

# BUILDING FOR THE FUTURE

Business case for CCPI focussing on risk,  
compliance and related governance

**cpa** | construction products  
association



## Content

- Current and on-going context  
Challenge and Change in the Construction Product Manufacturing sector
- Business case for CCPI and ethical leadership:  
Focusing on risk, compliance and related governance  
Delivering resilience, productivity and growth
- Our response  
Strategic planning and key actions

## Executive summary

- Challenge and change across the construction product sector is bringing major ethical, risk, compliance and governance issues to the fore
- Increasing regulation, increasing customer expectation and the potential for increasing liability represents risk and also opportunity for the business
- To ensure a place in the future for our business, we need to prioritise governance, risk and compliance and put the Code for Construction Product Information (CCPI) and ethical leadership and culture at the heart of what we do
- By doing so, we will increase resilience, enhance productivity and fuel growth



### Next steps:

- Understand our risk and exposure in this current context and update systems and processes across product lines and services
- Pursue CCPI verification and bring market advantage for our brands and show we are part of the solution



CURRENT AND  
ONGOING CONTEXT



Office for Product Safety & Standards



ASSURANCE

CHALLENGE AND CHANGE



NEED



## Examples of headlines about the industry...

- Makers of Grenfell cladding abused testing regimes, inquiry told  
The Guardian Nov 2020
- Grenfell fire: focus shifts to possible criminal convictions as inquiry ends  
The Guardian Nov 2022
- Product manufacturers must regain confidence  
Building Nov 2020
- Gove turns on suppliers as 35 developers sign safety pledge  
Construction Enquirer Feb 2022
- Pay up or you'll be banned: Gove orders cladding firms to foot the bill  
Daily Mail Jan 2022
- Gove vows to pursue material suppliers for building safety cost  
Construction Enquirer Apr 2022

## We are responsible for every product we invoice

‘Those who design, build, manage, modify or in other ways have an influence on the integrity of buildings – especially those who are in multiple occupancy – all need to feel responsibility for delivering quality and safety and they need to be held accountable.’

Dame Judith Hackitt DBE



BUSINESS CASE FOR  
CCPI AND ETHICAL LEADERSHIP



- Our response?

In the current context, there is a clear business case for the need to focus on risk, compliance and related governance and to embed the Code for Construction Product Information and ethical leadership and culture

- What is the ROI?

We can address our risks and exposure and bring tangible business benefit by increasing



