

► is breaking the North American market, where QSing barely existed, even as a concept 10 years ago. Firms have begun to push back the frontier under the guise of "cost management", "project control" or "procurement advice". G&T has established itself in New York, a notoriously insular market, and has three other offices on the east and west coasts; Gleeds has just opened its second office in Denver; and Currie & Brown is also well-established across the pond, with a list of credits that includes early work on the redevelopment of the former World Trade Centre site. Gleeds' Steer argues that the US construction market is undergoing a culture change. "Clients used to go to a friendly contractor, give them a budget and – lo and behold – the contractor would build it to that budget," he says. "Now there is a greater concern about capital expenditure."

Iain McWhinney, president of Currie & Brown's US division, points out another factor behind the growing popularity of quantity surveyors – Enron. In the wake of the accounting scandal sparked by the firm's collapse in 2001, private and public sector clients have new, more stringent, accounting regulations. This is where an

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independent cost manager comes into their own. "There's definitely a legacy of Enron," McWhinney says. "Auditors are wanting to see greater cost visibility, as well as clear processes and procedures to manage it."

Some QSs are slightly less evangelical about the globalisation drive, pointing to the investment required to set up dedicated

offices. There are also basic problems involved in doing business in certain regions, such as the Middle East and the Far East – for example, not getting paid. High-Point Rendel found this out to its cost last year when it was shut out of £4m in fees.

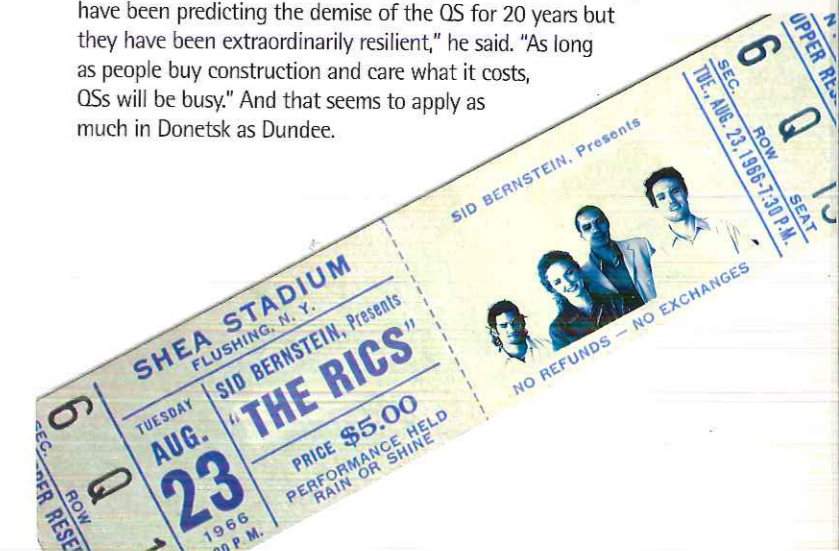
Others firms, such as MDA Consulting, have struggled with controlling their international operations. The staff's mock motto for the firm was "we are not good but we are everywhere", and the firm's overall performance – it lost £2.5m in the 15 months to 30 September 2000 – was partially explained by losses on its overseas business, and it led to offices being sold to the local management in countries such as Australia, Spain and Germany. A former MDA staff member put the problems down to a lack of communication. "It was mixed internationally," he says. "A lot of the local managers were very focused on their little marketplace rather than sharing their knowledge with the group."

Since the firm's management buyout in 2002, chairman Charles Johnston says the firm has rethought its strategy. It now has three permanent offices in Belgium, the Czech Republic and Hungary, and has established associations with local outfits elsewhere in Europe. "We are building something much more dynamic," says Johnston. "It's got to be much more than just a club for putting on each other's letter-heads. We want to transport skills we have in the UK, such as risk management, to associated offices."

While recognising the importance of expansion Mark van den Berg, chairman of Northcroft sees it as less profitable than

domestic work. "My gut feeling is that everyone makes a lower margin overseas. We want to be a global player but there's a lot more risk in it." Despite such reservations, new regions are still being sought by firms. Turner & Townsend is now establishing itself in Japan, Cyril Sweett is mulling over whether to enter India and north African countries such as Libya and Egypt, and many of the firms are eyeing up South America.

