

# Invennt strategic advisory services

Find out how your construction business can thrive in today's competitive market

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## Realise the true potential of your business

The world does not stand still, and neither should your business. The interdependencies that exist within and between organisations, communities, countries and economies are increasing with every passing day. As a highly integrated and capital-intensive industry, construction is at the forefront of these changes and if businesses in the sector are to remain competitive, they need to continually innovate and improve.

We help leading construction businesses do exactly that, by taking action to redefine their purpose or cement their existing position. We equip them with the knowledge they need to achieve sustainable results and thrive in today's challenging trading environment.

In fact, knowledge is the cornerstone of our business. It's what we do and it's why we've built a team that is consciously diverse and complementary. Our team of consultants are experienced in management, engineering, surveying, architecture, and academia. It is this broad base of experience, from throughout the supply chain, that enables us to approach commissions with a blend of commercial pragmatism, intellectual rigor and practical experience.

**From providing revealing insights to implementing strategy with concrete actions, we are ready to work with you to define strategies that will realise the true potential of your business.**

## Overview of services

The construction industry is changing. Leaders are demanding strategies that translate into action that will help them power ahead in today's fiercely competitive market. We are well equipped to help them with a comprehensive portfolio of services:

### Constructive Governance and Insight

Even the most experienced board needs a wise owl to offer expertise, scrutinise decisions, make introductions and generally ensure the business is maximising value for its shareholders. Many businesses do this with a Non-Executive Director (NED), usually an old-hand that has built up a company of their own or who has spent many years in senior roles and is now working part-time in semi-retirement.

This satisfies many businesses, but increasingly construction companies are opting for our Constructive Governance and Insight (CGI) Service. Much like a NED, we assign a senior director to your business as a CGI. But rather than relying on the experience of one person, our director – in their role as a CGI – can draw on the contacts and expertise of our diverse and constantly growing team, so you benefit from the wisdom and coaching of a seasoned executive alongside the dynamism and specific expertise of our team of consultants.

What's more, our CGIs are specialists in mediating board meetings to stimulate new ideas and ensure that no individual or group of individuals can dominate decision making. But perhaps more importantly, because we provide a service for a fee and do not receive directors' salaries or shareholdings, we are independent and free from relationships that could materially interfere with the exercise of our independent judgement.

What you get with a CGI:

- Oversight and governance
- Constructive affirmation and criticism
- Broad experience and a fresh perspective
- Specialist knowledge and contacts
- Leadership coaching
- Access to a wealth of research, data and analysis



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## Business Health Check

A business is like the human body. It is a complex set of interdependent parts, each with their own role and purpose. When all those parts work and work together, the body thrives, but when something goes wrong, things can go awry. And like the human body, a business can't perform at its best until everything is working like a well-oiled machine. That is why we developed the Invennt business health check.

By combining best practice management theory with our detailed knowledge of the construction industry, we have developed a tried and tested model to identify the problems that businesses in the sector face. Like a good doctor we can spot the symptoms and determine the underlying causes. After all, it's only once you get to the root of the problem that a remedy can be found.

Using our process, we have been able to set countless construction businesses on the path to good health and offering the guidance and encouragement of a personal trainer, we support you throughout the entire process. We provide clear and concise guidance to address the specific difficulties your business faces, so you can begin to take corrective action and deliver it all in an easy to digest health check report.

What you get from a Business Health Check:

- A tried and tested model for creating a path to excellence
- A comprehensive but easy-to-digest assessment of your business
- The ability to benchmark against other businesses in the industry
- Clear prioritisation of areas that require corrective action



## Strategic Review

Self-examination is an important part of personal growth and businesses are no different, but it's important that introspection doesn't become navel gazing. That's where we come in. Our team of consultants can independently challenge your business strategy through a structured process known as a strategic review. We establish whether the current direction of your business is maximising value for your investors and identify opportunities for growth.

Strategic reviews can be undertaken as a part of the regular management of a business, but they are often precipitated by an event such as a change in ownership, the appointment of a new CEO, unexpected financial results or the emergence of a disruptive competitor. But whatever its origins, a strategic review is a clear fact-based analysis of the business that takes a step back from day-to-day operations to assess the foundations on which it is built.

The outcome of our strategic review is a clear set of recommendations and a future roadmap to improve performance in a sustainable manner. We look at your existing organisational objectives and the deployment of resources to determine what is holding your business back and what is driving it forward.

