

STRATEGIC BUSINESS PLAN 2022.23

norse
GROUP

IMPROVING PEOPLE'S LIVES



DESIGN | BUILD | MAINTAIN | SUPPORT

 **Norfolk**
County Council

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“Over twenty years ago, Norse formed its first joint venture (JV) partnership with a local authority, paving the way to becoming the largest and most successful Local Authority Trading Company (LATCO) in the UK.

Since then, we have consistently delivered significant savings, improved services, and shared profits with our partners. As a result, in the last ten years, we have returned over £100 million to the public purse, a source of great pride.”

Justin Galliford
CEO, Norse Group

1. INTRODUCTION

OUR PURPOSE

Our aim is to improve people's lives.

As the largest local authority trading company (LATCO) in Britain, ensuring we put people at the heart of what we do is integral to the ethical value proposition for our stakeholders and shareholder.

Our current Group business activity, and our growth over the next five years, will centre on the provision of services in support of communities across England and Wales. Our staff are from these communities and will be based within them, working as part of Norse Group to help improve people's lives.

We will seek to work with unitary, county, and district councils along with clients from the education, care, NHS, and charitable sectors.

Providing employment and career opportunities in the locations we operate in is a key element of what Norse Group does; and in this way adding to local investment in local economies.

Through the three main trading divisions of the Group, Norse delivers a wide range of services.

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COMMERCIAL

- **NORSE COMMERCIAL** provides essential frontline (including statutory) services for councils which include:
 - **Environmental services**, such as domestic refuse collection and street cleansing
 - **Facilities management**, incorporating building maintenance of estates and public spaces or cleaning, catering and grounds maintenance
 - **Highways' maintenance**

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CONSULTING

- **NORSE CONSULTING**, our property management company, provides services focused on:
 - Estate management
 - Surveying
 - Architecture and design
 - Project advisory and management services

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CARE

- **NORSE CARE** has 21 residential homes and supports a further 15 housing with care schemes, with more than 1,500 beds throughout Norfolk and into Suffolk.

Its services incorporate:

- Residential and enhanced care
- Dementia care
- Nursing with care
- Housing with care support

Our Group service portfolio and public sector ethos allows us to focus upon ensuring the safety of the people who live within the communities we serve.

We do this through the delivery of high quality and regulated statutory building maintenance tests across housing and local authority portfolios; CCTV monitoring services; static guarding; and by providing essential maintenance services for the NHS and fire and rescue services.

We will continue to demand the highest safety standards are met within our own operations, protecting the health and wellbeing of our dedicated staff.

Our aim is to continue to offer our services in an increasingly integrated delivery model, underpinned by a culture of long-term partnership working and ethical profitability for local communities.

These priorities will build durability into our services in three ways:

- 1) Providing services of consistently high standards, monitoring customer satisfaction
- 2) Generating ethical returns for partnering customers and our shareholder. Margins may be lower than market on an annual basis, but we will seek longer-term relationships which benefit us over time as we further embed our services in the location in which we operate
- 3) We will seek to invest in our people. They will continue to be our biggest market differentiator. By ensuring our staff feel valued and engaged we will retain them in the longer-term. This will drive service standards and facilitate professional development and increase the skills base of those living within local communities.

OUR VALUES

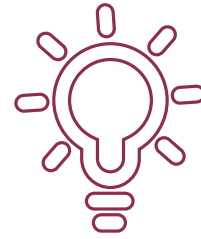


QUALITY

Quality must be built in to all that we intend to do. Whilst our customer base is sensitive to price, high quality services will remain a pre-requisite requirement.

This is an important differentiator for our Group; we will not sacrifice quality due to a short-term view on contract terms, an approach commonly seen within the marketplace, taken by larger competitors who operate traditional transactional contracting business models.

We will continue to build quality into our services with a deep understanding of our customer's requirements, having the right knowledge and skills mix to discuss and negotiate contracts, and maturing our integrated management systems (including quality management system elements) across our Group and its processes.



