

BRE Dialogue with BRE Alumni

Managing Projects in China : Experience Sharing

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BTM/BEM Alumni – My Journey



**BTM
graduation**



**Site training
from Planning
Assistant to
Sub-Agent**



**Developer
Project
Management
& set up
Hotel Project
Team**

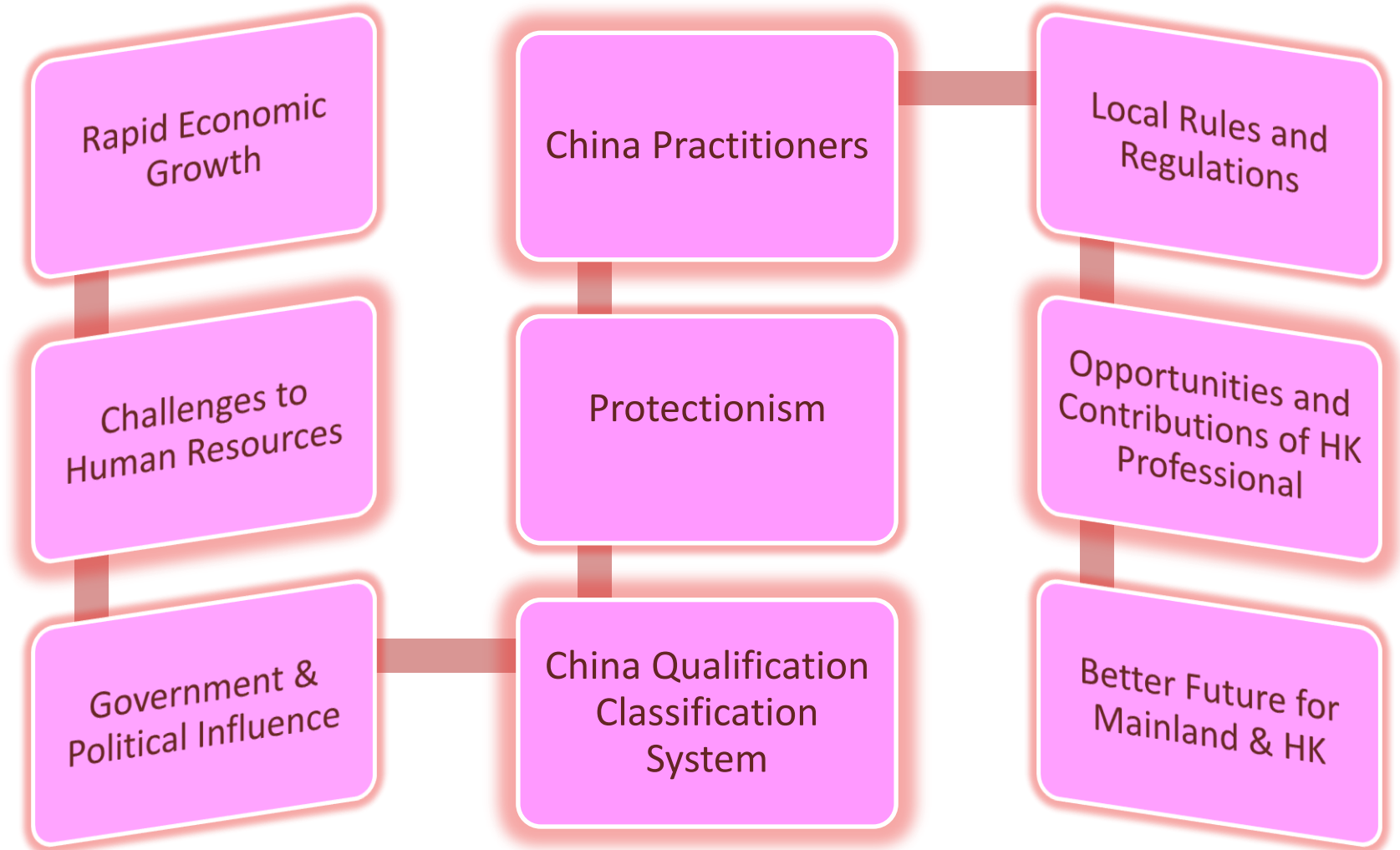


**Started Hotel
Project
Assessment in
1988 &
completed 1st
hotel in 1995**



**Working on
hotel facilities
management &
several hotel
