

Global Client Models

A study of trends and lessons from international major projects

Executive Summary

The purpose of this research into global client models was to capture the experiences of clients of major projects from a range of sectors and countries throughout the world. By explaining their models, examining the delivery function responsibilities and considering the drivers for the approaches, this report aims to draw out important trends and lessons emerging from client models in international markets.

Through interviews with the Major Projects Association clients, contractors and consultants from projects in Australia, Canada, India, Kosovo, Saudi Arabia, Sweden and the UK have shared their experiences – providing insight into the structure, operation and evolution of their client models and the pros and cons of the approaches taken.

The findings are wide ranging. Sydney Metro’s outcome-based, customer-focused client model took new steps forward in customer engagement with the innovative creation of a director of customer strategy and planning who can hold other directors to account.

India has taken pioneering steps in its market by employing extensive outsourcing and a very light client model to create a new industrial manufacturing region.

Saudi Arabia is revolutionising its client models by outsourcing all project management across all major project entities, and Sydney Water is seeing the commercial benefits of a complete restructuring of its approach.

Across the wide range of clients and locations some trends and common lessons emerged:



Extensive outsourcing of delivery functions for immature clients



A strengthening of project and programme management functions



The centralisation of client resources on programmes of work



A move towards bringing operational experience and customer representation into the client model at an early stage in a project



Client models that are flexible enough that they can evolve as projects progress



From the ten case studies examined, a pattern began to emerge of very light client models with **extensive outsourcing** – including that of the project and programme management – being used in cases where the client was immature, for example a new company or entity established for project delivery.

Another driver for outsourcing is the push to accelerate delivery, both from a customer and a political perspective. In some cases, clients are seeking to obtain the perceived benefits of greater private sector involvement and maintain delivery with a light or thin client body.

To this end the London 2012 Games strategy to employ a **'delivery partner'** to take on all programme and contract management functions is gaining momentum – for example the Woolgoolga to Ballina Highway in New South Wales, where federal funding was granted on the condition that the project delivery was accelerated by several years, have adopted this model.



Whether using a client-heavy model or a much lighter outsourced approach, many of the case studies identified a growing need towards **strengthening project and programme management functions**. Less experienced clients demonstrate a willingness to do this through outsourcing, but as client experience and competency develops then some of the programme management office (PMO) functions are brought back 'in-house' as they become a more intelligent client.

Sydney Water has invested heavily in recent years in management resources to enable it to have better control over capital delivery and a more efficient commercial model. At the same time the UK's National Grid has made major investments in its project control functions, enabling more efficient delivery of its £1bn per annum capital investment programme.

In Saudi Arabia, the government is not only mandating that all major project clients in the Kingdom establish a consultant-led project management office, it requires PMO consultants to train both graduates and client employees over the long term with the aim of creating a sustainable model. This is also intended to ensure that major project clients in Saudi Arabia are intelligent clients that can lead the PMO offices effectively.

In India, this approach, where a consultant provides the PMO to run a major works programme, is being pioneered on the Dholera Special Investment Region in Gujarat – once again resulting in a very light client model with extensive outsourcing of the delivery functions.

“We have moved from being asset intensive to being customer centric, which is entirely the watchword of the business. It is not a case of having an asset that we need to do something with, it is about how we can make that asset benefit the customer.”

Mark Simister, Head of Delivery Management, Sydney Water



The **centralisation of client project resources** that can be offered to projects on a matrix-style basis is also a common approach for clients with major programmes of work. These clients generally favour a thick, or heavy client model with more involvement across delivery functions.

National Grid in the UK maintains separate capital delivery teams for its gas and electricity projects but offers centralised expertise in certain support areas.

A similar approach is used at Sydney Water in Australia, where the capital project teams in three distinct geographic areas can call on a ‘centre of excellence’ to support project teams. This approach is driving both efficiency and consistency across work programmes.



Regardless of the nature of the client, be it public or private, there is an increasing appreciation of the benefit of **bringing operational experience and customer representation into the client model at an early stage in a project.**

On Canada’s Quest Carbon Capture and Storage project an operations specialist was brought into the project in its early design stages to ensure that all the user requirements had been considered.

On Sydney Metro, the entire approach is outcome-focused, and a director of customer service and strategy led overall concept design and holds other directors to account.



One of the most important lessons coming from the research is that client models **need to be flexible** enough to evolve as projects progress without losing the necessary intellectual capability for delivery – whether this is to scale up or down, to outsource or take back delivery functions for the benefit of the project.

This is something that National Grid, Thames Tideway, Trafikverket, Sydney Metro and Sydney Water all demonstrate, along with the insourcing of expertise from consultants and independent experts. These resources are another way in which clients are maintaining flexibility in their models whilst ensuring adequate resources across project lifespans.

For each of the case studies there are several conclusions and lessons emerging from the client experience, which alone are valuable findings. At the same time, some of these common threads offer insight into general directions of travel for client models in international markets.

What is also clear from the research is that when it comes to client models one size does not fit all; more than one of the client model terms referred to in this report, for example responsive clients, integrated clients, intelligent clients, mirror clients, light clients and heavy clients, could be used to describe each model. But the approaches demonstrated here, and the willingness from clients to share them, show that these clients are exhibiting some of the behaviours that put them on the path to successful project delivery, such as leadership, flexibility and transparency.

By being open to lessons from both their own experiences and those of others, they are benefiting via the evolution of their models to be more effective, efficient and timely when it comes to major project delivery.

“One of the unique things about the team is that we started with a strong, senior customer representative acting as an internal client. The title was director of customer strategy and planning, which led the overall concept. Decisions about where stations would go started with the customer and the engineers had to make this work.”

Rodd Staples, Programme Director, Sydney Metro