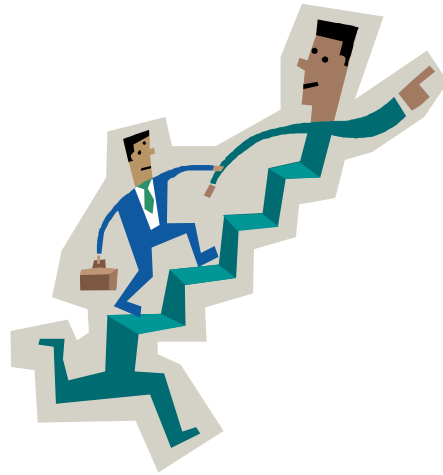


Chartered Management Institute
Diploma in First Line Management



Resource Planning

Unit 3002

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Organisation: Openreach

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CMI Registration Number: 4158695

HISTORY OF OPENREACH



“Openreach” work on behalf of Communications Providers. Our job is to look after the wires that connect homes and workplaces to the local telephone exchange, where Communications Providers’ national networks take over.

The key purpose of my role as a Field Service Engineer is to Provide or repair communication services / network to end users on behalf of Communication Providers meeting contractual obligations in a professional and cost effective manner and working to Openreach Network Quality Standards.

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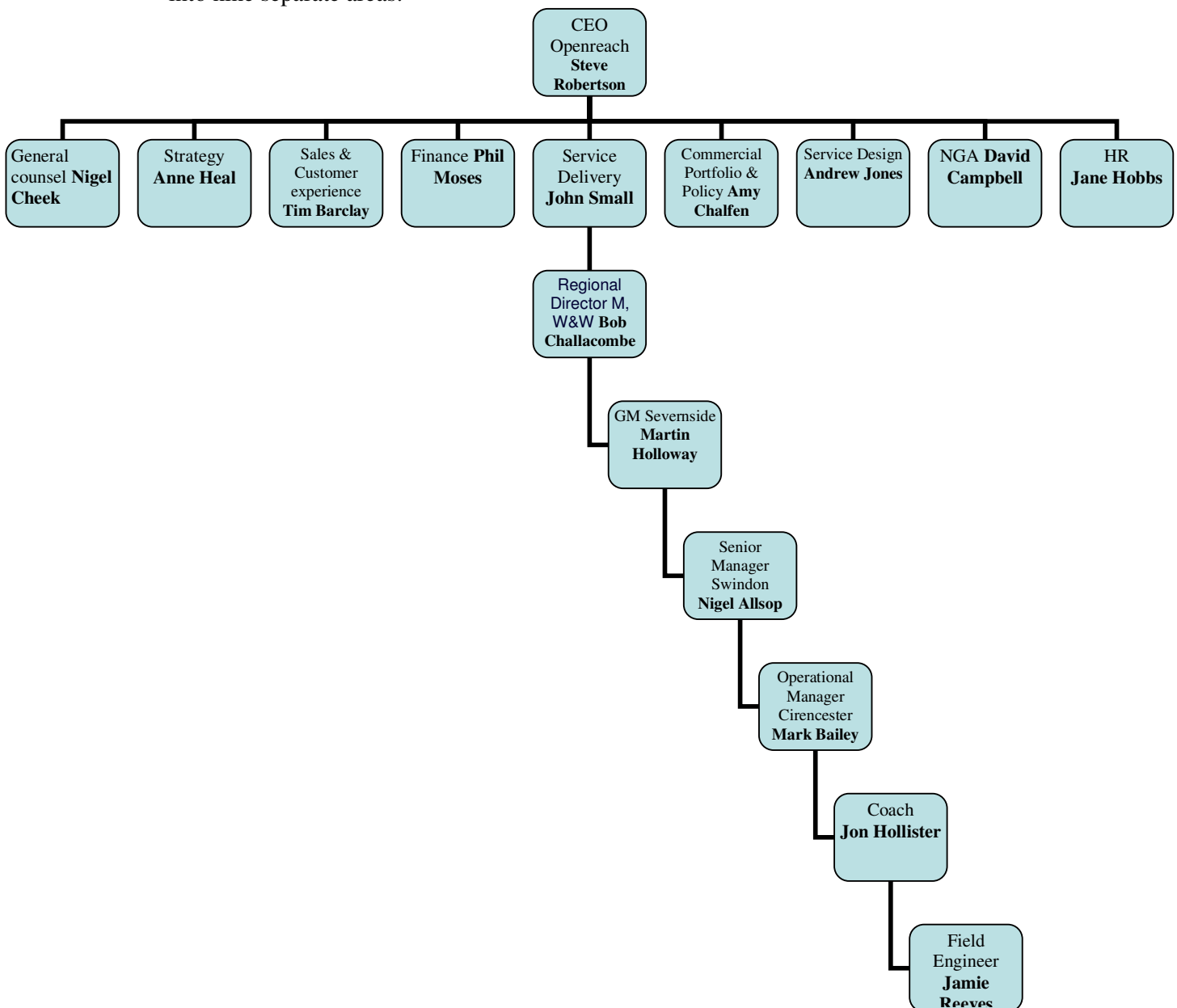
PART A – MY ORGANISATION AND ITS RESOURCES

