

Creating value, one hole at a time

A case study on transforming the health & safety culture at USIC

Overview

USIC is the market leader in location services in North America, ensuring underground infrastructure is marked correctly before ground is broken on any new construction project. Over 1,000 government and corporate clients across the US and Canada depend on USIC's 9,000-strong team of technicians to provide this critical service.

Digging holes can be a complex task. Every local municipality or utility provider must avoid cutting gas lines, electricity or fiber cables, and sewage pipes as damage can be very disruptive, costly to repair, and potentially a threat to life if access to emergency services is interrupted.

Since we acquired USIC on behalf of our clients in 2017, we have introduced company-wide measures to ensure that USIC technicians avoid injury and government agencies and corporate clients do not disrupt their service. To drive forward these initiatives, we have put in place a strong board of directors, leveraging our extensive network of Operating Directors. This strategy has transformed USIC's health & safety culture and added significantly to its overall performance.

Putting health & safety first

Prior to our acquisition, USIC had primarily grown through M&A and increased locating volumes. As a result, the quality of health & safety protocols at local offices and teams was not harmonized. With thousands of drivers on the road every day, traffic accidents were a too-frequent occurrence and needed to be reduced to protect both USIC technicians and the public.

We therefore introduced a Quality First program to improve USIC's approach to health & safety.

USIC

Industry vertical: Services; Infrastructure

Location: HQ in Indianapolis, serving the US and Canada

Investment year: 2017

For more information: www.usicllc.com

A company-wide diagnostic took place in 2019 during which we conducted over 140 interviews with technicians, supervisors and senior management. Worker safety emerged as an obvious priority for the company.

A pilot program in Western Missouri and Houston was introduced that focused on safety, quality, inventory, delivery, and production. USIC introduced "lean tools", such as daily discussions where supervisors ask technicians about their workload, scheduled tasks, and whether they have the right tools to complete each job.

An untidy truck is inefficient: tools are harder to find or sometimes missing when technicians are hundreds of miles from base. The Tidy Truck initiative harmonized truck layouts and inventories of paint and flags. Job quality improved almost immediately, leading to the initiative being rolled out nationwide by April 2020.

We have also renewed USIC's entire fleet of trucks under our ownership. Newer models are safer, more fuel efficient and internet connected. Proprietary USIC software makes rostering and route planning more efficient, with no left turns imposed wherever possible to cut the biggest cause of accidents. With new drones in their toolboxes, >



80 million utility locations per year



1,000+ government and corporate clients



9,000+ technicians

“We recognize that delivering lasting, positive impact for all stakeholders, and especially employees, is key to unlocking success and long-term value creation. Improving health & safety was a core part of this at USIC.”

Sujit John

Managing Director, Partners Group;
USIC Board member

➤ technicians will also be able to service inaccessible locations quickly and safely.

Since these initiatives, motor vehicle accidents have fallen by a third. Field injuries and lost-time incident rates have been halved.



Field injuries and lost-time incident rates **halved**



Motor vehicle accidents down **one third**

Employees are the most valuable asset

Staff turnover at USIC is now at historic lows but remains higher than we would like in an increasingly tight US job market. New initiatives have been introduced to ensure staff feel valued and to optimize their working conditions. For example, any employee can now contact the “Hey Mike” hotline to USIC CEO Michael Ryan to raise issues, from their work-life balance to training or a specific job.

Thanks to USIC’s proprietary route planning software, every driver ends their day on the job closest to home. Additionally, we are piloting a truly dynamic platform that alters job lists and driving instructions based on the complexity of the previous job and even on real-time traffic conditions.

We are also increasing training periods for technicians from 4 to 13 weeks. On-call payments and regular off-time now feature in every employment contract.

Quality is pricing power

A greater focus on employee health & safety under Partners Group’s ownership has led to increased quality of service, which in turn has led to a tangible impact on USIC’s growth.

Historically, USIC had concentrated on maintaining all contracts, even if prices for each job fell. However, as the Quality First initiative has improved client satisfaction and reduced damage and interruption, USIC can now prove that its premium service should command a premium price.

An improved service is leading to longer-term contracts. The number of three-year plus contracts has risen from 25% of total contracts in 2017 to around 65% today. This has improved revenue visibility substantially.

Supporting the energy transition

At Partners Group, we are committed to managing our investment portfolio towards the Paris Agreement objectives and USIC is no exception. Better fuel efficiency and real-time routing on newer trucks will lead to a lower carbon footprint. Additionally, we are aiming to halve USIC’s emissions by 2030 and achieve net zero by 2050 as electric vehicles (EVs) are increasingly rolled out.

The next few years are likely to be busy. The US infrastructure bill provides a solid base for growth. Every renovated bridge, new solar or wind farm, 5G tower upgrade, and EV charging station will need USIC’s location services.

“It’s a virtuous circle. We provide excellent service to our customers, who are then willing to engage with a premium provider in return for the value they receive. This added engagement and ‘buy in’ enables us to reinvest in our business to build on that excellent service.”

Michael Penner

Lead Operating Director, USIC

Disclaimer: There is no assurance that similar investments will be made. For illustrative purposes only.
Source: Partners Group, February 2022.

About Partners Group

Partners Group is a leading global private markets firm. Since 1996, the firm has invested over USD 170 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. Partners Group seeks to generate superior returns through capitalizing on thematic growth trends and transforming attractive businesses and assets into market leaders. The firm is a committed, responsible investor and aims to create sustainable returns with lasting, positive impact for all its stakeholders. With over USD 127 billion in assets under management as of 31 December 2021, Partners Group provides an innovative range of bespoke client solutions to institutional investors, sovereign wealth funds, family offices and private individuals globally. The firm employs more than 1,500 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN).