development
projects
concurrently in
China and
overseas**

Managing Projects in China



China Project Development


Started in early 80's after the Reform & Opening Policy

Many HK and overseas investors were invited to participate in the urbanization projects

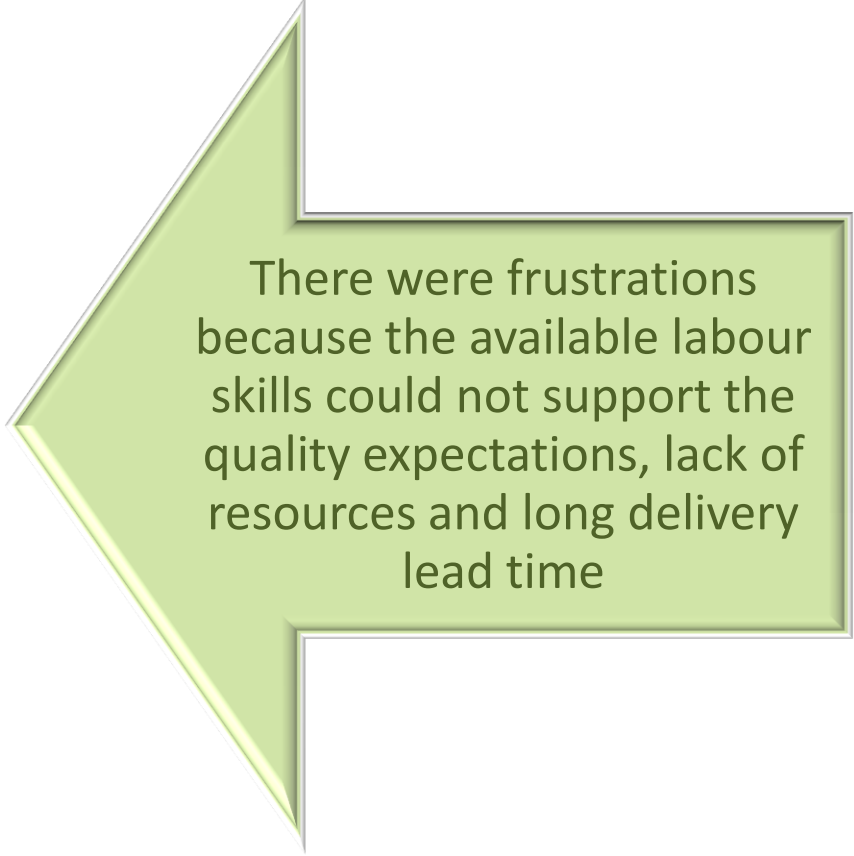
Good incentives and favorable terms

Professionals were attracted to work in China with good hardship allowance and much higher pay, working condition was tough during that time

