

PREMIER MODULAR'S NEW MANAGING DIRECTOR SPEAKS TO BUILDOFFSITE ON HIS NEW ROLE AND VISION FOR THE FUTURE



David Harris,
Managing Director at Premier Modular

Firstly, congratulations David on your new position.

How would you summarise your core product philosophy and company ethos?

“Premier is all about commitment, teamwork, performance, innovation and flexibility. These are some of the factors which enable us to work in such a variety of spaces and range of sectors across the UK; whether we work with the principal contractors, a supply chain partner or it is a construction management contract. So, this gives us unrivalled flexibility to work in a way that suits our clients’ needs.

We previously had a cabin business, but we divested that to allow us to completely focus on modular buildings and offsite construction for interim or permanent projects. This give us real focus and is what has really fuelled our growth in recent years.”

You have said previously that you want to grow the business by around 50% in the next three years how will you do that and will it involve more factories?

Diversification is is key. We see great

opportunity to increase our market share for our offsite construction solutions in the residential sector. Our site welfare business has been very London centric in the past and we are increasing our geographical reach to support Tier 1 and regional contractors across the UK. We have grown the business considerably in the last five years and we hope to take that to the next level, and become the supplier of choice throughout the UK and into northern Europe.”

We have invested heavily over the last six or seven years in our five factories, extending them, adding more lifting and movement facilities, which means we have considerable capacity to grow our output within our existing operations. So our first priority will be to work hard with what we already have in place and use that capacity to best effect.”

On the subject of factories, there is quite a different approach across the UK - there are very few that have totally embraced the fully automated manufacturing model and they're still very 'human heavy' as I would call it. You are obviously from an automotive background yourself, so do you have any vision that Premiere's future capabilities might include a higher focus on production line technologies or do you think the hybrid formula is where your true potential lies?

“I think the hybrid formula is right for us in the way we are trying to operate currently and will remain the case for the next couple of years. Because of our diverse market sectors, flexibility is crucial for us. We could be manufacturing a school, an interim construction welfare building or a new ward block for a hospital; so we have to have flexibility of products and flexibility of approach.

Some of Premier's most prestigious projects have included the Hinkley C accommodation

and most recently the Nightingale Hospital in Exeter, which I believe took just 4 weeks – which is phenomenal, congratulations. What are your current plans in the residential sector?

“Many years ago, Premier was a pioneer of modular housing. We really felt that traditional housing was the right area for us and we worked in that space for a number of years but found it extremely difficult to generate traction from different social housing providers to actually embrace offsite solutions. Basic cost was always the driver.

As we have matured as a business, we realised our building solutions are best suited to mid-rise residential schemes, where it is far easier to achieve repeatability. Our manufacturing capabilities and offsite fitting out drive real value and benefits for developers. We can offer much greater certainty of quality, delivery on programme, on cost and safety. As an example, we have just won a major scheme for homeless accommodation for Buckinghamshire Council. That is five stories. We are also targeting build-to-rent, student accommodation and affordable housing, from five to 13/14 storeys.

We adopt the design philosophy of a fabric-first approach to minimise impact on the environment and reduce operating costs such as heating. It is also important to design for offsite construction in order to optimise the benefits of standardisation.

We obviously have to consider COVID-19. I understand that Premier have successfully kept production going throughout. I even saw that you have recruited during lockdown, which in itself is an exceptionally positive position to be in. I wanted to ask how much of an impact have the last few months had on the business and what do you envisage the longer-term impact or changes to working practices to be, if any?

“It was very positive to be able to increase our production staff during the economic downturn caused by Covid-19. We have just recruited a further 25 people in our factory. This is due to a surge in new orders across the business.

Covid-19 did impact on our business, but it was much less than it could have been thankfully. Some of our traditional sectors; education, construction, site welfare accommodation and retail saw a slowdown, but that was balanced by an increase in the healthcare sector and in residential to meet the new Government targets for housing for the homeless.

And now some of those projects that were delayed are back on track. We currently have significant order uptake. I think there will be an impact, in reality, on our interim buildings; particularly where we support contractors working on large-scale projects for new residential or commercial developments. At best, I think we will see some strength returning in these sectors next year.

However, we also see significant opportunities following recent Government announcements for new infrastructure, education, and healthcare projects. We have the flexibility to put different types of buildings through our factories according to the needs of the market and our customers. That still gives us tremendous opportunities to grow the business.

