

Introduction

Most businesses operate in competitive markets: they have to 'take on' and 'see off' rivals. Each organisation must decide for itself how best to try and do this. Not all firms come up with the same answer and for good reason. Firstly, there are several different ways of gaining competitive advantage. Secondly, businesses need to play to their strengths and not all businesses have the same strengths. Thirdly, many markets are segmented and what is important to one set of customers may be less important to another set. So businesses need to decide which segments of the market they are targeting. Ways of seeking to gain competitive advantage include:

- offering lower prices
- offering clearly superior products at above average prices
- delivering products more quickly
- offering superior customer service, including after sales service.

This case study focuses on how Portakabin has set about gaining a competitive advantage in the hire and sale of temporary or permanent accommodation by concentrating on quality.

Portakabin has positioned its products at the top end of the market: it looks to provide high levels of quality at premium prices.

Quality is associated with consistency. A customer who is happy with the first buying experience needs and wants to be equally happy on each further occasion. Portakabin has the motto 'Quality - this time - next time - every time'.

The company believes that clients who really care about quality are willing to pay that bit more to obtain it and see 'the extras' as worth the additional expense. Today the company operates in a range of European countries as well as the UK.

What is quality?

Quality relates to 'appropriate use': how well a product does what it is intended to do.

Portakabin's 'Ultima' building illustrates quality well. The Ultima specification includes:

- modern design
- high quality materials
- layout and fitting of the building to clients' requirements allied to :
 - rapid construction
- to provide:
 - a smart modern working environment
 - an image that reflects the status of the client.



The 'appropriate use' quality comes from two sources. One is internal to the company. Portakabin has developed its range of buildings around its own market research, which discovers customers' precise needs. The company knows how important it is to offer optional extras, such as high quality carpeting, fitted furnishings and climate control systems to provide a quality working environment. Simultaneously being able to offer not only the building but also the aforementioned accessories, gives the customer a quality 'one-stop-shop' service.

The other source of quality control is external e.g. national building requirements and standards. Portakabin's products, whether interim or permanent, comply fully with all appropriate building regulations. They also meet the demands of ISO 9001: Quality Management Systems. This is an

internationally recognised standard which acts as a form of guarantee that everything the company does is managed to the highest quality standards.

The group's Quality Systems Manager (QSM) is responsible for ensuring that Portakabin has in place systems that guarantee quality throughout the Group. To manage quality, the QSM has created an electronic system that all PCs throughout the whole company can access. One of the system's key features is the 1-page Quality Manual that defines the requirements of the Quality Management System. This is easy to communicate both within the organisation and also to customers.

Quality products

The term 'product' covers not only goods but the services that support them. Portakabin offers a range of tangible products e.g. Lilliput (a modular nursery building) and Titan (a modular building for office applications).



The company also offers key services e.g. Total Solutions, a planning and project management service for customers wanting to hire modular buildings. Portakabin also offers a wide range of support services to clients for whom a modular building is part of a larger plan. If requested, Portakabin will take on the customer's project from start to finish. This includes managing planning applications, project management and providing health and safety advice, as well as providing access for the disabled.

Product quality also relates to how well a product meets changing demands. In modular buildings, technologies are increasing the range of what is possible. At the same time, customers are becoming more particular about their own requirements. For example, they want building solutions that are safe and clean, which minimise disruption, save time and guarantee quality. Quality involves keeping pace with these demands.

Modular construction involves manufacturing a building off-site in a controlled factory environment. For example, the steel modules used to construct Ultima buildings are fully fitted out with all electrics, plumbing, heating, doors, windows and internal finishes before they leave a Portakabin production centre. This enhances their quality and also reduces programme times.

Being registered as meeting the requirements of ISO 9001 is very important to Portakabin. This is because many customers will deal only with organisations that can demonstrate they meet this rigorous standard. All of Portakabin's products meet with modern standards and requirements, and this enhances consumer confidence. To reinforce this quality system, Portakabin has a 'zero tolerance' quality checking system (see section 4) in place, so that no building may leave the production site until it has been checked against, and complies with, demanding customer standards. Furthermore, because of their high quality standards, Portakabin are the only modular building company to offer quality guarantees in the form of 5 and 20 year warranties.

The standards required are wide ranging. For example, the recently ratified Kyoto Protocol requires industrialised nations to limit their production of gases that are harmful to the environment. Portakabin takes this requirement very seriously. As a result, all of its buildings are thermally efficient to minimise energy use. Following Kyoto there are a range of new building requirements and these are particularly important for Portakabin's public sector customers such as hospitals and schools.

Quality processes

Any form of production activity involves sets of interlinking processes.

