




Real value in a changing world

advance 

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Why hire a project manager?

Good project management shows — on the product and
your bottom line



► **Consider these real-life real estate scenarios:**

- A building design that was supposed to cost THB 2.5 billion to complete has actually cost THB 3 billion properly constructed.
- A THB 400-million hotel property improvement plan to be completed within six months was over budget by THB 800 million and three months behind, losing business all the while.
- An office facility planned a THB 50-million fit-out and was presented a THB 65-million design by the architect and interior planner.

These examples of development gone awry are from clients that called in Jones Lang LaSalle once their building projects had spiralled out of control. While the initiatives were salvaged, they could have enjoyed much greater financial success and timeliness had professional project management been in place from the start. A project manager (PM) leads and helps integrate all elements of a building project – from planning to design and engineering and through construction and commissioning – for maximum overall results. During the entire process, the PM becomes the owner's trusted advisor and a single source of responsibility and accountability for project performance.

Corporate real estate (CRE) executives and administrators sometimes ponder whether the benefits of hiring a PM justify the expense. The answer is a resounding 'yes'. On the balance sheet at the end of day, PMs are typically cost-neutral to cost-saving due to improved processes and timely coordination and integration of all project contributors.

As an owner's strategic partner, a PM can also provide the appropriate guidance and recommendations to the owner to ensure that the project is designed and executed for maximum synergy with the rest of a client's portfolio and with their master plans for future growth and development. The same PM stewardship and efficiencies that control scope and bring costs in line also keep projects on schedule and resolve unpleasant and sometimes costly disputes among individual stakeholders.

Who's in charge?

Sometimes owners will attempt to handle the PM function themselves by assigning the responsibility to someone on their internal CRE or facilities staff. Too often, such an in-house delegate either lacks adequate training or experience to effectively manage all aspects of an expensive development or building project. In many cases, the job is added to their ongoing responsibilities, reducing the amount of attention they can devote to the project. Unless internal candidates have extensive project management experience and are empowered to commit the required time to the task, they will not be able to provide the appropriate and timely direction to ensure a project's success.

On a major development stretching over a couple of years or more, an owner might consider hiring an individual freelance project manager onto the CRE or facilities staff for the duration of the project. While such a professional might have the requisite experience, relying on a one-person service poses continuity risks. In the event that this person is unable to continue working on the assignment, the project transfer can become problematic. Also, since these PMs typically become unemployed at project completion, such

freelancers will work to line up their next job before the conclusion of their current responsibility. If there is any timing overlap, the individual could depart from the current project in the critical final months, slowing the project down at a time when lost momentum can be most costly.

Designers, quantity surveyors and contractors are not PMs

Designers, quantity surveyors and contractors may be very capable at their specialties, but they can fall short as effective PMs. Unlike PMs, their lead responsibilities are limited to a component of the entire project. As an owner's representative, a PM is involved in the entire scope from the start, helping develop a clear project vision and strategy, then determining decision-making priorities and a schedule based on client-focused objectives. Throughout the project, there are dozens of important activities not typically covered within the diverse range of services that must be addressed to structure the project for success.

A PM structures a collaborative process that – unlike agendas created 'in isolation' by individual providers – assures the best overall results delivery from all parties. This value can extend to negotiating fee structures for all participants that are fair, yet provide maximum benefit to the owner. Designers, quantity surveyors, contractors and other suppliers typically welcome a capable, impartial PM who can reduce conflict in the often-contentious development process.

Finally, since designers, quantity surveyors and contractors are often charged with specific responsibilities, it can be more difficult for them to take a step-removed strategic view of the building as it may relate to others in the owner's portfolio. A competent PM will sit down with the owner at the beginning of the process to determine the relationship of the project to existing buildings and operations, as well as potential future growth plans. Jones Lang LaSalle PMs have saved clients millions of dollars in after-the-fact re-work on finished projects by identifying these needs at inception.

Finding the right PM: price vs. value

Oftentimes, a project is initiated to address a specific business need and better align the company with short-term and long-term strategic objectives. In such cases, careful consideration is given to hiring the best design team and contractor. The same consideration should be given when selecting a PM. Since people with varying capabilities bill themselves as project Managers, how do you make the right choice? Here are some factors to consider:

Do the candidate's skills and experience match your needs?

Has the PM successfully managed projects comparable to yours in scope, building type and industry group in your geographic area? As the world's largest project manager, Jones Lang LaSalle draws from a deep pool of talents to select the right match for each type of client and project. Our highly-trained professionals are not just administrators recording what they see on site, but leaders equipped to advise owners on best strategies and practices.

Is there an assurance of continuity for your project?

