

## **K M Plant Hire & Groundworks Ltd.**

### **Capability Statement**

Since inception in March 2010, K M Plant Hire & Groundworks Ltd. (“K M Plant”) has steadily and organically grown, in respect of capability, competencies, turnover and revenue, through an obsessive focus on delivering first class service and seem-less end-to-end solutions to the growing Client base.

The business was started by two highly experienced Utilities and Infrastructure Engineers, who could see a market opportunity to provide a superior level of solution, at a competitive price point, by virtue of utilising experience identified cost and resource saving methodologies, and by removing unnecessary margin and cost waste.

For the critical first five years of the business, all revenue derived profit was wholly reinvested in the acquisition of Plant, Tooling, Vehicles and Assets, that had been hired at inevitable margin, to build back in the relevant savings. Careful and prudent stewardship and reinvestment, along with high quality professional guidance, resulted in Totex analysis identifying and facilitating optimal operational resourcing, and the lean, evolutionary structure of the business operations, to minimise Totex, and operate a lean business management model.

All Managers and Supervisors are time-served professionals, with in-depth knowledge and experience of both the all aspects of the services provided by K M Plant, but also, unrivalled insight into the work of K M Plant’s Clients themselves. K M Plant encourages and nurtures the development of personnel, and operates a Meritocracy, within which a number of the Managers have progressed within the business, from being ‘On The Tools’, into Managerial Roles where the respect of their peers, has been earned through time-served and proven capability and professional competency.

This has manifested itself in a highly engaged Client facing ethos of collaboration throughout the Business, and has resulted in the acquisition of prestigious Clients, of all sizes, seeking a better level of service and quality of delivery from their supplier.

This ethos has been endorsed by the high volumes of additional and repeat business, and by high referral rates, where Circa 100% of the business conducted by K M Plant, is ultimately derived from referrals and professional recommendations, based on K M Plant’s performance for another Client.

In the three years since the five year trading history mark was passed, the focus of the business has sharpened into an Innovation-Lead entity, aligned with a highly engaged Client interface, including Early Engagement with a supporting and consultative approach, based on a mutual desire to attain the Client’s objectives in the most cost and time efficient manner possible. K M Plant has gained an enviable reputation for identifying and applying innovative solutions to challenging projects, often delivering considerable time and cost saving benefits to the end Client.

As K M Plant's Lean Model results in highly competitive pricing, no business has been lost on any cost basis, nor has any Client discontinued their use of K M Plant through any service factor. This combined with the joint focus on Innovation and high levels of Client Engagement, has proven a truly winning combination.

The success of this ethos is demonstrably evidenced in the 100% Client retention (where the continued engagement by that Client was desired) and the year-on-year Circa 50% growth in revenue and profitability, demonstrating the genuine scalability of the business model.

The Management Team have engaged Business Analysts and Management Consultants to review and fine tune the operational models, and enable the business to utilise efficient tools to structure and resource the business, that provide scalability and agility in undertaking further work volumes.

A deliberate over-provisioning of resourcing by 20% has proven a sound strategy, with the ability to immediately respond to additional work opportunities and rapidly roll-out additional resourcing, in response to the frequent requests by Clients to undertaken additional works. This has often lead to K M Plant ultimately becoming the provider of choice, and the default supplier for many of K M Plant's Clients, who initially simply planned to try K M Plant out on a few smaller jobs, having heard positive feedback and relayed favourable reviews.

The obsessive attention to detail is not only present in the works delivery, but is endemic within the culture of the business, embedded into not only the acumen of Senior Management, but also in the general ethos of the business in day-to-day operation.

This acumen has been ably demonstrated on numerous third party reporting environments, whether they be prestigious Accreditations, or in third party verified Financial Reporting.

The Senior Management Team recognised early on, that utilising highly skilled and experienced Business Management resources was of paramount importance, and just being excellent at the core work itself, was not enough.

In addition to this, in the past three years, K M Plant has made a significant commitment towards R&D and Innovation, and in 2017 formally implemented a Technical Innovation Division, supported by a commitment to resource the equivalent of 10% of Turnover into R&D and Innovation. This encapsulated not just the application and development of Industry-Leading Trenchless Technologies, but also in fundamental business operations, such as the development of Electronic Paperless Documentation and Administration Processes, for implementation in the Field and in reducing the use of naturally derived resources and lowering the Carbon Footprint of the Business in general. To date Circa £500k has been reinvested in R&D and Innovation by K M Plant, with Clients enjoying considerable savings on costs and against challenging programme schedules as a direct result.

K M Plant has constructed a robust business model, with 3x Trading Resilience Reserves, available in liquid cash and scalable funding facilities from multiple providers for further expansion and response agility, in sizable fleets of owner operated Vehicles, Plant and Tooling, and in Gearing well inside the prescribed recommended parameters. This highly rationalised approach towards trading, has occasionally meant very attractive work opportunities have been politely declined, where there was a risk of over-trading, in favour of re-approaching that Client when fully able to accommodate.

The highly disciplined stewardship of the business, has very occasionally meant, the discontinuance of Contractual Engagement, where the preferred rates did not fit the requirements to deliver the work to the standard desired by K M Plant and the Client, and therefore the integrity of deliverables was at stake, and ergo the reputation of K M Plant as a provider of absolute integrity and quality.

Verification of the Financial Performance of the business can be supplied in the form of Full Accounts, for appropriate Due Diligence purposes.

When mobilising upon new major contract works, the policy of the business is to operate in the area for approximately six months, to allow K M Plant to 'bed into' the Contract, and to accurately gauge locational and resourcing requirements on an ongoing basis.

K M Plant has a substantial fleet of owner-operated Vehicles, Plant, Tooling, Logistics, etc., upon which to draw at will for application on any existing works. Unutilised items are Hired out at very attractive rates on short term Hire to subsidise Opex, maintaining short term availability for implementation on additional Client works. This allows for an agile fleet availability at short notice, in addition to the planned and scheduled resources. Reserve Spare Plant, Vehicles and Tooling are provisioned for Emergency Response works, and also in the event of unforeseeable mechanical failure or unavailability. All Fleets are subject to rigorous planned and routine maintenance, using genuine manufacturer supplied or OEM parts.

At any given time, K M Plant's ability to service existing obligations is operated at a 20% over-allowance, both in terms of Personnel, Plant, Vehicles, Tooling, etc. and Financial Resources.

K M Plant enjoys the benefit of receiving constant flow of Applications from potential (and former) employees, from all over the Southern half of the Country, which provides K M Plant with a constant untapped resource for Team expansion. K M Plant runs on average 9 to 13 Work Teams of between 2 and 5 personnel. K M Plant also retains a bank of tried, tested, proven and trusted Sub-Contractors, to pull upon in instances of a particular spike in works demand, or upscaling of works.

Many of the existing internal personnel and Sub-Contractors are and have been deployed on working away basis, and receive a fair and appropriate package for subsistence accordingly.

In acknowledgement that the Supply Chain Buy-In is absolutely critical to the successful delivery of any Contract, K M Plant has highly experienced Supply Chain and Procurement personnel within its core team, (up to and including £100m+ Procurement functions for Tier 1 Contractors), so ensure the optimal resourcing and proactive management of all externally sourced resources.

Current Resourcing levels within the business as of June 2018, facilitate the delivery of combined works in the value of £5m per annum, with a £10m objective at year ten within the '2020 Vision' Business Plan for K M Plant Hire & Groundworks Ltd.