Introduction

According to www.managementhelp.org a basic definition of an Organisation is a group of people intentionally organized to accomplish an overall, common goal or set of goals. Business organizations can range in size from two people to tens of thousands. Openreach is a formal organisation and has around 33,000 people, making it one of the largest lines of business within the BT Group.

Openreach Structure

Openreach has a tall structure with many levels of authority. The business is made up into nine separate areas:



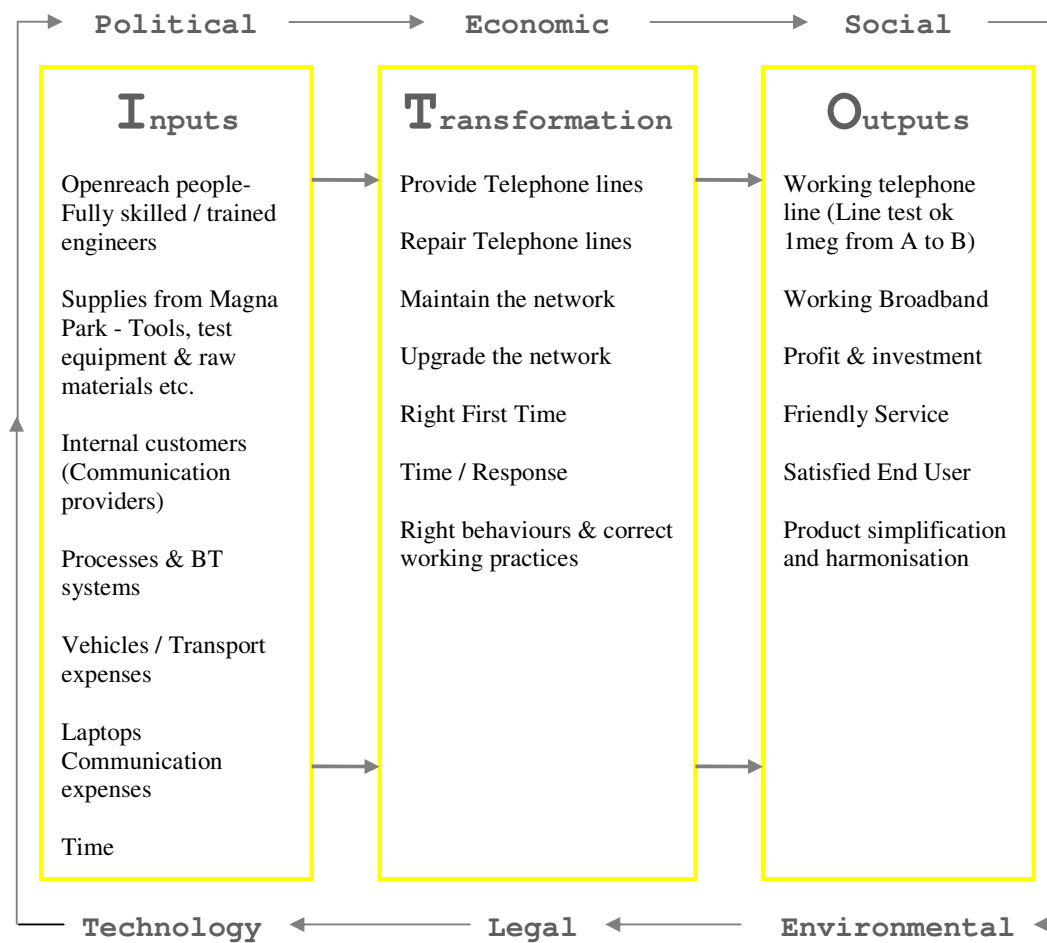
About Us






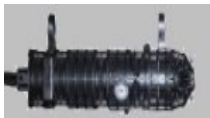
“Openreach” is part of a BT group business. Our business is within the Private sector that owns and manages the local access network that connects homes and businesses to telephone exchanges. We provide network services to Communications Providers.




Although Openreach is a stand alone business that provides fair and equal access to the network for all Communications Providers we are still in partnership with BT, its stakeholders & shareholders.

The business's operating environment



Managing my organisations resources

Resources	My organisation	My responsibilities
<p>Time</p> 	<p>To give full contractual service when we promised on the day</p> <p>Average of 3.2 unique clears per day</p> <p>7-8 hrs working time available per rostered day</p>	<p>Manage my time slots</p> <p>Delegate work when unable to attend or complete the job</p> <p>Right First Time!! If not right first time then this can affect other people's time</p>
<p>Information</p> 	<p>Customer Service Systems eAssistance Work manager INFORMe Microsoft Outlook BT network records eASC (stores ordering) Personal diary Laptops Other BT systems</p>	<p>Know how to use the information available to me</p> <p>Use the information to make my daily tasks as efficient as possible</p>
