

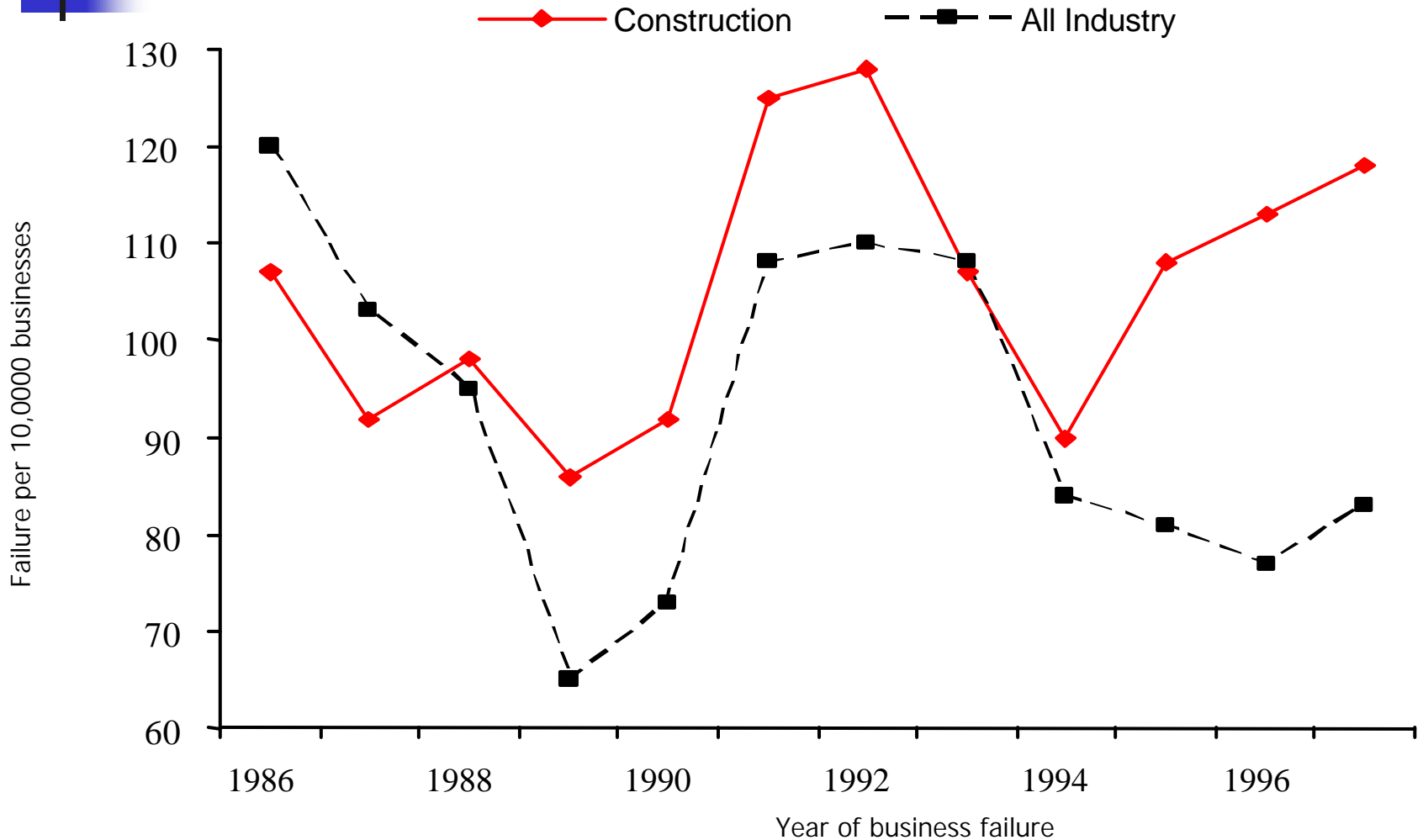
Consultants as Professional and Business Partners: The External Cooperation Imperative