Perhaps the profession should have believed the words of Davis Langdon's Paul Morrell when discussing the 1999 survey. "People have been predicting the demise of the QS for 20 years but they have been extraordinarily resilient," he said. "As long as people buy construction and care what it costs, QSs will be busy." And that seems to apply as much in Donetsk as Dundee.



Making it big

An international sell out: Turner & Townsend's tour

QS and project manager Turner & Townsend began working for Japanese car maker Nissan in the UK in July 1984 when the firm was opening a chain of showrooms.

It took the firm five years to build the relationship, but once it did, it created a domino effect. Work opportunities opened up in Germany, Austria, Spain, Holland, Italy, America, Canada and South Africa. This summer saw a further flowering in the relationship when the firm was appointed to help roll-out Nissan's new Infiniti brand of car in Japan itself.

"We have created a model way of doing things," says Tom Harrison, managing director at Turner & Townsend International. "We then tailor that model to each country."

The Nissan example is part of T&T's strategy of growing its international operation by following clients around the globe and chasing particular markets, such as oil and gas and mining. The plan is to open offices in key centres for such sectors – the UK, Houston, and Perth in Australia for oil and gas; and Johannesburg, Brisbane, Denver and South America for mining. "We aim to go where the decision-makers are," says Harris.

Getting in the swing: Symonds goes global

Symonds (before it was bought by Capita in February and renamed) struck up a relationship with British American Tobacco 10 years ago. Instead of doing the logical thing and starting in the UK, as Turner & Townsend did, the firm's first work was in Uzbekistan. Since then Symonds has followed BAT as it has grown into countries across the Middle East, the Far East, Europe and Africa. The firm is currently looking into Serbia as a market for BAT.

"We work on feasibility studies for new areas for BAT which may or may not come off," says Kwok Wam, a director of the firm's cost management division. "We look at areas that are potentially difficult for them where they need certainty of delivery." And although the relationship is conducted on a project-by-project basis Kam argues that it is a close one. "We understand their business and culture and I think they understand ours."

Malta takes centre stage

Where there is work, there is a hungry QS with ready to bid for it. Take Malta for example – not the first country that springs to mind in terms of major development, but one that is being

RICHARD STEER, SENIOR PARTNER, GLEEDS
PEOPLE LOOK VERY, VERY QUICKLY AT THE BOTTOM LINE NOWADAYS. IF YOU ARE GETTING FUNDING FROM THE BANKS FOR A SCHEME THEY JUST HAVE TO KNOW HOW THE FUNDING SITUATION IS GOING TO WORK. THE GLOBAL FINANCE MARKET IS MUCH MORE SOPHISTICATED NOW – ALMOST THE FIRST QUESTION IS, 'HOW MUCH?'

RICHARD CLARE, CHAIRMAN, EC HARRIS
IN THE PAST FOREIGN WORK WAS JUST ONE-OFF PROJECTS. YOU WENT IN AND CAME OUT. NOW IT'S VERY DIFFERENT. CLIENTS EXPECT YOU TO BE MOBILE AND GO WHERE THEY GO. WE LOOK AT CLIENTS NOW MORE THAN PROJECTS

looked at by UK QSs and project managers for future work. The reason is that the island is gearing up for major expansion on the back of its accession to the European Union on 1 May this year. This is not just expansion of its established tourist industry but a more ambitious desire – to become a hub for multinational firms who want to have regional outposts in the north of Africa and the Middle East. "The country wants to become a staging post for those regions," says Charles Johnston,

chairman of MDA, whose firm used to have an office in the country and is looking to re-establish links there.

"They are trying very hard to attract IT and oil companies to set up there. That will mean new factories or facilities as well as housing and support services." Symonds is also keen on expanding in the province – it completed a strategic study on a £160m hospital in Malta and has just been awarded a project management role on a £200m mixed-use development.

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