RESILIENCE

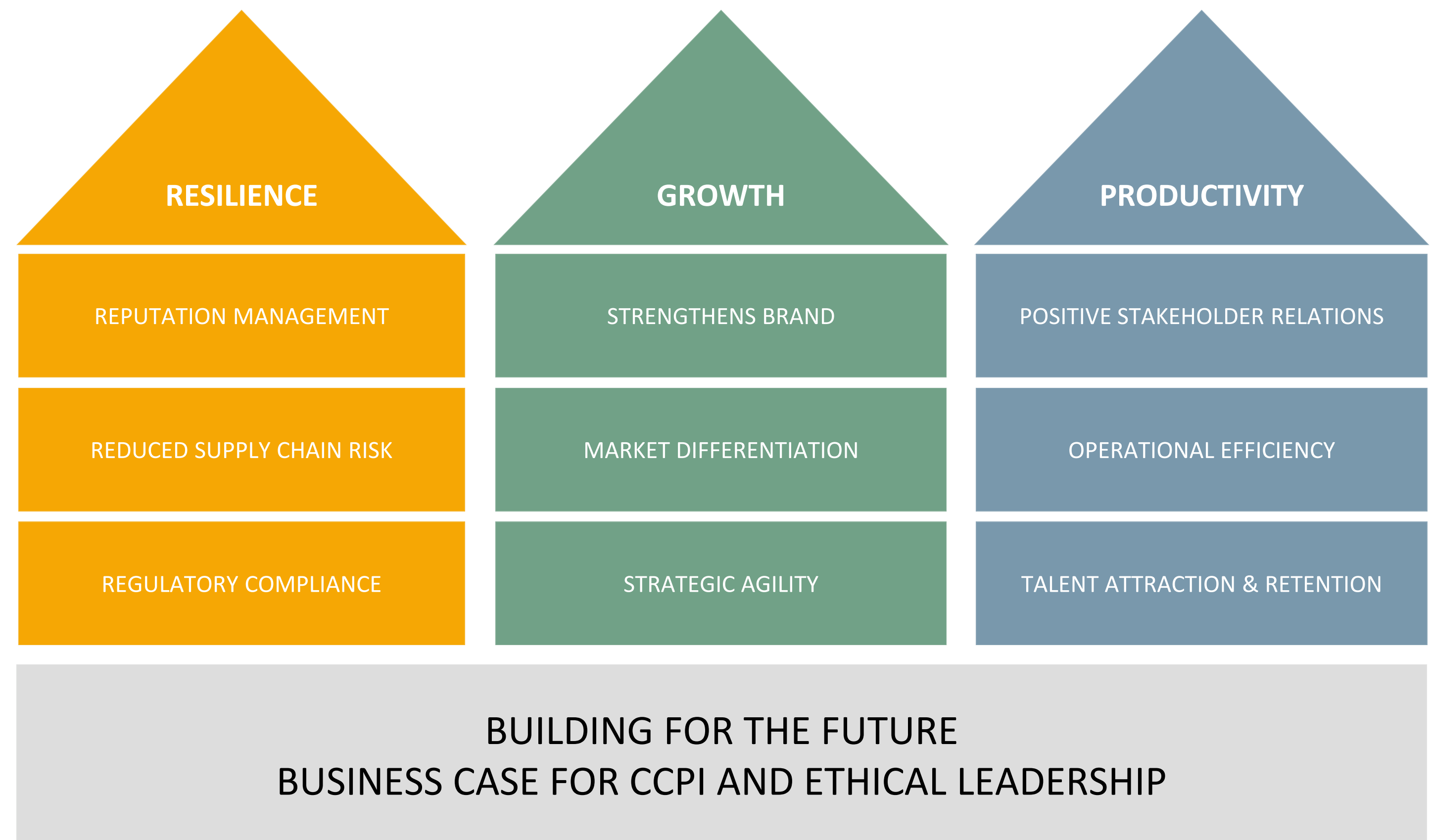
PRODUCTIVITY

GROWTH

# Opportunity and need...investment

**What is the scope of the investment required?** Potential costs to cover:

- Time/salary for a project lead and compliance manager functions.
- The cost of CCPI registration and verification which is dependent on annual turnover and company size and size/type of product sets with information to verify. We can ascertain these figures from the CCPI website.
- Depending on our capability we may need to invest in IT to support effective Product Information Management.
- It is recommended that this project has a Board sponsor.



## What competitors and other manufacturers are doing...

- Are competitors engaging with third-party verification programs such as CCPI which will give them competitive advantage?