China Project Development

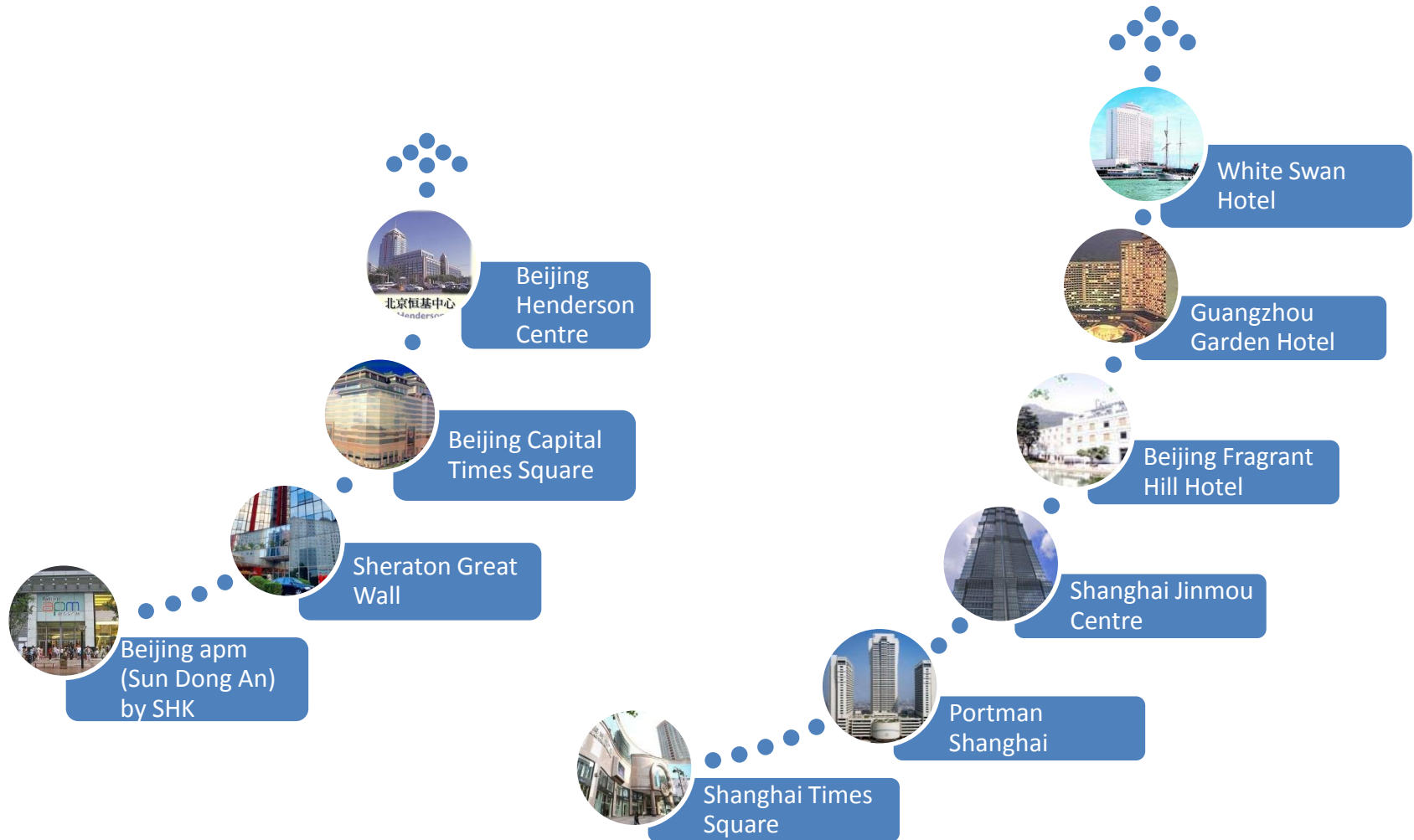


Golden time of doing projects at our wish (contractual arrangement, HK ways of project management and regulations etc). Fully utilized the cheap labour



There were frustrations because the available labour skills could not support the quality expectations, lack of resources and long delivery lead time

Project Developed During 80-90's



Rapid Economic Growth



Massive
Demand of
Housing and
infrastructure
Improvement

- Commercial
- Residential
- Hospitality
- Infrastructure
- Community Services

Acceleration
of
Urbanization

- Between 1978 and 2004, the number of urban dwellers in China rose from 170 million to 540 million, ie. from 17.9 percent of the total population to 41.8 percent. By 2020 this proportion of urban dwellers is set to reach 55 percent (Yan Song & Chengri Ding (eds), Urbanization in China: Critical Issues in an Era of Rapid Growth CP2008/4)

Reduction of
Poverty

- Over 4 millions people in China have changed their financial situation

Ageing
Population

- Ageing population is the fast growth in the world, not just China. Posing enormous demand for everything

Military &
Defense
Expenditure

- One of the largest capital expenditure in China. Few years ago, I was told that the tax paid by the entire China Tobacco equivalent to the total amount of the military expense.

