Chapter 6.27
Knowledge Management in a Project Climate

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EXECUTIVE SUMMARY

This case study concerns the company Taylor Woodrow, which is a housing, property, and construction business operating internationally in situations where frontline operations are characterised by project management. Construction projects can sometimes carry substantial risk, and this case examines the role of knowledge management at Taylor Woodrow in minimising the probability of mischance by promoting best practice and lessons learned. The case shows how best practice can be developed through knowledge-sharing facilitated by networks of relationships. Some relationships are external — between the company, its partners, suppliers, and customers. Other relationships are internal — between frontline managers on construction sites and headquarters’ staff. The case study indicates how knowledge is collated and distributed for the mutual benefit of all stakeholders.

BACKGROUND

The UK construction industry contributes about 10% of the UK’s gross domestic product (GDP) and employed some 1.4 million people in 2001-2002 (DTI, 2002). Construction in the UK is a fragmented trade where there is constant pressure from clients for improvement and innovation in performance. Such is this pressure that the DTI
(Department of Trade and Industry, the Government body responsible in the UK) invested £16.5 million in 2002 on a programme of construction-related innovation and research to develop and disseminate information and knowledge.

Taylor Woodrow: General Company Background

Taylor Woodrow is an international housing and development company employing over 7,000 people worldwide. Its primary business is house building, which accounts for more than 95% of its operating profit. The company is the second largest UK-based house builder, delivering 10,000 new homes in the UK, along with around 3,800 new homes in North America, Spain, and Gibraltar each year. The company’s UK house-building operation trades mainly under the Bryant Homes brand. In Canada, homes are marketed as Monarch, and in the United States and Spain, directly under the Taylor Woodrow brand.

In the UK, the company currently trades from a network of 11 regional offices, incorporating a central office based in the West Midlands and the construction headquarters in Watford. In addition to housing and commercial property developments, Taylor Woodrow also undertakes Private Finance Initiative (PFI) projects under the UK Government’s Private Finance Initiative, mainly in healthcare. The company also undertakes facilities management and specialist engineering consultancy through Taylor Woodrow Construction. This unique skill base of integrated housing, property, and construction expertise ensures that Taylor Woodrow is particularly well equipped to tackle more complex developments, often on brownfield sites in high-profile city centre locations, and to date more than 30% of the company’s construction activity is now in-house support to deliver large and mixed-use housing and commercial projects for the company.

Taylor Woodrow’s core market is the UK with 71% of revenue in 2002 (http://uk.biz.yahoo.com/, 2003). The remainder of revenue comes from North America (25%), and the rest of the world (mainly Spain and Gibraltar) supplies the remaining 4%. In 2003, turnover was up 7% and profit before tax was up 20% on the previous year (Interim Results Statement, June 30, 2003, available on Web site).

According to the company’s Web site (http://www.taylorwoodrow.com/), Taylor Woodrow’s vision is to be “the leading developer of living and working environments in the UK and other chosen markets.”

The company Web site also details full information about the company’s

1. stated culture;
2. principles;
3. objectives;
4. responsibility (to shareholders, customers, people, those with whom they do business, and society);
5. business integrity;
6. health, safety, and environment;
7. community (they seek to be responsible corporate citizens);
8. political activities (they do not support political parties or policies in any form);
9. competition (they support free enterprise);
10. communication (open); and
11. corporate governance (detailing the directors, the board, and other committees, how internal control is carried out, investor relations, and corporate social responsibility policy).

SETTING THE STAGE

Knowledge management began in Taylor Woodrow in 2000 and centred on technical knowledge managed by a team based at the Technology Centre in Leighton Buzzard, UK. The remit of the knowledge manager at Taylor Woodrow was to manage knowledge on a groupwide basis. The