

THE TRANSFORMED QUANTITY SURVEYOR

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The transformed quantity surveyor - a very subjective title for a paper to be presented to an august professional gathering if you ask me. However that's the title I was given so here goes!

Transformed is an interesting word for someone who was raised as an Irish catholic. The transformation is the part of the Mass where catholics believe the bread and wine become the body and blood of Christ. To refer to myself as having been transformed leaves a slightly uneasy feeling.

The Macquarie dictionary defines transform as to change in appearance, nature, condition or character. Using this definition I'm not sure that I have been transformed. My condition and appearance may well have changed - my belt is a little longer and the bags under my eyes are a little fuller. With regard to nature and character - I hope that any changes have been an improvement, but I can't state that with any certainty.

For me transformation suggests sudden change, being one thing to-day and another, quite different the next. The shift from earning my way as a quantity surveyor to embracing value improvement work, was gradual and occurred over many years.

In this paper I'd like to share with you the reasons for my disillusionment with quantity surveying and my attraction to value management. I'd like to give an explanation as to why I believe the QS profession is experiencing some of its current problems, then draw some comparisons with the fledgling VM profession and finally I'll sound some alarm bells.

To start with I'll explain how I happened into the quantity surveying profession.

My great grandfather was a master coach builder - he crafted every component required to create fine horse drawn carriages - from the springs, to the wheels, to the upholstery, even to the gold leaf ornamentation incorporated in the fine paintwork.

With the advent of the motor car the business, now under my grandfather's supervision, gradually moved into house building. My mother was an only child so there was no obvious heir to the family business. As a child I remember playing in the joinery shop where windows, doors, cupboards, etc., were crafted from the massive chunks of rough timber which were dropped off in the yard. I can still smell the glue, made from horses' hooves as it was melted down and painted with great speed onto the prepared tenon for slipping into the mortice before the glue cooled and began to set. I remember my grandfather marvelling at the strength and ease of use of the new PVA glue, quite a technological advance at that time. My grandfather passed on when I was in my early teens and our families business for over 100 years simply died and withered away. The tools and machinery disappeared piece by piece over the next few years. This cataclysm had little impact on me at the time. I suppose I was too busy going to school and getting on with growing up.

I don't know if a business can be in your blood but quite suddenly, some years later, I developed a very strong interest in the building game. When I left school I studied construction technology which took three years. Economically things were very bleak in Ireland around the time I graduated, jobs were few and far between. I heard the college was offering exemptions from the first 2½ years of their quantity surveying course. When I applied I had heard term quantity surveyor but I truly had no idea what was involved.

I was well into the course before I started to understand what it was all about. From the first assignment which involved measuring quantities I knew this was not for me - I wanted to be a builder! Nevertheless, when I graduated I was a QS - perhaps this was my first transformation.

I soon found out that I had been right - measuring quantities was not for me. My first job lasted only 18 months. Then I moved to a building firm - this was more like it, the smell of fresh concrete, boiling bitumen, real men, steaming tea from filthy mugs on freezing mornings. This was building and I was holding the purse strings and, **no measuring.**

I became very interested in the area of cost control and management. We had some success in substituting cheaper materials, if we could put one over on the architect or engineer. This approach didn't sit well, but it was the only way to bring down our costs.

1982 saw the bottom fall out of the building industry in Ireland, with unemployment among some building professions as high as 40%. So like millions of my forbearers, I looked overseas for opportunities.

I spent two years in Saudi Arabia looking after clients' interests on large construction projects. To keep the projects within budget the only options seemed to be to reduce the scope of the project or substitute cheaper materials or finishes. The trade off always had a negative impact on quality. I sensed that this approach was not really beneficial to the client but my training and experience provided me with no alternatives.

When I arrived in Australia, I worked as site QS on a large hospital project where I locked horns with the builder's surveyor regarding variations, his desire to substitute cheaper materials or less labour intensive alternatives.

This represented a full turn of the circle. It was on this project that I first met Alan Butler who was PWD's top trouble shooting architect. It was not long after this that the Product Evaluation Unit came into existence with Alan at the helm and about the same time my career took a new direction - I joined Public Works Quantity Surveying section.

Alan arrived at my desk one day and asked me drop everything to sit in on a meeting. This was my first Value Management Study and the result of what I saw was like someone switching on a light in a dark room. (I should point out that not every one experiences this illumination, unfortunately.)

The concept of improving value by identifying and removing **unnecessary cost** was revolutionary. As a quantity surveyor I looked at ways of doing things more cheaply - but not whether in fact these things were actually required at all.

When VM took off in NSW, largely through government initiatives the QS profession felt

hard done by. After all, they were the cost controllers of the building industry. As far as the QS profession was concerned it was all a "con", a shower of charlatans selling cost planning under another name - hadn't QS's had been doing Value Management for years! To my astonishment I still hear this view being expressed to day. In fact the AIQS on its letterhead, claims to be the professional body for value managers.

So that's how I became interested in VM. Over the intervening years I have steadily increased my involvement in value improvement work. When I left PWD and joined the very progressive QS practice, Page Kirkland Partnership, I continued to push the VM barrow. The sustained growth of our involvement in Value Management led to the formation of Page Kirkland Tierney earlier this year - a subsidiary dedicated solely to the provision of VM Services - this I guess was my real transformation.

