it very much as a bottom-up approach. Will it change the structure of the organisation over time? Definitely. Will it cost more? I'd be amazed if it didn't in the short term, but in the medium term, I believe that it will actually save costs."

She is also sanguine about the prospect of a drop in productivity as a result of better long-term performance, particularly when it comes to things like repairs. "You might get less productivity from operatives because they spend more time at a property fixing them first time, which is actually what should happen. KPIs will drop and costs will go up."





Enabling decarbonisation

One of the ways in which both ForHousing and its tenants will benefit in the long run, according to McKune, is that a better understanding of individual residents and how they interact with their homes will leave the association with a better understanding of how to achieve one of its other key aims: the decarbonisation of its stock.

"[Through this approach] you also really get to understand that home and what interventions you need to make in that home with the tenants to enable decarbonisation," she explains.

"Because I very strongly believe that if you just look at decarbonisation from the basis of the asset – the house – we're going to fail. We have to do this as much as we can on an individual basis, because no one property is lived in the same as another property. And each property will need its own set of interventions. So you don't do a plan for an archetype, you do a plan for that particular home."

FIND OUT MORE: Have you taken The Listening Test?



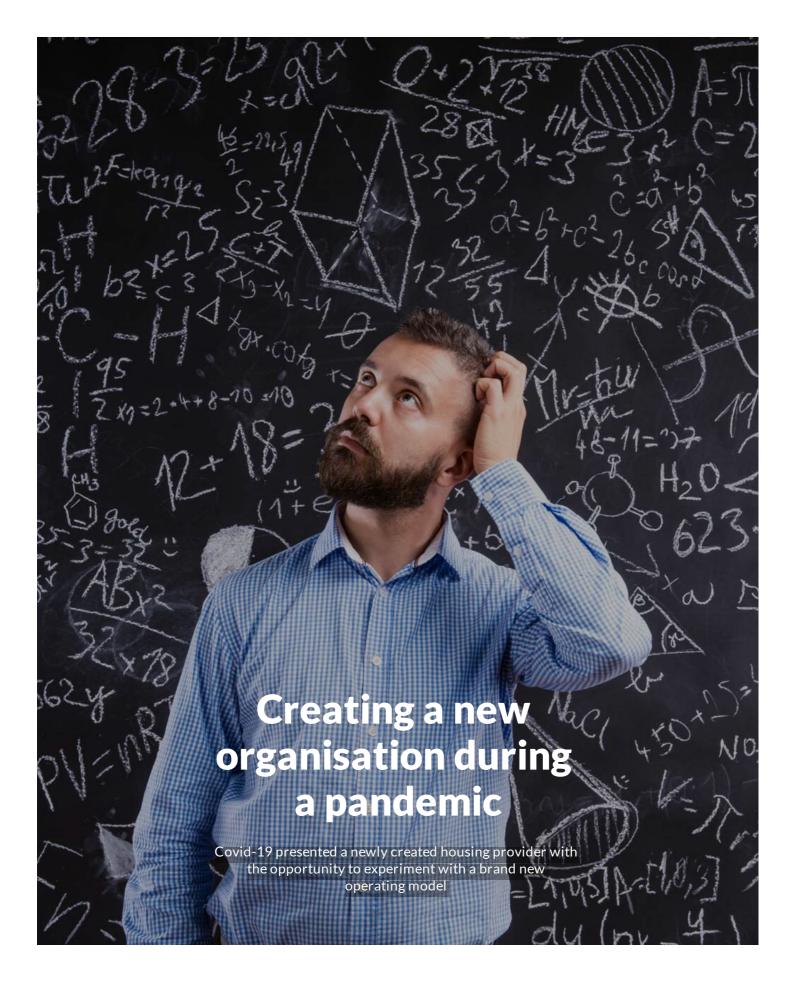












Combining two businesses into one is difficult at the best of times. During a global pandemic, however, it takes real ingenuity.

Abri, a 35,000-home association in the south of England, was created by the combination of Yarlington and Radian. Although the partnership went live in November 2019, before Covid-19 emerged, many of the decisions about how the new organisation would look and function began to unfold during the pandemic.

'Largest social experiment'

"The partnership prompted us to take very seriously the question of what is the optimum operating model for the business now," recalls Abri Group's executive director of strategy, business intelligence and HR, Andy Skarzynski. "But the massive driver in terms of acceleration is Covid, which just opened the lid on two things: [thinking about] what is the best operating model and how does that link to ways of working, but also just [giving] permission to run experiments.

"It feels like Covid has provoked the largest social experiment in terms of work styles that the country's seen for many, many decades. It feels like we've got an opportunity to rethink how people engage with this thing we call work."

