



## Farmer review of construction sector labour model

17 October 2016



The Construction Leadership Council has today published Mark Farmer's

### Latest news

CLC Brexit Contingency Planning Conference - Letter to the Construction Minister

18 February 2019

[Read more](#)

Shortage occupations in construction: A cross-industry research report

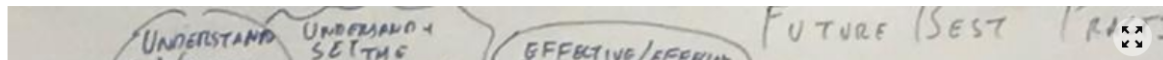
12 February 2019

[Read more](#)

# What is the role of clients in transformation?

2 MIN READ

NEWS [TRANSFORMATION](#) [LEADERSHIP](#) [ITA](#)



# UK expert says BAU no longer an option

3 MIN READ

EVENTS [LEADERSHIP](#) [ITA](#) [TRANSFORMATION](#)

Mark Farmer, renowned UK author and commentator, told industry leaders at an ITA Leadership Forum event in March 2018 that there is a burning platform for industry transformation.

# Let's transform our industry

Our ambition ▶

The Industry Transformation Agenda is a call to action to transform New Zealand's building and construction industry

COMPANY

TECHNOLOGY, MATERIALS & TOOLS

Advanced building & finishing materials	Standardised, modularised & prefabricated components	(Semi-) automated construction equipment
New construction technologies	Smart & life-cycle optimising Data capture equipment	Digital technologies Big data

PROCESSES & OPERATIONS

Concerted time in design (front-loaded) Project planning	Active/continuous risk management Collaboration with project owners	Project management Learning from project to project
Collaboration with subcontractors and suppliers	Lean and safe construction management and operations	Project monitoring (scope, time, cost)

STRATEGY & BUSINESS MODEL INNOVATION

Differentiated business models, consolidation and/or partnerships	Sustainable products with optimal life-cycle value	Internationalisation strategies to increase scale
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PEOPLE, ORGANISATION & CULTURE

Workforce planning, smart hiring and enhanced retention	Continuous training and people development Knowledge management and sharing across people	High-performance culture; Innovation-friendly & forward-looking
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SECTOR

INDUSTRY COLLABORATION

Mutual consent on standards across the industry	Benchmarking and data exchange	Best-practice sharing
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JOINT INDUSTRY MARKETING

Industry-wide collaboration on employer marketing	Co-ordinated communication with society and communities	Effective interaction with the public sector
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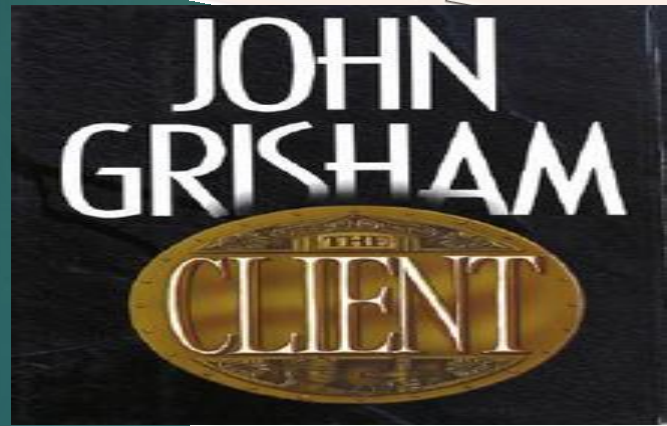
GOVT