INNOVATION

Innovation will be key to our growth plans over the next five years. Our customers and staff will drive this and listening to them will help shape our innovative approach.

Flexibility in working arrangements, alternative service delivery models, solutions to net zero carbon goals, and an increased demand for data driven decision making, are likely to be the drivers for our innovative approach.



RESPECT AND TRUST

As part of our five-year plan, we will challenge the way we work

Ensuring that our staff respect and trust each other and demonstrate this every day, in how they behave towards colleagues and our clients, is an essential to forming teams that perform at their optimum.

It is a clear indication of a positive and sustainable organisational culture, which is imperative in ensuring we retain the right staff and that we attract the best talent as we grow. By ensuring trust and respect

are 'lived' values demonstrated by all our staff, our business will continue to grow and succeed.

Long-term partnering arrangements, alternative models of delivery, and high-quality frontline services managed on behalf of councils, requires strong organisational relationships based upon respect and trust. Embedding these values in what we do will ensure our wider culture positively aligns with that of our customers.

OUR APPROACH

The wider group approach to delivering services for customers will become increasingly important, as we seek to differentiate our offering in the marketplace.

As the largest LATCO in Britain, sound governance, corporate social responsibility (with an increasing focus on environmental performance) and clear communication with our stakeholders regarding the value we generate for them is essential in ensuring we are trusted and respected by our customers.

Improving the lives of those living where we operate means we must seek to engage and support communities. We will do this through our Corporate Social Responsibility Strategy (CSR) which aims to create social value in addition to profit.

A particular focus of our CSR Strategy will be the continued drive towards net zero carbon emissions by 2050. Reducing the impact of our services on the environment means we will positively support similar actions of those living in the communities we serve. The next five years will see us develop further our CSR Strategy and continue our net zero journey.

To support this, we will monitor and report our CSR activities, reporting back to stakeholders on a triple bottom line basis providing data transparently to facilitate independent review and scrutiny of our performance.

Good governance and a strong CSR Strategy will complement our approach to enduring relationships with customers, built on our values to generate and share ethical profits.



OUR AIM
NET ZERO
BY 2050



2. CLIENTS AND MARKETS

We will continue to operate and grow within our current markets over the next five years.

We will also look to expand into Tier 1 government markets - central government departments such as the Ministry of Defence and Ministry of Justice - as part of our long-term growth strategy.

We will continue to use our three main trading areas to deliver services but will increasingly market and sell services as “Norse Group” to offer a more integrated single service offering.

Our main markets and customers are:

LOCAL AUTHORITIES:

We will continue to work with district and county councils. Historically, our clients have been primarily district councils, but in more recent years we have begun to attract more unitary councils. We will use our unique and successful Teckal compliant, joint venture, service delivery model within the local authority market.

CARE SECTOR:

This remains a key marketplace, and we must continue to adapt to meet the evolving demands of changing demographics and clients, as well as bringing together a wider set of solutions across the care lifecycle.

EDUCATION SECTOR:

Our main customers will continue to be junior, primary, secondary, and high schools. These will be under the control of either local authorities or Academy Trusts. We will also look to provide more services to colleges and universities.

HEALTHCARE SECTOR:

The Group currently provides services to a small number of NHS community hospitals, GP practices, and NHS Trusts. Customer numbers are small, and the range of services is limited by type and contract length. Our aim over the next five years is to grow into this market, identifying relevant segments as the right opportunities to develop long-term relationships.

SOCIAL HOUSING:

Current clients include Registered Social Landlords (RSLs) and Housing Associations. This market is complimentary to the housing stock services we provide on behalf of several of our joint venture council partners. We will continue to work in this market as the national demand for social housing continues.

CHARITABLE SECTOR:

Over the next five years we will seek to work with large charities (financially sound), preferably of national scale, allowing us to deliver services across the geographical spread of our Group. This market is seen as largely unattractive to our competitors but is a good fit for Norse Group as it aligns with our aims, values, and ethical philosophy on profitability.