Portakabin's factory-based production process combines standardisation with customisation. The modules to be assembled come in standardised sizes and shapes. However, the way they are put together and their interior design depends on clients' individual specifications. For example, modules that are assembled for Sainsbury's to train new checkout staff are different from those designed for an easyJet office.

To ensure that all customers get what they want, Portakabin deploys the Quality Systems approach referred to earlier. A Corporate Quality Team (comprising senior managers) is responsible for ensuring that individual teams understand quality processes.

Communication takes place by means of process charts. These are clear illustrations that set out the processes involved e.g. in creating a new set of school classrooms or laboratories.

The essentials of the Quality System are:

1. Say what you do

By studying the Quality Manual, teams working on a particular process know what the job requires. If in doubt, they can ask team leaders. This process enables everyone involved to understand and state the process and their role within it.

2. Do what you say

Once they understand the process, team members are able to implement it e.g. by constructing a new building for a specific client.

3. Record what you have done

Construction teams record all actions taken, so that all those involved know the current position, what has gone on before and what still needs to be done.

4. Review what you have done

Records are regularly reviewed both to ensure delivery targets can be met and to identify any problem areas.

5. Take remedial action where necessary

If problems or potential problem areas are identified, steps are taken to eliminate or reduce these.

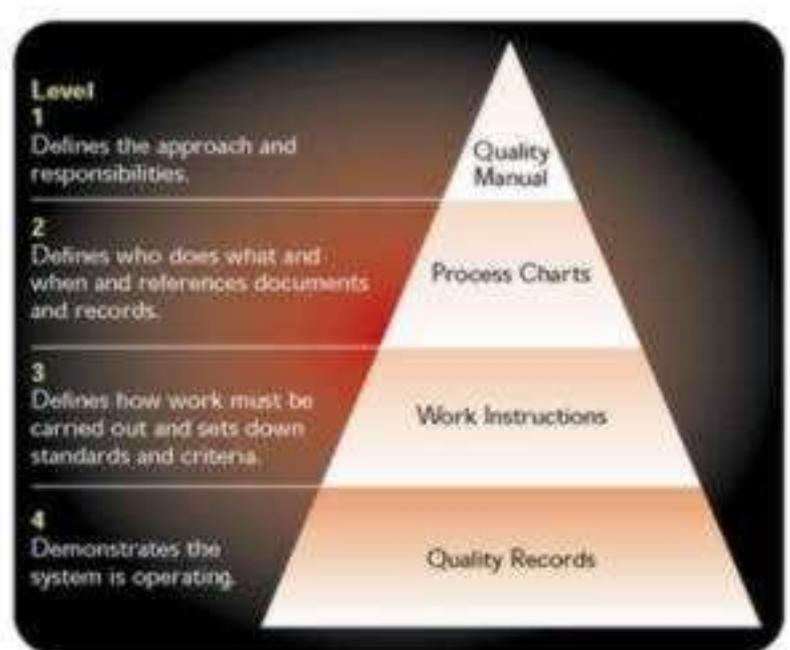
6. Then start the process again

This procedure is followed for each stage in each process to ensure that everyone benefits from solutions to problems, which have already been devised.

These essential steps can be illustrated in the form of a hierarchy of quality processes:

An essential part of improving quality is to identify problems as and when they occur. These can then be addressed and resolved immediately. This is what Portakabin mean by 'zero tolerance'. To address any issues, Portakabin deploys a 'commando team' as part of its Quality Team. This team scrutinises products and processes from the customer's viewpoint. On one occasion the team found blistering on the walls of a particular building, a quick 'alert' to the manufacturing team led to the fault being eliminated before it became a problem for the customer. Teams complete quality reports with the purpose of:

- fixing the immediate problem
- identifying its cause
- making changes to prevent the problem reoccurring.



Quality Service

Providing customer service is another vital part of Quality Management. See steps 6 and 7 in the chart below.

The company believes that providing exceptional levels of customer service is as important as the quality of the products it makes. To support this commitment, it has developed a number of initiatives aimed at continuously improving service. Portakabin:

- guarantees to complete projects on time and on budget
- operates a Customer Charter that sets out minimum standards that customers of its Hire Division can expect to receive. This charter includes the pledge where Portakabin will recompense the customer if it fails to deliver a building on time
- offers a complete plan, design and build service, whereby a client can choose simply to accept the keys and open the doors on completion
- runs a comprehensive customer satisfaction survey every month.



Conclusion

In a competitive market, businesses stay ahead by offering products that are different and/or superior in ways that matter to customers. Portakabin has positioned itself at the top end of the modular buildings market in terms of quality, whilst at the same time providing value-for-money products that fully meet key standards set out in ISO 9001. The most recent external audit of Portakabin's practices showed that the company is meeting the required standards in all aspects of quality. This outcome is the result of a great deal of thought, careful planning and ongoing education and training of a skilled and dedicated workforce.