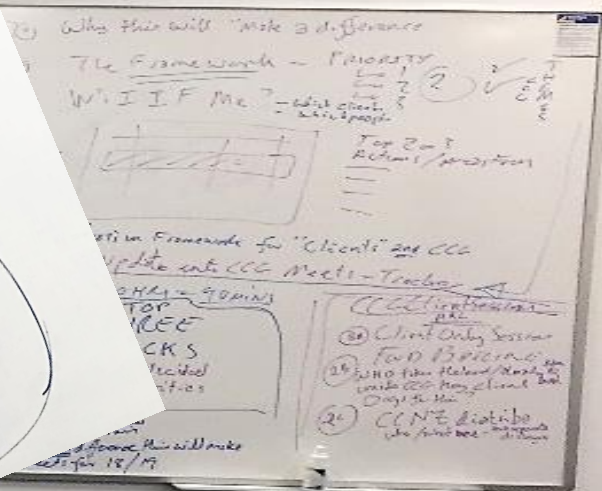
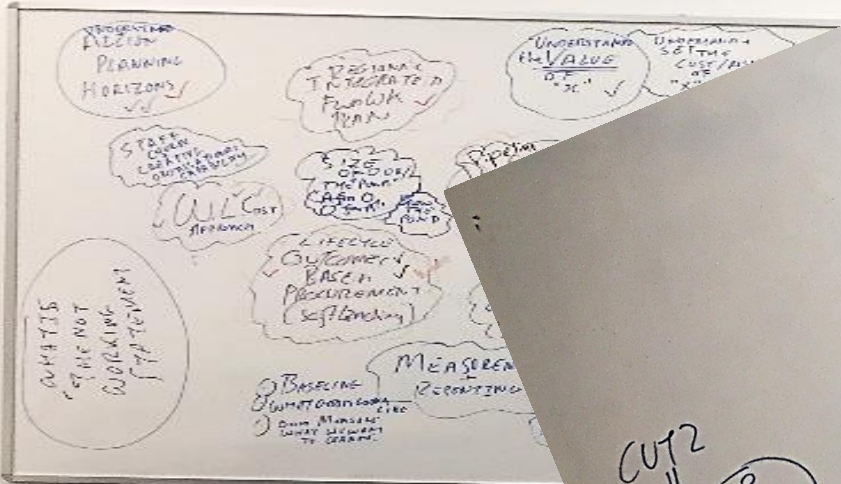
REGULATION & POLICIES

Adherence to harmonised building codes/standards; Efficient permit processes	Market openness to international firms and small and medium-sized enterprises (SMEs)	Promotion and funding of R&D, technology adoption and education
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PUBLIC PROCUREMENT

Maintain high transparency & standards	Actively managed project pipeline; Adequate project funding	Realistic bidding requirements; Efficient and effective bidding processes
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# Addressing the value paradigm

Areas where we can lead and make a difference

Client

## Risk

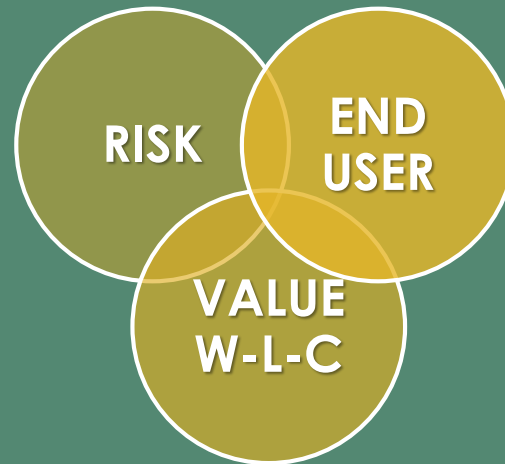
- As an enabler
- Tolerances and understanding
- Control and parameters

