

Hybrid working model & CX in the housing industry

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BRADLEY HOWARD, ENDAVA HOST (BH): Hello. I'm Bradley Howard, and I'm happy to welcome you back to the latest episode of Tech Reimagined. Today, I'm thrilled to sit down with Sarah Thomas, the CEO, Chief Executive Officer, of Catalyst Housing. Hello, Sarah. Can you tell us more about yourself and Catalyst Housing?

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SARAH THOMAS, CEO, CATALYST HOUSING LIMITED (ST): Well, hello, Bradley, and as you've just said my name's Sarah Thomas and I'm the Chief Executive of Catalyst. Catalyst is a large housing provider which is based in London and around London. For those of you that live in the south of the UK, the home counties, is the other area we operate in and we build, manage and provide homes in really three categories: so affordable rented homes, so that's subsidised homes to rent for those on lower income levels. Affordable homeownership for people that want to have their own home, want to buy into an asset, but cannot afford to get onto the market priced property ladder, and then finally, we also build homes for market sale. So those are the three areas we're involved in. We are not-for-profit, which means that the money we make gets reinvested into building more affordable homes to rent and to buy, and increasing the supply of affordable homes in the UK. Currently, we own and manage around 37,000 homes, and that's an ever-growing number because we build around 1000 homes a year.

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BH: Well, welcome to the show, Sarah. How about yourself? How long have you been at Catalyst?

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ST: I've been at Catalyst for nearly three years now and I've worked in the housing sector in the UK for around 10 years in executive positions. Before I worked in the housing sector, I worked in the commercial sector in travel and tourism, and I had senior positions at Eurostar, where for five years I ran stations in the UK, France and Belgium. I also developed Eurostar's first ever customer experience strategy.

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BH: That's fantastic, and I hope to hear more about some of that experience a bit later on in the show. So I understand that at Catalyst you build your own housing. How's the pandemic impacted the construction of new housing?

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ST: Well, initially, like all of us, when the UK government decided that we needed to put in hefty restrictions to prevent the spread of COVID and it was very much work at home, we initially had to work out clarity on the construction industry, and it became very apparent that the construction industry was to carry on throughout even the strictest of restrictions. But we couldn't do that, as we did before the pandemic. We had to put in health and safety measures to protect the people that worked on our sites. So as you can imagine, two meter rule, very strict safety protocols when people were working together, when different trades had to work together, and there had to be proximity. The industry reacted very quickly and very positively under the circumstances and put measures in place very quickly. We were able to resume construction pretty rapidly after the first lockdown. In spite of restrictions making things take a bit longer, we were able to really optimise that way of working and quickly got back on track again.

Construction is only one phase of building a home, and that is the physical stage, which obviously restrictions were most likely to impact. But there are many other stages, too, from beginning to end, and not all of these were impacted by the lockdown because people could effectively do those by working from home.

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BH: Right. So you have a lot of staff who were working from home, presumably on some customer support elements and able to work remotely. What about the supply chain? I heard lots of building materials were in real demand straight after that first lockdown.

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ST: Well, we had a couple of things going on at the same time because remember, we had Brexit, and Brexit did have an impact on the supply chain. Fortunately at Catalyst, the plans we had put in place to mitigate the risks from Brexit on the supply chain also meant we were able to deal with supply chain issues directly affected by COVID. So we had enough of the materials for the sites for the duration, where things were particularly difficult. Moving forward with our ongoing economic uncertainty, we might find that we have to take a relook at this issue and assess how long this could go on and assess what new plans we might need to put in place, but certainly initially Brexit mitigation plans meant we were in a robust position to tackle both Brexit and COVID-related supply issues.

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BH: Oh, that's great. So what were the biggest challenges before and after the pandemic?

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ST: So I think that the challenges before were the challenges that came about to the construction industry, principally because of Brexit and the economic outlook. And obviously, COVID has added to that. So there is an ongoing economic uncertainty - that impacts not only on the construction element and what we do, but more broadly on our organisation, on our customers, particularly as the large proportion of our market is customers looking for affordable products and also on our colleagues, of course, who are also suffering because of some of the economic uncertainty. More specifically to our sector, we have competing priorities for investment and like any sector, we have finite amounts of money to invest. So obviously, we want to build new homes as we always have done. We seek to provide 1000 new homes into the supply each year, but alongside that bears building safety, which there are many aspects to, including fire safety but other aspects. And that requires significant investment to make sure our buildings are safe. Then we have investment in our existing homes. We own and manage 37,000 homes. So we have to make sure that those are maintained to a high quality and maintain our customer satisfaction. And then we have achieving net carbon zero, or decarbonisation as it's sometimes called in our sector, which again requires significant investment. So you can see from a strategic point of view and a long term planning point of view, we have many different priorities and we need to work out how we can meet as many of these priorities as possible

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BH: And how have those priorities changed from, let's say, three years ago, pre-pandemic until what you're looking at in the future now.

