



Value in Project Delivery Systems

Facilitating a Change in Culture (2002-022-A)



If we knew what it was we were doing, it would not be called research would it ?

-- Albert Einstein



Steve Rowlinson Mark Rogers
 Greg Foliente
 Roland Simons Fiona Cheung
 Alannah Rafferty Derek Walker
 John Spathonis
 Marcus Jefferies Kurt Marsden
 Roy Sargent Tony Sidwell
 Terry Jones Mat Tiley



Problem

- Implementation of relational contracting:
 - throughout a range of projects
 - with a focus on client body staff



Context

- Empowerment, regional development and sustainable industry
- DMR have experience of RM, partnering and alliancing
- Successful on large projects
- Need to examine skill sets needed for successful partnering/alliancing



Rationale

- RM, Partnering and alliancing require a change of mind set – a culture change
- Client side must change along with contracting side
- A fit is required between organisation structure and organisation culture



Objectives

- To move relational contracting down the value chain
 - Audit required of current position
 - Skill sets need to be identified
 - Change needs to be implemented



QDMR Report

(2002-022-A-17)

- In Australia it has been identified that there are four levels at which RM needs to operate and that each level has its own issues:
 - Principal/Director
 - Superintendent/project manager
 - Superintendent reps/engineers
 - Inspectors/foremen



Major Issues Emerging

- Choice of project delivery process;
- Change of culture and development of real teams;
- A sustainable approach to the industry in terms of people, environment and economics;
- ICT as a facilitator for these changes.
- Client management



Relationship Contracting & Relationship Management

- Many participants are not used to or familiar with the system in practice;
- A fallacy has become apparent – Contractors' may mistakenly conceive RM as leading to a "mates rates" approach;
- RM is about stimulating communication and breaking down barriers;
- RM is about opening up communication, getting discussions going and overcoming problems or issues faster, but not focusing on the money aspect of the project;



Relationship Contracting & Relationship Management

- Top managers tend to carry out RM in their own way;
- Clients must be educated to recognise the benefits of RM;
- RM is often seen as a longer term marketing "tool" in which the Contractor has the opportunity to enhance its reputation and future work prospects.



Benefits of RM

- Less paperwork;
- More enjoyable to go to work;
- People are more helpful, less destructive and more proactive;
- QDMR can potentially make savings in their operations;
- Contractors can potentially make savings in their operations;
- Training and education.



Workshops

- There must be a commitment from both sides to send ALL personnel along to the RM workshops;
and
- to maintain a stable project team throughout the project.



Why RM does not Work

- Not all participants believe in the efficacy of RM;
- Problems arise in communication and adoption of proactive approaches;
- A high turnover of personnel from participating organisations is a serious impediment to the RM project;
- Project Delivery Strategy (PDS) is a key element in ensuring RM works effectively;
- Client buy-in.



How can this be achieved?



"I just love the French. They taste like chicken!"
---- Hannibal Lecter

Long Term Issues

- A policy issue arises here – including relationship management skills as one of the recruitment criteria, not just possession of, say, an Engineering degree. This raises the following questions:
 - Is there a need to include this into formal graduate curricula and other training courses?
 - One cannot include relationship training if it is not taught. Who will provide the training material?
 - Should contractors be expected to and how can contractors train their own staff?



Client Management



Selection of RM Participants

- Industry excellence;
- Innovation capacity; and
- High level relationship management skills.



Building a Successful RM Culture

- Employ the right people. Believing in RM being one of the considerations in the recruitment process. What are the "right" criteria?
- Provision of training and development on RM, company and industry wide.



What?! STILL having a bad day??

Iraqi terrorist Khay Rahnajet didn't pay enough postage on a letter bomb. It came back with "return to sender" stamped on it. Forgetting it was the bomb, he opened it and was blown to bits.

There now, feeling better?