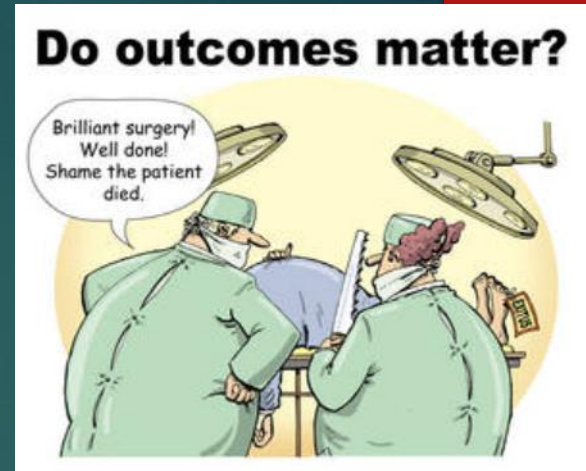
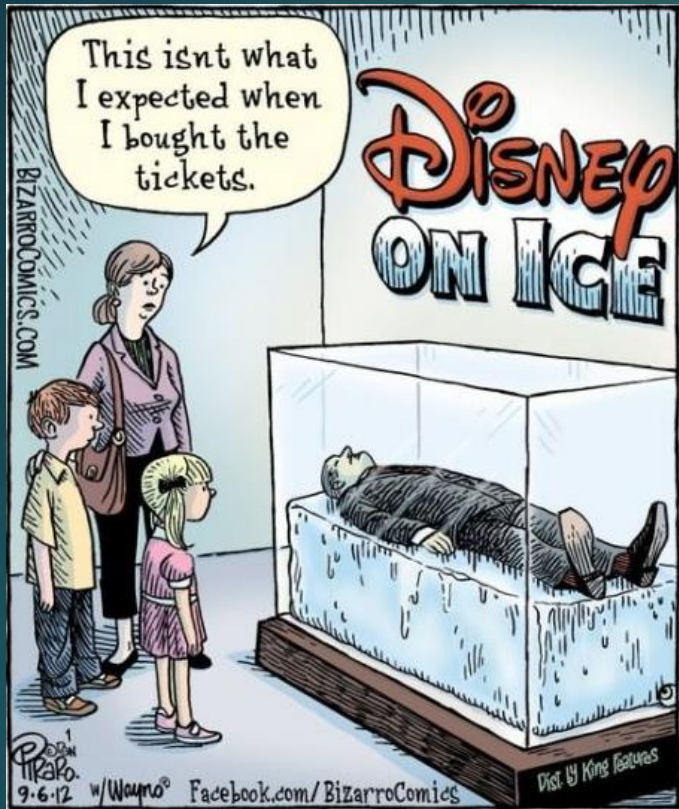
## Client as End-User

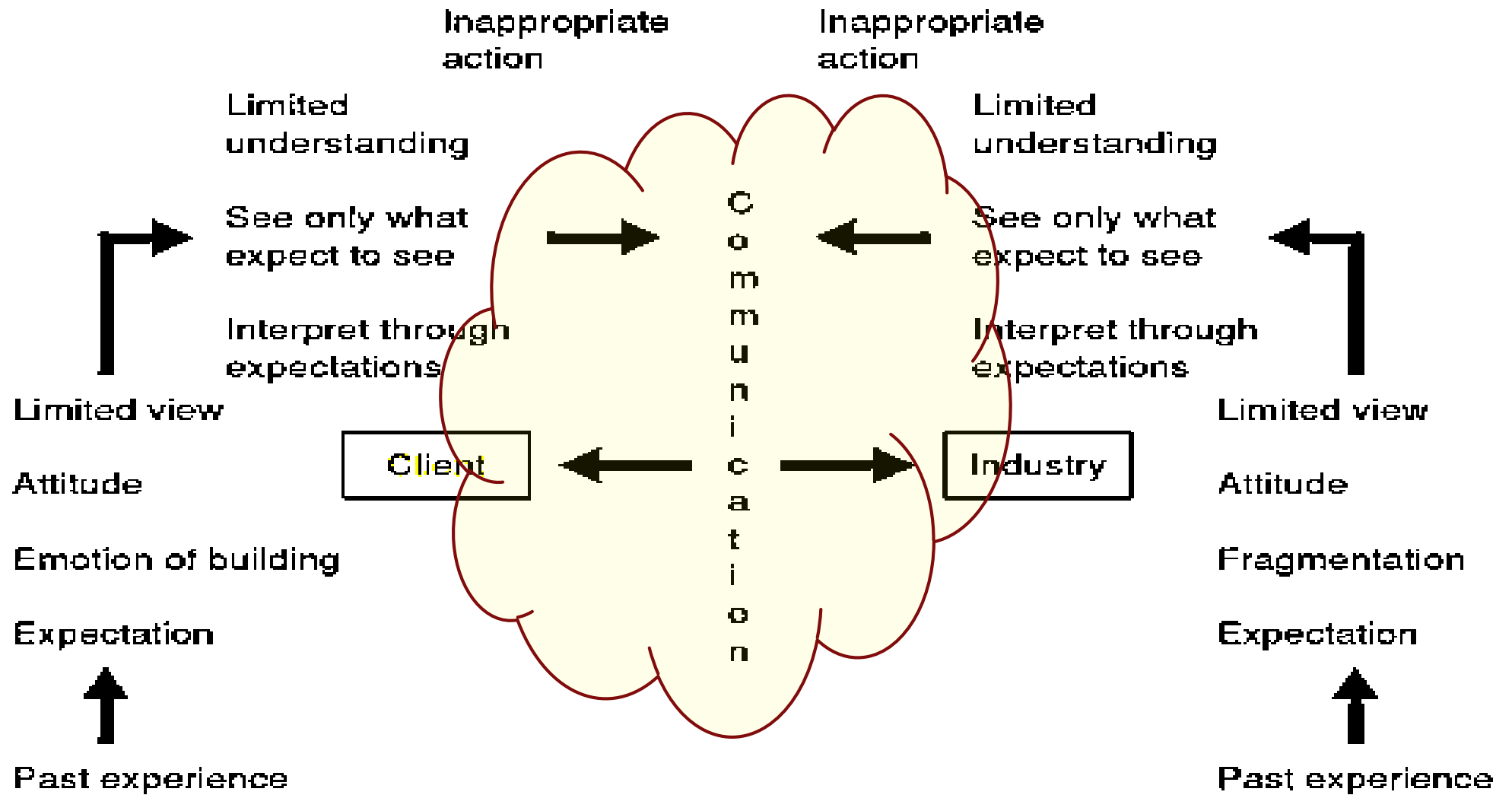
- Defining needs early
- Quality solutions
- Stewardship

