

COLLABORATE

TOP 4 REASONS WHY A PM PRODUCES A BETTER PROJECT

When a project is managed and planned in advance by an expert, it will always produce better results and outcomes, also in the returns for the developer. Here are four good reasons to consider hiring a project manager for your next build.

1. Reducing the Build Time

"When can you start and how quickly can you finish?" is very common. A large number of property construction projects arise from a catalyst such as an interest rate change or movement in property valuations. These external forces create an urgency to get a project up and running. Fast-tracking can solve delay or process issues because it allows the building to start construction while the design process is underway. Fast-Track is sometimes more difficult to manage than the traditional design-bid-build process. It requires detailed knowledge of the process, effective planning, integrity and close coordination among the organisations executing the work.

2. Identifying Risks Up Front

Using the constructability technique helps clients by identifying obstacles and potential problems at the start of the project. As a risk management tool, it can help provide scenarios and potential outcomes of a building process. In short, the more complicated the build, the more potential there is for problems to arise. This doesn't just relate to the building itself, it may be applied to design documentation and other stakeholders to the project who have important information to apply.

3. Value Engineering

Value engineering is a management technique that can reduce construction costs, increase building value and help shave time



off the building program. The material and design that goes into buildings can be very un-resourceful. Value engineering is a common technique that builders can use in order to win business. Providing better alternatives that achieve the same outcome in a more cost effective and timely way adds value in itself.

4. Longer term business relationships

Partnering is one of the main aspects in the building industry. The main advantage with partnerships is their ability to create win/win scenarios, where all parties involved benefit from the outcomes. But partnerships can't be formed with anyone; there must be common ground that you meet on with similar interests and similar values. Strategic partnerships arise from being involved in a successful project partnering. During the course of an individual project, good Project Management ensures outcomes and values evolve and the parties agree on ways of moving forward together.

A CARBON PRICE ON PROPERTY AND CONSTRUCTION

The Green Building Council of Australia (GBCA) supports a carbon price if the property and construction industry is likewise supported under a carbon pricing scheme.

The organisation believes an emissions trading scheme or other carbon pricing mechanism may be "one of the most efficient and cost-effective ways for Australia to meet its international carbon reduction targets", at the same time boosting investment in green technologies and stimulating new sectors of the economy. However, they note that it is essential to have complementary measures under a scheme that would support energy and materials efficiencies within the property and construction industry. These would include energy efficiency incentives such as tax breaks and white certificates, investment in research, development and commercialisation of low-emissions technologies, and mandatory disclosure.

The GBCA previously released a paper, "putting a price on pollution: what it means for Australia's property and



construction industry", which looks at the impact of a carbon price on the property and construction industry, including the challenges and opportunities a carbon price may bring. "Now" is the time for organisations within the property and construction industry to consider how a price on carbon will affect their operations and how they can take advantage of the new green economy.



THE DIRECTOR'S DESK

by Dean Gavrilovic

It might be hard to believe but we are on the home straight to the end of 2016. Maybe now it's time to either start goal setting for 2017 or put together action plans for ideas so you can "hit the ground running" once the new year begins. These things are easily delayed or overlooked once the festivities of December start.

This month we have some ideas for you on a few things to consider when planning your next project and the value good project management can add to your desired design and construction outcomes. Our lead article also gives you some insight on why having good project management techniques within a project can achieve better outcomes. As always we are happy to assist you achieve your project goals.

WHAT TO LOOK FOR IN A PM

There are the 7 critical skills that every Project Manager should have.

1. **Programming:** Being able to organise tasks in the right order to hit the right outcome at the right time is a major part of project management. Along with programming comes monitoring the progress as the project moves forward and making tweaks to ensure that everything stays on track.

2. **Resource allocation:** Resource allocation is closely linked to programming. Project Managers have to collaborate and negotiate with all stakeholders and contractors to ensure that resources, people and goods, are available at the right time for smooth, timely delivery of results.

3. **Risk management:** Things go wrong on projects; experienced project managers know this and plan for it. Managing the unexpected in a calm way is an important skill for a project manager. On top of risk identification they also have to plan what to do about them. This involves using risk management strategies. These action plans need to be incorporated into the main plan and tracked as well.

4. **Budgeting:** This includes forecasting, especially if a project will last long enough to push some of the budget into the next financial year. As a minimum, Project Managers have to work out how to spend what has been allocated and whether it is enough to deliver what the project sponsor is expecting.



5. **Team management:** Team management skills includes motivation, leadership, coaching and inspiring. It's about making sure that they have what they need to get the project done, whether that's equipment, skills, cash or time to get on with it.

6. **Variation management:** Variation management isn't difficult. It's mainly about recording and assessing each variation request, doing a full analysis of the impact of the variation on the project including whether the change will cost money or time.

7. **Issue management:** A successful project manager knows how to deal with issues in a way that minimises the disruption and allows an action plan to be put in place. It is important to handle issues quickly and with a recognised process.

LATEST NEWS



RESIDENTIAL SEGMENT DRIVES CONSTRUCTION

Economic growth is slowing in Australia but residential construction remains strong, is the message from a report issued by Propell National Valuers, a property advisory service. According to the report, "the main bright spot in the economy is the level of residential construction. Otherwise, economic growth is slowing, with consumer confidence down and the unemployment rate up."

Melbourne and Sydney are driving residential construction and value increases "with dwelling approvals at a peak". Melbourne dwelling approvals are up 22% and Sydney dwelling approvals have increased by 10% over the past year. Brisbane leads Queensland's recovery with dwelling approvals up 16%, "presenting a leading indicator for the Queensland economy".