



# Case study: Hastings Direct and a new portfolio strategy

by Phil Sugden



**H**astings Direct is one of the UK's fastest-growing insurance providers, with sites in Bexhill and Newmarket. To accommodate its rapid growth, the company needed to quickly find a cost effective customer-contact centre capable of delivering service to 2.1 million customers.

Hastings faced the classic problem experienced by many other customer-facing businesses: finding and setting up an additional location with access to high-calibre colleagues in a short amount of time. In the end, the company was able to create an impressive customer service hub within just six months from the point of finalising contract terms with a chosen supplier. In January 2016, Hastings moved into its new home at 1 St. George's Way, a modern, vibrant 4,180-sq.-m. (45,000-sq.-ft.) contact centre located in the heart of England's city of Leicester and employing over 550 colleagues.

With existing sites at Bexhill and Newmarket already operating at full capacity and the labour pool at both locations unable to cope with demand, Hastings required a new operational customer services environment at a different location that could tap into a fresh source of talent. Naturally, location was key but there were other factors that were crucial, such as speed to market, known costs, and minimal distractions and risk to the business as a whole.

After an extensive investigation of a number of potential cities and regions, it was decided that 1 St. George's Way offered an easily accessible location with what is considered a large, available and suitable demographic profile. For a people-centred business such as Hastings, the ability to attract and retain colleagues remained a major part of the corporate real estate (CRE) equation, but it was also necessary to get the facility up and running quickly.

## From shell to completion

Whilst St. George's met Hastings' long-term ambitions, the designated floor space required significant infrastructure works to provide a suitable environment. Originally an old postal facility, the multi-use building needed a complete-shell fit-out to include structural alterations, as well as delivery of a workplace aligned to support colleagues and brand values. In turn, this type of project demanded a high level of property expertise and experience. The extent and size of the works also meant that there would be substantial capex investment necessary to refurbish.

This scenario left the company with two challenges: overcoming the potential delay in being able to ramp up capacity, and funding the large up-front investment associated with the refurbishment and fit-out. At this point, an independent property consultant to Hastings introduced an alternative CRE approach that could be consid-

ered to address both issues as well as minimise ongoing risks and offer greater flexibility over the longer term.

### **'Managed office solution' explained**

The concept of what is known as a managed office solution (MOS) was finally chosen over self-delivery. What was appealing about MOS was that it essentially outsourced the headache of funding and fit-out, together with the benefits of fixed monthly operating costs and ongoing management and provisioning of the property itself.

Director of Risk & Business Services at Hastings Direct, David Walker, commented on the selection, "We reviewed a number of managed office suppliers but chose Portal, who had experience of managing similar large, 'from-shell' projects, offered cost certainty across the contract, and could deliver within our timeframes. Also, the Portal team possessed similar values and an agile way of working that reflected how we do things at Hastings."

### **On time and on budget**

MOS also supplied the answer to another pressing problem: how to house additional customer service colleagues in the interim period whilst St. George's was being prepared.

As part of the contract, Portal sourced, negotiated and supplied, in conjunction with Hastings, an initial temporary 1,500-square-meter (16,000-sq.-ft.) Category A facility. The site, also at the company's preferred location in central Leicester, was contracted on a two-year flexible term with agreed all-inclusive monthly costs for 225 active workstations and 42 workstations across three training rooms. This meant that Hastings was able to kick-start its operation in Leicester in just two months with the option to work on a phased development of the St. George's property at a pace that could be dictated by the business.

The first "live" phase of the St. George's site was scheduled for 4 January, 2016, and on this day Hastings welcomed colleagues to its new home fitted out with 325 workstations and all the expected facilities, including reception, break-out areas, toilets and vending.

### **Discovery, alignment and delivery**

Hastings prides itself on a colleagues-based culture so it was vital that the new workspace at St. George's effectively reflected the company's brand values, promoted colleagues' well-being and mirrored their vibrant culture. To achieve this, from the outset, a discovery process was undertaken that engaged all key stakeholders and created a detailed understanding of the company's strategic and tactical requirements.

This detailed blueprint acted as the foundation for creating a tailored workspace that would effectively optimise the available space.

In parallel, Hastings managed its own IT and Portal ensured the technical environment was designed to meet with their rollout plans. These plans included calculating power requirements for UPS and the generator and understanding Hastings' network and telephony infrastructure and installation schedule.

### **Designs on retention**

Once the discovery process was completed, Portal worked in collaboration with partners, including workplace design-and-build specialists TSK Group to design and implement a modern working environment created specifically to appeal to a young, energetic workforce. This included innovative ideas such as bright, stimulating open-plan offices and break-out areas, and themed meeting rooms named after famous Leicester celebrities.

A collection of contemporary yet private meeting spaces provide break-out areas and the layout of desks is unregimented so there is a freedom, fluidity and sense of light and cathedral-like space within the building that challenge the notions of conventional contact-centre design.

Glass pods, sofa booths and curved mini auditoriums known as "huddles" within the open-plan office environment allow for impromptu conversations and have been created for team get-togethers. These spaces are an intrinsic part of the design and act as landmarks for navigating the centre. The Hastings brand is tastefully evident throughout the site, with references to their many successes displayed in the welcoming reception area for colleagues and visitors alike to see.

The aims for St. George's were to create an environment that both attracts and retains colleagues and it is evident that the result is a contact centre that all colleagues can be proud of. The site has recently been the subject of a promotional video that shows off the company to potential new colleagues.

### **Managing future change**

With year-on-year projected growth, Hastings has recently completed phase two, including 513 workstations/seats, and is now embarking on plans for a full-service restaurant and additional workstations. The role of MOS has not only been critical in the early stages of the Leicester site, but contributes to the ongoing building and facilities management, including planned works to the centre. With a dedicated onsite manager provided by Portal, the Hastings operation has a single point of contact who is responsible for

### **Key benefits of managed office solutions for Hastings:**

- Brings business-expansion project on time and on budget
- Provides 'business as usual' interim solution whilst developing permanent facility
- Improves cash-flow (Opex model); provides cost certainty over contract term
- Reflects Hasting's culture with a light, bright and modern working environment
- Helps attract and retain colleagues
- Maintains FM delivery and day-to-day management of facility to stringent SLAs
- Frees up valuable resources (i.e., capital and management time) for reinvestment into core business activities
- Eliminates property risk

every aspect of buildings and facilities management, from security and health and safety, to maintenance and cleaning.

Hastings' David Walker concludes, "By using a managed office solution, we can focus on our own core business. This has resulted in a low-risk and cost-effective property strategy and we're really pleased with the services delivered to us."



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