Challenges to Human Resources

Supply < Demand

- Annual University supplies approx 6 million graduates
- Supplies from overseas & HK are limited due to language constraints

Inexperienced People Taking Up Roles & Responsibilities Beyond Their Capacity

- People in their respective field are not ready to take up current position resulting in lower quality performance
- Inappropriate decision made
- Conflicts with other professionals in particular from overseas
- Difficult to cooperate with others probably due to experience and lack of confidence

Inadequate Training

- Because of strong demand for labour force, people gets their jobs easily even without proper experience and skill training
- Tertiary and industry training are mostly limited to traditional old practice which are believed to be correct without international exposure and knowledge. Guo Qing is usually clicked in when arguments arise
- A lot of past experience was gained from low end residential projects where quality expectations are generally low
- "Wrong" practice is often seen as "Correct"

Growing Sense of Nationalism

- Ego
- Hong Kong is part of China , therefore HK opinion is secondary
- Disagreement to demonstrate power and seniority

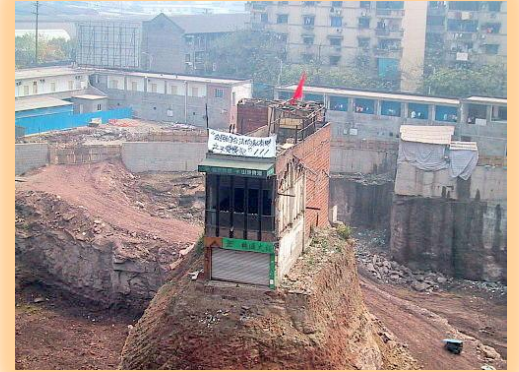
Lack of Loyalty

- Short Term job rotation in order to move up their ranking fast
- Avoid any mistakes made by them to be exposed