As previously noted, projects can suffer potential slowdowns and information gaps from an influx of different PMs. Our depth of resources permits the assigning of one lead PM for the duration of a project.

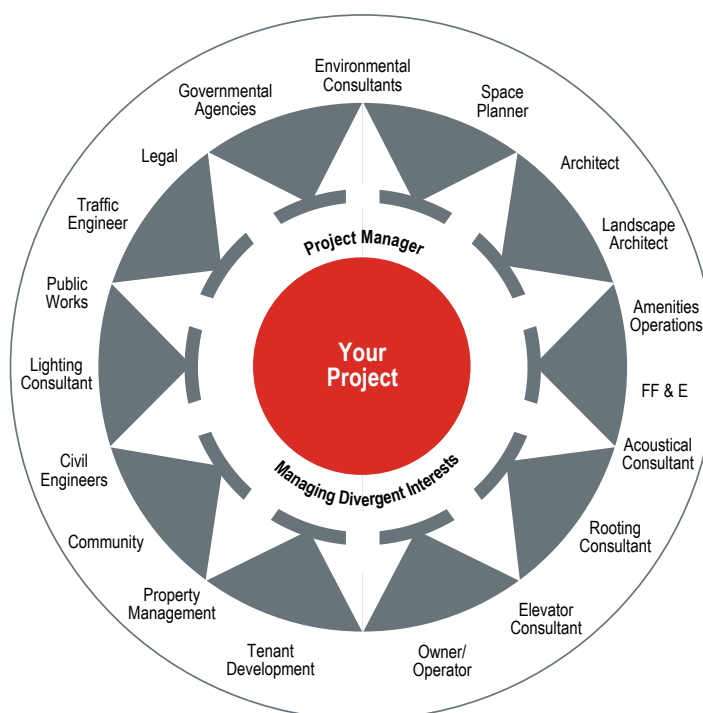
Can the candidate successfully instil a collaborative process to obtain the best results?

In order to maximise benefits for the owner, a PM must be able to facilitate a collaborative process not just among designers, quantity surveyors and contractors, but also with ancillary professionals, such as technology and furnishings planners, and other stakeholders, ranging from internal review boards to public interest groups and regulatory bodies. A competent PM candidate should be able to provide solid references from the organisations that they have served successfully.

A PM's favourable reputation should extend to designers, quantity surveyors and contractors as well. While such professionals are not expected to unconditionally agree with all of the decisions of a PM, they should respect the representative firm's regard for quality, fairness and willingness to consider all sides of the issues. If a PM has a reputation for lowering costs by unfairly 'squeezing' suppliers, they will not get the best efforts from the team supporting your project.

Without Jones Lang LaSalle's expertise, our project would have been late, substantially over budget and rife with conflict. They were the glue that held a very long, very expensive and very complex project together.

We focus project stakeholders around your best interests



Does the PM emphasize a thorough design and pre-construction process?

The best time to make value-added improvements to a project is before its commencement. A skilled PM should, after helping the owner define the goals and parameters for the project, initiate a front-end process that includes team brainstorming sessions with the owner, designers and all ancillary suppliers and other important stakeholders. A PM that tends to shield other professionals from the owner and purport to speak for them is a cause for suspicion.