<p>People</p> 	<p>Training Health & Safety Quality Productivity / production Right First Time BT's values Right behaviours</p>	<p>Provide or repair communication services / network to end users on behalf of Communication Providers meeting contractual obligations in a professional and cost effective manner and working to Openreach Network Quality Standards.</p>
<p>Materials & Supplies</p> 	<p>eASC (stores ordering) Magna Park (suppliers) Storage space / lockers Cable chambers / storage Waste disposal methods Cables & cable joints NTE5 (telephone sockets)</p>	<p>Carry buffer stocks Correct disposal Correct storage</p> <p>Provide & maintain the materials to a quality standard</p> <p>Keep stores costs to the minimum</p>

<p>Machinery & Equipment</p> 	<p>Safety equipment e.g. hard hats, visibility jackets, steel toe cap boots & climbing belts</p> <p>Testing equipment e.g. Hawk, laptop & Gas Detection Unit</p> <p>General Machinery e.g. drills, ladders, hand tools</p> <p>Qualified testers</p>	<p>Maintain my tools & equipment (good house keeping)</p> <p>Have my tools & equipment tested every 6-12 months</p> <p>Provide, repair & maintain the network using the appropriate tools & equipment</p> <p>Use safety equipment to follow health & safety regulations</p>
<p>Finished Products</p> 	<p>Fully contractual service</p>	<p>Right First Time</p> <p>Working Broadband</p> <p>Working telephone line</p> <p>Product simplification and harmonisation</p> <p>Friendly service</p>
<p>Money</p> 	<p>Mobiles Laptops Fuel Stores Equipment Time Overtime</p>	<p>Drive 'profit, growth and value'</p> <p>Balance short-term efficiencies with long-term commercial growth</p> <p>Consider the cost and benefit to Openreach as a whole</p> <p>Encourage the use of quality practices to improve business performance</p> <p>Keep all expenses to a minimum</p>

