

Labour Case Study



Solved consistent
40% labour overspend

Far more accurate labour tender assumptions

Situation:

Overspending on labour

A large JSE-listed contractor was consistently overspending on labour by 40%. Due to the opaqueness of the payroll system, it was impossible to identify the factors driving this number. Previous paper-based labour allocation systems were too time-consuming to be effective.

Solution:

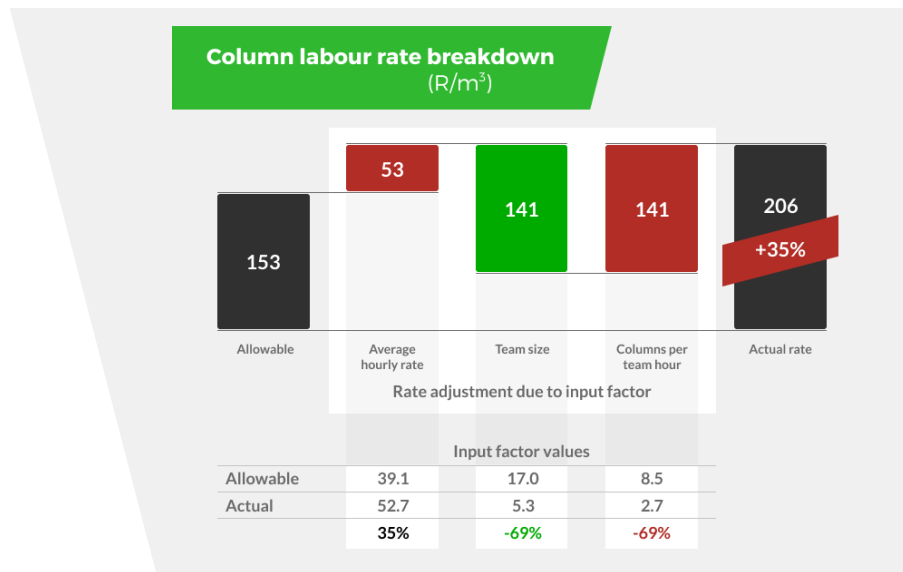
Empower supervisors

We set a target for supervisors to be able to complete employee allocations in under 20 minutes per day (and tracked & beat this by 5 minutes). The results of these allocations are reported regularly across site and up the chain, and we are now going into the next phase to drive better supervisor behaviours when managing labour (to save costs).

Results:

Information is power

We identified key areas where labour was in excess of allowable: unaccounted activities (setting out, housekeeping); incorrect assumptions (team sizes, productivity and hourly rates); poor labour management (ie. using old, high cost labour to sweep floors). These factors have been fed back to the tendering department, and now we are seeing early results as we enable supervisors to objectively answer “Was today a good day or not?”



Unaccounted activities incorrect assumptions and poor management



Our seasoned consultants have created USD103m value each (avg) for clients. We identify the most valuable solutions, implement them and ruthlessly ensure the value is realised. Let us create value for you!