So how did Abri make use in this once-in-a-lifetime chance to experiment?

"The things that we knew at the point of inception of the partnership were that we wanted to architect an operating model that essentially drove, yes, all the obvious things: efficiency, and value for money. But we also wanted to build in some scalability," explains Skarzynski.

"The challenge I think that we see in larger operations is sometimes [they can] lose touch with the customer at the local level. So the idea of ensuring the operating model allowed us to be big but also local was always the key."



Andy Skarzynski
Executive Director
of Strategy,
Business
Intelligence & HR,
Abri Group

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Hub and spoke

What Abri is building, is a more 'hub and spoke' model, where there is central support and control, but where the emphasis is very much on the local – or 'spoke' – side. Staff are now encouraged to work out in their communities, in a range of what the organisation calls 'touchdown spaces', which it holds in a directory, as well as from the key central locations, where colleagues can meet and collaborate on projects and build a shared culture.

The other major change at Abri has been the way it has provided services since the start of the pandemic. The 'Optimum Abri' model was developed in part to mitigate some of the financial pressure brought about by Covid.

"One of the things that most housing providers were forced to do during lockdown was turn off services, replan maintenance and other aspects of what we do," explains Skarzynski. "That has some pretty big financial consequences: there'll be very few organisations at our scale and beyond that didn't count the cost of that in the many, many millions of pounds. So, from an operating model point of view, we had to rethink to ensure we could effectively manage that change."





Flexible services

The way Abri managed this challenge – which was one of both financing and resourcing – was to scenario-plan a flexible services model, 'Optimum Abri'. This was about ensuring the business continues to provide safe, decent homes for people but it can also flex spending commitments to ensure this is directed to the areas of greatest need.

This model is about building in flexibility, rather than cutting services. And, as Skarzynski points out, it's about planning for worst-case scenarios and extreme situations, like Covid.

"Thankfully we haven't had to hit the button on some of those more extreme versions of that plan," he says. "But it is our responsibility to make sure that Abri is financially stable and sustainable long into the future. We're just custodians of Abri."

FIND OUT MORE: Visit Abri's website

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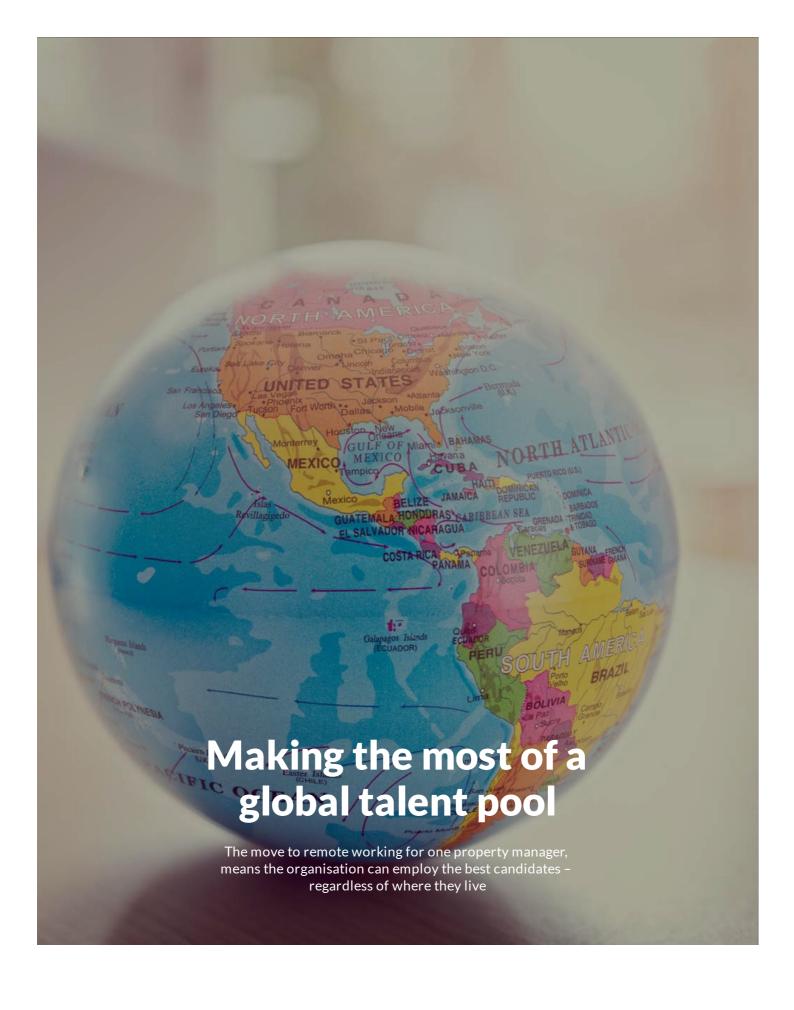












As a digital start-up, Plentific was already well placed to adapt to the new working environment brought about by Covid-19. But instead of battening the hatches and trying to ride out the storm, the online property management platform blossomed over the course of the pandemic, nearly doubling its staff headcount from the 120 it had in March 2020.

