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# **Upskilling for Modern Project Delivery**

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# What I'd like to cover

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- 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?



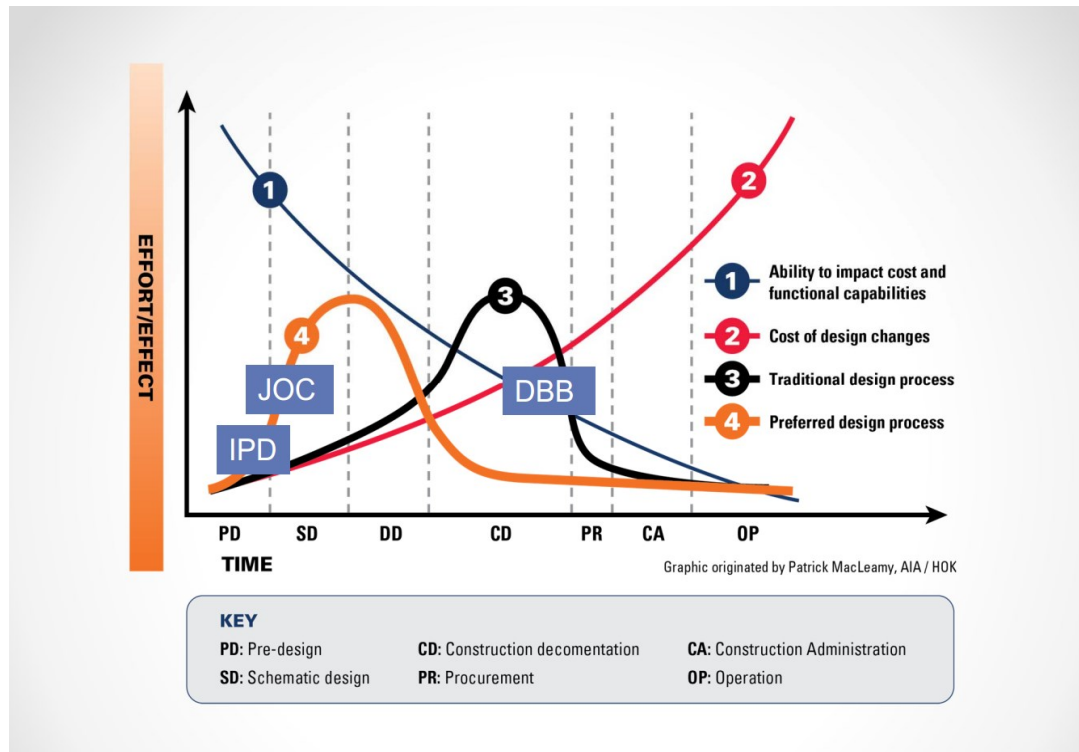
# Moving Forward

- 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