PART B – BASIC PRINCIPLES OF RESOURCE MANAGEMENT

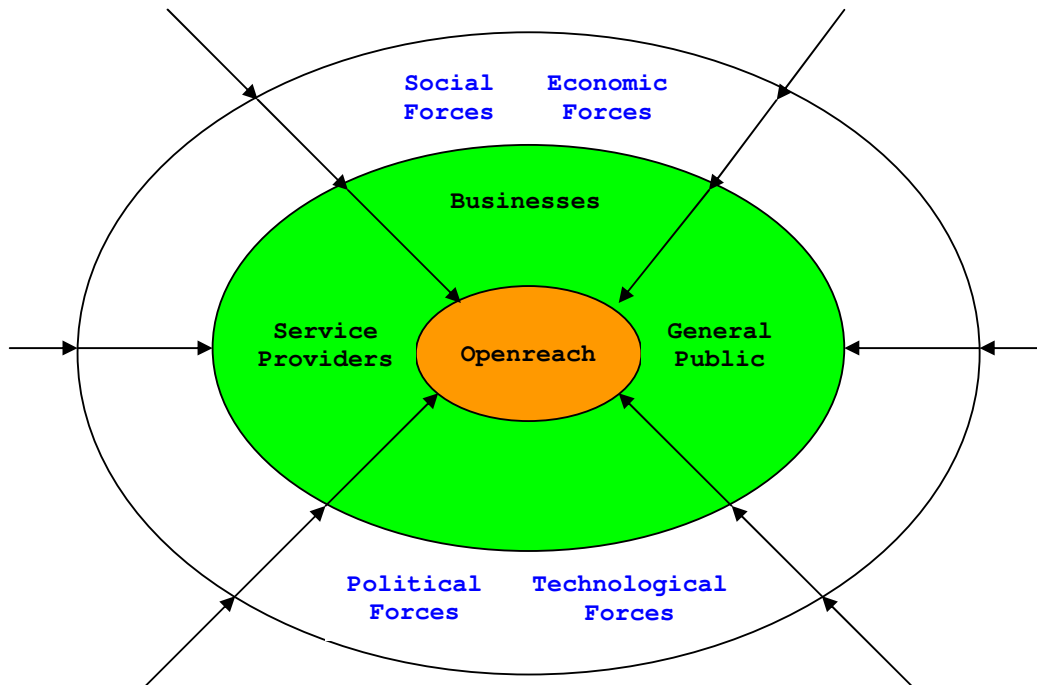
Introduction

According to www.businessdictionary.com the definition of an environmental analysis is an evaluation of the possible or probable effects of external forces and conditions on an organization's survival and growth strategies.

My Self Study Guide suggests that one tool that can be used to help analyse the environment is called “PEST” there are also other similar tools such as LE PEST, STEEPLE or PESTLE that can be used to help analyse the environment.

Environmental forces that affect my organisation

MBORC (Matters Beyond Our Reasonable Control)



Natural Forces

- **MBORC**. Openreach has contracts with our Communication Providers that includes timescales for provision and repair. When we do not meet those timescales we incur financial penalties.

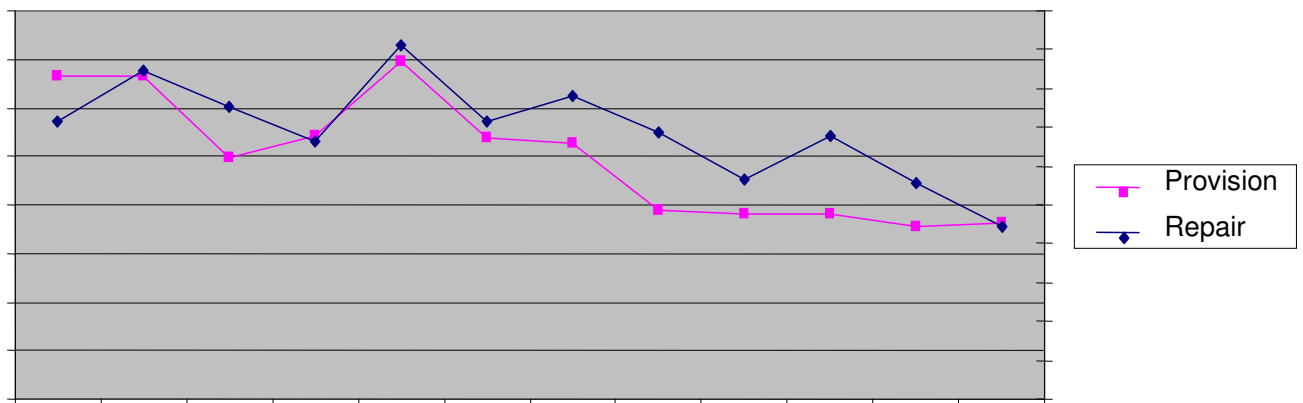
If we encounter problems that are not our fault, we may be able to declare MBORC which will prevent us making these guarantee payments. Examples of such cases are:

