



## Integrating management systems to improve business performance and achieve sustained competitive advantage

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**Tony Blanch,**  
Business Improvement Director,  
Costain Group

### Customer objectives

- Improved quality and efficiency
- Better environmental performance
- Enhanced health and safety record
- Stronger collaborative working
- More secure information management
- Increased business resilience

### Customer benefits

- Higher customer satisfaction
- Reduced waste and greater energy efficiency
- Embedded safety culture and lower accident rate
- Effective joint ventures and partnerships
- Greater protection of commercially sensitive data
- Minimized impact of business disruption

### Customer background

Costain is a long-established British engineering and construction group. The company can boast a proud history of involvement in landmark projects, from the Trans-Iranian Railway in the 1930s to the Channel Tunnel in the 1990s and, more recently, London's Crossrail project.

Today, Costain employs around 4,000 people, providing engineering solutions in the UK and internationally in diverse sectors, from roads and railways to water and waste. In 2012 the group reported profits of £25m on revenues of £935m.

### Why certification?

With clients demanding greater value for money from the construction industry, Costain's standards journey began with the introduction of the quality management standard, ISO 9001. With this building block in place, the company has steadily embraced further standards on: environmental management (ISO 14001), health and safety (BS OHSAS 18001), collaborative business relationships (BS 11000), information security management (ISO/IEC 27001) and business continuity management (ISO 22301).

Tony Blanch, Costain's Business Improvement Director, says that the reasons for adopting each standard have varied. In the case of the Information Security Management System (ISMS) standard ISO 27001, for example, "Certain clients were showing an interest in it and, whilst not essential to win business, it was definitely helpful. It also fitted in with our strategy."

Blanch continues, "It started with IT, and an increasing number of external people needing to access our systems. We had to come up with better ways to police this than just giving them our internal passwords. We soon realized that the standard isn't just for IT, and looked at everything else too."

While many of Costain's standards have been partly client-driven, Blanch says that the decision to adopt the BCM standard ISO 22301 was "totally internal". He explains, "The question of how robust we were was being raised regularly at board level, and we needed more tests to find out. It took us about two minutes to decide to go for it – it was a no-brainer."

### Multiple standards

Different again was the driver for the collaborative business relationships standard, BS 11000. As part of its strategy to widen the scope of its offering to key clients, Costain has employed more front end design, and more aftercare and maintenance, which has required it to form relationships with new partners outside the construction industry. "BS 11000 is helping us ensure these are the right partners and the relationships are set up correctly," says Blanch.

### Benefits

Costain has benefited in numerous ways from its multiple certifications:

- Adopting ISO 9001 has improved customer satisfaction and embedded an ethos of continual improvement. In customer satisfaction surveys Costain has received consistently high scores, averaging 84% customer satisfaction. It can also demonstrate 90% repeat orders as a result of improved satisfaction.
- Since implementing ISO 14001 Costain has reduced the total amount of waste it generates by 53%, diverted 93% from landfill, and reduced measured carbon emissions by 46% in the last four years.
- In line with the requirements of BS OHSAS 18001, Costain launched 'Be Safe' and 'Be Healthy' programmes to deliver a sharp improvement in its safety culture and manage and mitigate health and safety risks. The standard inspired a drive towards zero accidents and the company has achieved an accident frequency rate (AFR) of 0.09, a reduction of 47% over the last five years.
- Certification to BS 11000 has supported the formation of joint ventures and alliances with organizations in other business sectors.
- Costain has deployed ISO/IEC 27001 to protect the confidentiality of both its own and its partners' and customers' commercial information. As a result, the number of security incidents has decreased 72% since 2010.
- Through its recent ISO 22301 certification, the company demonstrates to both internal and external parties that it has a robust management system in place to cope with a business disruption.

### Implementation

When it comes to implementing standards, Costain has found that the vital ingredient is not financial, but harnessing the commitment of management and staff. "There's no need for standards to cost a lot of money," says Blanch. "The biggest investment is in people's time – the more effort you put in as a company, the more you get back. We have definitely used standards effectively to differentiate ourselves from the competition."

Costain has consistently harmonized implementation with its broader business strategy. For example, the company was already striving to raise its game in areas such as quality, environmental performance and health and safety, but by adopting standards in each area the process has become more thorough, systematic and easier to maintain.

Similarly, Costain's recent implementation of ISO 27001 and ISO 22301 has fitted perfectly with the group's wider risk-based strategy to increase resilience and boost performance. "The standards have given us a structure to identify risks to our business and manage these, rather than try to defend ourselves against every theoretical threat," explains Blanch.

### BSI's role

BSI has played a key role in supporting Costain's success. In the case of several standards, BSI carried out a pre-audit inspection "to make sure we were heading in the right direction," says Blanch. "They've always been readily available to give us help whenever we've needed it."

Costain is justifiably proud of the wide range of management certifications and the tangible benefits that the standards help deliver as a result of independent assessment by BSI. As for the future, while the global construction industry continues to change rapidly, the company can demonstrate that it has robust management frameworks in place to drive business performance, reduce risk and achieve sustainable growth.



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