



PROVIDING CONSTRUCTIVE SOLUTIONS

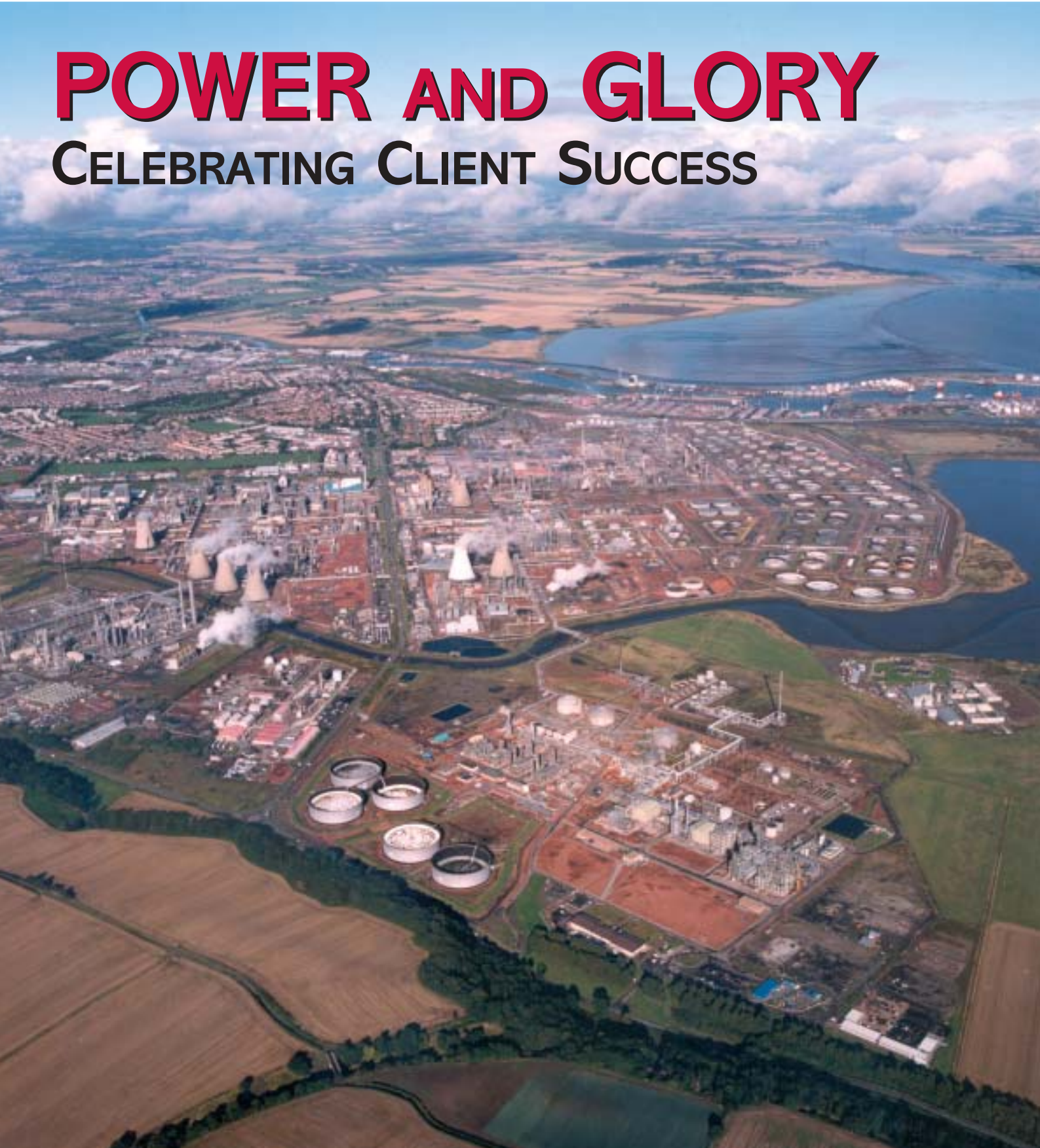
BULLETIN

CURRIE & BROWN: UK EDITION

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POWER AND GLORY

CELEBRATING CLIENT SUCCESS



INSIDE ■ EXCLUSIVE COMMENT FROM OGC BOSS MARTIN SYKES



POLARISATION is increasing within the professional services sector. The bigger players have the breadth and depth to offer multi-service solutions to all sectors; other, smaller providers tend to offer niche services or single solutions. However, as one of the largest consultancies, Currie & Brown has managed to position itself to offer the full range.