Crucially, these new recruits have joined a business that now operates what its founder Cem Savas describes as a 'Remote First' model. For the company, this has enabled it to massively widen the pool of talent from which it can recruit. The 100 new hires the business made in 2020 were all recruited on a 'Remote First' basis. As a tech business, where the competition for talent is intense, this gives it a real competitive advantage.

"Before Covid, we were looking for people close to an office, ideally," says Savas. "Someone who was close was preferred to someone far away, just so they could meet team members and come to an office and learn and so on. The mind shift now, after having 100 hires last year, [is that] I don't even know where people are located anymore. When I see a CV, I don't look where they are – it just doesn't matter as much anymore."

International team

Plentific has two HQs, in London and Istanbul. Before Covid, its engineering team was centred on these two locations. Now, the team has 16 different nationalities based in 10 different countries. "It's a huge change," says Savas.

This change has come with some challenges as well. Onboarding new staff, for example, has become a more complicated and more costly process. There is also the welfare of staff to consider – something which Savas takes very seriously.

"You have to think about the wellbeing of your employees when they're in an office versus being at home the entire time. There's a lot of psychological difference [in terms of] what happens when you're in your home versus when you're in office, when you're not commuting: are you getting out enough? Are you going on your walks? Or are you just thinking about your home as [being] 24/7 work? So, besides the technology, there's also the HR part of this, where you have to consider how do you run a remote-friendly company with the support network that you need so people do feel [that there is] a difference between working and living at home."



Cem Savas
Founder and CEO,
Plentific

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Measuring productivity

One of the other changes is how to assess productivity and output in a world where the lines between home and work have become increasingly blurred.

"This is a really interesting question," answers Savas. "When you look at different teams, you get different answers around productivity. Purely looking at our code base – how many lines of code we write – productivity has gone up massively because [when you] enable people to work more efficiently at home, you spend less time commuting, you spend less time drinking coffees and all that, and engineers have done more productive work that way.

"If you look at other teams, when it comes to resolving creative issues around taking new products to market, some of these have been more challenging, because it does require you to connect at a human level with colleagues. From that perspective, productivity hasn't been as strong. So, productivity, I think, also needs to be measured long term, not just short term."

Supporting younger staff

There are ongoing questions that Savas is tackling around how to measure this longer-term productivity, particularly with a young staff who need to gain experience.

"Longer-term productivity also means looking at whether my junior team is learning enough to progress in their careers and become more productive because they're trained properly. Do more junior staff meet directors and C-level people to look up to them to see the motivation, the drive, the hunger to create more productivity? So I'm not sure how to measure overall productivity properly, but my gut feeling is, it's been very productive with some parts of the business, and less productive with other teams."