## OUR RESPONSE

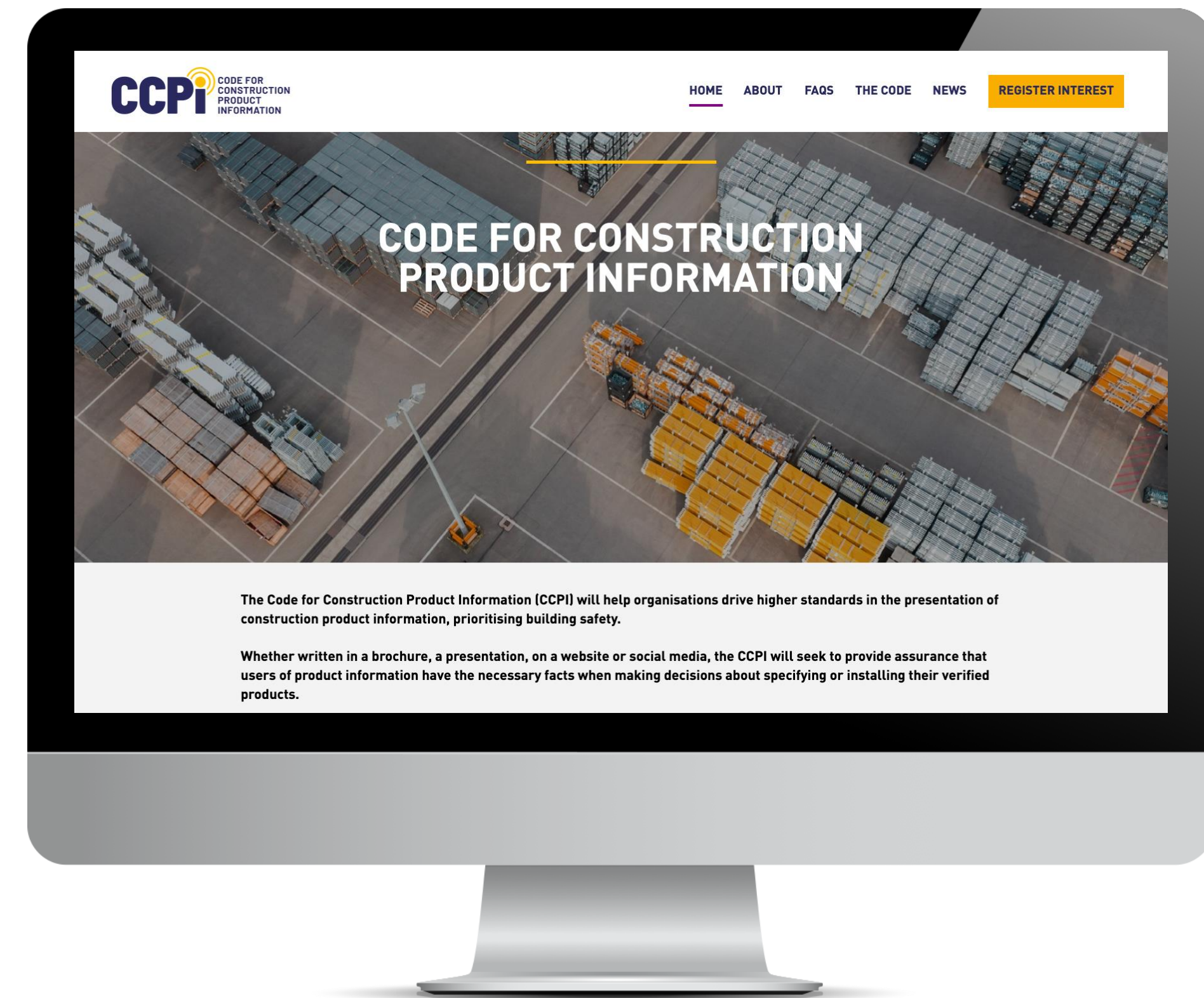
## Success criteria

- We update our processes and systems so that we are confident that our products and services that we sell are all underpinned by robust management processes, competency, training, understanding and knowledge/awareness.
- We achieve independent verification against the Code for Construction Product Information.
- We utilise CCPI verification to promote our business with customers, clients, insurers, procurement frameworks, shareholders etc...



## 3 recommended next steps

- Use our leadership to support change
- In the current context we are working in conduct a high-level risk and exposure analysis to target and inform risk, compliance and related governance actions
- Pursue CCPI verification – register to at [www.cpicode.org.uk](http://www.cpicode.org.uk), appoint a lead, sign up to go through the assessment process



# 1. Leadership to support change

- Visibly lead on sharing good practice and learnings internally and share externally too
- Encourage employees to stay up-to-date on technical knowledge and industry developments
- Encourage line managers to talk about errors and issues etc
- Signify to the business no negative consequences to raising if there is a problem/something unsafe/information or action that is incorrect
- Ensure we are confident in our inspection, audit and review and give adequate time and encouragement to learn and enact necessary change
- Ensure we use third party verification for market advantage
- Hold our risk management to account: ensure it is not a 'box-ticking' exercise
- Engage with our stakeholders and feedback to the business



## 2. Understand our risk and exposure

- Need to conduct a high-level risk review looking at all product lines and services and supporting processes
- Aim to enhance technical and process compliance





## 2. Understand our risk and exposure

### Ask our staff, customers and stakeholders

Conduct a survey to:

- Understand our staff's everyday experience and how we can support them
- Ask our customers and stakeholders their experiences
- Understand where our product goes and how it is used
- Understand customer complaints



## 3. Pursue CCPI verification

CCPI process is confidential and has clear steps:

- CCPI will help us understand our culture and leadership
- Check our product information management systems against the 11 clauses of the Code
- Corroborate that our product information is clear, accurate, up-to-date, accessible and unambiguous against the clauses of the Code
- Check our performance statements made for product information against formal certification, classification and/or testing



## CCPI offers advantages with clients and customers

- Independent assurance is critical for marketing
- Customers want independent verification
- Specifiers will increasingly require independent verification and CCPI
- Major contractors want greater assurance - CCPI is under consideration to be included in contracts, SLAs and Common Supplier Frameworks
- Major Procurement Frameworks are already requiring specific assurance schemes, it is expected CCPI will be included, (e.g. Crown Commercial Services, Homes England, Scape)



## CCPI offers advantages with insurers

- Over the last 5-6 years we have seen insurance premiums increase
- The market has seen increasing costs of PII of between 20% and 400%
- Dame Judith Hackitt has said, “The way to put this right is to “regain [the insurance industry’s] confidence.”
- CCPI can help – independent accreditation can help build trust and provide assurance to keep insurance premiums down



## CCPI publicly recognised and supported

- Dame Judith Hackitt and the Industry Safety Steering Group reporting to the Government has recognised and applauded the CCPI
- "I have written here previously about the great progress which has been made with the Building a Safer Future Charter and the Code for Construction Product Information and we are now seeing leading organisations sign up and make a serious commitment."
- OPSS, responsible for the set-up and development of the New Construction Product Regulator, supports the aim of the CCPI and recognises the benefits it can bring to helping the industry deliver on the change required



## Market advantage from the CCPI

- Insurers value third-party verification
- Clients and customers are increasingly asking for more assurance
- When further post-Grenfell regulation comes in, CCPI will support our regulatory readiness
- We can use the CCPI logo on our product sets to stand out from the crowd
- Prove that we are a company committed to ethical leadership and culture
- Provide third-party verification that our product information can be relied upon, now and in the future, by specifiers, installers and users



Timeframes and incentives...