- Road Traffic Accidents such as a pole smash.
 - Damage by JCBs by other utilities contractors.
 - Major rail or air incidents.
 - Gas leaks preventing us entering a manhole.
 - Government restrictions such as Foot & Mouth restricted areas.
 - Severe weather such as floods and lightning.
 - Cable Thefts and terrorism.
 - Fuel crisis.
- **Natural Forces**. Severe weather such as:
 - Large volume of rain
 - Floods
 - Thunder & Lightning
 - Snow & ice
 - High winds
 - Fire
 - **Political Forces**.
The government is using tax payer's money to bail out banks & businesses. Forcing cutbacks & slashing interest rates therefore lending is difficult. Taxes will inevitably rise.
 - **Economic Forces. Credit crunch. Recession**.
Banks have lost capital therefore lending is limited, property values have dropped, petrol and the cost of living is increasing.
 - **Social Forces**.
Job losses are increasing. People/workers have had their working hours restricted. Cutbacks are being made by the general public due to the rising cost of living. People are also struggling or unable to pay back their debts.
 - **Technological Forces**.
Technology is constantly changing & developing. Customers' expectations are increasing. Customers spend has declined, and is moving from fixed to mobile – mobile broadband.
 - **General public**. Fewer people are moving home, fewer homes are being built.
 - **Businesses**. Unemployment & business failures are rising. This means businesses are not developing.
 - **Service Providers**. Volumes of provision have reduced due to the decrease in customers.

- **Evaluation**

My Self Study Guide suggests I should evaluate a recent activity that did not go as expected but I propose to evaluate the way in which Openreach's business & resources have been affected by the unexpected economic down turn (as illustrated in the PEST factors outlined above). This is because the economic climate is having a large impact on our business, in common with all other similar businesses.

My Self Study Guide suggests one way of solving a resource problem is to look for trends & development. I will now use a forward projection analysis to predict the volume of provision & repair we may be faced with next year in order to prepare for the correct amount of resources we will require.



Due to confidentiality rules & regulations, this graph is simply an example & does not show volumes or time scales.

In the example shown it can be seen that there has been a significant drop in provision & repair. This indicates that we have a surplus of people (labour). This is continually monitored & analysed & detailed records are kept within resource management. If the loss of volumes continues & if alternative new work (revenue) cannot be found within the short term then more redundancies will be required. It is obviously good for the short term to retrain employees in other areas and to have work available to them when we exit the recession.

Like most businesses Openreach has been affected by PEST forces. We have lost volumes on provision which means we have lost revenue (Opex) & we have reduced our needs to upgrade the network (Capex) as we are not doing as much new work to gain capital.

This has left Openreach with a surplus of labour which unless we make redundancies Openreach will incur losses. Openreach have made the decision that it is better to retain key skills & retrain where necessary to get us in good shape for when we exit the recession. However we have no money in the budget to pay for the surplus labour so we need to find alternative work which we hope will drive new revenues to cover some of the costs.

Openreach is attempting to "right size" their business at the lower volumes i.e. run our operation at the right cost. This then leaves Openreach with the RTC (Regional Transition Centre) to run and fund (via new revenues). We cannot however do any business as usual activity or spend capital (Capex) because if we do it will all "wash back" into operational costs (Opex) and impact our ability to drive our overall bottom line.