FIND OUT MORE: Visit the Plentific website



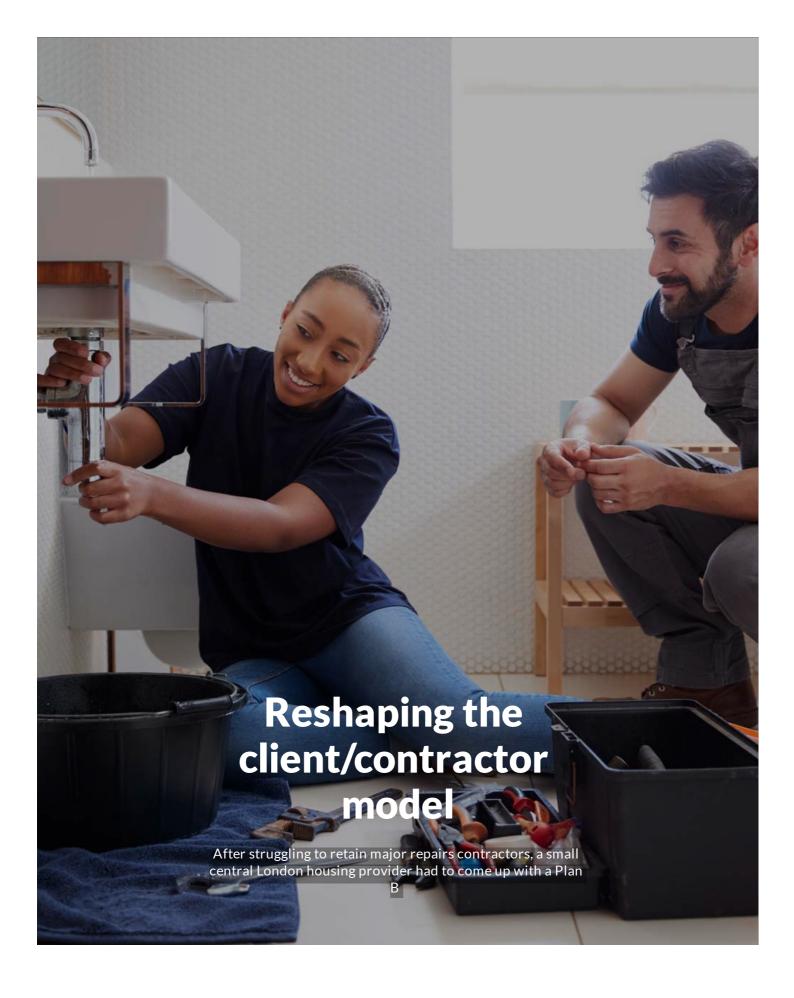












As the materials and skills shortages take hold, organisations operating on tight margins are being forced to innovate if they want to upgrade or maintain their stock.

The problem is particularly acute for Soho Housing Association, which owns around 900 homes in central London. The economics of working on a small number of properties in a location that is harder to access has seen contractors reluctant to take on jobs.

"Four contractors have walked away from us," says Barbara Brownlee, Soho's chief executive. "So we are being forced to look at different models now."

You're hired!

The model that Brownlee and her team are now exploring is one that could help solve several problems, including how to upskill workforces more quickly and how to experiment with ways to retrofit homes for the net zero-carbon agenda. Soho has asked contractors to use their apprentices and trainees, under supervision, to work on its void properties initially, before potentially also using them for reactive maintenance and even capital works.

"For us, it seemed like a no-brainer," says Brownlee. "But I think if you're a contractor, there's a lot to think about, because they all have their apprenticeship scheme set-up, and we're asking them to break out of that and come and do something different with us. But we're saying you can look at sustainable specifications; let's look at piloting different insulation approaches; different ways of saving heat for residents. Let's look at doing something with a void we wouldn't normally do to try to experiment with making more properties sustainable."

The aim of this proposed new model isn't to get repairs and maintenance done on the cheap, but rather to make sure the work is still done to the standard expected from a major contractor, where previously they were being done on an ad hoc basis by individual tradespeople.



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Decarbonisation solutions

"It's not that we want it to be cheap," explains Brownlee.
"Major contractors have walked away from every small organisation in central London [but] I want [the work to be] at a high standard and I want it to be sustainable and ongoing."

For the contractors, the model would allow them to train and upskill their workforce in a real environment and allow them to develop new decarbonisation solutions at the same time, according to Brownlee.

"It gives them a free training environment," she says. "It gives them a mass of things to put their name to during this time when we're all meant to be really developing and looking for sustainable solutions in residents' homes."

And although she accepts that larger housing providers "have more sway" in negotiations over repairs contracts, Brownlee also believes the model could be used more widely than just at small landlords.



FIND OUT MORE: Read Soho's Annual Review for Residents 2020/21

'Do it entirely differently'

"I think if I was a large G15 [association], I'd be interested in [running a] tiny pilot somewhere. If I had an estate where I had really good relationships and a way in to talk to the residents, I would probably use my current contractor but I'd say 'do it entirely differently'. So for these 100 properties, give them one supervisor, a fully skilled, trained-up worker, and eight apprentices and do everything that estate needs. Do it for six months and let's see how it works."