# START NOW!

CCPI is now open for assessments for verification

For 2023, CPA Members will get priority  
in the waiting list for assessment

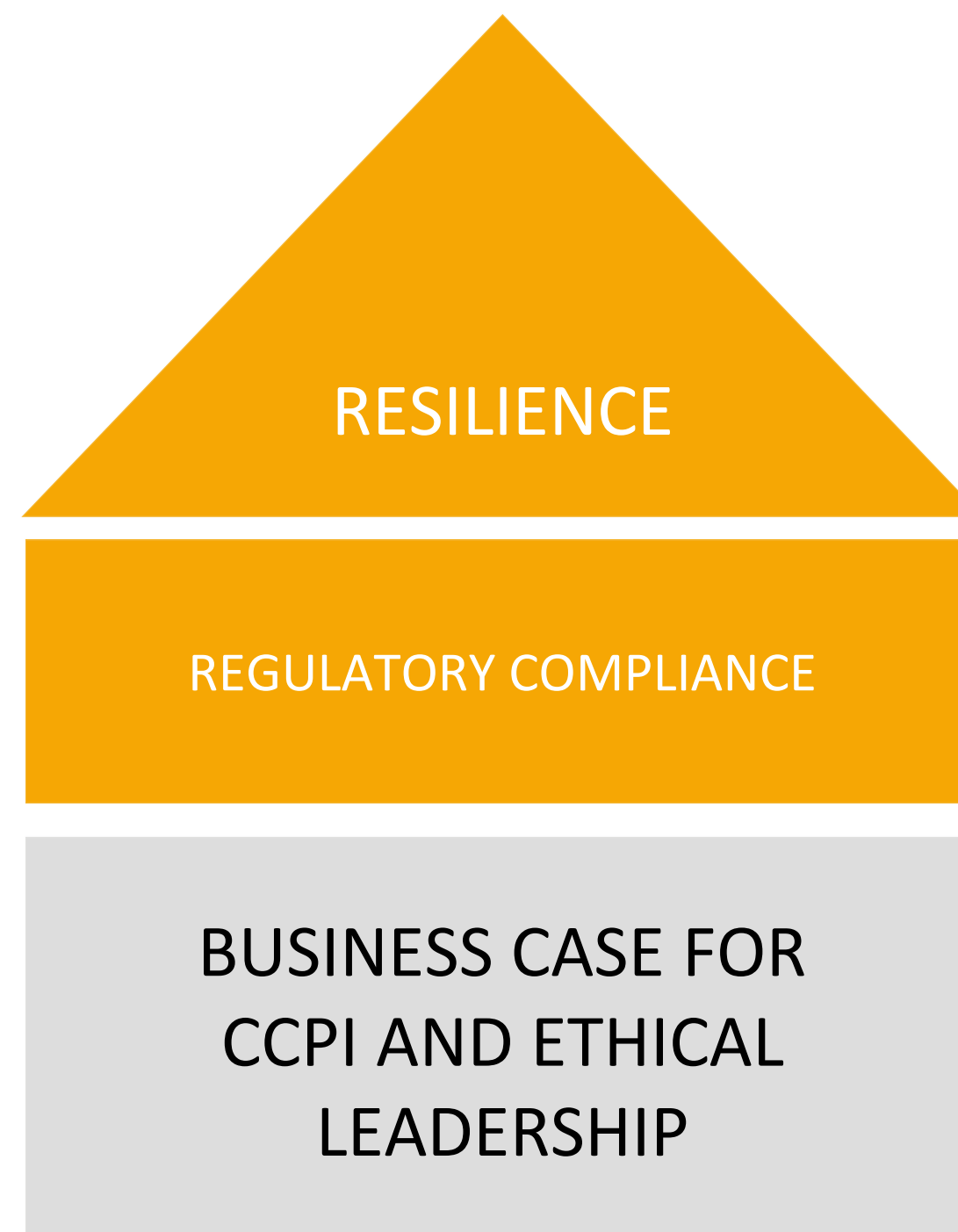
New Construction Product Regulation  
post-Grenfell is expected early/mid 2024