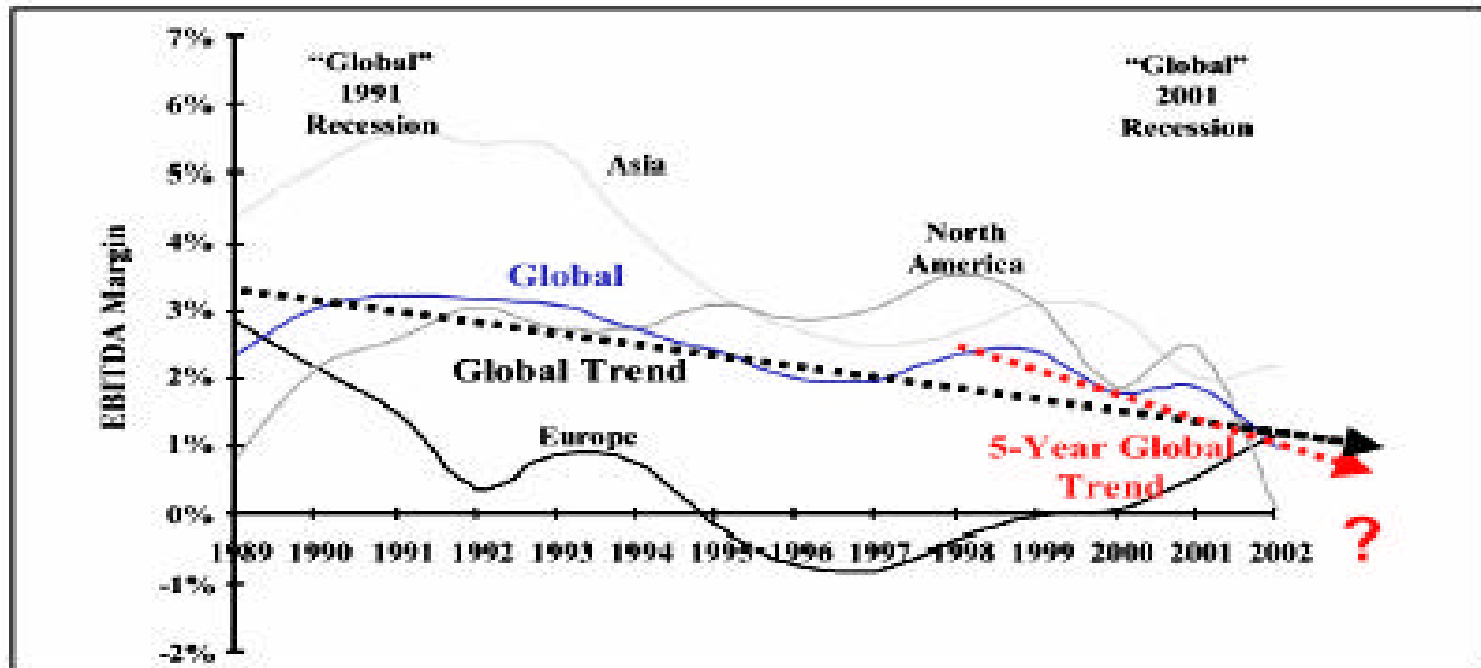
**FIDIC 2004 Conference
Copenhagen
September 13, 2004**

**Bud Ahearn, Vice Chairman
CH2M HILL Companies, Ltd.**

US Business Failure Rate Comparison (1986 – 1997)



Global Engineering and Construction Industry Profitability Trend



Source: *Factset*. Includes 38 publicly traded companies in North America, Europe and Asia
Profit margin is found by company's operating margin/net sales



Integrated Project Delivery

- Expanding from singular professional service role to a project delivery team role
 - Partners with other businesses
 - Risk-sharing
 - Client-community service focused
 - Custom-made relationships
 - Public-private partnerships ((P3)
 - Private finance initiatives (PFI)
 - Alliances
 - Project team for DB, DBO, DBOOT etc.

