

Leadership Breakfast Meeting – Thursday 5th November 2015

Guest Speaker – Sir John Armitt

Key themes

Fragmentation

- > Why do we perpetuate separation of design and construction? No other industry does it.
 - Why will Europeans dominate on projects such as HS2 – because they bring a broader range of skills than the UK.
 - US companies such as Aecom and URS will take over our larger companies
 - Who has the biggest opportunity to influence all of the above? The clients – If they don't change their attitudes and behaviours things will never improve.
- > How can we work better together and not be so fragmented
- > Too many companies doing the same thing and competing without power of something bigger and consolidated (we fragment our professions)
 - Create a single space where we can collaborate and talk jointly rather than separately

Innovation

- > Innovation – What do we mean by it? Asset base, shareholders want returns. Innovation usually comes in 5 – 10 year's time, the client is then not too keen.
 - We want to innovate and need to innovate but from a financial point of view that makes it difficult to visualise
 - A good starting point would be to lead an innovation forum
- > We don't have an answer but maybe if we work differently; get involved earlier and look at suppliers first that may make a difference.
- > We need to look at where we want to be in 20,30,40,50 year's time – we need creative people and engage with larger numbers
- > Issues of tomorrow – Create collaborative approach, what needs to be done and achieved? Put a process in place that leads to innovation. Plan now and invest in innovation.

Education, Training and Apprenticeships

- > Government need to focus on Education, we need to train the future work force and take them into further education.
 - We need to take ownership of what our future workforce needs with regards to training and standards, not the government.
 - For example Siemens train 100 people and hire 10, releasing 90 into the supply chain and we are quite happy with that
 - We need to be more open as an industry by collaborating with our ideas and training.

Technology

- > What can we expect from modern technology? We need to catch up and look at alternatives. Lack of learning and innovation since 1960's i.e. still using reinforced concrete.
- > Impact of technology has effected every other sector but this one
- > Technology – Is it going to be Apple or Ford who create cars in the next 30 years time! What does all this mean for infrastructure? (Technology will control how we drive, motorways will function differently – we won't be in control)
- > Looking at Construction we have technology so how do we move into the market and commercialise it?

Materials

- > Use of other materials (Concrete and Steel)
- > Construction sector very much like steel sector – the challenge we have is that it's very difficult to create innovation in a fragmented industry. For example Nissan needed to collaborate with steel industry in order to create that car.
- > Let's look at materials first maybe then we can get design efficiency. Can't do that with fragmented companies, we need to do it in a collaborative way in order to make better value.

Collaboration

- > In order to create a collaborative environment the government and clients are pivotal to do that
- > We need a collaborative supply chain

Other points;

- > We don't ask ourselves why? Why are we debating it? Why are we doing it? What is the alternative? As the industry we work in can be backwards sometimes.
- > Not much investment, training or technology. We are an industry that isn't going anywhere or making advances yet we do so many fantastic things. For example Tottenham Station (Crossrail) amazed by the achievement and other projects.
- > We need to look at how we can produce a design for better cost instead of letting the project overrun.
- > Much more information in grand engineering techniques
- > Why don't we produce buildings/ houses (Conservatism)
- > National Infrastructure Commission - There is no infrastructure without politics
- > "Clients get the industry they deserve"
- > How do we deliver higher performing assets and construct things better
- > Why are other countries and sectors doing better
- > What are our challenges? What can we do to make it different in the future? i.e BIM (lots of projects now BIM enabled)
- > As a leading organisation we need to think long term and look at the bigger picture.
 - We have many challenges that face this industry and its good that we know what they are as we can do something about it
- > 3 things to elaborate on;
 - SMART Area
 - Image – Rebranding of imagery, needs collaboration.
 - Industry model – How we collaborate, what will be the thing that changes and how do we get the supply chain to stand up.
- > Power stations, reliable, diverse

- Innovation not easy, slightest changes is subjected to extreme scrutiny so we stick to what we know
- We need to invest more in projects that should have gone ahead by now or were stopped years ago
- Do we have a real strategic long term plan approach to this
- We are under pressure to show the short term gain, so there needs to be a degree of compromise in order to bring about value for money