APPENDICES/  
ADDITIONAL SLIDES

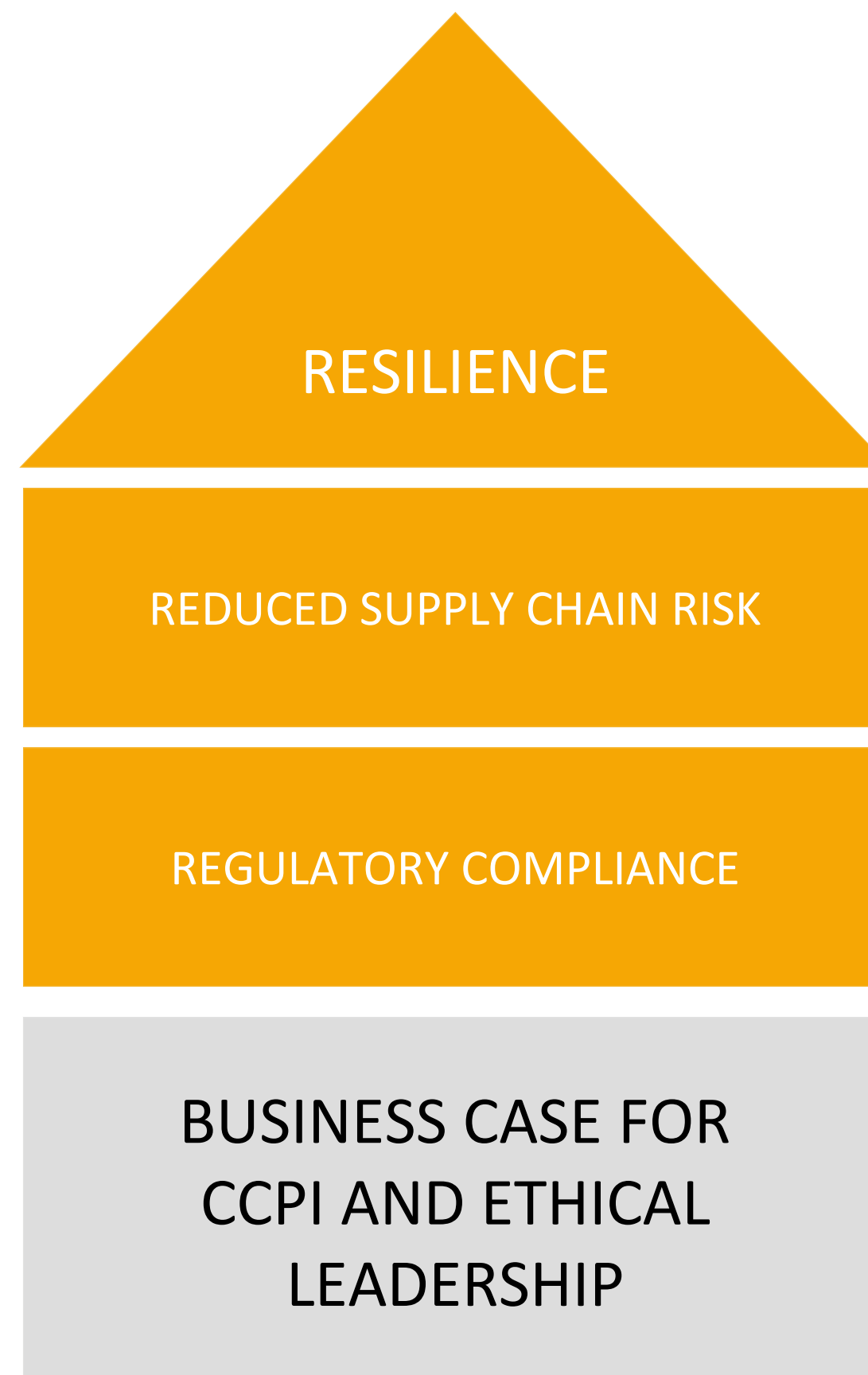


## Increasing resilience through regulatory compliance



- Compliance is a not negotiable license to operate
- We need to be prepared for increased regulation following the Grenfell Tragedy and to meet sustainability needs
- We can ensure we avoid direct costs – ie fines
- Regulation can provide a level playing field for us to compete on
- It can help with internal alignment – we all need to know what we are doing and work to the same standard
- We can protect future earnings (ie helps avoid reputational damage)
- Investing in compliance approaches helps avoid atrophy, inefficiencies and increased risk of failure creeping in