Once upon a time the pace of change was unhurried. If you missed the start of the latest new initiative, you simply jumped on the bandwagon. Nowadays, if you see the bandwagon, you have missed your chance completely! Better to concentrate efforts on producing the next new product. This means that change is the only constant in business life. By understanding a client's business, Currie & Brown's first objective is achieved. To analyse what makes a client's product so successful and then engage with them to enhance that product by making it 'faster, better, cheaper' is the message contained in the article from Meurig Jones on 'Sustainable Client Relationships'.

Building a good client relationship creates the opportunity to challenge a client's own objectives. We must resolve to be effective before we endeavour to be efficient. Too often, we concentrate on the latter before we have resolved the former. The message from Martin Sykes of the Office of Government Commerce is that effective and efficient procurement must be at the heart of the supply chain for Government contracts. This leads to value being added to a business.

'Value added' is the latest phrase championed by industry in general. It is now in such widespread usage that it has an entry in the Oxford English dictionary, describing it as 'the difference between the total revenues of a firm and its total purchases from other firms'. In other words, the fees charged by a supplier must be less than the value added to the client's business.

Currie & Brown continues with its constant challenge of the way it conducts its business and engages with its clients. The panacea of today is unlikely to be the appropriate solution for tomorrow. In nature, evolution ensures that it is the fittest that survive. In today's business life, the statement is equally applicable.

David Broomer
Chief Executive

Picture courtesy of icNewcastle.co.uk



Newcastle Currie & Brown

CURRIE & BROWN has relocated its Newcastle office to Percy House in Percy Street, Newcastle after working on the project to develop the building.

The eight floor office block, owned by investment company, Hanro, is part of a two acre site which is being re-developed and refurbished in the heart of Newcastle.

Currie & Brown has taken an office on the sixth floor of the building and will make use of its new modern facilities.

Currie & Brown decided to relocate to the office after working as cost consultants, project managers, planning supervisors and fund monitors on the development. Ian McCallum, local director of Currie & Brown said: "We were involved in the Percy House project from a very early stage and watched it take shape into a great development. We had been looking for premises for a while and thought where better to locate than in one of the developments we had helped create."

STAR SIGNING

Angus McLean, chairman of Currie & Brown, has announced the appointment of Baroness Margaret Jay of Paddington as senior political adviser to the group.

As a former health minister and well-respected senior political figure in British politics, Baroness Jay will make a valuable contribution to our business expansion programme and enable Currie & Brown to explore new government sectors.



RAISING

CURRIE & BROWN acted as host to a recent trade delegation from the USA. Governor of Arizona, Janet Napolitano, Senator Linda Binder and a selection of high profile business leaders led the delegation from Arizona.

The visit was organised to reinforce the strong links Currie & Brown has formed in the USA and in particular with our Phoenix Office which played a central role in co-ordinating the event.

The delegation was formally welcomed by Shonagh Hay, who chaired a presentation that focused on Currie & Brown's experience in managing major

C&B takes top advis

C&B has been appointed to a national framework by Partnerships for Schools (Pfs), for the Building Schools for the Future Programme. The framework is to provide construction technical advisory services, and will enable Pfs, DfES and local authorities to call off the services they require on the basis of agreed terms and agreed fee rates. There are seven premier providers in all on this Framework, which is for an initial three years with an option to extend to four years.

Building Schools for the Future (BSF) is a strategic programme by the Government to transform educational attainment through investment in England's secondary schools. The 10-15 year programme will see new schools built, or existing schools upgraded, to meet the needs of communities in the 21st century and could be worth circa £60 billion over the next 15 years.

Partnerships for Schools (Pfs) is a new body set up and jointly managed by the Department for Education and Skills (DfES) and Partnerships UK to assist in delivering the programme. Nationally, Pfs will select areas for investment, establish best practice, develop innovative procurement models, create long-term public/private partnerships, reduce bid costs, and streamline procurement by use of standard documentation.

Locally, Partnerships for Schools will work closely with LEAs and schools, supporting their existing capabilities, providing specific knowledge and



ARIZONA

Private Finance Initiative (PFI) works and Public Private Partnership (PPP) projects.

