

PROJECT MANAGEMENT



WHY FAILING TO PLAN MEANS PLANNING TO FAIL!

By **Graham Kinnear**

The relaxation of planning regulations by way of prior notification and permitted development together with the escalating prices of existing properties, has led many of us property folk to turn to the development of sites, refurbishment of property or the conversion of existing buildings to secure that elusive profit or obtain a reasonable yield.

This can be a very successful strategy, but readers less familiar with the processes and obstacles that such schemes can attract, should strongly consider the services of a project manager to ensure any development goes to plan.

Many people I speak to believe that the fees for a project manager (typically around 10% of the contract value of the works) are an unnecessary expense at a time of significant other costs. My view has always been that these people are either naïve and do not appreciate the value that can be brought to a scheme, or they have experienced a poor quality project manager who has caused them to question the merit of the appointment.

I have project-managed a number of residential and commercial schemes over the years, from the refurbishment of pubs, conversions of hotels to apartments, to new build residential as well as the refurbishment of several listed buildings.

My promise to the Client is that I will always save them a sum in excess of that which I charge as my fee.

How can I make such a bold promise?

The answer lies in how the project is managed. Firstly I ensure the correct teams are appointed to undertake the work, and

look at work they have done for other people as well as their accounts and balance sheet, and enquire about the level of insurance they carry.

The contractors are then tied into a contract whereby they pay a sum of damages to the Client if the works overrun, and undertake to provide a guarantee against defect for a period of 12 months following completion of the works. They are now incentivised to do it right and to do it on time!

Secondly I organise the schedule of works, thereby ensuring that only the trades needed at any given time are on site, so there are no wasted labour costs.

Thirdly I ensure productivity by giving the teams targets to meet, and incentivise them to complete on time and on budget.

Fourthly, and most importantly, I am on site every single day. I hear stories of project managers who have a site meeting once a week to discuss progress. This is simply not acceptable. I am on site every day so I can vouch for the quality and completeness of the work being undertaken, and so that any problems can be spotted early.

In the absence of this, the Client would doubtless expend more than is necessary on labour, have no control over costs or

materials, and poor workmanship could go undetected.

I am proud to say I have never run over on time (except for those unavoidable delays waiting for final services to be fully connected!) nor have I ever exceeded the initial quoted budget by more than 5%.

Aside from the financial reward for the Client, an awful lot of stress and sleepless nights are avoided by having someone managing the entire process and keeping the Client informed.

I say all this not to try to sell you my services, but to give you an idea of the level of service and results you should expect from bringing in a project manager. If you agree in the value of this role, then I hope you will engage a project manager on your next development ... or better still, why don't you undertake this function yourself? After all, no one will be more careful with your money than you are!

To equip yourself for the role, you will need to understand the components of building and the order in which works must be undertaken. Duplication causes unnecessary expense. If you are lacking in this area, consider asking if you can shadow someone or spend more time onsite on one of your existing developments.

In addition to this core knowledge, you will need some pretty good communication skills to be able to negotiate your way through the various issues raised by planners, building control and the conservation division at your local authority. There are lots of books, YouTube videos and podcasts available that can plug any knowledge gaps you may have.

Beyond that, it is simply a matter of organisation skills. There are programs and apps available to plan a construction project, and even programs for costing a scheme.

Whether you undertake the role yourself or engage someone else, please do ensure this role is filled. It is as important as any other on a site.

In my experience, the projects that go wrong are the ones without professional management. In a generally rising market, together with the premium generally paid for new build or newly converted property, it is generally quite difficult to come really unstuck unless you lose control of the job, quality of finish, timescale and finances.

As always I am happy to assist YPN readers with any property-related queries and can be contacted on 01843 583000 or graham@grahamkinnear.com

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