## Increasing resilience through reduced supply chain risk



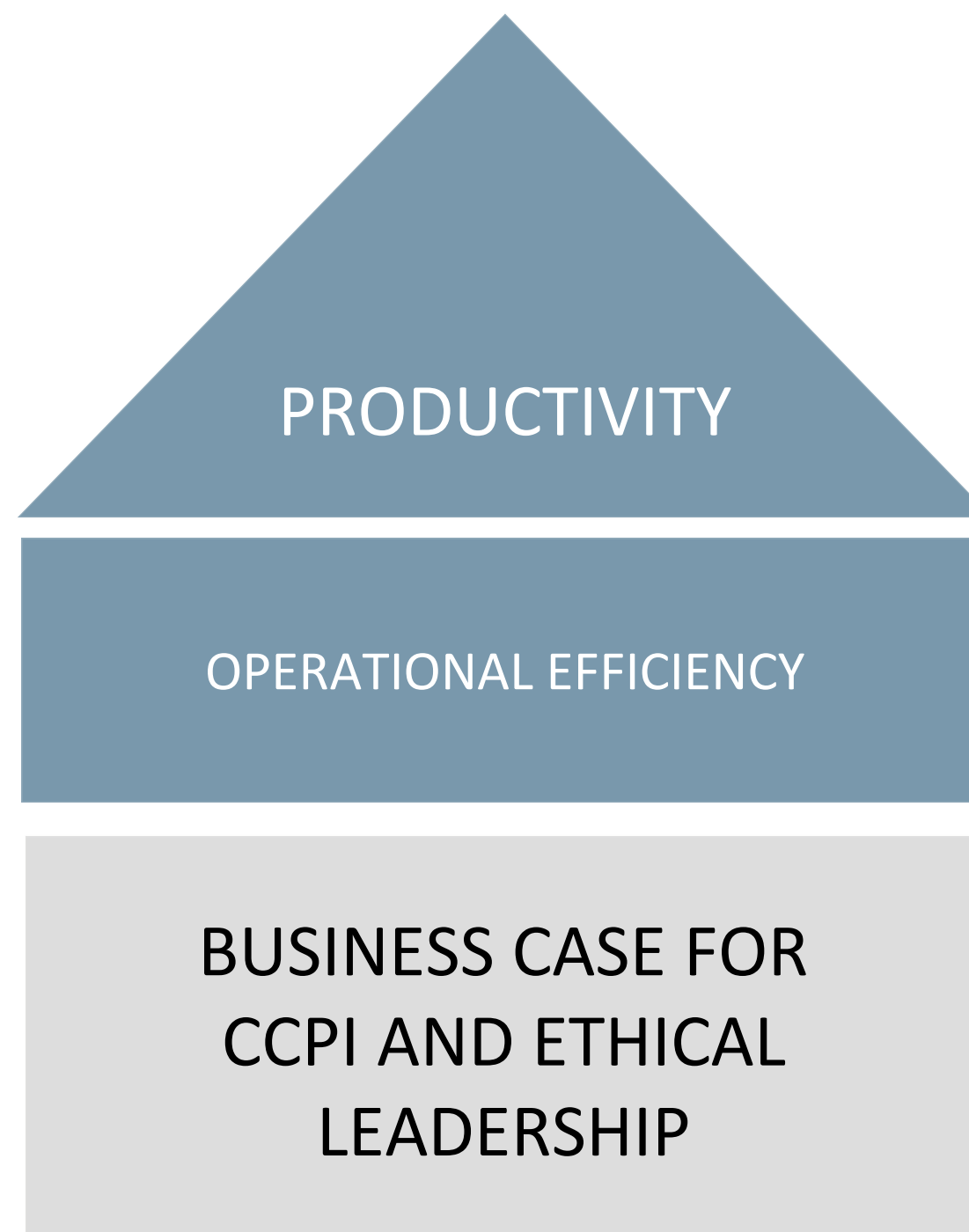
- This creates a positive halo-effect - engaging supply chain in ethical requirements puts both parties on a stronger footing
- Full knowledge of supply chain gives us greater confidence
- Will help reduce exposure to an issue we may be currently unaware of
- Understanding our supply chain more closely will help reduce volatility of supply
- Can lead to greater partnership and potential enhanced performance
- In the current economic and social climate this is a must