## Life-cycle Outcomes

- Moving to an outcomes focus
- Understanding Value and a WLC basis
- Early definition of outcomes







**Figure 3.3** (Mis)communications across the perceptual gap. Adapted from Boyd and Kerr (1998).



Dr Helen Anderson, Chair, and Chelydra Percy, Chief Executive, BRANZ, are delight

Alasdair has agreed to share insights he has gathered from leading sector change in New Zealand's primary sector. His experience has taught him that understanding, managing and mitigating the drivers of and resistors to change is paramount skill to deploy to achieve effective industry wide transformation. In the multiple sectors I have worked on, the resistors to change have consistently been the hardest to overcome. The forces opposing change tend to be strong, organised and deeply embedded. They can stall things forever by appearing to negotiate, with no intention of allowing change to proceed."

**Wednesday**  
**14 November 2018**  
1.30 pm  
Available from 11am  
to start promptly at  
served at 1pm  
2, Grid Auckland,  
12 Madden Street,  
**Wynyard Quarter, Auckland**  
[Parking and venue details](#)



**COOPERATION**  
**TRUST**

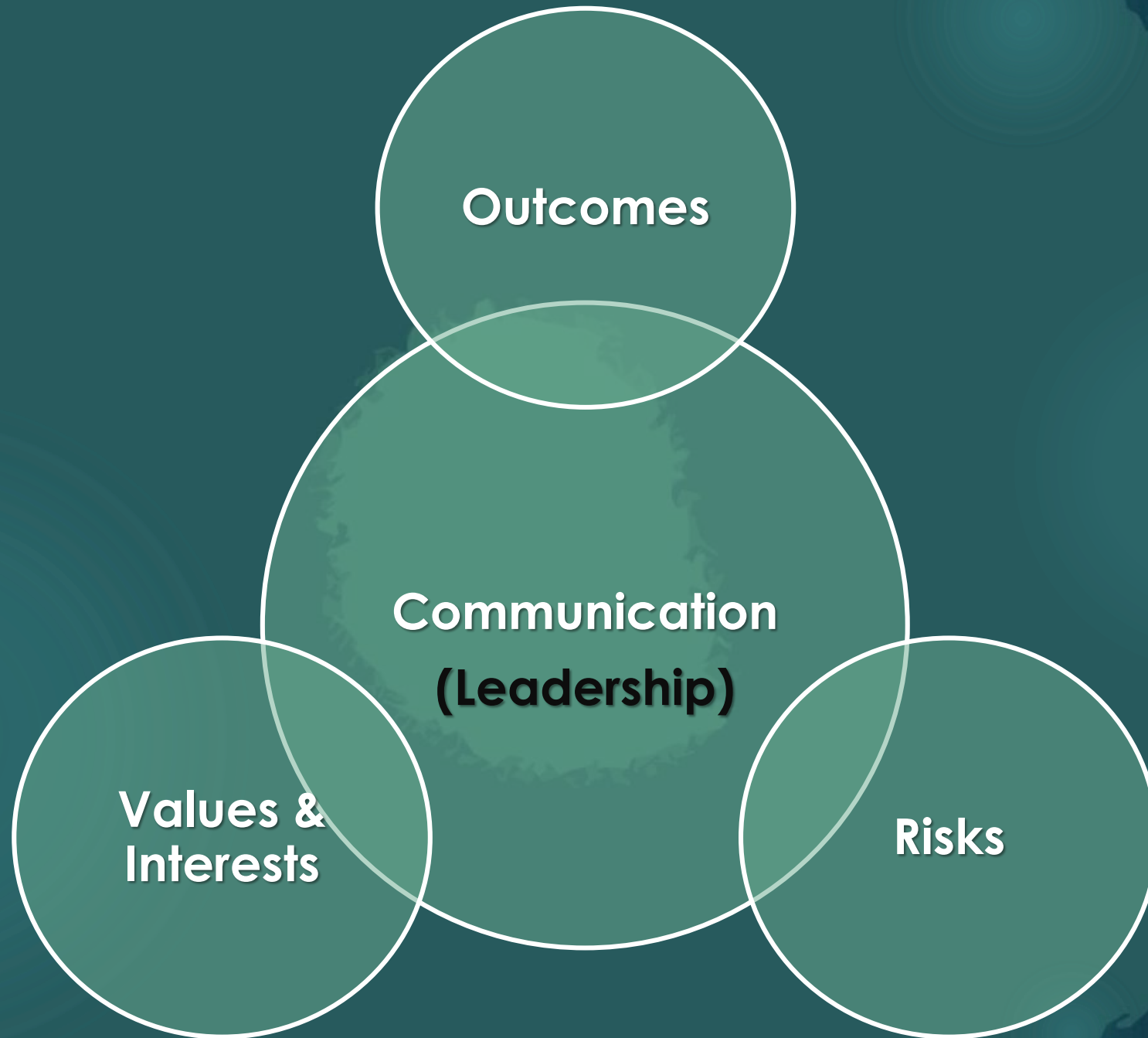


**ENGAGEMENT**  
**DIALOGUE**



**CONSISTENCY**  
**CLARITY**

Item	Descriptor	What Clients will contribute to the ITA	What Clients want to change
<b>Risk</b>	<p>Risk and Reward are key concepts integral with success and failure. Trust and Cooperation are critical for sustained success.</p> <p>Distrust and Obstruction inhibits good risk management and rewards distribution.</p>	<p>Goal  <u>A unified Client Group</u> that is an increasingly proactive and trustworthy supply chain participant.</p> <p>Strategy  <u>Achieve visible change through engagement</u> with the ITA initiative and procurement policy-makers.</p>	<p><u>Communication</u> to improve the understanding of risks, and to develop a more cooperative approach to risk management across the supply chain.</p>