PRIVATE SECTOR:

We will continue to work within the private sector on an opportunistic basis where we see a specific fit for our services, values, and culture. We will work with those who want to work with us in a long-term strategic, partnering model. We will only take transactional work if entry costs are low, and margins are strong. We will not bid for work where we compromise our values or standards to achieve the right tender price.

The table in Appendix one reflects a high-level summary of Norse Group services / client fit.

3. DELIVERY OF THE STRATEGY

The business plan will be delivered as a product of successfully implementing the Norse Group Strategy.

Implementation will depend upon three key elements:

- 1) Clear, simple, goals
- 2) A deep understanding of our markets and customers
- 3) An objective appraisal of Norse Group resources

CLEAR, SIMPLE, GOALS

It will be essential to communicate our strategy to staff and our stakeholders clearly and simply, setting measurable goals.

This requires a Communications Strategy to ensure our messaging is consistent, clear, pertinent to the target audience(s), and timely. In doing this, we will align with our People Strategy – engaging and motivating our staff to help deliver common, defined, goals for a clear purpose. These will tie-back to Norse Group’s overall aim - **improving people’s lives.**

UNDERSTANDING OUR MARKETS AND CUSTOMERS

Our markets will remain broadly similar over the next five years.

We will continue to work in the local authority market, education sector, healthcare, and charitable sectors.

We intend to expand into the central government marketplace in the latter part of our implementation plan, that is in year four.

As we currently do, we will be opportunistic in the private sector as the right opportunities present themselves.

Norse Care will continue to offer its services to individual private clients as well as providing statutory care provision for Norfolk County Council.

We are confident that customers within our core markets will identify with our Group’s aims, and with our ethical values and ethos.

Our customers will respond well to high-quality professional relationships centred upon notions of long-term partnering, transparency, and ethical profitability - sharing this profit with our partners over a certain size / commitment threshold.

Staying informed about emerging market trends will be essential in delivering the strategy. The public sector market is likely to remain in flux over the next five years from both a policy and funding perspective.

The long-awaited ‘levelling-up’ agenda from central government, the Environment Bill, and social care reforms are three examples of significant change and challenge to which we will respond.

Staying abreast of how the challenges will impact our existing and potential customers will ensure our services remain relevant.

In support of the strategic prospects pipeline, we will continue to identify short-term, lower value, contract opportunities through our traditional Bid Team function. Careful selection of potential tender opportunities will remain a distinguishing characteristic of our approach.

We will continue to focus on opportunities for customers for whom we can deliver a quality solution, and who want to work with us. This approach will give us the best opportunity to seek contract extensions and variant bid models centred around long-term partnerships.

AN OBJECTIVE APPRAISAL OF RESOURCES

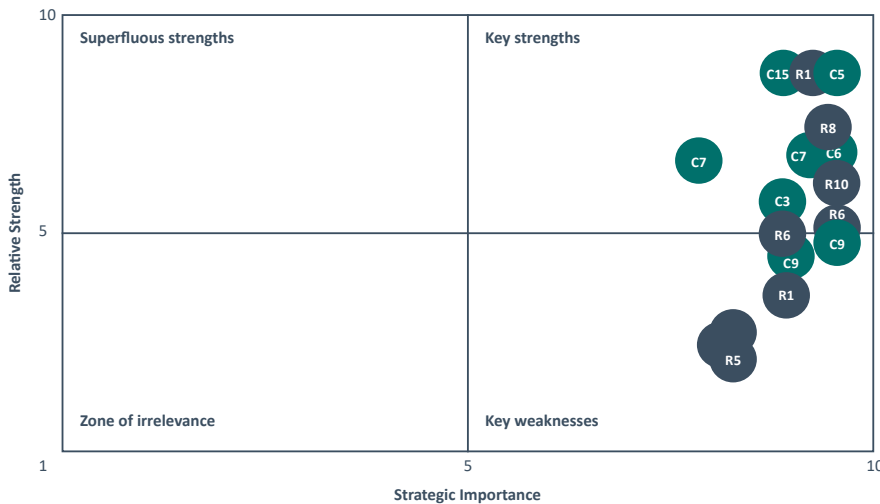
To deliver our business plan and Norse Group Strategy we must ensure we have an appropriate mix of resources and capabilities.

