vital link

The Supplier Partnership Newsletter From Romec Limited

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Issue 01, June 2005

Welcome to the first issue of vital link – a new publication designed to keep you, our suppliers, up to date with what's happening in Romec.

We hope vital link will encourage more open and honest communication between us and you our key suppliers. It has been launched to help keep you up to date with the contracts Romec are winning and the role that you, as a supplier, have to play in helping us deliver excellent customer service.

In this the first issue of vital link, I will aim to give you 'a brief history' of Romec; we focus on Romec's purchasing strategy – 'The Spirit of Partnership', which aims to deliver the right relationships with the right suppliers; we introduce you to our Supply Chain purchasing team and highlight some of the supplier initiatives that Romec has introduced.

I hope you find something of interest in this newsletter. But, if there's anything you'd would like to see included in the next issue of vital link we'd like to hear from you.



Mike Jones Managing Director

"Let us hang together, for if we don't we will surely hang separately "

Benjamin Franklin





Romec – a brief history...

Many organisations, like Romec place a great deal of value (and money) on communicating with customers and potential clients. This is to ensure that they are fully aware of the company's background, key capabilities, experience and the associated benefits of working with them. But few recognise the part that suppliers and sub-contractors play in delivering the customer promise and in delivering the aspirations of the organisation.

Romec appreciates the value of suppliers and through vital link we want to make sure that our suppliers know and fully understand our business.

Back in 1989 Romec was set up by Royal Mail to look after its estate of some 2,500 buildings across the country. Included were a number of manufacturing plants making items such as post boxes, trolleys and sorting frames as well as a number of in-house print and reprographic units.

Over the next ten years Romec expanded to cover cleaning, security and office management services. By the millennium the organisation comprised a large nationwide facilities management business offering a comprehensive range of services. 2001 was a milestone year for Romec as Royal Mail made the decision to seek a private sector partner to help manage Romec within the commercial market place. This was done to allow Royal Mail to concentrate on its core activities; collecting, sorting and delivering letters and parcels and operating its UK network of Post Office branches.

Haden Building Management, part of the Balfour Beatty Group, was selected as the most appropriate commercial partner, taking 49% ownership of Romec, with Royal Mail retaining the remaining 51%. As a major FM company, Haden provides the opportunity for complementary services with Romec and we are working closely together on a number of projects.









Sponsors of the Romec

In 2004 Romec took part in the Excellence Awards - an employee recognition scheme, which aims to highlight the outstanding efforts of employees, managers and teams within Romec, Haden and Monteray. The awards proved to be a huge success with over 130 Romec nominations alone, culminating in five very worthwhile winners.

Romec would like to take this opportunity to formally recognise the valuable contribution our 2004 sponsors played in the success of Romec's first Excellence Awards, namely HSS, Bunzl, Enterprise Rent-A-Car and CIS.

As last year, we are pleased that the 2005 Excellence Awards are once again being supported by five of our most important suppliers.

Bunzl, HSS Hire Shops, Norbain, River Plastics and Securiplan all play a vital role in supplying products and services to Romec. These in turn help us to provide the best possible service to customers.

...according to Mike Jones

A good example of Romec and Haden working together is the contract signed last year with the BBC to manage its English regions estate. The contract includes a wide range of facilities management services including: security, landscaping, porterage, mail services, building engineering services, waste management and cleaning. The contract, worth in excess of £5 million a year, is for seven years and Haden asked Romec to provide the security and cleaning elements worth in excess of £1 million per annum.

In 2004 Haden also merged the fire and security businesses with Romec to create a substantial business unit, which operates both within Royal Mail and extensively within the external market place.

In 2002 Romec signed a seven-year deal worth £1.3 billion to provide facilities management services across the estate of Royal Mail Group covering delivery offices, Post Office branches and mail centres throughout Britain.

The contract includes the delivery of numerous services including building services maintenance, installation and cleaning to some 2,550 properties, in addition to electronic security, office management, print and manufacturing services.

In anyone's terms it was a challenging task – and to a company emerging from the public sector into the commercial world, keeping such a major customer happy whilst also diversifying into new areas was an intricate balancing act.

But it worked..... and it is still working.

Getting used to the change from being a business unit within Royal Mail to a limited company has meant some key business changes.

For example, there are 26 contract performance measures attached to the main Royal Mail contract, which have had to be communicated in detail to all employees and our suppliers who actually deliver the services. Failure to meet these targets means financial penalties – money that comes straight off Romec's bottom line.

We also reorganised our purchasing team to focus its efforts on providing an improved service and developing stronger working relationships with suppliers. Changing how we buy and who we buy from continues to be a critical element of Romec's future success.

