



## Primary Group of Builders (PGB)

### Better Performance Management

Founded on August 5, 1951, William C. Liu Construction was established to serve the design and construction needs of the Cebuano community. In 1986, the organisation was incorporated and became Primary Structures Corporation, a holder of a Category AAA license from the Philippine Contractors Accreditation Board.

Today, the Primary Group of Builders is a dynamic multimillion peso construction enterprise with a full-time staff of over 675 people and workforce of over 3000. It consists of four divisions – Primary Properties Corporation (PPC), Primary Homes Incorporated (PHI), Primary Structures Corporation (PSC) and Concrete Solutions Incorporated (CSI).

“The new reports and dashboards are great for boosting morale and acknowledging people.”

**Rey Escudro,**  
Operations Manager

#### Key Results

ROI of 4.1:1 delivered against the original commitment of 2.5:1

Management KPIs and Dashboards developed and implemented

Revised structure for group shared services agreed and rolled out

High-rise & housing project productivity each improved more than 100%, port project productivity increased 347%

Substantial savings by reducing overtime from 62% to 35%

10% reduction in cost per cubic meter of concrete

Delivery fleet reduced by 10 vehicles

#### PROJECT GENESIS

As a result of the growth and expansion of the organization, PGB felt there were opportunities in improving productivity through better use of management control systems. Renoir was invited to implement more robust management control systems, dashboards and KPIs for three Group companies as well as set up a shared services function for the Group.

#### ANALYSIS

An initial one-week analysis identified productivity improvement opportunities in all project sites which would lead to cost reductions for CSI, PHI and PPC. As a consequence, the Group engaged Renoir to develop its structure, management controls and KPIs, including management dashboards that support better performance management.

#### PROJECT APPROACH

The project was structured into 2 work streams:

- End-to-End Process Improvement, focusing on productivity and operational performance improvement.
- Organizational Development and Performance Management covering organization structure, KPIs and dashboards.

In addition, two quick wins were identified, namely reducing overtime and improving revenue collection.

Implementation started with the selection and training of a Taskforce, comprising PGB staff who had management potential and were to be supported by a full-time team of Renoir consultants. The Taskforce named the project ‘PRIMUS’.

Renoir trained and coached the Taskforce in its methodologies, including behavioral change techniques and strategies. In addition, Renoir oversaw the program to ensure the committed deliverables were achieved.

The joint PGB-Renoir team reviewed results and progress weekly during Management Action Team (MAT) meetings. The executive steering committee, consisting of MAT Chairpersons and the Board of Directors, met fortnightly in order to provide direction, make key decisions and ensure the program was on-track to deliver the results.

## World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.



## IMPLEMENTATION

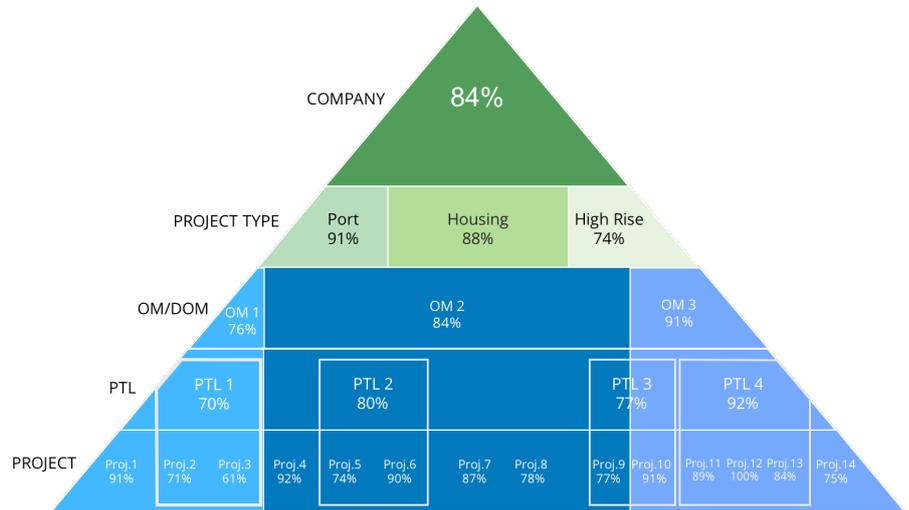
The **End-to-End Process Improvement** workstream included multiple construction projects (14-18 covering Housing, High-Rise and Port), the manufacturing department (Steel and Carpentry) and CSI (ready mix batching/delivery and flatworks).