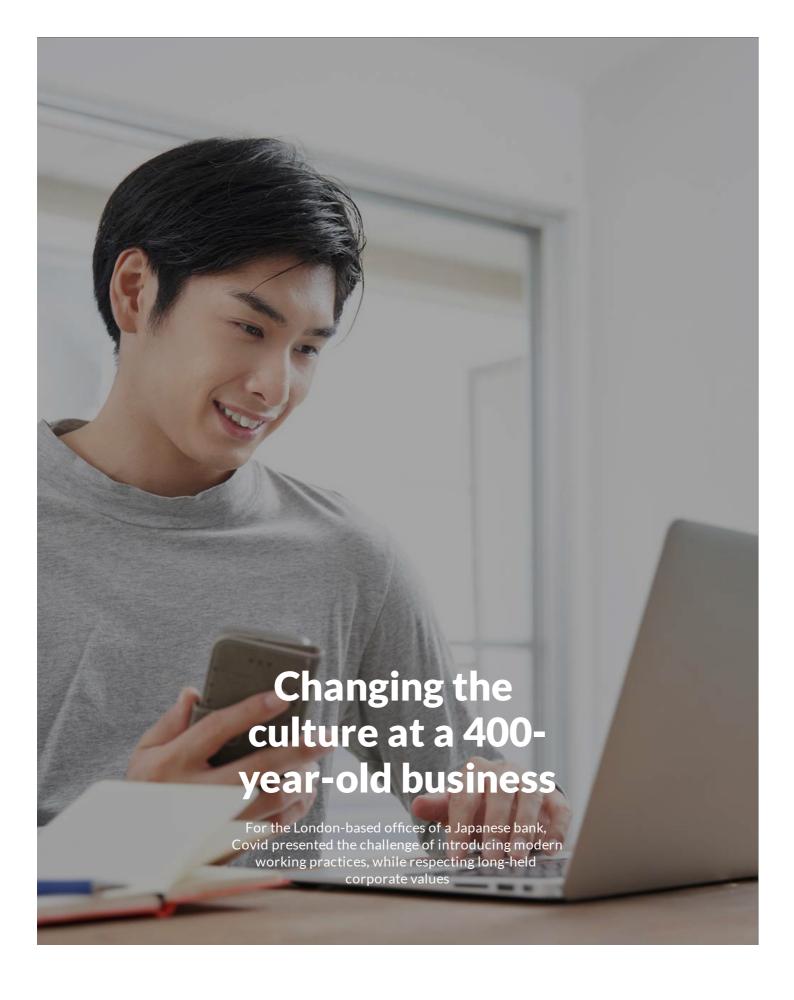












Before the pandemic struck, Japanese bank SMBC (Sumitomo Mitsui Banking Corporation) was already in the process of consolidating three of its existing London offices into one. Although Covid-19 delayed this move, it also provided important context about what the consolidation should embody. And, although the sectors are very different, there are lessons here for UK housing in terms of the importance of culture when engaging in business transformation.

Graham Hodgkin, head of communications in EMEA for SMBC, describes the consolidation of the buildings as "way more than an office move". That's because, for an institution that can trace its roots back more than 400 years, the move has been about trying to simultaneously modernise a traditional business and retain its centuries-old values.

Hodgkin says the delay to the move which Covid brought about allowed the bank "to really think about our business in terms of how we operate [and] what we expect of our people".

Shift from presenteeism

The particular cultural shift that the pandemic brought about was from an emphasis on 'presenteeism' in the office – which is a feature of Japanese working culture – to a more agile approach, while simultaneously retaining the traditions and values of the bank.

"So we were thinking about how do we sweat our real estate assets a bit more in terms of taking some pressure off the bottom line? And how do we think differently about the workforce [and] its relationship with the office – and that's where the Japanese context is really important," continues Hodgkin.

"One element of Japanese corporate culture is centred around presenteeism. It's very much about being visible. The perception is that you have to be seen and if you're not at your desk then ostensibly you're not working and you're not contributing. So we were already thinking about how to break that bit of the heritage."



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Hybrid working

As part of the move, SMBC has adopted a hybrid work model, with employees expected to be in the office two or three days a week, although Hodgkin describes that as "a loose expectation" depending on your function and role. It may seem a small change, given the wider workplace environment, but for an organisation such as SMBC, it marks a major cultural transformation.

"Ultimately what's important here is the conversation that individuals have with colleagues and with their line managers – depending on the task that's in front of them, depending on their personal circumstances, depending on what needs to get done that day," says Hodgkin. "It's really about repositioning the office as a place to come in and collaborate as opposed to a place to come in and just do work; we're trying to redefine work as something you do and not place that you go to do it."



The challenge for the organisation's traditional leadership comes in this redefinition of what work is in the first place. Hodgkin believes that the unprecedented circumstances of the last year has helped ease this transition.

"It's one thing to have frameworks, to have new models, but unless the culture really supports it and allows it, then some of those changes aren't going to go too far," he explains. "And that's where I think Covid has been super-helpful: we've had no choice other than to trust our people to turn up to their home office and continue to do their best work on behalf of their customers. And I think there was some scepticism around that from senior management, particularly because of that legacy and that heritage. But we've had to trust our people to turn up and continue to do that good work, [and] equally people have had to trust senior leadership to make the right decisions and to communicate in the right way."



FIND OUT MORE: Read The Future of People Services - what's next?















The idea of switching from the traditional head office working arrangement to a 'hub, home and roam' model is one which many – if not most – housing providers either looked at or fully embraced during the pandemic.