As our customers continue to drive for greater efficiency, the challenge for Romec and our suppliers is to provide a continuously high level of service at the right price.

Excellence Awards

We are as keen to develop and maintain good working relationships with our suppliers as we are with customers and we welcome your involvement in such initiatives.

Our sponsors are invited to take an active role in the awards and will not only be represented at the special lunch in November but will also be helping with the judging. Sponsors are also credited on all printed material regarding the awards, which is circulated throughout the Balfour Beatty Group.

Employee of the Year Award

sponsored by :



cleaning & hygiene supplies

Team of the Year Award sponsored by :

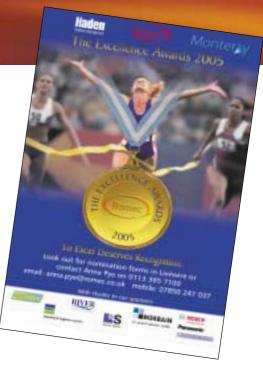


Manager of the Year Award sponsored by :









Excellence in Customer Service Award



The right team - the right spirit - the right partnership

In order to keep up with the rapidly changing world of Romec, the purchasing team is structured in a way that meets the needs of Romec, our suppliers and ultimately our customers.

To help you to understand the structure, here's an introduction to the purchasing team. We have established two teams, one focused on the sub-contract spend activity, the other dedicated to the supply side. Each team consists of a Purchasing Manager and Commodity Manager, with the supply activity having the addition of a Senior Buyer. The Sub-contract team has the remit to ensure our sub-contractors are competitive, contracted to Romec's requirements and service level agreements, compliant with health and safety requirements and are registered on our supplier management system.

The Supply team, has the remit to ensure that the suppliers we use are competitive, are contracted to Romec requirements, have the right materials when and where we need them and are registered on our supplier management system.

In addition a Development team will focus on developing our relationships with our suppliers by highlighting their strengths and weaknesses. The team will use the SQSR process (outlined below) to create joint improvement plans that ensure our suppliers can meet Romec's needs now and in the future.

We have established a series of key performance indicators, which the teams will share with you. Whilst in most cases we aim to improve our own performance, a greater level of improvement will of course depend on actions and assistance from you - our supply partners.



The Supply Chain

The underlying objective of any supply chain is: to integrate strategy, resource and processes to develop a best in

class purchasing team to manage best in class suppliers and to provide a worldclass service.

To achieve this, Romec has initiated a strategy called 'The Spirit of Partnership', which aims to create the right relationships with our suppliers. The Romec purchasing team is ideally positioned within the business to implement the main principles of this strategy.

Develop open relationships

Work together to achieve win win situations

Deliver shared initiatives

One of the initiatives that have been adopted by the Romec team is to ensure that we have the right suppliers for our business – those looking towards 'Best in Class' status. Romec suppliers must be to be competitive, pro-active and flexible enough to serve our customers' needs. It is vital we know as much about our suppliers as we do about our own business and similarly it is vital that our suppliers know as much as possible about Romec and our methods of operation.

To achieve this, each supplier falls within a specific market segment, or commodity, which is looked after by a dedicated member of the purchasing team. In this way we can share information in an open and honest way and promote the 'Spirit of Partnership'.

Have you been SQSR'd?

As part of Romec's ongoing commitment to effectively manage supplier relationships, all existing and potential suppliers must undergo a quality system review, which builds on the quality principles of ISO 9000.

The review provides the purchasing team with comprehensive details about a supplier's /potential supplier's strengths and weaknesses. In the first instance suppliers must complete an on-line selfaudit form (which can be found on the Romec website - www.romec.com). Upon receipt of a completed form, Romec will arrange a supplier visit to discuss the findings in more detail.

During the review, areas for improvement will often be identified and this information provides Romec and our suppliers with an ideal opportunity to work together to improve areas of weakness, which will benefit both parties and ultimately benefit our customers.

The audit covers ten key aspects of a supplier's business; business strategy, quality system management, customer

satisfaction assessment, service support and process infrastructure, innovation, supplier management, human resource, software and IT quality, health and safety and last but by no means

least environmental policies.

When completing the self-audit, it is important that you take into account the size and nature of your company and to 'think outside the box'.

Work Wisely - use the Web

At the end of 2004 Romec launched the most recent version of its website. The new site not only utilises the latest web technology but also incorporates a new 'Supply Partners' page aimed at further improving our communication with you our suppliers.

It is vital for any organisation to have accurate and up-to-date records of its suppliers. To help facilitate this Romec has created a simple, online questionnaire, which all prospective and current suppliers are asked to complete.