<b>End-user / Stakeholder Value</b>	<p>Appreciation of Needs is central to establishing value</p> <p>Positive and Constructive Communication is essential</p> <p>Focus on Value Outcomes over Methods and Materials</p>	<p>Goal  <u>A positive leadership framework</u> promoting responsible and constructive communication.</p> <p>Tactics  <u>Clients introduce practical methods and tools</u> to support and improve stakeholder engagement.</p>	<p><u>Communication</u> to drive more meaningful and productive engagement among all parties in the supply chain.</p>
<b>Outcomes</b>	<p>Outcomes give purpose and meaning to End-user investment.</p> <p>The industry converts resources into outcomes in response to End-user needs. End-users reconcile outcomes with value earned per unit of cost invested</p>	<p>Strategy  <u>Clients undertaking constructive engagement with the industry</u> to advance a shared understanding of value.</p> <p>Tactics and Tools  <u>Normalize a Whole-of-Life Approach as the BAU standard</u> approach to Client or their End User Stakeholder long term interests.</p>	<p><u>Communication</u> of long term plans and intentions, to improve consistency and clarity across the supply chain, and to reinforce industry levels of certainty and investor confidence overall.</p>



Outcomes

Communication  
(Leadership)

Values &  
Interests

Risks



# Framework for transformation of New Zealand's building and construction industry

Actors

**CLIENTS**

**COMPANY**

**SECTOR**

**GOVT**

## TECHNOLOGY, MATERIALS & TOOLS

Advanced building & finishing materials

### CLIENT FOCUS TO BE DEVELOPED

QUALITY

Root Causes

Find Wk Pipeline

Boom Bust

committed Work loads

### TECHNOLOGY, MATERIALS & TOOLS

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(Semi-) automated construction equipment