In the evening David Broomer hosted a Scottish Dinner at The Caledonian Club for forty guests. The dinner was attended by leading figures in the UK technology, defence, bio-technology and aviation including: Lord Ronald Oxburgh, non-executive chairman of Shell Transport & Trading Company Plc; Sir Richard Syke, rector, Imperial College; Baroness Margaret Jay, senior political advisor to Currie & Brown; Juan José Bremer de Martino, the Mexican ambassador; and Graham

Love, chief finance officer of QinetiQ.

The Governor presented Currie & Brown with a commemorative plate to mark the visit and acknowledged in her speech that Currie & Brown is a global organisation that works with a number of organisations in Arizona: "This visit has provided our delegation with an excellent opportunity to meet with the London based senior management team of Currie & Brown, further strengthen our relationship with them and hopefully identify new mutually beneficial opportunities in Arizona."

Shonagh Hay presented the Governor with a quich, a traditional Scottish hospitality cup made of silver, to commemorate her visit.

CHRISTMAS DONATION

Last December Currie & Brown made a charitable donation to the PBC Foundation instead of sending corporate Christmas cards.

Primary Biliary Cirrhosis (PBC) is a progressive autoimmune condition of the liver which has no known cause and no known cure.

The PBC Foundation is a charity offering support and information to PBC sufferers and their friends and families.

or slot on £60 billion schools programme



experience in developing a long-term vision for education whilst involving stakeholders, the community, and overseeing the investment in schools including whole life maintenance.

At the core of the proposals is the Local Education Partnership (LEP) model; a creation of a public private partnership (PPP) between a local authority responsible for a BSF area programme, PFS and a private sector partner (PSP) selected in open competition under EU rules. The LEP will be a joint venture company and will enter into a 10-year strategic partnering agreement with the local authority. The LEP

will be owned 80% by the private sector partner, 10% by PFS and 10% by the LEA.

The LEP will work with the local authority and other local stakeholders to develop strategic investment plans for secondary education for the area, acting as the single point of contact for the procurement and delivery of all the services needed. It will integrate and manage a diverse range of supply chain sub-contractors including ICT, and enable delivery of projects through a mix of procurement routes including PFI and conventional funding, to deliver value for money.

Fast track for new building surveying division

CURRIE & BROWN'S new building surveying division is going from strength-to-strength.

With its focus on fundamental disciplines required by clients such as building law, building pathology and due diligence the London-based team is now preparing to extend its reach with teams being established in Milton Keynes, Glasgow and Jersey.

According to Gary Fraughen who heads up the new division, building surveying is a natural fit with the current service portfolio: "There is huge upside in terms of extending the range of related services we offer clients."

In terms of building law his growing team covers all the bases for clients from issues on fire regulations and party wall awards to advice on new building regulations and planning appeals. "We will also be developing our position as expert witnesses on technical aspects in court cases," says Fraughen.

In building pathology, the systematic investigation of defects in buildings, the team uses its analytical skills to assess the remedial action required. This will prove valuable in the sustainable adaptation of historic buildings.

The recent contract win to value the extensive commercial portfolio of LandSecuritiesTrillium for fire insurance purposes indicates the type of work that the growing building surveying division is looking to secure.

In addition the building surveying team will provide advice and project management on areas such as property leases, environmental issues and the impact of new legislation. The obligations of companies under the second tranche of the Disability Discrimination Act, which became law this autumn is a good case in point.

"Building surveying is the front end of GDP in the UK economy," says Gary. "If there is an upturn in clients looking for repair and maintenance of existing properties against development and acquisition then that is sure lead indicator of the level of confidence, and expenditure, in the marketplace."

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LIFE used to be so simple when procurement was about getting the lowest price. The project might not work, it might not meet the need but no-one could blame you for it.

So we invented Value for Money (VfM), defined as the total cost of ownership. VfM allows us to address running, maintenance and disposal costs but does it really embrace value in its real sense?

Increasingly governments around the world see public procurement as a vehicle for changing behaviours and leveraging policy outcomes. The UK has a high proportion of public services delivered by private – and, increasingly, voluntary sector – partners. With its annual expenditure on materials and services at around £100 billion, the UK public sector is a very important market; ministers (and local government politicians) want to use the leverage to further their policy aims. In addition we have an army of special interest groups and lobbyists who want to use public expenditure to support their own objectives.