What you get from a strategic review:

- Independent assessment of your business's current position
- A clear set of recommendations and a roadmap for the future
- Sustainably grow top and bottom line growth
- A clear implementation plan including actions and responsibilities

## Governance Services

Just as a nation state breaks down in the absence of effective rules and institutions, so do organisations. In fact, most high-profile failures within construction can be traced back to an absence of effective governance. That's why we consider good governance to be the cornerstone of a sustainable business. It improves accountability and helps to avoid disasters like those which have befallen so many household names in the industry.

We offer a range of governance services, including comprehensive diagnostics of existing governance arrangements, the development of new procedures and recommendations for improvement. These include risk management systems and processes, the development of codes of conduct and other internal policy documents. We can also review the governance of supply chain partners, subsidiaries or acquisition targets to avoid getting involved with risky organisations.

Corporate governance can be a deal breaker when it comes to securing frameworks, winning bids and gaining funding, so it is vital that businesses in the sector take it seriously. Moreover, well-executed procedures should be able to quickly identify and eliminate problems before they escalate, laying the foundation for a robust and sustainable business.

What you get from effective governance:

- A scandal free business with no unwanted surprises
- A resilient and sustainable business
- A legally compliant business
- The best possible preparation for major business decisions such as acquisitions

## Leadership coaching

Construction executives face unprecedented organisational change and complexity. Whether you're the CEO of a global contractor or the senior partner in a small engineering consultancy, you are expected to provide vision, inspiration, stability and growth for your businesses and your people. Being a good manager is no longer good enough, to be a leader you need to be a visionary and inspiring figure within your business.

We partner with existing and emerging business leaders to create personalised action plans that unlock potential, build confidence and impart skills and experience that leave a lasting legacy. All of our coaches are senior directors with decades of experience in the sector who will personally monitor your progress and provide feedback for improvement throughout.

We tailor the scope, duration and frequency of coaching to suit your needs with some clients choosing to meet on a bi-weekly basis and others who only meet once a quarter. We also provide group coaching sessions and remote coaching using video conferencing facilities.

What you get from leadership coaching:

- Improve your ability to deal with rapidly changing business conditions
- Learn how to inspire your own team and other participants up and down your supply chain
- Develop your own ability to coach future leaders within your organisation
- Learn to develop and articulate a vision for your company
- An experienced sounding board for concerns and new ideas





## Market entry strategies and acquisitions

New markets and complementary opportunities, open up a whole new set of customers but they also open the door to a whole new set of risks. That's why effective market entrances are underpinned by a rigorous feasibility study and a detailed market entry strategy – so whether it's organic growth or an acquisition; territorial or international expansion; horizontal or vertical integration, our team can equip you with the knowledge and expertise you need to succeed.

## Market exit strategies and restructuring

Businesses evolve and sometimes it's necessary to refocus and redeploy resources in order to stay ahead. We help you to realign your organisational structure to meet strategic objectives and deliver better outcomes for your stakeholders. Should your business find itself in a situation where you need to exit a particular market, we can help you form the operational plans to do so in an orderly manner.

## Divestment

Selling a business can be a daunting prospect but we can help. We know the information that acquirers need and can present this in a compelling and methodical fashion. Through our experience and connections in the industry we can identify the most appropriate acquirers for your business. We are experienced in ownership changes that are commercially sensitive and can recommend and circulate to potential acquirers that are unlikely to cause disruption

## Financial restructuring and refinancing

As a capital-intensive industry it is normal for construction businesses to be highly leveraged, and that makes it vitally important to access the right sources of capital at the lowest cost to your business. We can help you restructure your balance sheet and reorganise your financial obligations to reduce the cost of lending, access more funding and obtain more favourable loan terms. In addition, we can help you avail of government grants and incentive schemes such as R&D tax credits and export financing.



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## Case studies

### Market entry: Civil engineering contractor

When a major civil engineering contractor operating in the rail sector was considering growth opportunities in other markets, we were commissioned to conduct a review of those opportunities and the likelihood of success. We worked closely with the CEO and board to understand their considerations and evaluated a set of strategic opportunities for the business which included entrance into related sectors such as highways, utilities, nuclear, ports, airports.

We informed the client of the competitive positioning in each of the potential markets and involved their operational teams to establish the specific competencies in each area.