In addition, with health and safety at the heart of everything we do, we have also incorporated

our health and safety requirements along with some important supplier compliance information. An online hazardous activity checklist is also available, which must be completed by suppliers prior to the start of work on any of Romec's customer sites.

The new 'Supplier Partners' page can be found by visiting the 'About Us' section on the Romec home page at www.romec.com

If you have any feedback or suggestions of what you would like to see on the Supplier Partners page - work wisely and let us know.



Visit us at www.romec.com

Health and Safety Matters

Although the following information relates primarily to the Romec contract with the Royal Mail Group, as Romec continues to win new external contracts, all service providers and their employees, working on behalf of Romec Ltd on customer sites **must** be aware of the following information.

Any work activities undertaken on behalf of Romec Ltd on customer sites **must** conform to all current health and safety legislation.

Service providers **must** log a generic method statement and safe system of work with Romec prior to the commencement of any work activities.

Where any work activities are deemed to be designated hazardous activities, as detailed below, then the service provider **must** provide a site-specific method statement and/or a safe system of work. Designated hazardous activities are specified as:

- working with asbestos
- working in confined spaces
- working at heights in excess of two metres (unless amended by changes to current legislation)
- working near fragile surfaces where there is a risk of falling from height
- hot working grinding, welding, flame cutting, flame heating
- work that may involve overhead
 / underground services
- interceptor and drainage cleaning
- electrical maintenance work that may involve live working in dangerous conditions
- works that require a permit to work
- ground maintenance and pest control

A service provider employee who attends a Royal Mail Group site must also:

- sign in the site log book.
- inform the person in control of the reason for their visit. The contact will provide information of Royal Mail Group operational activities that could affect the service providers work activities.
- share safety information with other service providers on site who may be affected by their work activities.

All accidents on Royal Mail Group sites must be recorded in the on-site accident book and reported to Romec.

We ask that all suppliers working on the Royal Mail Group contract comply fully with these instructions. Failure to do so can result in your company being removed from the Romec approved supplier list.

Supply line... forthcoming events

Over the next few weeks, Romec will be putting the final touches to a series of dedicated supplier workshops, which will take place over a two week period in July.

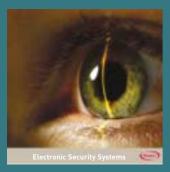
The essence of these workshops will be to encourage open and honest communication between Romec and our key suppliers. As a result of the workshops we would expect our suppliers to leave with a better understanding of Romec and the demands that the business works to, for and on behalf of our customers. It will also enable us to learn more about our suppliers' businesses and ideas for further developing the partnership.

As part of the workshop agenda we will seek to explain future market trends and

how they will impact on current service delivery, while encouraging interactive sessions to enable us to debate potential strategies.

Further details of the supplier workshops will be communicated to you individually.

























A 'one-stop-shop'

Romec is one of the UK's leading providers of integrated facilities management services. Working in partnership with some of the biggest names in the UK, we deliver a 'one-stop-shop' for a wide range of FM services.

Our business philosophy is to 'deliver value though performance'. This means providing a service that is reliable, efficient and which adds real value to our customers' organisations.

Romec achieves this through creating close working relationships and developing genuine partnerships with customers and suppliers. Harnessing leading-edge wireless technology, we develop intelligent facilities management solutions helping our customers deliver on their business objectives. Services offered range from Building Services Installation and Maintenance, Electronic Security and Materials Handling Equipment to Cleaning, Office Management Services, Printing Services and even a metal fabrication facility.

Romec's 5,000-strong national workforce is fully supported by a National Helpdesk facility and Alarm Receiving Centre. Operating 24-hours-a-day, 365 days-a-year, we service around 15,000 UK sites.

If you would like more information about the services that Romec can offer you, please visit our new web site: www.romec.com

A working relationship - working for you

Existing Romec's suppliers will already appreciate the close working relationship that we enjoy.

They will also know that Romec is a leading provider of integrated facilities management services and we have a reputation for innovation; developing and utilising cutting-edge mobile technology to provide our customers with custom-made solutions.

If you'd like to explore the opportunity of Romec becoming one of your preferred suppliers by providing you with some, or all of the services we deliver to our customers, we'd like to hear from you. Simply contact your purchasing contact who will put you in touch with Sales & Marketing Director, Keith Palmer, or e-mail Keith direct at keith.palmer@romec.co.uk.

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We hope you found the first issue of vital link interesting and informative. If you have any comments or questions or you would like to contribute to the next issue, please get in touch:

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Romec - working closer with our suppliers.