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ST: The main change, because some of these things would have been true before, we would have had to achieve net carbon zero, that's a different issue from the pandemic. We would have tackled the building safety issues, a different issue from the pandemic. But the ongoing economic uncertainty and the impact of this in many different ways on our sector is the new challenge, or the enlarged challenge, as a result of COVID, and that can impact us in different ways. We've already mentioned supply chains and labour, but we've also got funding for example. We have investors that help us fund our developments, our long term investments and it can impact on funding and investment as well. It can impact on our ability to attract talent where there's a shortage of talent. Will people choose the housing industry or will they choose a different sector? So those are some of the examples of how COVID specifically is impacting on these challenges we face today.

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BH: So when you were talking about economic uncertainty in the future, are you modelling let's say, if there are more people that require affordable housing, then you need to maybe increase from that thousand homes per year?

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ST: Well, I think that there always has been for quite some time now and always will be, more demand and supply, which is why it's really important that we maintain our supply. Our supply is not based on demand because there is more demand than supply. Our supply is based on what we can afford to deliver, through our business plan. Because we provide subsidised housing, we subsidise it through profits we make from market sale activity and also from government grant funding and working in partnership, say, for example, working in partnership with Oxford City Council at the moment. So for us, there's a finite amount we can invest. However, what's really important is we sustain that investment and sustain that supply.

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BH: Right, OK. Going back to to changing through COVID and the challenges that faced - where you have a normal office environment and then you've moved to a hybrid model, how easy or difficult was that for Catalyst?

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ST: Okay. So we have around 60 percent of our entire workforce working remotely already and by remotely, I mean, in the field. So they might be out delivering repairs to our customers. They might be working on construction sites, they might be delivering customer services out, in and around the geographies where our customers live. So we have around 40 percent of our workforce that went to working from home and are currently in the requirement we've just come out of - working from home, if you can. We would have around 40 percent of people operating in that way. We were actually able to do this very swiftly and very easily. More by luck than design, if I'm honest, because we had just completed the roll out of our flexible working technology program at Catalyst in February 2020.

So literally just in time for the move. We'd always planned to move to a more flexible way of working, partly for our remote teams in the field and partly so that people could have more flexibility in the way they work. We weren't quite planning to test it in such extreme circumstances as everyone going home now, including the contact centre. But we did have to do it as we all did, and it worked. We were able to provide services for our customers.

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BH: Well, that sounds fantastic. Like many other things you said you planned for - Brexit and then your remote working environment, it sounds like you've planned at just the right time, so well done there. How has that influenced the customer strategy then, when you've had a remote workforce?

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ST: Yes. So our plans were always twofold with regards to responding to our customers' needs. So we do extensive customer insight and customer engagement work at Catalyst, and we try to co-create and co-produce our customer services and products with them so that we really - when we launch something, it really meets their needs. So we'd already planned to do two approaches to our service. So we'd planned to launch a digital offer to our customers so they can self-serve. So for all the transactions where people just don't want the hassle of calling someone, they just want to go online, do it themselves when they want, where they want and just deal with what they need to quickly and easily - that demand we wanted to fulfil through a really good self-service digital offer. Then alongside, that because we have a long term relationship with our customers - so they know it's not just a transaction. There are transactions, but it's not just a transactional relationship because a customer could be with us lifelong. Sometimes we have generations, sometimes it's just five years.

So that's why we wanted a presence in the field, in the geographies where our customers live. So for more complex societal or community issues or neighbourhood issues, those customers had a visible Catalyst person, a human being who they could contact. Now what we didn't know when we planned the service delivery, we planned it around the customer experience. But what we found during COVID was it became a real human link when people felt quite isolated. People living on their own in bed sits, really needed that human link. We then decided to support that with a telephone service. We hadn't planned to deliver a telephone service, we planned to have this two pronged service of online/digital and in-person. But what we found is there are some very lonely people, customers on their own, who just needed sometimes, a friendly check in every day. So instead of furloughing our teams, the teams that would have been furloughed went on the phones and did outbound calls to those customers who were feeling a bit lonely. We were able to utilize our resources in that sort of humankind way, and really sort of give back as a sector that wasn't too financially affected because of COVID - we were able to, rather than furlough and take the government money, we were able to use those people to reconnect with our customers and help them through what was a very difficult and challenging time for them.