An initial analysis demonstrates that elements of the business will need to be improved to strengthen the Group value chain and optimise the strategy moving forward.

Appendix two includes an initial Norse Group resource and capability assessment. Resources and capabilities have been evaluated against a very broad comparison with other organisations competing in the same markets.

The strength and importance of each resource or capability has been ranked on a scale of 1-10. A score of five is broadly comparable to market. The results are presented diagrammatically in figure one.

Figure one: Norse Group resource and capability matrix



Key areas which are a focus for development:

BUSINESS DEVELOPMENT:

Appoint a Business Development Director to enable strategic development of relationships with long-term, higher value customers. At the same time, ensure the traditional sales and bid team grow contractual sales based on a customer experience which lays the foundation for longer-term, partnering arrangements.

SUPPORT SERVICE PROCESSES AND SYSTEMS:

HR, Payroll and Finance services currently operate non-scalable processes and systems which the Group has outgrown in recent years. A review, re-design, and the subsequent implementation of a digital strategy is needed to create more efficient ways of working. These will offer improved and more consistent levels of support, with the flex to better support business growth.

HR:

A People Strategy has been developed. Successful implementation will be key to ensuring that we retain valued employees and attract the best new talent as we grow.

FINANCIAL STANDING:

To meet pre-qualification criteria for our longer-term strategic aims (partnership working with central government departments such as FM work with the MOJ, and partnership working with NHS Trusts, etc) it is likely that we will need to strengthen our financial position and balance sheet to ensure we are viewed as a financially safe partner. We will need to design and implement a Strategic Financial Plan over the next five years to ensure we can enter these markets and strategic relationships without undue concern regarding our financial standing.

PEOPLE

The Norse Group has a workforce of approximately 9,000 people whose stated mission is to improve people's lives.

Combined, these people are the Norse Group's asset.

This strategy focuses on simple principles around how the Norse Group behaves, recruits, makes decisions, and operates through the actions of our leaders and managers.

Through this, we make the Norse Group a better place to work, where employees are engaged and not only able to do their job well but want to do their job well.

At Norse, like many other businesses, FY22 has been another tough, turbulent year. Unlike many others, we have not only been affected by Covid-19, but we have also been working throughout the pandemic.

Furthermore, we have seen significant change within our senior leadership team, and like many other large organisations, our staff turnover and vacancy figures have reached high levels. This, coupled with ongoing budget cuts against a background of salary wars, has placed our operations under pressure.

Despite these challenges we have seen extraordinary resilience from our people.

It is imperative that we can demonstrate to our staff that we will do all that we can to support and encourage them, improve their lives at work, building an organisation and culture that they are proud to be part of.

How different elements of the plan are implemented will vary across the businesses, but there are several core areas of focus as part of the People Strategy.

MANAGERS:

An employee's relationship with his or her direct manager is the most important single factor in employee engagement. But currently there is no agreed skillset for management and there is a need to offer managers better development and support programmes.

The basics of sound management are clear; objective setting, structured performance reviews, honest and open feedback and communication. Respected well-trained managers boost morale. Improved morale aids retention, and ultimately the performance of our business.

The short-term plan is therefore to improve the consistency of our managers' skillsets.

We want our managers to inspire employees, create trust and lead by example in line with the company's mission, vision and values.

VALUES AND CULTURE:

Belonging to the Norse Group and believing in its values is the long-term objective to that ensures the culture and engagement of staff is that which the Group is aiming for.

Our values define our organisation, but these need to be led from the top and owned by our employees.