## Increasing resilience through reputation management

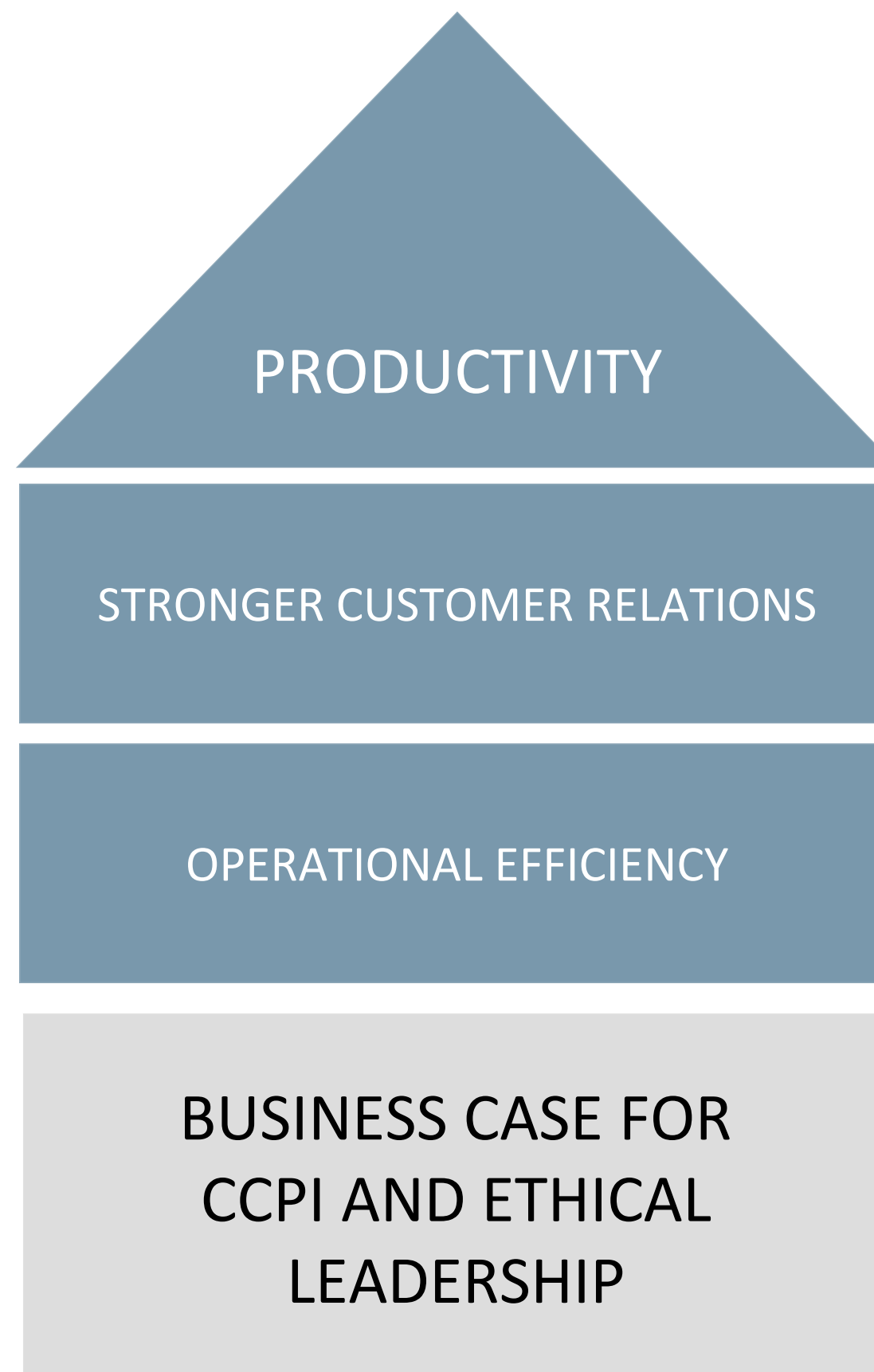
- The stark reality of the Grenfell Tower tragedy loss of 72 lives, and shocking admissions to the inquiry, provide compelling examples of damaged reputations
- “It takes 20 years to build a reputation and five minutes to ruin it”  
Warren Buffett
- We will benefit from enhanced brand equity as a company building a reputation for being in front in terms of managing issues, preparing for change and proactively managing risk
- And resilience breeds resilience: companies that have positive reputations suffer less when issues do happen
- Trust Quote

## Increasing productivity through operational efficiency



- Streamlining management system and process around Product Information Management will reduce time and effort for employees
- Avoids repetition and time wasted correcting mistakes
- Stops Information Management being a 'cottage industry' and makes it an effective business process
- Frees up employee time to do their day jobs properly or contribute to innovation