I also think it reiterates what you can do as a supplier in the supply chain. The fact that you can react that quickly and turn around 40 modules in just 4 weeks, actually makes other sectors step back and look at what we have achieved. Why can't we have a school in four weeks? It actually builds momentum in terms of what offsite is all about - which is speed, certainty, quality, and safety.”

We are all familiar with the Construction Leadership Councils' Roadmap to Recovery, so I was wondering if you felt that this agenda truly represents a critical opportunity to reset the direction of travel for construction as a whole? Most specifically, how do you predict Premier benefiting from more 'collaborative forms of working' – assuming they are adopted?



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"It's very hard to say whether this roadmap is a critical opportunity or not. I'd like to hope it's a feasible opportunity because partnership working is the way forward. Businesses like Premier who are willing to collaborate through early engagement and create long-term partnerships, will generate greater value and better buildings for the client. Our approach is open, honest and transparent. We can definitely deliver best value through early engagement.

I think the traditional forms of contract are becoming outdated. We are still dealing with it on some major contracts where you have seen tenders come out, which are so poorly defined. This approach does not encourage best value for the client. You cannot help but think, 'if you just engaged with us, you would probably be saving 20% because we would have developed a far better solution'.

What do you feel can help to ensure that Modern Methods of Construction are at the forefront of the minds for local authorities, the NHS, the education sector etc and why do you feel that the true potential of offsite construction has not been embraced fully up to now? And, what do you anticipate the biggest hurdles, to fully realise the industry's potential, are going to be?

"It's an interesting issue. I have been involved in the modular/offsite sector for 20 years. I can remember when I started, standing up in front of

hundreds of architects, talking about offsite and modular and being faced with complete scepticism. Our sector has come such a long way since then, and you see more and more fantastic quality projects being successfully delivered. But I think that there are still perception issues around modular buildings which can only really be addressed by showcasing more great offsite projects.

Generating outstanding customer feedback is critical and as an industry we need to continually publicise that to help change perceptions and encourage more enlightened clients to adopt an offsite approach. I also think more and more construction talent is coming through with the increased acceptance, knowledge and understanding of offsite, and actually realising what a rewarding career you can have in this sector.

Procurement is definitely still an issue.

Having frameworks where you still need to produce lengthy tenders doesn't solve the problem. We need frameworks which encourage best practice through early engagement and work to a target to achieve best value.

The construction industry needs to step up. It needs to stop employing consultants and actually be led by clients, getting their solutions built in the most direct way, spending their money on the actual building - not on 'flannel'."

I totally agree with what you have just touched on about not shouting loud enough. But it's also about changing people's perception of offsite construction, so many think of modular homes as a 'box'.

"I agree 100%. I also think that, just to come back to your point about COVID, that everything happening at this time is actually demonstrating once again

how efficient and productive offsite manufacturing is.

All the offsite factories can manage their space, processes, and what they are manufacturing day to day. So social distancing has had much less impact than on site. The new requirements are actually benefiting manufacturers because there is more discipline and therefore, more efficiency in the process. I think it just stems, yet again, from the benefits you can get from manufacturing buildings in a controlled factory environment."

How do you see the landscape of offsite construction changing over the next ten years?

"I think we will see exponential growth. This is reflected in our quote bank and our order book and I can hear it from the conversations I'm having with customers.

There are more and more drivers to use offsite, so I don't see any reason why the industry won't be 10 times the size we are now, in 10 years' time." Critically as well, there has been a government push and recognition. The appointment of Mark Farmer's position for instance.

"There is recognition. I think one of the issues is that some of the offsite frameworks aren't being offered to offsite providers, because of the way that procurement works. They need to take that final step and I don't see why it shouldn't happen."

Lastly, what will be your measure of success for Premier, besides the earlier discussed growth in turnover?

"We pride ourselves on having one of the best teams in the industry and are attracting outstanding talent which we will continue to do.

Continuing to attract really happy clients and exceed their expectations are fundamental to give us future

growth. We need great projects with great customer feedback. We have a lot of USPs for both our offsite construction solutions and our hire business. We want to maintain our reputation for both divisions. Our commitments to quality and service, our flexibility, our product value, are key drivers. These factors will demonstrate that we are achieving success. Against all those, with a business that continues to be financially strong."

Many thanks for your time David and best of luck in your new role.



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Interviewed by Karen Shanks, Industry Advisor at Buildoffsite.