GAP Analysis

According to www.businessdictionary.com a "GAP analysis" is a Technique used for determining the steps to be taken in moving from a current state to a desired future-state. I will now suggest ways of resolving the surplus of resources by using the GAP analysis:

Present	Future Impact	Resolve – GAP
<p>Surplus of labour transferred into the RTC</p> <p>The RTC to run & fund</p> <p>Loss of volumes</p> <p>RTC people upgrading network (Capex) & retraining-learning new skills</p>	<p>Over resourced</p> <p>Further Redundancies</p> <p>Our ability to drive our over all bottom line "Profit"</p> <p>Team motivation</p>	<p>Find alternative work via new revenues</p> <p>New products</p> <p>Sub Contracts</p> <p>New ideas!! A reward scheme is worth considering.</p> <p>Sell any change positively & drive team motivation.</p>

PART C – MY TEAM & RESOURCES

Introduction

According to www.investorwords.com a simple definition of “resources” is A person, asset, material, or capital which can be used to accomplish a goal.

My team needs resources to enable us to accomplish our daily goals and also to meet our stakeholder’s needs.

Conflict & Competition

I am proud to say Openreach & its people provide all the resources we require to be able to accomplish our daily tasks. But there have been previous experiences where a number of people require a Hoist (Mobile Platform Elevation) and all 4 hoists have been unavailable until the next day due to high volumes of work. This can cause conflict when people’s work is not prioritised. I will now use an urgent/important grid to illustrate how people’s work should be prioritised:



As illustrated conflict can be prevented if people prioritise their work in order that the most important & urgent jobs are attended to first.

Motivation

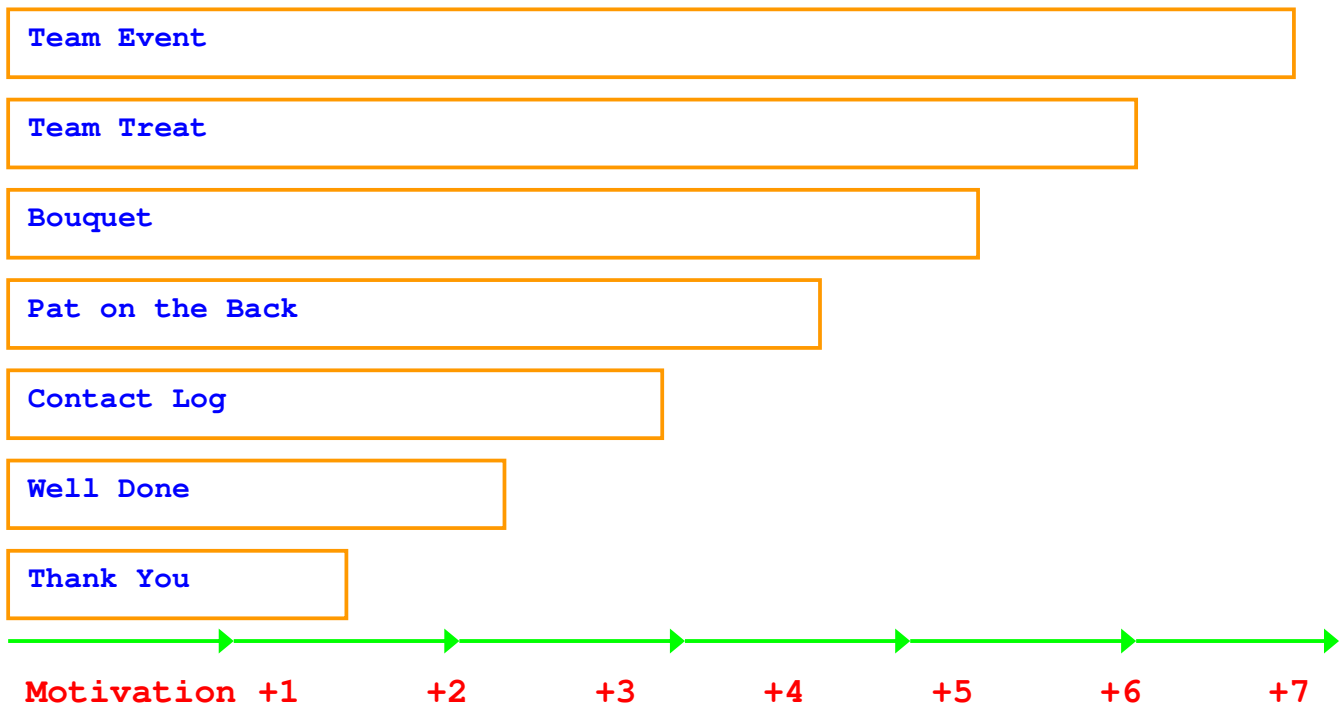


According to www.AskJeeves.co.uk the term “motivation” is a psychological feature that arouses a person to action toward a desired goal.