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BH: That just sounds absolutely amazing. I know you've got a customer experience and customer service career history, but how within the organisation did someone come up with the idea of, you know what, it would be really nice if we can call out to more customers, make sure that they're feeling OK, as you just described? How does that filter through the organisation and then, how do you implement something like that when it's not really a core element of what the organisation does?

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ST: Well, it's really interesting because obviously everything happened very quickly and every organization was trying to work their way through, 'well what are we going to do?' We suddenly had teams of people that no longer could do their roles because their roles involved mixing with customers, and they weren't able to do that. So obviously, the go-to position was, well, they go on furlough and then that's that issue resolved. But actually, instead of putting them on furlough, we thought, let's do some outbound calls to our customers. Let's see how customers are.

Let's see what services they want. We also needed to find out how prepared people were to let the repairs teams into their homes. Because obviously, if you have a major incident in your home, you do need someone to go in and fix it. You've got to have running water, you've got to have heating. During these calls, the team was saying, people are just really pleased to hear us. They're living on their own, they like the conversations, they just want to talk about their cats and they really appreciate it. We thought, well, we've got something going here. We've got a real way of establishing a relationship with our customers and connecting with our customers. Instead of just using government money and putting people on furlough, we can give something to our teams that's fulfilling for them to do, so they're not just stuck at home themselves, it's fulfilling for them, they get to connect with people, our customers get to connect with people, and we're building strong long term relationships with our customers, which can only be beneficial further down the line. So it was a great in the moment initiative to do – to sort of spread some human being-ness, if you like, some kindness. But it has meant that we are able to build our relationship with our customers, which, as every business knows, is really important for the longer term relationship.

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BH: 2 Definitely. I'm sure there's a few people listening to this thinking that probably missed a trick by not following your lead on that one. That's amazing. So before I went into IT, I really wanted to be an architect. For my fellow technology listeners, that's not a technical architect, I really wanted to design houses. So I'm interested to know from you, in terms of architecture - has the hybrid model, the hybrid working model influenced some of the layout changes to do with houses. Is everyone asking for a home office now?

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ST: Well, it's really interesting you should say that, and we talk with our customers, I mean, our customer engagement begins before people buy homes from us, or move into homes from us. We want to know what customers need from our homes. That has changed as a result of people working from home, liking working from home, thinking about working in future as being a more flexible arrangement. So 'somewhere I can work from', now it doesn't need to be an office. As I said, many of our customers need affordable homes, so they might be limited on space and number of rooms. But what they would like is a nice place to work from so that they can feel comfortable working from home and can benefit from working at home.

So that's one of the things that's come out. Outdoor space has come out as very important as well. Now we operate predominantly in London and the home counties, where in some areas, outdoor space is at a premium. So really thinking about those communal spaces and some of the communal spaces we're working on. You know, we think about the trees, we think about the layout, we think about the facilities for both adults as well as children. Whereas in the past, you might have just thought, OK, we'll have a playground in there because there's children around in the daytime. Now we think about our outdoor spaces. The spaces that adults, working adults, will want to pop out, have a break. Sit on a nice bench in the sunlight. You know, have a nice view, have some planters, get involved in the planting. So all these things are coming out from our customer engagement exercises. The affordability of heating, if you work in an office, you don't think about the heating bills do you? Suddenly you very much do when you are home. So what are affordable heating solutions? Light, and then how can communities get together? I mentioned loneliness, and for some people who will now be working from home, it might not be their choice, and they enjoyed meeting people in the office. So how can we create a community environment, particularly in the London areas, so people can benefit from that? Those are the sort of things coming out from our research at the moment, which will go into the design of our new developments.

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BH: Wow. Well, thank you so much, Sarah, for joining us on Tech Reimagined, and the chance to take that deep dive into what the hybrid working model means and the many changes that it's brought us, and what's next. To all of our listeners, I hope you enjoyed today's episode of Tech Reimagined. Thank you very much for joining. Please show us some love and hit that subscribe button and hit that like button if you liked the episode. If you've got any further questions or you want to reach out, please drop us a line either at endava.com , or you can message us on any of the popular social media platforms. Until next time.