Efficient Use of Public Funds

With these levels of expenditure, it is unsurprising that use of public funds features strongly in any efficiency drive. Understanding exactly what is spent by whom, and on what, remains one of the great challenges for the procurement community. When we know what we buy, we can challenge whether it is really necessary. If we have to buy then we ought to know whether the price is competitive and we ought to procure in a way that uses least time and resource.

The much-publicised “Gershon” efficiency review and the ensuing department spending review settlements, set savings targets across the public sector increasing to £21 billion in 2007/08. Of this over £7 billion a year is down to procurement. So procurement has now also entered the battleground set out by the major parties for the next general election.

British Industry and UK Prosperity

There are those who argue that when we spend taxpayers money, we should be doing it in such a way that we enhance UK prosperity. But we are part of Europe and



protectionism is not good for competitiveness; so the issue is how to ensure we create opportunities for British industry to play its part – not preference but fair play.

A joint CBI/OGC/Treasury commission under Alan Wood of Siemens UK sought evidence that there is no level playing field with the French and Germans in terms of access to each others markets for procurement.

The findings were inconclusive. Most sectors, such as IT and construction have established some kind of presence in those countries. In manufacturing the real issue is that the UK has liberalised its markets ahead of continental Europe. The Europeans seem to enjoy better stability, planning and capacity building.

Capacity, Contestability and Planning

The government’s reform programmes are normally generated at department or agency level but the aggregate demand may exceed the capacity of the market. Procurement in the public sector needs to become much better planned, so that suppliers can be given advance warning and tool up to meet what is expected.

And we need to be more predictable too; industry’s confidence in successive government’s ability to provide steady demand is always in question. If we can succeed in getting this right then UK industry will be better placed to compete in wider markets from an established base. We are addressing this issue through what we

call the Kelly programme, and we are working firstly on capacity and demand in the construction and facilities management market.

Leveraging Buying Power

There is an expectation that we use our purchasing power to get the best deal for the taxpayer. Aggregation of demand makes great sense; combination of procurement effort leads to efficiency; but the procurement strategy that works for a private sector organisation – aggregation of spend, rationalisation of the supply base, negotiating the best deal – takes on a new dimension for the wider public sector.

When set in the context of aggregate buying power, the usual strategies can distort markets, adversely affect local economies and damage long-term competition. But that is no reason for doing nothing.

Norway, outside the EU, but probably more compliant with its regulations than any country I’ve seen, is very concerned that some of the classic gains from e-procurement (ability to aggregate and lever) will destroy their delicately balanced economy where SMEs are very important.

The Norwegians see web-trading as a help to small businesses and, because transaction costs are so low, they are moving to smaller lots and catalogue lists so that international companies aren’t incentivised to muscle in.

SMEs and Regional Development

Over 50% of the UK population is employed by SMEs; many of our most entrepreneurial people choose to work for smaller organisations where the freedom from bureaucracy provides the space for creativity. As we seek to provide evidence that our procurement decisions meet the tests of propriety and value we create added bureaucracy – admittedly the same bureaucracy for all suppliers, but perceptibly greater for small companies which are working low overheads, maximising their added value.

In addition to a having doubtful legality, quotas for small, ethnic, or women-owned businesses would have the propensity to increase effort on information gathering, statistics and reporting and divert effort from devising sound and inclusive procurement strategies. Here also we meet the tension of the efficiency drive – where aggregation

taken to the extreme can create procurement packages that are beyond the capabilities of new suppliers.

Stimulating Innovation

We all know, and it is so obvious, that the public sector is not normally best placed to innovate. The nature of competition in supply markets is to stimulate new ideas and products, new and more effective ways of solving problems. So we have to find less bureaucratic ways of spending our billions so that we become more receptive to good ideas. But we have to do that in the context of the need to prove that our decisions stand up to scrutiny by those who do not win.

Protecting the Environment

I think we are becoming much clearer about the value of protecting our environment for future generations. But there is much more help needed on the wider sustainability agenda. The quality of the built environment can have a huge impact on regeneration and social prosperity. Not every building commissioned by the public sector can be a signature design and just how much can we afford to pay for it? The question of value is much more subjective – one person's exciting architecture can be another's nightmare.

The Real Issues

Add to all of this a plethora of policies that the public sector procurement officer is expected to implement; working time directive, non-discrimination, compliance with disability legislation, health and safety in construction and so on and you begin to see why I have called this article Procurement – A Strategic Weapon for Change.