Thinking about the resources I work with every day I would say my colleagues are motivated. We have all the resources we require to be able to perform our daily tasks efficiently & effectively. If the resources we require are not available then my colleagues will not be able to carry out their task efficiently or effectively. This would cause my colleagues distress & therefore would demotivate them.

Rewarding Success

It is vital to reward people on their success as this fosters a source of motivation. The greater the reward for success the greater the motivation. This is illustrated in the following motivation chart which shows the means used to motivate our team members in Openreach:



Overall Effectiveness

Are resources easily accessible to my Team? Yes, bulk stores are kept in personal lockers, cable chambers & store rooms. Buffer stocks are also stored in our vehicles.

What is the condition and location of rest facilities? There are welfare facilities available in most telephone exchanges:

- Toilets
- Wash facilities
- Kitchen (sink, fridge, kettle & microwave ect)
- Seating areas with tables

The condition of the facilities is good. A company called Monterey regularly clean & maintain the facilities.

Are machines kept maintained? Yes, it is mandatory that all electrical equipment is tested & inspected regularly. Checks are also regularly carried out to ensure good house keeping

Is stationery available when required? Yes, diaries are supplied to us every year & all other stationery like pens & work books are available on eASC (stores ordering)

Are the right tools available for the jobs? Yes, all tools are ordered online via eASC (most tools require authorisation by your manager). Every tool has a process to follow & each tool is specifically designed to carry out a specific task effectively.

Are raw materials and supplies available when needed? Yes, all materials & supplies are ordered online via eASC and are delivered every week to the preferred exchange location. If an item is urgently required then next day delivery can be arranged with Magna Park.

Are there enough telephones, email facilities and broadband connections? Yes, land lines are available in every exchange. Broadband is available in most exchanges. Each individual has their own mobile phone & laptop with an email account.

To sum up I would say the level of resources available to my team is very good & has a positive effect on the overall performance of my team.

PART D – WORKING WITH MONEY

Introduction

According to www.businessdictionary.com a “Budget” is an Estimate of costs, revenues, and resources over a specified period, reflecting a management's reading of future financial conditions. One of the most important administrative tools, a budget serves also as:

1. A plan of action for achieving quantified objectives
2. A standard for measuring performance
3. A device for coping with foreseeable adverse situations.

Openreach's Budgeting process

Because of the size of the organisation I work in I have little involvement in “budgets” other than keeping all expenses to the absolute minimum. Budgets are normally managed in its own department.

According to my Regional Director “Budgets” are split into two main areas; OPEX (revenue and profit) and CAPEX (investment). In terms of each:

OPEX is built up in two areas:

- (1) We look at volumes and work rates (productivity) and that tells us how much resource (labour) we need. This is usually built bottom up i.e. its built with a view on how we perform today and this gives us one answer. We then look at how much we can afford (top down) and that gives another answer and a gap to close via increased productivity.
- (2) There is a non pay area to consider (vans, tools, clothing stores etc) and this represents another pull on overall profit.

CAPEX

Is a similar process but this time based on development of our assets i.e. network upgrade & new systems (including new lap tops and testers for example). Again its done bottom up and top down but the productivity is measured in unit cost i.e. how much more can you get done for the same money or can you get the work executed cheaper (possibly contract).

The principle budgeting factor in my organisation is the main drivers of cost which is the volumes of “provision and repair” in the main.

Variances are identified via weekly and monthly reporting against agreed signed off budgets and are dealt with and tracked via the 121 process at all layers of management.

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