Initial mapping and critiquing of all the management control systems highlighted systemic and process issues. Subsequently, all team leaders, supervisors and managers were trained and coached in supervision and in the revised management control systems. The entire standards library was reviewed and consolidated.

Base performance was agreed and became the benchmark against which the improvements were measured. Weekly planning was improved and daily follow-up reviews were implemented involving all construction project leaders and operations managers. Performance data also was used to populate the dashboards (designed under the Organizational Development work stream), and the daily operating report summaries provided the data for individual team performance monitoring. Coaching was instituted where results were not being achieved in order to ensure performance improved.

“We are impressed with how the Taskforce has developed and wish to recognise them for the results that have been achieved.”

**William and Paulette Liu,**  
*Directors*



For the Organizational Design work stream, a revised structure for the group was developed with the executive team and provided a roadmap for the future organization. A shared services group was formed, consolidating Human Resources, Finance and Admin, Supply Chain, MIS, Asset Management, Legal and Marketing. This structure would then service the entire Group.

Management dashboards were produced for executives down to operational management level and training was given on effective meetings, Change for the transition was planned in conjunction with the Human Resources team and the various departmental heads.

In terms of the two quick wins:

- Strict planning and approval processes were put in place for overtime and the annualized benefit contributed to around 25% of the overall savings.
- Improved collections processes – including active collection practices - delivered positive results through consistent collecting of outstanding funds over the base period rates for the 3 business units.

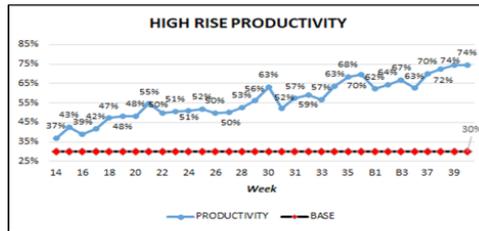
## World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.

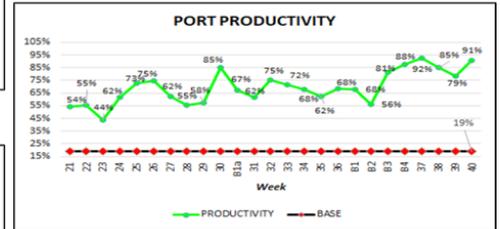
## RESULTS

The improvements in productivity made a major contribution to the benefits, with the following trend over time:

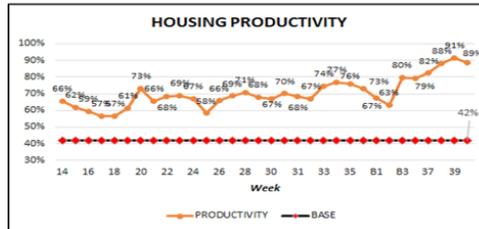
146% improvement from base



378% improvement from base



111% improvement from base



- In addition to the reduction in overtime, an online overtime approval system was developed and deployed across all PGB sites.
- Improvements in delivery efficiency and asset utilization along with the planned fleet reduction contributed 15% to the benefits. The collections and headcount reduction from the revised shared services structure provided the remainder of the benefits.
- A focus on the effective use and deployment of the fleet monitoring software was also part of the additional softer benefits for both Equipment Department and CSI.

## THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

Visit Renoir at [www.renoirgroup.com](http://www.renoirgroup.com) for more information and a complete list of regional contacts or send us an e-mail at: [renoir.office@renoirgroup.com](mailto:renoir.office@renoirgroup.com)

## World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.