

## RMC – Benchmarking globally, auditing locally: The BiE Index as a change management tool

**Sector:** Aggregates

**Tools and techniques:** Performance including indicators

**Organisation:** RMC

*Employing over 29,000 staff worldwide and with annual turnover of some £4.8 billion, RMC is the world's largest supplier of ready mixed concrete, Europe's largest aggregates producer and the world's 10th largest global cement producer. As an example of its commitment to building practical action on sustainable development, the Group was one of the driving forces behind the Cement Sustainability Initiative (CSI) run under the auspices of the World Business Council for Sustainable Development (WBCSD). The CSI was showcased at the World Summit on Sustainable Development and was granted Type 2 status by the UN because of its unique contribution to sustainable development in the global business community.*

**Processes:** due to the decentralized and far-flung nature of its operations and business units, RMC Group has developed a unique annual benchmarking process that uses the BiE Index as a core element. The audiences for this process are the environment managers in each country, the individual business and country managers, the Board Environment Committee, Board Executive Committee and the Group Main Board.

Annually, since 1999, each audience is presented with a clear overview of how the countries and major business units are progressing in terms of improved environmental management. The elements of this overview consist of the following three strands:

1. the BiE Index score for each business (original ten “engagement” questions);
2. the external “environment” in which each business operates; and
3. the size of the business unit within the Group in terms of annual sales.

Typically, some 35 businesses across 22 countries participate in the assessment – incorporating all of RMC’s business interests in 16 European countries, three countries in the Americas, two countries in the Middle East, and two countries in Asia and Australia.

Each participant completes the BiE Index questionnaire in December. The questionnaire is scored in January and the results are fed back in March. The BiE scores are subsequently correlated with the size of the business in terms of annual sales and the external environment within which the business operates. The latter is derived by assessing a basket of environmental drivers in each country (or states in the case of the USA) – these cover single or multi-media regulation and its effectiveness, access to justice, national NGO interest, national media interest, local community action, fiscal incentives and eco-taxes. This 3-D analysis is then communicated up through the Group. The Group Board receives the final version in late Spring as part of the annual Board Environment Report.

Internally, assessment of the drivers enables RMC to conduct an efficient review of the engagement of management in the countries and major businesses, the environment the operation is working in, and the risk significance of the business to the Group. These assessments are fundamental to ensuring that senior managers and directors can prioritize action where it is most effective.

The three numeric strands for each country are then converted to a ‘traffic light’ system to improve communication, simplify the scores and avoid unnecessary debates about fractions of a percent difference in individual scores. This system enables each country to see how it scored in comparison with other RMC businesses. The results are also consolidated into an assessment of how well RMC overall has improved its engagement and thus the level of its risk management and impacts worldwide.

**Business Impacts:**

# Case Study



For the BiE Index strand of the process, RMC sets an internal pass mark of 70 per cent. In 1999 the average score across all business units was 25 per cent, within a range from 5 per cent to 95 per cent. By the end of 2002 the average score was 60 per cent.

Like many assessment systems, there are inherent risks with incompleteness or incompatibility of data between levels within an organisation. From practical experience, RMC can demonstrate that it is possible to obtain different results by carrying out the assessment at various levels. This is not a surprise as large companies often struggle to link boardroom policy and aspiration with day-to-day practice at site level, particularly when insufficient time is available to move the policy to practice or when buy-in is inconsistent across the organization. Nonetheless, used in the right way and with appropriate caveats, linking the BiE Index score with a measure of the external drivers and the size of the business unit in commercial terms has proven an invaluable tool in raising awareness throughout the RMC Group, build understanding and commitment at many levels, and helping to focus improvement on priority businesses and tasks.

## **Environmental Impacts:**

The benchmarking process employed by RMC is one of a number of initiatives that the Group is undertaking to reduce its environmental impact globally. Working on the adage: “If you can’t measure it, you can’t manage it” RMC uses tools, including the BiE Index, to provide a measure of improvements in environmental performance. The integration of environmental data collection into RMC Group’s business reporting and auditing process has enabled progress towards best practice goals. For example, with verifiable CO2 emissions data available from 1990 to 2001, RMC Group is developing forecasts and scenarios to 2012.

By combining the BiE Index with two other measures, RMC has created a valuable management tool that provides a good top-down assessment of the state of environmental management across its many businesses. This is underpinned by more sophisticated performance-based audits in individual countries and sites, including from 2003, cross border audits. Overall, the RMC process remains true to the spirit of BiE but has taken it to another level of usefulness.

For more information on RMC’s environmental endeavours check out the environment domain on the Group web site – [www.rmc-group.com/rmc/env/](http://www.rmc-group.com/rmc/env/) or contact Noel Morrin International Environment Director, RMC Group plc, tel 01932 583097 and email [Noel.Morrin@rmc-group.com](mailto:Noel.Morrin@rmc-group.com).