



Upskilling for Modern Project Delivery

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What I'd like to cover

- My background and perspective
- The consultant client relationship
- What we do and don't do well
- The emerging environment
- Our client's needs
- What capabilities do we need?
- What ways could the industry adapt?



My Background

- 32 years in the Royal New Zealand Navy
 - 2 years as Director, Capability Development, HQ NZDF
 - Prioritising capital investment
 - 2.5 years as a significant infrastructural “client” leading the navy’s training and human resources organisation
- 2 years in the Opus M&E business
 - Developing strategy
 - Improving process
 - Developing business
 - Delivering projects



The Consultant/Client Relationship - Context

Two sub-sets

- “Base load” Clients
 - Long term, highly valued clients
 - Long term trust based relationship
 - Trust short circuits process
- “Dynamic” Clients -
 - Less frequent commissions
 - Medium to very high value.



What we do well

- Relationships with *technical* clients
- Base load clients
- Technical proposals
- Controlling our costs
- Holistic view of our client's needs
 - during design and construction
(ie as a snapshot in time)



What we don't do so well

- Communicate - Our jargon is impenetrable
- Tell our value story
- Look beyond the detail in the brief
- Are we being truly open about risk?



The emerging environment - Macro

- Urbanisation
- Environmental issues
- PPPs for really big projects
- Novation on mid size projects
- Design build in smaller/routine projects



The emerging environment - Clients

- Scrutiny around value/return on investment
- Linking quality “built environments” & organisational effectiveness
- Aesthetics of the built environment
- Sustainability
- Public sector clients - Total Cost of Ownership



What might this mean for Consultants?

- Understand our client's organisational needs
 - Long term
- Articulate value in a layered sense
 - Direct/Indirect
 - Opportunity Cost
 - Life Cycle
- More collaborative engagement
 - harness consultants' potential



What skills do we need to develop?

- Client Analysis
 - *outcome* being sought
 - needs to solutions
 - Understand the *people*
 - Understand personal perspectives (empathy)
- Cost Benefit Analysis
 - life cycle, not just capital cost
- Multi Criteria Decision Analysis
 - Putting a value on less tangible benefits
 - Prioritising
 - Building consensus



What skills do we need to develop?

- Communication
 - The link between engineers and clients
 - “de-risk” Technology
- Asset Management
 - We need to be more than conversant with AM principles



Moving forward

- Is our traditional perspective of the client-consultant relationship holding us back?
 - Innovation vs tendering & initial capital cost
 - “Safety first”, “Stick to our/your knitting”
 - Partnering?
 - Are there better ways of ensuring long term value for money ?



Moving forward

- Are clients prepared to express their requirements in terms of outcomes?
 - Procurement Clinics
 - Consultants, contractors and suppliers bid for the opportunity to participate, selected on attributes
 - Client expresses outcome, open dialogue on potential solutions
 - Format stimulates innovation - value to participants in being seen to be innovative
 - Client has access to the “arc of the possible”
 - Consultants, contractors, suppliers network, form alliances
 - Example: Finnish social housing project
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Moving Forward

- Early Market Engagement
 - Goes beyond “briefing”
 - Client articulates strategy, outcomes sought
 - Defines boundaries
 - Defines appetite and aspiration
 - Dialogue possible, but safeguards needed
 - Client asks questions:
 - Is our aspiration feasible?
 - Does industry have the capability to deliver?
 - Is their sufficient capacity across industry to avoid “capture” by one or more suppliers?
 - Is the technology sufficiently mature to warrant investment?



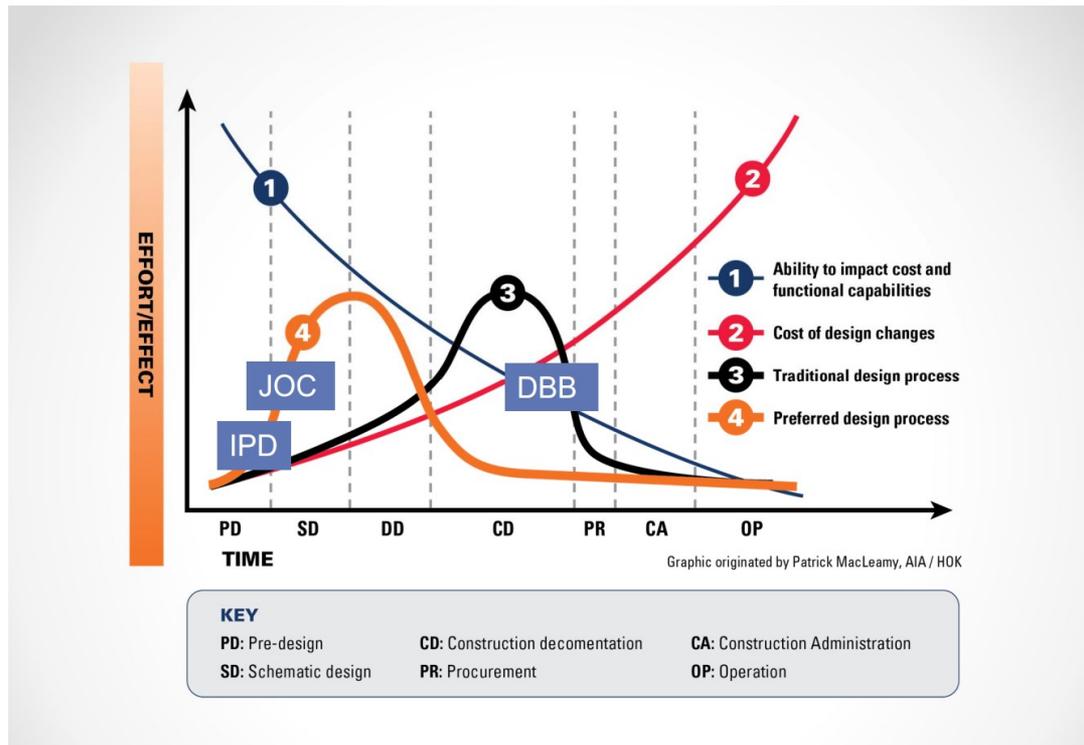
Moving Forward

- Can the public sector lead the way (preamble to MBIE Rules of Sourcing suggests this is the aim)
 - Mandate BIM?
 - Adopt more collaborative, outcome based procurement *practices* (as distinct from rules)
 - Express requirements in terms of total cost of ownership?



The Consultant/Client Relationship - Context

Earlier informed decisions reduce build and operating costs.



Summary

- We operate effectively in the traditional context
- We derive our core strength from the value we place on engineering excellence
- The emerging environment and the pace of change require additional, non technical skills
- Above all, we need to be able to derive our engineering solutions from the long term organisational needs of our clients
- The environment in which the consulting industry operates might also need to change