We need our employees to translate and understand what the values mean to them both personally and professionally, turning them from mere words into actions and behaviours that they believe in.

Ultimately our values should be the touchstone of everything we do, and our employees should recognise this and are the building blocks that create the pathway for the culture and any changes to this.

COMMUNICATION:

Our strategic communications approach will ensure that we celebrate our successes, we promote and highlight our dedicated workforce, we message our ethical ethos and values-based approach, and, essentially, that we communicate our Norse Group Strategy.

Strategic communication within Norse has been recognised as needing development and resource.

A Communications Director will be appointed to devise, implement, and manage the Group's Communication Strategy which will be key in successfully engaging staff and wider stakeholders.

We will do this through clear, timely, concise, pertinent communications using various communication channels – to communicate with staff more readily across the Group.

SYSTEMS:

Systems underpin our processes and play an important role in the progress of this strategy.

Our current processes can still be improved significantly, and through further investment in systems can be made more efficient.

A project (Project Viking) has been commissioned to provide an improved system solution in respect of People and Financial processes, that aims to maximise service delivery and enable managers to have ready access to their people data, with increasing automation of processes as well as providing a single point of entry/action for users.

This will then allow these systems to drive optimization of the business needs and support data-driven people decisions.

Further detail regarding Project Viking is within the Systems, Processes and Technology section.

RECRUITMENT:

Since the pandemic, what employees seek and how they want to work has changed, and the UK employment market has become increasingly competitive as a result.

Now more than ever we must attract and retain individuals who will believe in the Group's values, who will work towards these and will embrace our mission to improve people's lives.

Improving every aspect of Norse's appeal to candidates, ensuring their experience of Norse from the outset is what they experience when they arrive, as well as ensuring that staff are developed to continue their journey with Norse, is key.

LEARNING AND DEVELOPMENT:

Norse is dedicated to investing in our people and providing development opportunities to enable them to reach their full potential.

Our Skills Hub support a wide range of learning and offer current and future employees the chance to undertake apprenticeships and other training courses.

To improve our employee offer, we will define training needs analysis (TNA) for all staff, develop an effective induction programme, regularise employee surveys and ensure exit surveys are undertaken. We will create a structured programme for graduates and apprentices to encourage the recruitment of younger entrants into roles.

HEALTH AND WELLBEING:

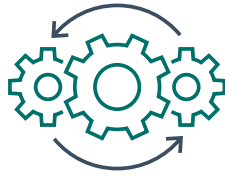
Norse is committed to ensuring that we keep our employees safe and well, physically, and emotionally.

One of our commitments to wellbeing is that we are looking to achieve accreditation to the Workplace Wellbeing Charter which provides a national accreditation for organisations which are committed to improving the health and wellbeing of their workforce.

The Charter is built on a solid framework which will drive us to have every aspect of the workplace wellbeing covered.

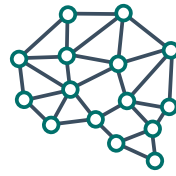
SYSTEMS, PROCESSES AND TECHNOLOGY

Over the term of this business plan, the focus is on three key areas:



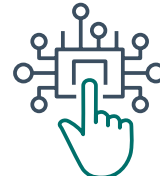
1. BACK OFFICE SOLUTIONS

Maximise integration, automation and the value of information captured with a single point of entry/action for users that drives efficiency across the business.



2. INFRASTRUCTURE

Ensure robust, secure, but flexible working solutions that can adapt to the requirements of the business over time.



3. OPERATIONAL SOLUTIONS

Develop a suite of preferred solutions that maximise service delivery and the latest developments - integrated into the wider system landscape.

1. BACK OFFICE SOLUTIONS

One of our commitments to wellbeing is that we are looking to achieve accreditation to the Workplace Wellbeing Charter which provides a national accreditation for organisations which are committed to improving the health and wellbeing of their workforce.

The Charter is built on a solid framework which will drive us to have every aspect of the workplace wellbeing covered.