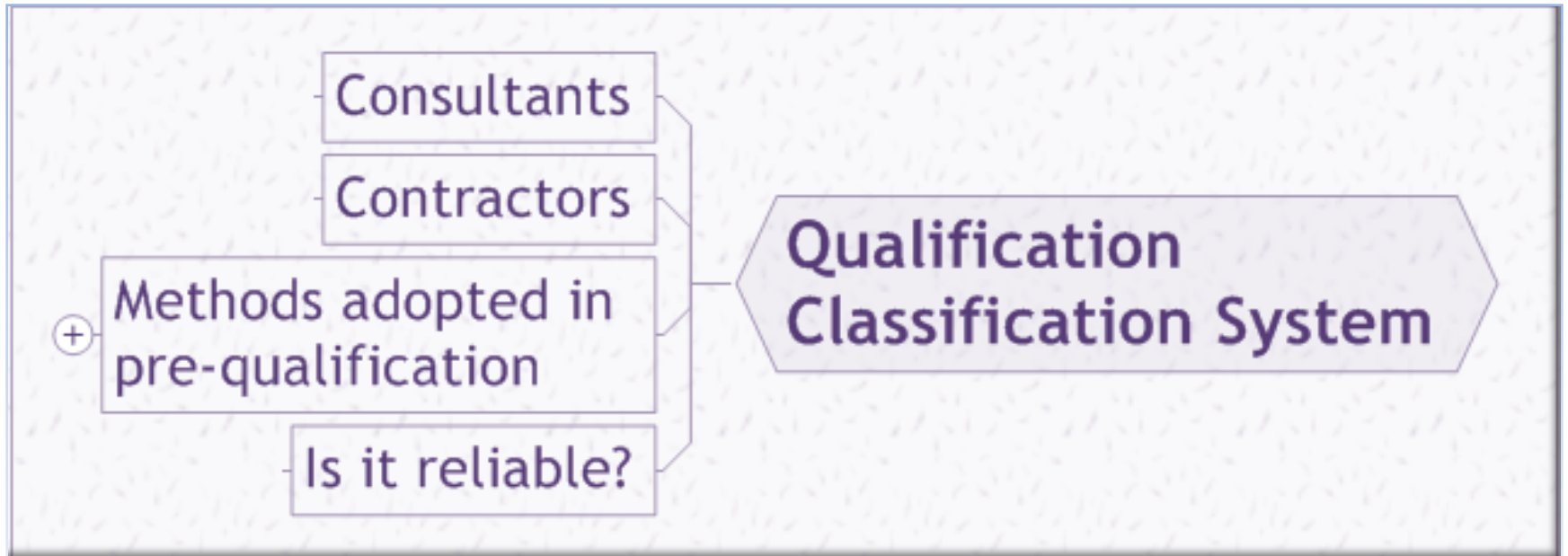
Make Fast Money from Job Rotation

- 10-15% higher pay is enough to get them irrespective of the benefit and career opportunities

Government & Political Influence



China Qualification Classification System



Protectionism



China Practitioners

Weak contractual knowledge and less respect to the contract spirit

Work on their own and not used to coordinate with other disciplines

Local contractors tend to make quick money, cost cutting is their weapon irrespective of the quality outcome. Complicated coordination will increase their overheads and therefore ignore

Fake materials in the markets are difficult to detect, they are used intentionally or beyond control

Low bids approach to secure projects and recover loss through stop works, unreasonable argument for compensation

Local consultants are aggressive in taking more responsibilities but not necessarily performing their full duties as expected by the developers in particular the HK and overseas

Supervising Engineer – are they doing their job?

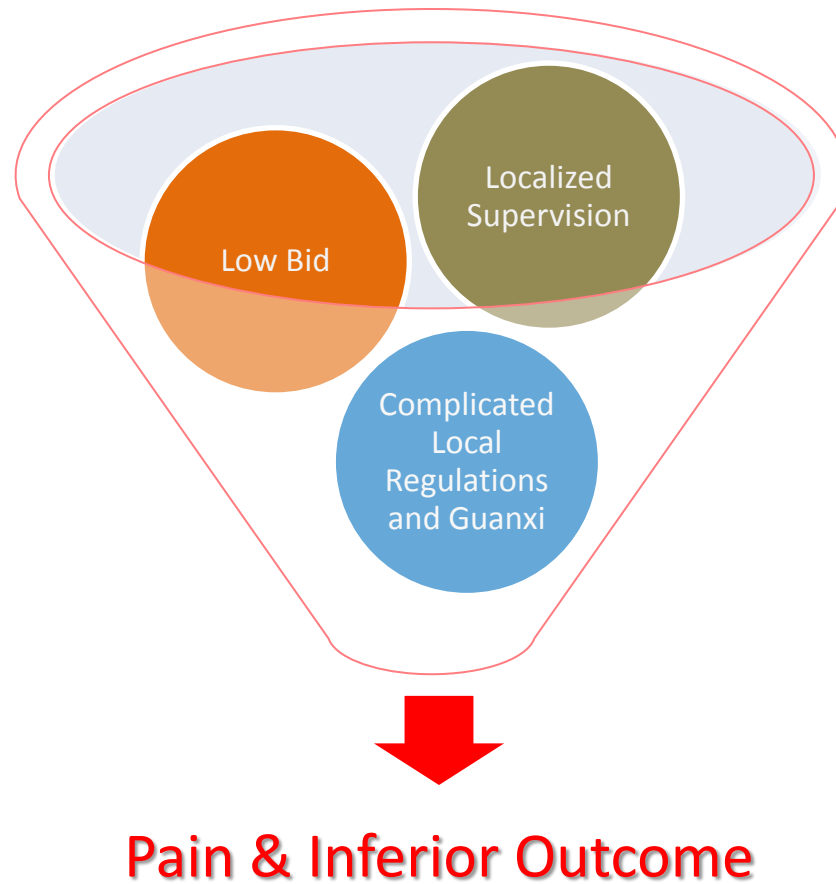
Social Responsibility – Is it their concern?