This is no more than a quick canter through some of the many policy areas that procurement is expected to recognise (some of which are in tension) and brings me back to the real issues. Are the current skill levels among procurement officers sufficient and does their training meet future needs? And when will procurement become a routine consideration in discussions between ministers and officials? That is a key question in the development of policy and programmes.

Martin Sykes is head of the Office of Government Commerce

Broadening Consultancy

Meurig Jones says that a key element of any client partnership is the willingness of both parties to share investment and return

CREATING and sustaining trusted relationships with clients is the philosophy of Meurig Jones, Currie & Brown's head of management consultancy. His strong belief is that business partnerships are created by a joint view of the future and sustained by the honouring of commitments.

"In terms of the management consultancy market place it is about establishing a true Engagement Model with the Client," says Meurig. "A successful relationship is formed when the client feels comfortable and able to trust and talk openly about their key issues."

In driving the Business model forward he has established 2 primary priorities:

- 1. To further develop Currie & Brown's Client Engagement Model**
- 2. Build a clear set of Market Offers that leverage the depth and breadth of Currie & Brown's capabilities**

A key element of any Client partnership is the willingness of both parties to share investment and return. Currie & Brown recognise the importance of this in today's market place and is already engaging with clients on a true risk and reward basis.

Meurig is also co-leading with Andrew Loudon of the Glasgow office, the Currie & Brown Incubation Unit. This is a forum that acts as a customer access point to the vast experience and knowledge within Currie & Brown.

"Collaboration is a key element of how we do business. Clients expect us to draw on our vast experience, and help them create, shape and execute business imperatives. The Incubation Unit is a very powerful vehicle that allows for that level of proactive engagement "

Not interested in merely taking stewardship of the existing business, he is working to drive it forward into appropriate new areas, but also notes: "All new services are linked to our core competences. They build on the relationships and experience we have in the market."

His strategy is to add new skills and resources to Currie & Brown's existing core competences and to develop market offerings around lifecycle services:

"Effectively this means we can help a client through all the phases of any capital intensive programme, in either an advisory or operational capacity. We already have a tremendous range of service offerings, and the objective is to capitalise on them "

"For example Currie & Brown is a top tier player in the PFI market place and we are working to further enhance that position. We are currently progressing it to the next level of service provision by harnessing our expertise, knowledge and innovation "

That experience of working with the public sector has stood the consultancy business in good stead as it builds a presence in other parts of the world. In South America, for example, strong relationships are being fostered with the governments of Mexico and Chile.

In risk management Meurig aims to capitalise strongly on the team's degree of experience: "We help clients with the assessment of their strategic options regarding the correct balance between risk and return."

Management consultancy also extends to markets such as the facilities management arena: "We are bringing our expertise to bear in the Higher Education marketplace where major high-profile engagements for The University of Wales, The University of Arts and The University of Liverpool are underway."

Already the management consultancy team is in discussion with several clients about how it can take advantage of these new value-added services: "It is all relationship-driven," stresses Meurig. "It's about depth of portfolio and capability married to breadth of core competences."

"We have been very active over the last few months. The market doesn't wait for you: "It's a case of getting on with it and being clear about what you are trying to achieve."

He praises the excellence of the consultants at Currie & Brown: "We've got a team of really talented individuals. I joined Currie & Brown because it is a very forward-thinking organisation and I was very impressed with its client relationships and its knowledge. I am very much looking forward to helping the team take the business forward".

A qualified accountant, Meurig joined Currie & Brown in May following a successful 15 year career with IT giant Hewlett Packard where he held a range of senior management roles culminating in board level responsibility for the UK Services Sales and Marketing function. Prior to that he had five years in the fashion retailing industry with Laura Ashley, including before and after the company's stockmarket flotation.

Refining our offering



BP's Grangemouth complex

A highly successful historic relationship with BP is set to enter a new era at Grangemouth

BP'S DECISION to transfer its entire Grangemouth refinery and petrochemical complex into a new company for stockmarket flotation effectively ends its 80 year history at Grangemouth. However it marks a new chapter in Currie & Brown's presence at the giant oil refinery and petrochemical plant on the banks of the River Forth.

The new company, currently dubbed Newco, will take over ownership of the site by 1st April next year, and it is likely that it will continue the highly successful relationship enjoyed by its predecessor with Currie & Brown.

Unions on the site believe the decision to sell the entire complex is a great result for staff, suppliers and customers and for the Scottish economy.