But at Loreburn Housing Association in Dumfries and Galloway, chief executive Lorraine Usher was already a long way down the decentralised road well before Covid-19 struck. That's because her organisation had realised that the old set-up was no longer fit for purpose for an organisation with Loreburn's geographic spread.

"Dumfries and Galloway is geographically dispersed," explains Usher. "Between our two offices of Dumfries and Stranraer, there's an hour and a half's drive, on a good day. So getting around the region has always been a real challenge and impacted on our ability to do business because you could have quite a significant drive between appointments."

Sustainability of villages

Loreburn began thinking about how to change this dynamic in 2017: "Instead of bringing all of our 100-plus staff out of those rural areas every morning, [we thought] how could we have an operational model that would actually contribute to the sustainability of the villages and the towns where we had housing, but also where our staff lived?"

The plan had been to shut the association's central office at some point in 2021, but Covid accelerated that timetable. Now, employees either work from home, out in the communities where Loreburn's residents live, or from regionalised 'hubs', where desks are rented in shared offices.

It is by no means a unique approach, especially in the post-Covid world, but Usher says it has been transformative. "The organisation that we have now is absolutely poles different from what we had just a few years ago," she says. "If I took you into Loreburn's offices four or five years ago, we would have had a couple of offices set aside for housing files, everyone had their own paper files, we had a computer system that was very limited in terms of the licenses that we had access to. We also really had a challenge to get people out on the patch and doing those transactional services with the customers.



"Instead of bringing all of our 100-plus staff out of those rural areas every morning, [we thought] how could we have an operational model that would actually contribute to the sustainability of the villages and the towns where we had housing, but also where our staff lived?"

IT investment

"That was so difficult to move forward because staff couldn't get access to the data and the information they needed to offer a good service when they were in customers' homes, because we didn't have the IT facilities or equipment."

Loreburn invested heavily in improving its tech at the start of the pandemic, but the greater challenge has been in bringing everyone along on the transformational journey. Initially, the organisation divided all roles into 'fixed', 'flexi' and 'don't know' categories to help identify who was best placed to work in which environment.

"The majority of people at that time said: 'Oh, I have to be fixed, I need to come into the office' and it was really difficult to get them to buy into the vision of how you could do your job just as easily at home," recalls Usher. "That was a real challenge: making people understand, for example, how you could do a finance job and be based at home."

Introducing tools such as Microsoft Teams more universally across the business certainly helped, but an important lesson that Usher has learned is that not everyone will want to change how they work, and that finding the right fit between an organisation and the people who work there is essential if changes such as this are going to succeed.





Change not for everyone

"We've had several people who have either chosen to move on because they said this new working model wasn't going to be for them, and we've had some people who've left the organisation because they weren't going to be the right fit moving forward. So we have had some turnover. But [now] our job adverts are really clear that we are an organisation that delivers services where the customer needs them, and that we are flexible with our places of work.

"Work for us is not about trying to squeeze everyone into nine-to-five office hours in a structured office environment but allowing freedom and flexibility. Our 'Being You' principles allow people to choose their time, place and ways of working and from that we believe we'll attract a more diverse workforce, become more sustainable and deliver improved outcomes."

FIND OUT MORE: Read Loreburn's Annual Report 2020/21

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Plenty of organisations talk about transformation and innovation, but not all of them put their money where their mouth is. At north-east housing provider Believe Housing, a senior team restructure in 2019 has led to the creation of an entire unit dedicated to the art of transformation.

As part of this process, Believe created a new role: director of culture and transformation. That role sits at the head of a small transformation innovation team, which chief executive Bill Fullen describes as having an "internal consultation" function.

Fullen made this move after looking at some of the reasons organisational change was often so hard to bring about. "What I found is we had lots of ideas, but there was no central place for those ideas to be nurtured and experimented with," he says. "And so I wanted to create an internal kind of consultation [unit], where the consultant worked with people to develop our ideas, to investigate whether they were scalable or whether we could simply deliver them by tweaking things at the margins."

Innovation facilitation

Key to this idea is that the team remains small and works in collaboration with other parts of the business, so that innovation isn't siloed. "Their role isn't to do innovation," explains Fullen. "Their role is to help others do it. We've invested in a small team to give them the techniques and tips on how to ask the right questions and to identify innovations. I didn't want to create a big culture and transformation section or directorate because people would then say: 'Well, that's their job', rather than it being a whole organisation approach."

What the innovation unit has done at Believe is allow it to challenge certain assumptions about how things are delivered. This was particularly true as the association grappled with the challenges of continuing to provide services through the lockdowns of 2020.

