



# Insight

## The growing importance of construction project management

By Hudson Fountain, Director

**The relative recent modernisation of the Middle East built environment has seen greater recognition and development in the management of projects. Most clients expect hands on, proactive service with minimal bureaucracy and maximum certainty of outcome.**

Driving the programme and safeguarding budget is a must as opposed to merely managing the process. Accountability, leadership and improved efficiencies aside, the added value of project management to the marketplace is in the depth and knowledge of informed team selection of consultants, contractor and specialist trades, as is ability to control design.

Clients in the region want project managers who are experienced, practical and straight talking.

### **Challenges and opportunities: cultural diversity**

The blend of multi-national foreign-owned suppliers (represented by the collective group of consultants, contractors and other members of the supply chain) compared with predominantly local-owned client organisations brings challenges of cultural nuances, leadership styles and differing perceptions of international best practice in the management of projects.

The implementation of international best practice methodologies in the Middle East by clients is driven by the ability and competency of local suppliers and



client know-how. As a result, international best practice methodologies, where used, are tailored by clients in most cases. This approach is common across both public and private sectors.

However, more could be done by policy-makers to promote international best practice in the Middle East and focus on organisational leadership in both supplier and client organisations on how projects are delivered; harnessing the positives of the cultural diversity and then systemising a common approach. The visibility and presence of best practice institutes and related CPD events need to be increased as some clients and suppliers are not aware of their presence.

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### **Procurement practices**

Clients tend to be risk averse, preferring to transfer risk to suppliers. They also tend to favour traditional procurement practice of lowest tender price wins instead of more collaborative modern procurement methods such as design and build, framework agreements, partnering and management forms of contract, or more advanced process management techniques such as lean construction and earned value management.

The Middle East generally still pursues traditional forms of procurement which can often lead to an adversarial environment.

Clients are supportive of relationship building on one hand, acknowledging the interplays of differing procurement options, but insist on pursuing lowest price tendering on the other, following a more traditional approach where the supplier bears the risks.

This approach could be attributable, in part, to the effect of internal auditors whose profiles have been raised following the recession and have strong grips in organisations. Stringent policies and procedures hinder the more innovative forms of procurement, which drive the continued use of traditional approaches.

Suppliers and clients should embrace their roles. Suppliers are not being engaged early enough in the stages of a project and have to consistently competitively tender for work, even with repeat order work. Clients are to champion collaboration and partnering, moving beyond 'master/slave' limitation of traditional project relationships. Both should continue to drive transparency and openness in building relations and where feasible, go so far as to share savings generated through supply chains or project successes to help build collaborative platforms.

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## **A longer-term view**

Client's experience, or maturity, depends on whether they are repeat clients, or one who procure occasional or one-off projects. This drives project strategy, project environment, communication philosophy and effective stakeholder engagement and management. Clients should set their sights longer term. Better value for money will be gained when clients assess the costs and benefits over the whole life of the facility not just short-term lowest capital cost.

Whilst behaviours are improving across the Middle East, clients need to demonstrate accountability and realise that transference of risk through traditionally hostile procurement and contractual arrangements does not encourage collaboration but rather inflates fees and prices. Instead, clients should look to use procurement and contract strategies which reinforce joint, early and effective contribution to meeting the project objectives.

There is an opportunity to tackle projects in a joined up manner as an integrated team and foster relations through sharing of both problems and beneficial cost, time and quality outcomes. Client maturity will develop with time; however, organisations need to be receptive to change. Programmes should be sensible in duration and focus on good planning, which will save time and money in the long run. How has project management changed over recent years e.g. innovation and new techniques entering the market?

## **New ways of working**

The market is still picking up again after five years of recession so it is more a case of being lean, agile and efficient in work practices. Clients are seeking techniques which deliver their projects more effectively, efficiently and with improved predictability of time, cost and quality. Certainly more design firms are embracing technologies and systems such as Building Information Modelling (BIM), which means that project managers have to be even more adept

at managing the entire project team and possess diverse skill sets.

There has also been greater uptake in recent years by clients investing in extranet collaborative platforms to manage and exchange large volumes of project data, which has enabled greater integration and co-ordination front end on large multinational stakeholder projects.

## Sustainability in strategy

Nowadays there are widely adopted sustainability initiatives on projects which influence strategy and planning. A decade ago if your project had sustainability intent such as BREEAM rating or high LEED classification it was an exception to the rule.

Today, this is fundamentally different and woven into briefing and design development. Countries including the UAE are implementing localised sustainability frameworks such as Estidama which previously didn't exist.

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*Today, sustainability is fundamentally different; woven into briefing and design development from the start.*

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Smart technology and the demand for urban design of smart cities by major public client is on the increase. Major technological, economic and environmental changes have generated interest in smart cities, including climate change, economic reforms, the move to online retail and entertainment, ageing populations, and pressures on public finances. This has led to an interest on harmonising people flow, traffic flow, and how citizens interact with the city as well as environment. Smart cities seek to use information and communication technologies (ICT) to enhance quality, performance and interactivity of urban services, to reduce costs and to improve the management of urban flows and allowing for real-time responses to challenges.

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