Now to discuss some of the problems facing the QS profession and apply that experience to the IVMA.

When I arrived in Australia in 1986 you simply had to mention the letters QS and as if by magic, a half a dozen firms were trying to out bid each other to secure your services. It was great - I'd never known anything like it. Every office was busy crunching out Bills of Quantities for myriad projects. The services being offered by QS firms had changed little, if at all, over the previous several decades. The work of the QS had always revolved around measuring and pricing. The introduction of cost planning was still measuring and pricing but introduced some useful recategorisation of work items. I believe this was one of the few significant developments regarding the way the quantity surveying profession delivers its services. In the 80's there was no need to develop new or enhanced services - every one was too busy for that. Producing BQs accounted for 60 - 70% of firms' revenue typically, and good measurers just could not be found.

And then overnight almost - what couldn't happen, happened. The largest user of QS services in NSW, the Public Works Department, decided it no longer wanted to use Bills of Quantities. At the same time a collapse in building activity, both public and private, occurred. Many QS practices were decimated. Some firms which employed in excess of 60 surveyors in the heady mid to late eighties, now consist of perhaps a total staff of 15. Many of the smaller practices have simply vanished. Fee competition has become cut throat, with many offers at less than half fee scale being made. This was unheard in the eighties.

So what went wrong? My opinion is that the QS profession refused to listen to what its clients were saying, in terms of the service they wanted.

Therefore, no attempt was made to develop new or enhanced services to tap into new opportunities which were resulting from change.

The QS profession believed it was offering an excellent product, and I agree with this, but the market place determines what it wants and that is that. You can be offering the greatest service known to man but if no one will buy it - you simply go broke.

I believe that the profession didn't have the capacity to cope with the demands of the late eighties - deadlines were missed, errors were perceived to be too common in Bill of Quantities, so clients looked to alternative ways of procuring building projects. The

quantity surveyor was left calling - come back, come back, I really do provide a valuable service. But the horse had bolted.

Now to the Value Management profession. Well its great to be back in the mid eighties again, with work coming out our ears! But having been through the QS experience described above I have a slightly uneasy feeling.

Make no mistake, I am madly enthusiastic about Value Management and its potential. I actually believe, although I'm a bit restrained about shouting it too loudly, that VM has the potential to fix all of Australia's economic problems - including nailing down our massive foreign debt.

But my worry stems from the fact that so much of the VM work going on today is underpinned by the public sector. I should point out I only have knowledge of what's happening in NSW. This vast majority of work results from a single edict by a now dethroned premier.

Can the profession as it currently stands meet the demand effectively and provide clients with a service that does justice to the wonderful methodology left to us by the great man Miles. I believe the answer in many instances is a resounding no. How long will it be before other more work hungry professions offer a service which clients accept simply because VM consultants are too stretched to fight off the challenge. Perhaps, we will only be aware that there had been a challenge when the war has been lost.

And while all VM resources are being directed to the public sector who is spreading the word and providing the private sector with the benefits of VM. This is essential to establish a broadbased foundation upon which the profession can grow and develop real maturity and strength.

It is vital that a route be established along which the brightest and most capable people can be attracted to the VM fold. I congratulate Alan and Roy on the establishment of the National Centre for VM and the graduate certificate course for VM facilitators run through the University of Canberra.

I was horrified to hear of a seasoned practitioner deride this course on the basis that it would introduce more competition and fees would fall. If such a small minded view were to prevail, the days of the VM profession would indeed be numbered.

Until such time as there are many VM practitioners selling the worth of the process, through the achievement of real and measurable results, across a broad spectrum of clients, I believe that the profession is vulnerable.

The institutions for engineers, architects, or any other professional body you choose to mention, did not rest on their laurels when membership reached 100. Advances within our Institute such as, the production of the Value Times, work on the Australian Standard, etc. are all excellent endeavours but truly, they are side issues compared to the lack of growth in the number of practitioners. It is a fact that no organisation can stand still and hope the world will pass it by - it simply won't. You either go forward or backwards - our institute must make a choice, or the choice will be made for us.

So, fellow members I implore you to apply your creativity to the problem of insufficient growth. The answer does not lie in reducing standards to allow more passengers to board the train. This would equate to the solution adopted in hopeless economies, of simply printing money rather than earning it. As I said before, the VM profession can only flourish if the brightest people are attracted to our midst. Our challenge is to facilitate this movement.

As I see it we have passed through the springtime in the cycle of our development. The seeds planted some years ago have taken root. We are now in the summer where strong vibrant growth should be taking place to enable provisions to be stored for the autumn and winter which lie ahead. If we continue to consume the fruits of summer, not only will we suffer hunger in the depths of winter but we may not have any seeds to plant when springtime comes around again.

So let's learn from the experience of the QS profession (which happily has closed ranks and is mustering a counter attack) and expand and strengthen our Institute so that the Value Management magic can spread through both the public and private sectors, through all the states and territories to help build a prosperous and vibrant nation for our children to inherit.

And above all, spare me from further transformations!