"I think the key change was more about a mindset," says Fullen. "It was about encouraging people that it was okay to introduce new things and just get on and deliver them, rather than having a beautifully crafted project plan that took two years to develop and then by the time you get to the end, you've lost sight of what you were trying to achieve."



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Proactive approach

One of the changes that Believe initiated during the first lockdown in spring 2020 was to take a more proactive approach to tenancy management. The association made around 18,000 proactive calls to tenants during the year to check in with people and find out if any work was needed on their homes.

Simultaneously, it began to talk tenants through how to do some minor repairs themselves, rather than wait for their landlord to find a contractor. The result? Believe's repairs backlog actually reduced by half through the first year of the pandemic, from around 4,000 to 2,000.

"For me, it's about turning around that dynamic [where] we do everything for customers," says Fullen. "If you give customers the means to do it, then not all tenants would do it, but there will be some who would be able to do it. That means that we're not investing resource into doing those minor repairs, [so] we could direct that resource into doing the more difficult repairs or the repairs for older and vulnerable people who couldn't do it themselves."



No return to 'business as usual'

For Fullen, it's an example of how the response to Covid doesn't need to be about emergency, temporary measures before a return to 'business as usual'. Instead, the pandemic has opened him and his organisation up to new ways of looking at their operating model.

"There's a few things that have gone on in the pandemic that for me are a portal to the new service model. It would be disastrous to simply go back to where we were before the pandemic if we don't learn from some of the benefits that were created through the last 18 months or so."



FIND OUT
MORE:
Watch a Q&A
with Believe's
director of
culture and
transformation
Julie Brayson



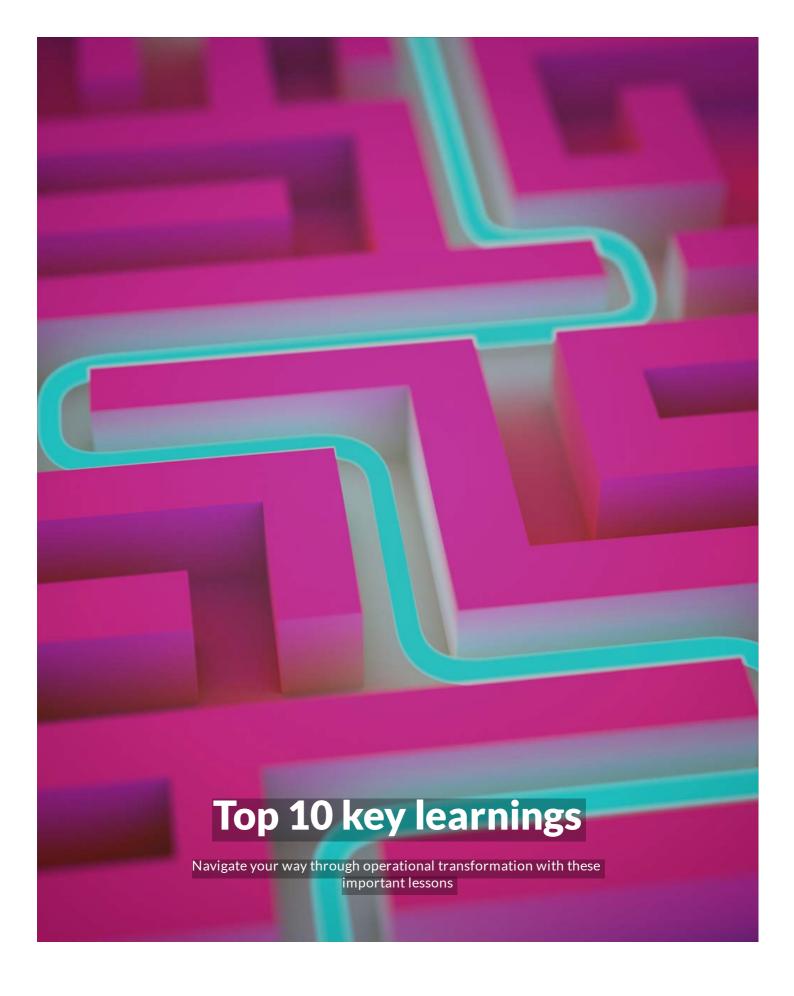
















01

Covid-19 can be a catalyst for lasting change.

The pandemic may have been a Black Swan event, but innovative organisations can use it as a way to bring about longneeded change. It's a chance that should not be wasted.

03

Listen to customer needs and expectations.

The world has changed, and so the needs of your customers are very likely to have changed. A genuine effort to understand what their new needs are will improve the way you do business.

05

Be prepared to invest to sustain.