Chief negotiator Jim Mowatt said: "This provides a much better prospect for the Grangemouth complex and a more solid future for our members. This revised decision is a vote for the future of Scotland's largest manufacturing site."

It's good news as well for Currie & Brown which has enjoyed well over 50 years continuous presence on the mammoth complex.

"In that time we've gone from having just two or three personnel on site to a peak of more than 50 during the early 90's", says Myles Cameron, the Currie & Brown director who manages the BP relationship.

"From an original remit of quantity surveying we have grown to work on estimating, cost assurance, cost and contract engineering, software development and planning using bespoke software such as FEES and Est Express."

There are currently some 16 Currie & Brown personnel operating throughout the complex. The majority within the Project Office.

"We have helped Grangemouth become best in class," says Cameron. "Within two years they have moved up in a ranking from the fourth quartile to 'best in class' within the BP group demonstrating the strength of working in integrated teams."

The close relationship between BP, Jacobs Engineering and Currie & Brown has delivered breakthrough performance which is now a benchmark for not only other BP facilities but also other industries.

Over the years Currie & Brown has worked on many major projects for BP. When the oil giant began work on its KG ethylene plant in the early 1980s Currie & Brown committed more than 40 highly experienced staff to deliver the project:

Currently Currie & Brown is involved in around 60 projects a year for BP Grangemouth. The largest of which is Project Resolution where Currie & Brown promoted a new project delivery strategy which is currently delivering the targeted benefits.

Elsewhere in the BP Group Currie & Brown is providing similar services in Azerbaijan and also has recently been involved in specialist services for LNG Business Unit and BP Licensing.

Although BP is ending its presence at Grangemouth, the personnel with whom Currie & Brown has developed its relationships will be running Newco. Both teams will be committed to ensuring that Grangemouth remains a vital and highly effective part of the oil economy.

CURRIE & BROWN'S commitment to Marks & Spencer has seen it create a sizeable specialist dedicated team working solely for the retailer. Some members of the team have been focused on the client for more than 20 years, giving a very good understanding of the retailer's business and objectives.

Operating out of Currie & Brown's Glasgow and Birmingham offices the team, headed by Derek Miller, is currently heavily involved in providing cost management to Marks & Spencer on various sectors of M&S' development and core investment programme but principally on the roll-out programme for its Simply Food stores throughout the UK.

The Simply Food stores which opened at Surbiton and Twickenham in summer 2002, were the first of a planned roll out. Since then Currie & Brown have been appointed as Cost Consultants on the Simply Food Stores.

"It's a close working relationship," says Miller. "As soon as the property surveyors identify a potential location we carry out a cost estimate of the fit out and the cost of development.

Currie & Brown's delivery to the client extended to devising the tendering process for selecting contractors: "Obviously, as soon as a site is found Marks & Spencer wants to get the store opened as quickly as possible," says Miller. "That means contractors need to be at the starting blocks as soon as possible.

In order to maximise the efficiency of the process Currie & Brown devised a generic tender based on a hypothetical store. This is sent to prospective contractors who then submit their costs for the standard store. "Then when it comes to the project-specific store we vary that template to take account of differences in quantity and specification."

Miller points out that this method has the dual benefits of speed to market while introducing an element of competition. "In order to ensure that Marks & Spencer is getting best value we are constantly interrogating the model in terms of lighting, equipment, flooring and other aspects," says Miller.

Currie & Brown also delivers services such as planning supervision and project management assistance for the client. With the Simply Food roll-out there has been careful attention to reviewing new store performance: "There is a detailed post implementation review process which has identified various trends.

Customer care levels are paramount.

Simply Food client is simply the best

The striking historical parallels between M&S and C&B explain the enduring bond of trust between the companies



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MARKS & SPENCER:

- ◆ Founded in 1884
- ◆ First outlet in Kirkgate market in Leeds
- ◆ Founded by Michael Marks
- ◆ Subsequently joined by Tom Spencer
- ◆ Current headquarters in London
- ◆ Company values are 'quality, value, service, innovation and trust'

CURRIE & BROWN:

- ◆ Founded in 1876
- ◆ First practice launched in Glasgow
- ◆ Founded by John Currie
- ◆ Subsequently joined by Andrew Brown
- ◆ Current headquarters in London
- ◆ Company values are 'quality of service, close client relationships and sustained value-added'



Currie & Brown



Operating in over 50 countries to manage risk and maximise value for clients in the construction, use and maintenance of the built environment.

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