These are the 'core' of Norse systems that cover all People and Finance related processes and the basic requirements of the Group.

A project has commenced called Project Viking to review the many processes and platforms with the aim of selecting a preferred system(s) by the end of May 2022. Implementation will then be via at least two phases, with the first phase running from June 2022 until April 2023.

The primary project aim is to leverage best practice processes within modern platforms and adopt the most suitable of these as the preferred 'Norse Way'. This approach will be supported by the selected systems that enable access to information in a highly accessible way.

Whilst a single solution to any process is not expected to fit all the needs of the Group, it will improve current performance considerably by removing manual inefficiencies but also seek to consolidate as many of the existing systems as possible, maximising the benefits of automation and workflow but also ensuring that the value of information can be used by the business for operational / management decisions.

Project Viking will be a significant investment in the business and whilst significant longer-term back-office efficiencies are expected, there are wider more indirect efficiencies expected in terms of staff engagement, retention, and development as well as improved operational efficiencies.

2. INFRASTRUCTURE

The primary focus is to ensure robust and secure solutions that continue to support the changing (and flexible working) solutions needed by the business that can adapt to the requirements of the business over time.

Security

As the business increasingly moves towards digital systems, including its core systems, the potential impact of a successful attack is increased. Contingency planning and disaster recovery has been a focus throughout 2021-22 to bring in new hardware to support this.

The Group has secured Cyber Essentials Plus security rating and continues to review its security arrangements. Penetration testing is part of this, but in a world where technology and ways of working continually change, this is a moving target which remains a priority focus.

Ways of Working

The Group has until recently operated a predominantly office based, desktop environment.

As the needs of the business increasingly move to mobile access, flexible working from different devices / access points and cloud based platforms, a review of hardware requirements is already underway.

Increasingly options outside of the traditional model are being assessed, along with the security implications, to ensure they can match the business needs and employee's desire for different ways of working.

3. OPERATIONAL SOLUTIONS

Outside of the 'core' systems, these are the largest and most diverse set of systems which given the diverse nature of the Group's services, require a wide range of solutions to support them. Noted as 'Secondary' in the overall strategy they are critical for operational management of our services.

Historically the Group has taken on client systems which has resulted in a broad landscape of systems, often with different systems of similar capability, but which may not be fully integrated with the Core Systems and thus of limited benefit. Broadly 80% of the business operates on c.10 key operational platforms, with a significant tail of smaller systems.

The primary focus is to develop this suite of preferred solutions to maximise their value and use the latest developments from platforms – but ensure these integrate into the wider system landscape to leverage the full benefits.

Changing our ways of working

Changes to the platforms used in operations requires consideration of how operations are managed.

Digitalisation of services requires different skills and managing this change is often more challenging than implementing the system.

Resource has been brought into the IT team to enable greater business partnering to help identify the processes and needs for change alongside the business, but also the benefits of platforms and ensure that the most appropriate are selected.

The training and focus on learning and development noted within the People Strategy supports the changing skill needs of the business.

4. KEY STRATEGIC RISKS



THE PEOPLE CHALLENGE

The current environment has created real pressure recruiting and retaining the resources the business needs.

Ensuring that the Group can adapt to the changing expectations, be it from flexible or other ways of working to the work environment itself, rewards and benefits, and the culture and approach of managers are all key to ensuring that the Group can secure the resources it needs to deliver its frontline services and to develop and grow.



CYBER SECURITY

The ever-present threat of hacking and potential introduction of viruses, when the business is increasingly moving to a digital model means that the impact of such an attack, if successful, is ever increasing.

Whilst Cyber Essentials has been obtained, and external security advice and penetration testing is undertaken, this remains a priority due to the severity of any successful attack. Disaster Recovery and the Group's defences against attack are a constant area of review as a result.



CONSULTING

The property consultancy business of Norse has seen notable change in client expectations in recent years, but also more recently caused by the volatility of capital projects driven by the challenges of the pandemic.