By mapping the dynamics of the different markets against their own competencies and identifying the prevailing growth trends in each, we helped the board come to a decision about the company's future direction. The client valued the advice we provided, which gave them an empirical foundation on which to make a decision and asked us to identify areas of improvement to ensure competitiveness in the chosen market.



## **Constructive Governance and Insight: Architecture and Planning Consultancy**

We were approached by an architecture and planning consultancy that wanted an outside perspective to scrutinise decisions and improve executive oversight during a period of rapid growth and change in the company. They had engaged the services of Non Executive Directors in the past but due to the fast pace of change and competing visions of the direction of the business they decided they needed additional support.

We placed a senior director within the board as a CGI with our team of experts providing additional support behind the scenes. Because the directors work from multiple offices, we determined early on that an off-site venue was the optimal location and this also facilitated leadership coaching with the CEO and other members of the board.

The CGI, with the support of our team of experts, plan and facilitate monthly sessions that have reoriented the dynamics of the meeting and mediated conversations between competing interests. The net result is a more functional and harmonious board, formulating and implementing more effective strategy. With outcomes that have been keenly felt across the business.

## **Governance processes: Mid-sized contractor**

A mid-sized main contractor hired us to draft a set of governance procedures and policy documents for a fundamentally sound but intermittently troubled business. We embedded a senior consultant within the business who worked with management to conceive a watertight set of governance procedures and draft a clear, coherent and legally compliant set of policy documents.

During the implementation period we made small improvements that retained the integrity of the procedures while improving productivity and acceptance within the business. The upshot was a set of procedures that were adopted gladly in most quarters and policy documents that worked for staff and management.



## International contractor: Financial restructuring, refinancing and divestment

A successful building contractor's beleaguered middle-eastern operation was highly leveraged and saddled with irrecoverable public sector debts. Our team was brought in to put the business on a sure financial footing and improve key financial ratios.

Planning began in earnest. As our team investigated the accounts it became immediately apparent that the business's lines of credit were sub-optimal. We helped the business gain access to better forms of finance and renegotiate more favourable loan terms with their existing creditors.

We then struck a deal with debtors to recover the best possible proportion of the bad debts and restricted their balance sheet to improve investor perceptions to prepare the business for divestment. The business subsequently decided that the Middle Eastern operation was salvageable and they are waiting for more buoyant market conditions in which to sell.





## **Business health check: Building contractor**

We were hired to undertake a business health check for a major building contractor. The business was heavily involved in risky heritage projects in London's highly competitive and price sensitive building market. Despite having grown the top line for a prolonged period the business was struggling to turn a profit, so we were brought in to conduct an appraisal of the business and identify the source of the business's difficulties.

We conducted interviews with key stakeholders and compiled management data from across the company, mapping them to the enablers and results as defined in the EFQM model. It soon became clear that the issues stemmed from poor cost control and an unwillingness to turn down bids outside of their core specialism. The board was relieved to have determined the root cause of the problems and subsequently commissioned us to formulate a strategy to rectify the issues.

## **Divestment: Piling contractor**

The owners of a specialist piling contractor approached us to help them prepare the business for a valuation and eventual sale. The sale was particularly sensitive as the company was in the process of bidding for a number of high value projects which a perceived lack of stability would have threatened to derail.

The first thing we did was restructure their balance sheet in order to improve key financial ratios and the business's financial position in the eyes of potential investors. Once this process was complete, we proceeded to draft a list of potential investors and assist in drafting an Information Memorandum and supporting materials.

Once the client had approved the potential purchasers, we then undertook to discretely contact the acquirers we had identified. We secured interest from several parties and after a period of negotiation on the valuation of the company the sale was completed. The former owners are now happily retired and the business continues to thrive under the new owners.

## **Strategic Review: Leading structural steel fabrication and erection contractor**

A leading international steel contractor had been achieving steady EBITDA growth and had reached a point in its life-cycle where the shareholders wanted to understand the full range of growth options open to them. The business required a clearly defined strategy to realise the full potential of the business and unlock future growth.

We undertook a strategic review of the business's current position, including the deployment of resources, leadership, regional performance, operating procedures, core competencies and a myriad of other factors. Once we fully understood the context of the business, we worked with the board to formulate a strategic plan with clear actions and financial forecasts. By doing so we allowed the board to make calculated decisions about the future of the business.





## Next steps

Contact one of the team to book an initial consultation and we will work with you to tailor our methodology to suit your business.



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