Problems in China Projects

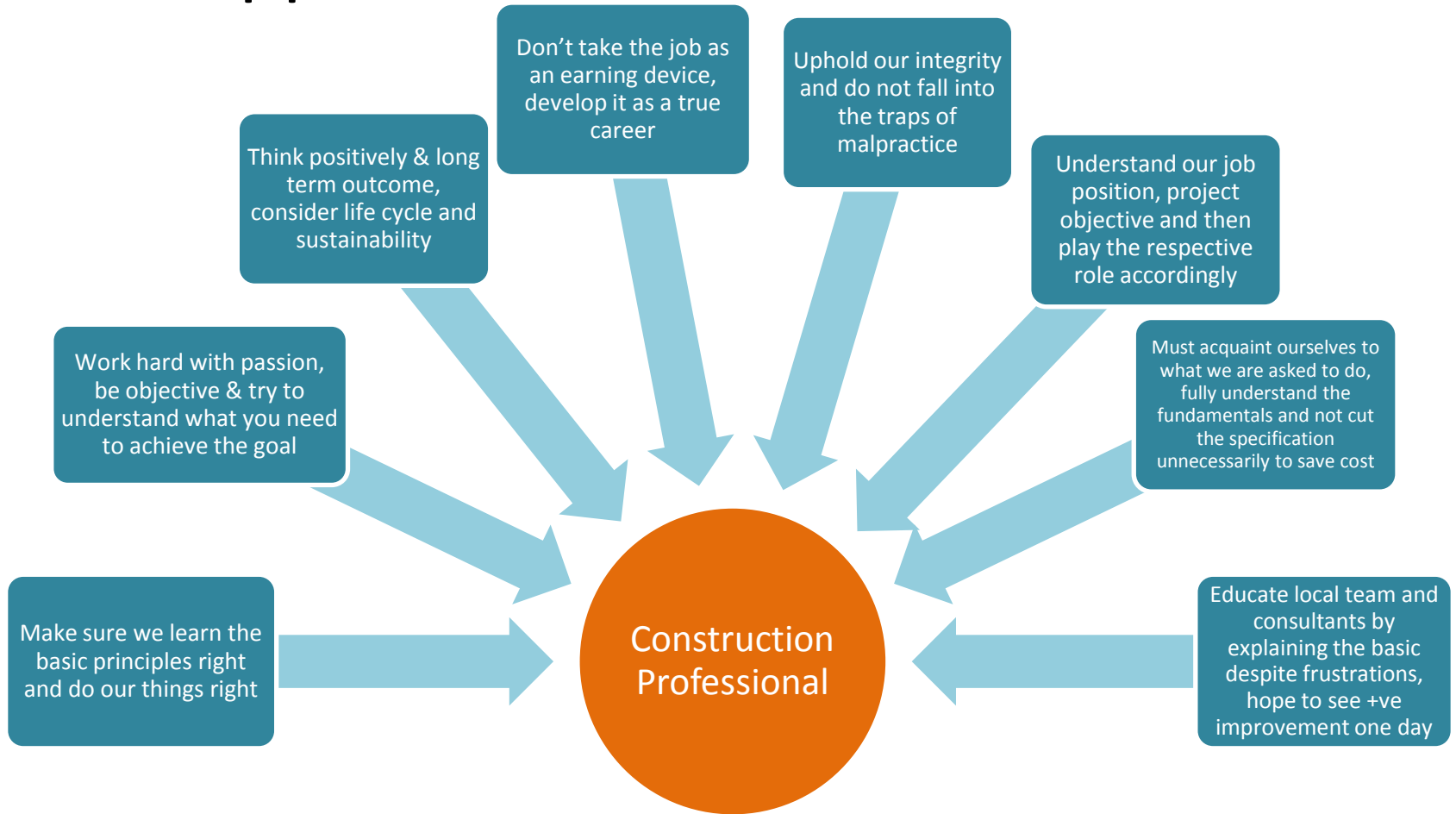
- Appearance
- Attention to Details
- Use of Proper Materials
- Price
- Weak maintenance concept
- Window Dressing “Sustainability”
- Hygiene Standards
- **Malpractices**
- Reliability
- Rules and Codes
- Protectionism
- Certification System



