



Construction Clients' Protocols Best Practice Guide 3: Client Leadership

Written by clients for clients

Client Leadership

How do you do it?

Client leadership is vital to the success of any project and enabling the construction industry to perform to its best. Clients establish the culture in which everyone performs. However it is acknowledged that not all clients will have a capability to lead, and will thus rely heavily on their supply chain to assist them.

This guide aims to bring together some of the ideas and language surrounding client leadership in a simple, accessible form. We hope it will help to improve all round understanding of current industry developments.

What does Client Leadership include?

- Clear client vision
- Adequate client resource throughout the project
- Detailed brief
- Clear financial objectives, programme and definition of success
- Client to champion best practice
- Clear and collaborative procurement policy
- Work within the project team
- Commissioned before handover

What are the benefits to you?

- Better whole life value from your construction project
- Better investment decisions
- Better control of risks
- Enhanced predictability of cost and time
- Improved Health & Safety on your project
- Enhanced reputation as a construction client
- Enhanced sustainable outcomes

**“True client leadership
can be critical to the
success of any project.”**

- Client structure and responsibilities to be clearly identified
- Adequate resource to ensure client continuity and leadership during the project
- Clearly expressed and researched vision and business case for the project
- Detailed brief developed prior to the design stage and shared with all supply chain partners
- Client commitment to championing compliance as a minimum standard and working to best practice in design, team working, innovation, health & safety, and sustainability
- Demand a qualified workforce from supply chain partners –ie: the right people for the right job at the right time
- Drive clear, collaborative and flexible procurement policy
- Assess relevant risks with supply chain partners and agree joint management measures
- Ensure projects are commissioned and properly tested prior to handover
- Insist on the adoption of collaborative behaviours



Supply chain partners should be challenged to demonstrate their:

- Capability to collaborate with you
- Commitment to integrated working throughout their supply chain
- Ability to deliver on time and on budget
- Ability to work with you collaboratively
- Transparency and trust
- Fair payment practices eg 30 day payment periods
- Ability to manage risk
- Pro-active mechanisms to manage out disputes

When do you need to do it?

You will need to develop your ability to provide client leadership before project inception. Whether you are a frequent, one off or occasional client you will need to spend time upskilling your own ability in procuring construction. You will also need an understanding of the construction process and how supply chain partners should integrate and work together on projects. Challenge your proposed supply chain partners to demonstrate how they do this and what differentiates them from their competition.

Further advice & guidance

- Construction Clients' Group
- Constructing Excellence NZ
- Ministry of Economic Development
- Treasury and NIU
- State Services Commission Gateway Process
- Trade & Industry Associations
- Professional Bodies

“Clients need to understand the contribution that they can make.”



NZIM DipMEEC Level 6 2011 Graduating Class from left to right: Mano Ram, Shaun Mitchell, Simon Pollard, Tim Manning, Nigel D'Ath, Karl Ashby, Tony Fairclough & (Not Pictured) Dion Sinclair.

Take the following action:

- Spend time researching planning and developing your business case
- Communicate your business case clearly to your supply chain
- Work with your supply chain partners to clarify what you need and agree how it can best be provided
- Always procure on long term and overall best value rather than short term capital lowest cost
- Provide a detailed brief with clear financial objectives, programme and definition of what is meant by success before the design stage and share this at the outset with all those involved
- Champion best practice and collaborative working
- Challenge your supply chain partners to innovate and improve performance
- Ensure that fair payment policies are being adhered to throughout the supply chain
- Reward your team when it is successful (including promoting and sharing their success with others)

Construction Clients' Action Plan:

1. Demonstrate LEADERSHIP by:
 - ✓ Communicating a clear vision of the client's requirements and drivers
 - ✓ Operating in a manner to foster a culture of openness, honesty and trust
 - ✓ Developing and operating best practice structure, systems and procedures to demonstrate:
 - and management of risk
 - understanding development of beneficial relationships
 - effective communication
 - mitigation of conflict
 - understanding of client strengths and opportunities to improve
 - ✓ Engaging and developing appropriately skilled people with a competent understanding of the construction process
 - ✓ Creating a co-operative environment supported by a 'no blame' culture
 - ✓ Ensuring the ability to practice timely decision making
 - ✓ Delivering a consistency of management, systems and personnel
2. Promote a SAFETY CULTURE
3. Foster commitment to SUSTAINABILITY
4. Explore, promote and implement RELATIONSHIP CONTRACTING where appropriate
5. Invite the supply chain to MEASURE CLIENT PERFORMANCE in line with these principles
6. Offer FEEDBACK TO SUPPLIERS on their performance
7. Measure the project performance using the NATIONAL CONSTRUCTION INDUSTRY KPIS

Clients' Action Plan

The Clients' Action Plan brings together the 7 key steps vital to you delivering construction projects on time, safely and to budget. They represent the principles which will enable clients to get better value from their construction projects and exceed existing industry best practice. This simple yet effective process should enable all stakeholders in the supply chain to collaborate more effectively in the adoption of this framework for action.

Further details can be found via the website of the Construction Clients' Group (www.constructing.co.nz).

About the Construction Clients' Group

The Construction Clients' Group (CCG) is a New Zealand group dedicated to learning and sharing knowledge about building better, faster, safer and achieving better value for money from your construction procurement. CCG supports both private and public sector customers of construction as well as organisations throughout the delivery supply chain. We recognise that our members need to work collaboratively to achieve the key CCG objectives. Our members from both the public (central and local government) and private sectors represent a significant proportion of New Zealand construction clients. CCG supports all clients, regardless of their core business activity, by promoting best practice that will provide better value for their construction procurement and ultimately an improved built asset. Of equal importance, alongside our best practice role, the CCG provides its members with a credible voice to key industry stakeholder groups and Government agencies.

As an organisation we:

- are a voice for all construction clients and our members
- provide opportunities for clients and supply chain companies to network and share best practice
- provide regional events in Auckland, Wellington and Christchurch
- influence government policy and industry improvement programmes
- offers opportunities for training and development
- publish guidance and disseminate best practice
- further information can be found on the CCG website (www.constructing.co.nz)

Maori Quote on Leadership

Ma mua ka kite a muri
Ma muri ka ora mua.

Those who lead, give sight to those who follow;
Those behind, give life to those ahead!

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Constructing Excellence is committed to reducing its carbon impact.

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The Action Plan

Step 1: Communicate a clear vision of the client's requirements and key drivers.

Step 2: Operate in a manner that fosters a culture of openness, honesty and trust.

Step 3: Develop and operate a best practice structure, systems and procedures.

Step 4: Engage and develop appropriate skilled people with a competent understanding of the construction process.

Step 5: Create a co-operative environment, supported by a 'no-blame' culture.

Step 6: Ensure the ability to practice timely decision making, at all times.

Step 7: Deliver a consistency of good management, systems and personnel.