With an increasing focus on carbon neutral, Net Zero is an opportunity, but while also being a risk if the business doesn't ensure that it adapts to the changing needs of clients.



DEFINED BENEFIT PENSIONS

The group continues to accommodate defined benefit pensions because of its commitments to date. These pensions incur significant additional costs and the liabilities in respect of these can move significantly.

Ensuring these are appropriately managed to reduce the risk of any adverse impact is a key priority. While these commitments remain however, there will continue to be a significant financial risk as a result.

5. FINANCIAL PROJECTIONS

The projected Profit and Loss (P&L) for the group for the year ending 31 March 2023 can be summarised as shown in the following table and chart:

£m	Commercial	Consulting	Care	Holdings	Other	Total
Revenues	268.1	33.4	47.1	4.3	(12.9)	339.9
Operating Costs	(258.9)	(31.4)	(46.6)	(4.6)	11.0	(330.6)
Trading Profit	9.2	2.0	0.5	(0.3)	(2.0)	9.4
Margin	3.4%	6.0%	1.0%	(6.9%)	15.1%	2.8%
Exceptional items	-	-	-	-	(0.7)	(0.7)
JV Rebates	(3.1)	(0.4)	-	-	-	(3.5)
NCC Rebates	(2.0)	(0.3)	(0.4)	-	-	(2.7)
Taxation	(0.7)	(0.2)	(0.1)	(0.1)	(0.5)	(0.5)
IAS19 Pensions	(1.3)	(0.3)	-	-	-	(1.6)
Retained Profit	2.0	0.9	0.0	(0.2)	(2.2)	0.5
	0.8%	2.6%	0.0%	(5.2%)	16.9%	0.1%

The Holdings business division was created in the year ending 31 March 2021 to retain the legacy investments made across Norse Group, so that each trading area is not distorted by these assets and more fully reflects operating margins.

The 'Exceptional items' noted reflect some of the investment in systems that is being made regarding Project Viking, with the balance being capital in nature.

APPENDIX ONE - NORSE GROUP SERVICES AND CLIENT FIT

	LOCAL AUTHORITIES					EDUCATION					HEALTHCARE				
	Parish Councils	District Councils	County Councils	Unitary Councils	Social Housing	Schools	Colleges	Universities	Community Hospitals	NHS Trusts	Charitable Sector	Private Sector	Central Govt. Depts.		
Cleaning		X	X	X	X	X	X	X	X	X	X	X	X		
Catering						X	X	X	X			X			
Portering		X	X	X			X	X	X			X			
Grounds	X	X	X	X	X	X	X	X	X	X	X	X			
Transport						X	X			X	X				
Building Maintenance	X	X	X	X	X	X	X	X	X	X	X	X	X		
Printing	X	X	X	X		X	X	X	X	X	X	X			
Security, Fire and Alarms		X	X	X	X	X	X	X	X	X	X	X	X		
Assistive Technologies		X	X	X	X				X	X	X	X			
Environmental Services	X	X	X	X			X	X	X	X	X	X			
Highways Maintenance			X	X											
Housing Repairs		X	X	X	X										
Advisory Services		X	X	X	X		X	X		X	X	X	X		
Building Design Services		X	X	X	X	X	X	X	X	X	X	X	X		
Estates Management		X	X	X	X	X	X	X	X	X	X	X	X		
Adult Care			X	X	X				X		X	X			