## Increasing productivity through positive stakeholder relations



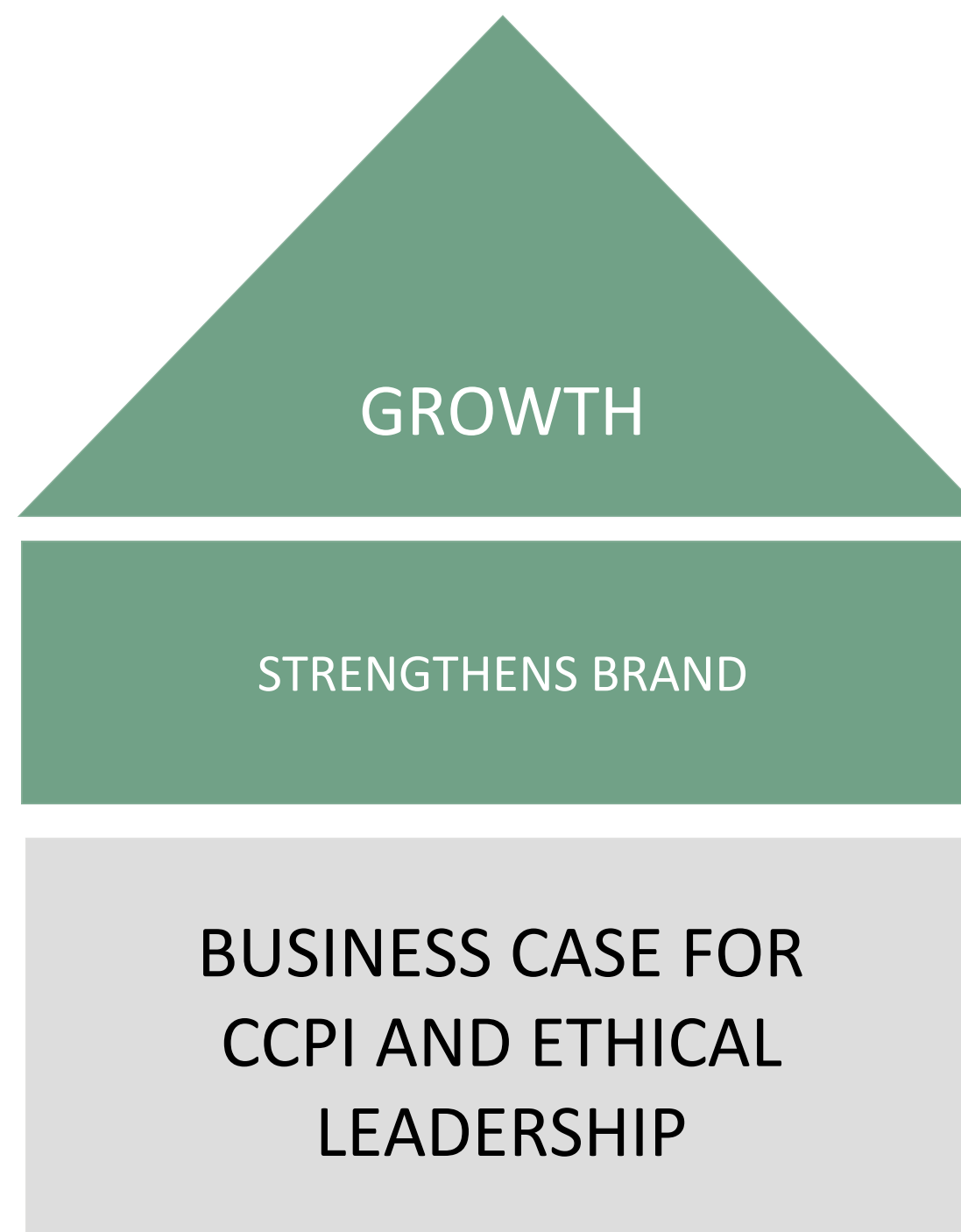
- Knowing our customers and stakeholders provides insight that will help us serve them better and in turn increase our performance
- The work we are doing reaches across all key stakeholder communities: customer, employee and supplier
- We will understand them more and can calibrate change accordingly to enhance performance
- This will benefit innovation and service refinement
- Stronger customer relationships will lead to greater customer loyalty, growth and sales



## Increasing productivity through employee satisfaction

- Great Place To Work<sup>®</sup> research (2022) has found that when employees feel proud to work at a company, they are:
- 6 times more likely to endorse their workplace to others
- 2 times more likely to want to stay with the company for a long time
- 1 times more likely to say it's a great place to work
- This will help us retain talent and reduce costs of replacement
- Ethical leadership and culture can help attract new talent
- High employee satisfaction = better performance

## Increasing growth through strengthening our brand



- In the increasingly complex post-Grenfell tragedy landscape, brands with integrity will win customers who increasingly need assurance
- Higher level of performance is perceived from a company with a reputation supported by integrity (Doing well by doing good 2015)
- Purpose led brands outperform other brands e.g. Unilever results 2019 showed purpose led brands grew 69% faster than the rest of the business, compared to 46% in 2017

## Increasing growth through market differentiation



- "Contrary to what most people believe, trust is not some soft, illusive quality that you either have or you don't; rather, trust is a pragmatic, tangible, actionable asset that you can create". Stephen Covey
- Independent third-party verification is a very effective way of providing assurance and showing trustworthy system/process/information
- The Code for Construction Product Information (CCPI) provides us with the opportunity to differentiate ourselves





## Increasing growth through developing strategic agility

Our actions to embed ethics will enable us to:

- Anticipate what our firm needs
- Adapt our systems and processes to be fit for purpose
- Act to deliver refined product and/or innovation to reach new markets or new customers

## Key questions to answer

- Awareness:  
Do staff in relevant parts of the organisation have necessary awareness and knowledge to handle questions coming to them about our product?
- Knowledge:  
Do we understand our products? Do the necessary people have the information and skills they need to engage with contracts, sales or as specialist advisers
- Motivation to stay informed:  
Are we motivating them to build their knowledge?
- Legal issues:  
Are we confident T and Cs, contracts are correct, up-to-date, enforceable
- Communications:  
Are we confident in the claims we make, are they underpinned with evidence, is our marketing up-to-date (e.g. symbols/logos/photos/links between websites, links to brochures etc), have we compared with CCPI words and phrases to avoid