Churn of Commerce

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Smart & life-cycle optimising Data capture equipment

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Benchmarking and data exchange

Best-practice sharing

### JOINT INDUSTRY MARKETING

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### REGULATION & POLICIES

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### PUBLIC PROCUREMENT

Actively managed project pipeline Adequate project funding

Realistic bidding requirements Efficient and effective bidding processes

Future best practice

have  
K&S ⇒ High quality  
Quality & Quality critic  
Not tell, Leading  
Money Price v Risk allocation

Risk Cause  
Riski → cost time  
→ Behaviour  
→ Budgets falling

"Asset as a Service"  
Open Accounting  
Capex Opex  
"more with less" attitude  
→ efficiency

Fundat  
Lowest price & Allocation  
Risk & Contingency  
→

Govt. Run of Sovereign  
and practicable  
→ Check market is shifted  
→ New 2.0 B

local market  
Govt. swing  
→ Civil  
→

Self Build  
Self Own

Churn + Career op  
From STEM  
Business  
Mandates  
& skills

QUALITY  
Pipeline  
Skills + Ability  
WLC ⇒ Value  
Budget, Pricing + Risk  
Margin  
Cost to Construct

cost to own, cost of asset  
Maintain high transparency & standards

BCR  
WE Forum  
Quality  
Lead  
CCG's  
7 Thoma

the problem statement  
"Looking good New" Statement  
What does do for Root  
Cause Assessment  
Analysis

- ## We're tackling systemic issues
- The ITA framework identifies more than 30 action areas to drive transformation. In consultation with industry, six priority action areas have been selected to progress
- **Risk management** and allocation across the supply chain.
  - **Integrated planning** to ensure all aspects of development operate effectively together.
  - **New technology adoption** and investment to support new business models.
  - **Shared industry knowledge** to accelerate use of best practice and develop an industry culture where collaboration can co-exist with competition.
  - **Improved information flow** to speed up projects without compromising quality.
  - **NextGen people** who are educated and upskilled for the future rapidly changing environment.

LB

Do we understand the target audience and value system in goals

Govt. Run of Sovereign and practicable  
→ Check market is shifted  
→ New 2.0 B  
→ New shifts & Traditional

Summit  
LTMCF  
owner hip

Frame up the engagement with like minded players

LC

MGM'S NEW  
COMEDY HIT!

# WHAT NEXT, CORPORAL HARGROVE?

STARRING *Robert*  
**WALKER**  
*Keenan*  
**WYNN**



*Yes, it's the howling sequel to  
"See Here, Private Hargrove!"*

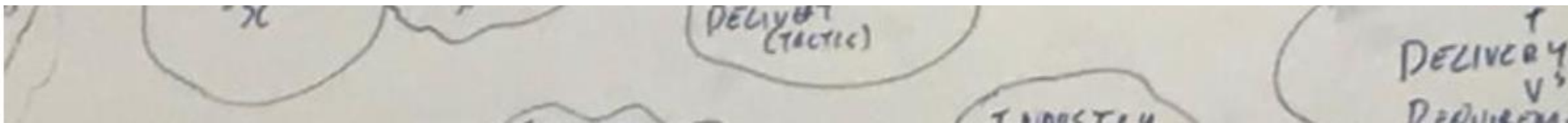
*Jean* PORTER · *Chall* WILLS · *Hager* HAAS  
WM. "BILL" PHILLIPS  
Story and Screen Play by HARRY KURNITZ  
Based upon the Characters Created by MADISON HARGROVE  
Directed by RICHARD THORPE · Produced by GEORGE HAIGHT  
A METRO-GOLDWYN-MAYER PICTURE

# Get involved

## How to get involved

Everyone working within our building and construction industry can contribute to the success of the Industry Transformation Agenda. Be an active part of our industry's transformation.

We regularly publish *Agenda*, our informative e-newsletter, and we may send updates from time to time on action areas as they emerge. Sign up below to stay informed. Read the latest [Agenda](#).



F

2019



Summit  
Washington, 2010