Development by HK Investors



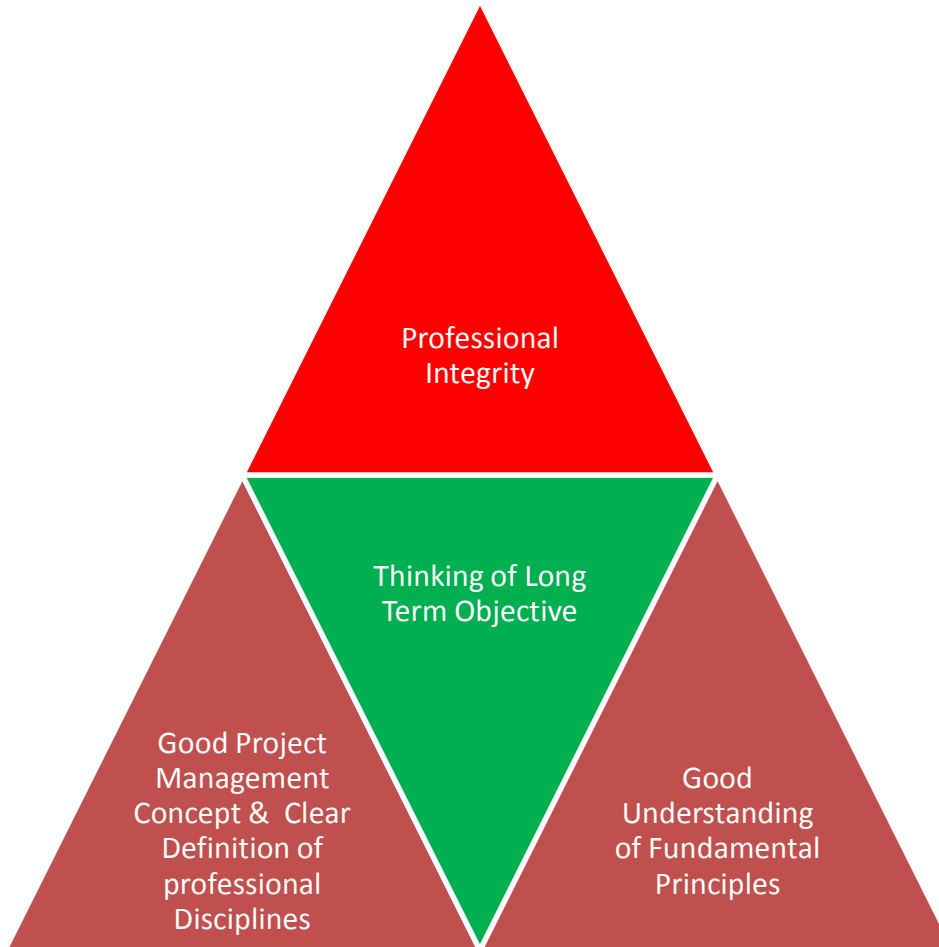
What Can We Do as a HK Construction Professional – Opportunities and Contributions



Are China Ready for Such High Speed Growth?



Our Value



Project Components



Celebration to become a Construction Professional



Q & A