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COMMERCIAL

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CONSULTING

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CARE

APPENDIX TWO

- RESOURCE AND CAPABILITY ASSESSMENT

		Importance ¹	Relative strength ²	Comments
RESOURCES				
R1	Finance	8	4	Norse Group retained profit margin of approx. 2%. This is below market average – strategy is to target minimum 3%.
R2	Assets	7	3	Balance sheet strength is considerably less than competitors due to private ownership. Accordingly, accessing capital is not as quick to achieve as competitors. Current balance sheet strength restricts Tier 1 (Central Gov.), NHS trusts, and larger charity opportunities (albeit these are not envisaged within the Group’s strategy for three to four years)
R3	Support Service Processes and systems	7	3	HR, Payroll and Finance currently operate non-scalable processes and systems which the Group has outgrown in recent years. These are facilitated by various applications with several bespoke integrations.
R4	HR	7	4	People Strategy has been developed and must now be implemented to ensure Norse Group retains talent, attracts new talent, and delivers overall Norse Group Strategy.
R5	Line of Service Technology	7	4	Increasingly complex variety of applications, individual to joint ventures, businesses, and operating divisions. Hard to achieve full integration with core business applications and easily produce integrated management information. Varying adoption of mobile workflow applications and hardware across Norse Group.
R6	Location	8	4	Norse Group has operations across England. Limited presence in Wales and no presence in Scotland.
R7	Reputation	9	8	Norse Group reputation is strong within the joint venture market (local authorities). Well-known for collaborative partnership working. Whilst also established in private sector, much less so than key competitors.
R8	Brand	9	7	Brand affirmation across market sectors through soft marketing approaches. Norse Group branding is complex (multiple brands) and not as visible as competitors. Customer advocacy within market sectors due to careful selection of work which Norse Group can deliver sustainable margin and positive outcomes for partners.
R9	Culture	9	5	Norse Group’s historic roots and local authority ownership enable it to be a knowledgeable, open and honest partner alongside its operational expertise and capability.
R10	Skills	9	7	Broad range of service specific skills, at varying management levels retained within Norse Group. Strong focus on staff retention, and internal “upskilling” via dedicated Skills Hub.

¹ Scales for importance and relative strength: 1 = very low, 10 = very high

² Resources and capabilities are compared with broad overview of competitors. 5 equals parity of strength

Importance ³	Relative strength ⁴	Comments
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CAPABILITIES

C1	Financial Management	9	8	Strong reliance on traditional management accounting principles. Robust and prudent assessment of all new business opportunities (joint ventures and contracts). Strong governance controls in place to ensure approval is obtained from shareholder for key investment / borrowing requirements.
C2	Management Development	9	6	Strong ethos of internal recruitment and progression through management positions. Experience valued at equal parity with management qualifications. Staff retention closely monitored – monitored as a business KPI.
C3	Strategic Innovation	8	6	Successful use of Teckal compliant joint venture model with local authorities. Sometimes conservative in innovating through new ways of working / technical solutions.
C4	Comprehensive Integrated Management Information Systems	8	4	Management information produced varies in detail, quality, and ease of reproduction between joint ventures and operating divisions. Production of some Management Information can require considerable manual processing. This can impact on ability to produce information in a timely fashion, as well as on consistency of quality.
C5	Volume Driven Efficiency Generation	9	8	Cultural business approach centres upon volume driven efficiencies and savings as key unique service offering. Key business ethos used to establish long-term partnering relationships. Long-term relationships preferable to short-term, high margin work.
C6	Continuous Improvement in Operations	9	6	Improvements can be deemed as efficiency saving, due to strong business ethos (as C5). Not as quick as major competitors to identify capital dependant service improvements.
C7	Flexibility / Speed of Response	7	7	Norse Group approach to partnering requires strong level of flexibility. Sometimes this requires input / validation from multiple parties depending upon specific joint venture's / operating division's requirements). Decisions generally apace with response required by partners.
C8	Marketing: Brand Management	9	4	No defined Marketing Strategy. Consistent, subtle, brand affirmation through limited, marketing channels. Numerous Group brands – can be confusing for customers. No hard selling philosophy. Enduring relationships built gradually.
C9	Business Development	9	5	Business Development Director to be appointed, to develop relationships with potential customers for long-term, strategic value, and motivate sales team.

³ Scales for importance and relative strength: 1 = very low, 10 = very high

⁴ Resources and capabilities are compared with broad overview of competitors. 5 equals parity of strength

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