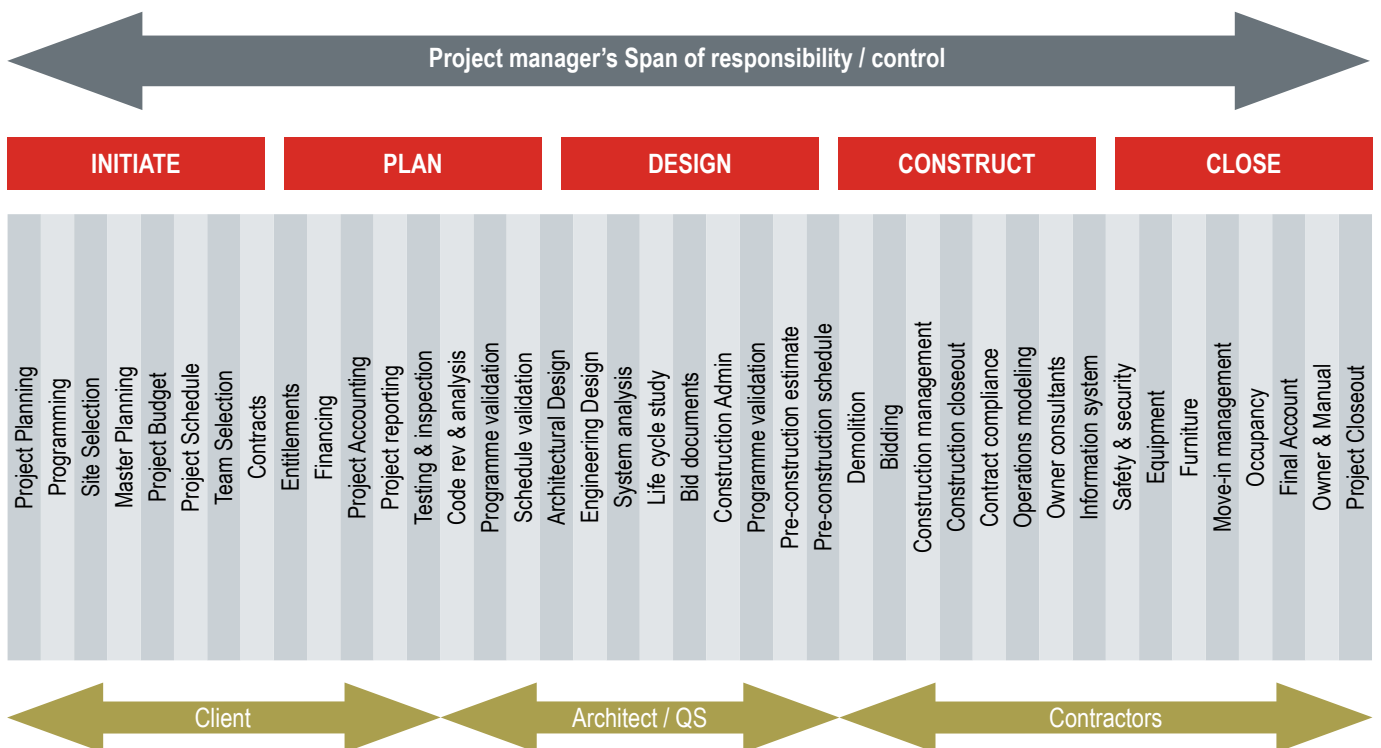
Is there flexibility in the solution offered?

A skilful PM enters a new initiative not with a one-size-fits-all solution, but a toolbox of procedural resources used to customise an optimum approach for the specific needs and preferences of each client. Some owners like more reporting detail than others. Some become more involved in a specific aspect of the project cycle, such as planning or execution. A PM should be expected to fit to the client and its culture, not vice versa. They should also be able to quickly scale up or down in size to match a project's changing requirements.

How can you be assured of optimum PM performance?

The role of project management is to assure the best results from all project participants—but is anyone overseeing the PM? A trustworthy PM will willingly submit to an independent evaluation of their strategy and procedures. Jones Lang LaSalle has institutionalised such a second opinion through our client-optional Peer Review Program, in which a team of senior managers not assigned to the project reviews project management practices, interviews key stakeholders and delivers a report with improvement recommendations, if necessary, to the client.

We are the world's most experienced project manager, serving clients on more than 15,000 assignments each year. With 2,000 in-house project managers in more than 60 countries, we stand ready to help owners maximise any commercial real estate initiative—globally or locally.





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About Jones Lang LaSalle's Project & Development Services

Jones Lang LaSalle is the only integrated property service provider that offers Project & Development Services in Thailand. We capitalize on our property expertise to drive client projects towards the best outcome at the lowest cost and least amount of risk, whether they be new projects, refurbishments, fit-outs or move management.

Our services cover all technical aspects including design, budgeting, authority submission, procurement and construction. The experience of our project management and development specialists covers a wide variety of project types and industries, from corporate offices and hospitality assets, through to new industrial builds and multi-site program management.

About Jones Lang LaSalle

Jones Lang LaSalle is a professional services firm specializing in real estate. We offer integrated services delivered by expert teams worldwide to clients seeking increased value by owning, occupying or investing in real estate.

Jones Lang LaSalle serves clients in 60 countries from 750 locations worldwide, including 180 corporate offices.

Our operation in Thailand began in 1990 and today is the largest international property services firm in the kingdom with over 1,000 real estate professionals. Our services encompass:

- Investments Sales and Acquisitions
- Industrial Agency
- Office Agency
- Retail Agency
- Residential Agency
- Corporate Solutions
- Tenant Representation
- Project and Development Services
- Integrated Facilities Management
- Property and Asset Management
- Holiday Home Services
- Hotel Investment Services
- Research
- Valuation Advisory

Bangkok

19/F Sathorn City Tower
175 South Sathorn Road
Sathorn District
Bangkok 10120
tel +662 624 6400

Phuket

23/113 Moo 2
Thepkasattri Road
Tambon Koh Kaew
Amphur Muang
Phuket 83000
tel +667 623 8299

www.joneslanglasalle.co.th