

Appointing a project manager and avoiding false economies



A guide for selecting an independent project manager

Avison Young's goal is to ensure that the commercial outcome of a real estate project achieves improved operational efficiency and quality for commercial organisations and properties alike. So how is this achieved?

With many conflicting messages in the market on what project management is and who's best placed to fulfill the role, choosing the right partner is often challenging.

Here we offer guidance on the most important points to consider when selecting an independent project manager for refurbishments, commercial fit-outs and relocations.

As the wise John Ruskin once quoted: "It's unwise to pay too much, but it's worse to pay too little... If you deal with the lowest bidder, it is well to add something for the risk you run."

However, it's not just about money. Whoever you appoint, RICS accreditation, integrity, independence and a solid track record from an expert who's acting on your behalf are paramount.

"We had assumed the fit-out would be reasonably straightforward. Nothing could have been further from the truth. It simply would not have been completed without professional and expert leadership of our project manager." Operations Manager, Red Badger.

What is project management?

'Project Management is the planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks.' Source: PRINCE (Projects in Controlled Environments)

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Project managers within the UK fit-out market predominantly fall into two categories. The first are those that have evolved from the design and build contractor fit-out market. The second category includes Chartered Surveyors who have a broader knowledge of all the constituent components needed to deliver a complex relocation and generally offer a wider range of services which are fundamental to the success of a project.

Why have a project manager?

The potential added value of a project manager should be a key driver behind the appointment decision. In practice, an experienced project manager has the potential to add value to the project that will exceed the cost of any fees charged, i.e. the individual should be able to save as much if not more than their fee.

A project manager will have the specialised skills to:

- Establish the level of uncertainty at the very beginning of a project and how you mitigate the risk
- Ensure appropriate governance by defining accountability at each stage of your project
- Manage and control cost
- Engage with all relevant stakeholders, departments and user groups such as landlords' solicitors, facilities managers, IT, security, HR, legal and finance
- Have specialist knowledge of the latest environmental regulations and initiatives, as well as contractor prices and rates
- Act independently as well as work with a team
- Offer a positive 'after sales' service

"Our project manager's expertise and experience was invaluable and has saved us almost a quarter of a million pounds representing a fantastic return on investment." CEO, Faculty of Occupational Medicine.

How do you choose a project manager?

When selecting an individual, firm or practice, it is important to carry out sufficient investigation and careful vetting to establish whether the proposed project manager has the right qualities for the project in question. For example:

- Longevity and stability within the business is key as this is typically linked with quality and a decent track record. Ask for a client list and ensure testimonials are from senior figures within the client company.
- Careful vetting is needed. If your project manager is an ex-contractor then they may have a bias towards a particular contractor. A "poacher turned game keeper" argument can be compelling but be careful in whose interest your project manager is acting for. Check CVs and LinkedIn profiles.
- Is your project manager an RICS Chartered Surveyor? "Chartered" is the word that proves a surveyor has achieved the Gold Standard of professional competence. A chartered surveyor will have been assessed by a peer group of technical, experienced professionals and judged to have a blend of commercial and inter-personal skills to operate at the highest level in today's development and construction market.

Proper planning prevents poor performance: getting to know the project team and the stakeholders at an early stage, and mapping out a sound plan - with contingencies - is a key strategy for any project. It is certainly advisable to meet with the individual who will be working with you instead of a sales team and come to your own conclusions on the best fit for your project.

For any successful project, your chosen project manager must have a technical as well a commercial view, along with a heavy focus on value for money, assessing risk and forward planning.

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