New operating models that drive genuine change might need investment to bring them about – whether that investment is in people, equipment or training. But a short-term financial hit might be essential to driving far greater efficiency and performance in the long term. There are also dangers inherent in trying to become too lean too quickly, leaving leaders without the mental bandwidth to think about the business beyond its day-to-day operations.

02

If you innovate, do it quickly and be flexible.

Innovation is often stymied by a 'business as usual' attitude, or by a belief that it must be right first time. But innovation should be an iterative process: be prepared to adapt and learn as you go along.

04

Insight and data are vital.

It is near impossible to improve customer service unless you truly know who your customers are. When it comes to services, transformation programmes should be supported by data.

06

Trust your people and take them with you.

Culture is perhaps the most important part of the puzzle when redesigning operating models. If your people have not bought in to the changes you are making, those changes will be ineffective and even counter-productive.

30

07

Be flexible about when or where your staff work.

The decentralised, flexible workplace will change the way you deliver services to your customers and how you recruit, train and retain staff. Flexibility won't be the same for every business, but every business must be open to flexibility

Don't be afraid to recruit disrupters.

Maximising your continuing effectiveness in a rapidly changing environment – where we continue to see changes – calls for new approaches. Make sure that the people you recruit are comfortable with being flexible and are prepared to positively challenge old ways of working.

09

Look for ways to say 'yes'.

Focus on creativity and innovation. Give people space to develop new ideas. Recognise that many or most may not be realistic or achievable in practice, but appreciate that some will be, and can help positively transform the way you deliver services for your customers.

10

Hear the customer voice.

Deploy a range of means to hear what your customers want and involve them in making decisions so far as possible. Make sure you are hearing all their voices (not just the 'usual suspects'). Being straight with your customers about what is achievable and what may not be deliverable will be well received.

To discuss the issues raised in this publication, please contact Alistair Sharpe-Neal or Ian Wright

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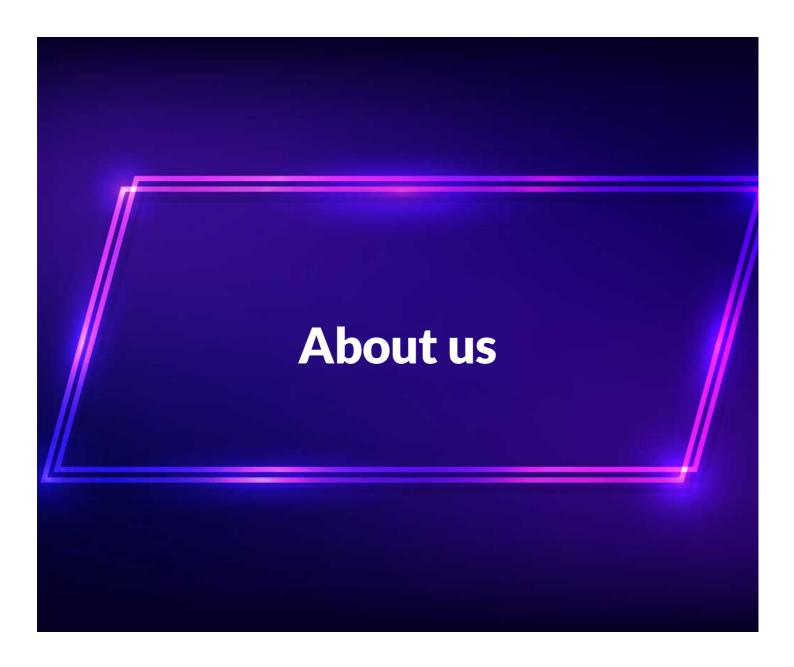












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Established for over 20 years, we have worked with more than 900 organisations throughout the UK, Ireland and beyond, with central and local government, housing associations, care providers, sports and leisure bodies, charities, and commercial organisations such as housebuilders and developers, contractors and legal firms.

Our services extend across: strategy and governance; finance and business planning; risk and assurance; regulation and troubleshooting; mergers and growth; business transformation; housing development and regeneration; organisational development and culture; and human resources and recruitment.

For more information, follow us on LinkedIn or visit our website.



We are the membership community for social housing organisations investing in innovation.

We have a passion for thinking and doing things differently.

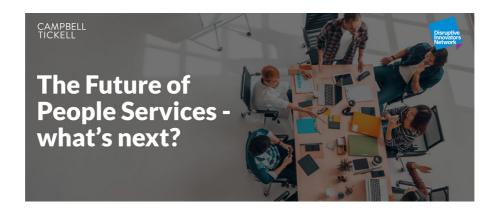
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Click on the image below to read our previous joint report: The Future of People Services - what's next?



ACKNOWLEDGEMENTS

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Special thanks to all the organisations which contributed to this report:



