Benefits of Integrated Project Delivery



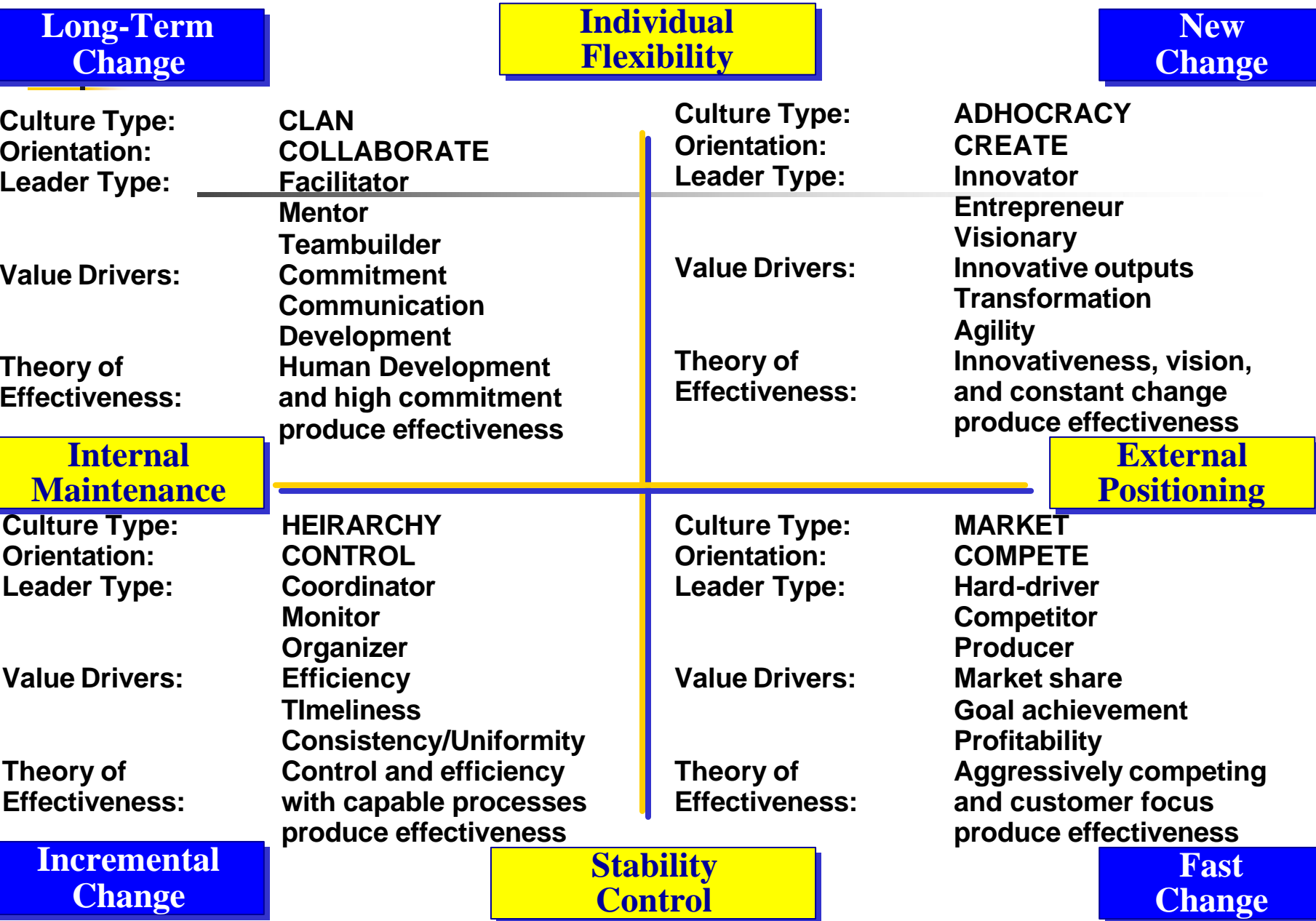
- Quality
- Claims reduction (clearer accountability)
- Increased focus on risk management
- Cost reduction
- Time reduction
- Long-term warranties for owner
- Productivity and constructability
- Innovative leadership
- Industry turnaround

The Competing Values Framework



- Leadership
- Culture
 - From the beginning
 - Market forces
 - Client priorities and processes
 - State/local
 - Federal
 - Industrial

Competing Values Framework



Investigations of Changes: An Orientation Toward Better Leadership and Cooperation

PERSONAL

Physical Health

Illness

Healthy

Olympic Fitness

Mental Health

Abnormality

Healthy

Flow

Negative
Deviance

Normal

Positive
Deviance

BUSINESS

Organizational Health

Dysfunctional

Healthy

Best in
Industry

Investigations of Changes: An Orientation Toward Better Leadership and Cooperation

ORGANIZATIONAL

<i>Metric</i>	<i>Dysfunctional</i>	<i>Healthy</i>	<i>Best in Industry</i>
Effectiveness	Ineffective	Effective	Excellent
Efficiency	Inefficient/Faulty	Efficient/Reliable	Flawless/Perfect
Crises	Chaos	Coping	Flourishing
Relationships	Harmful	Helpful	Giving
Communication	Secretive	Honest/Open	Respectful
Ethics	Unethical	Ethical	Virtuous
Recovery	Punishment	Tolerance	Healing Support
Injury/Harm	Retribution	Justice	Forgiveness

Performance Readiness Model



Strategies

Performance Readiness Model

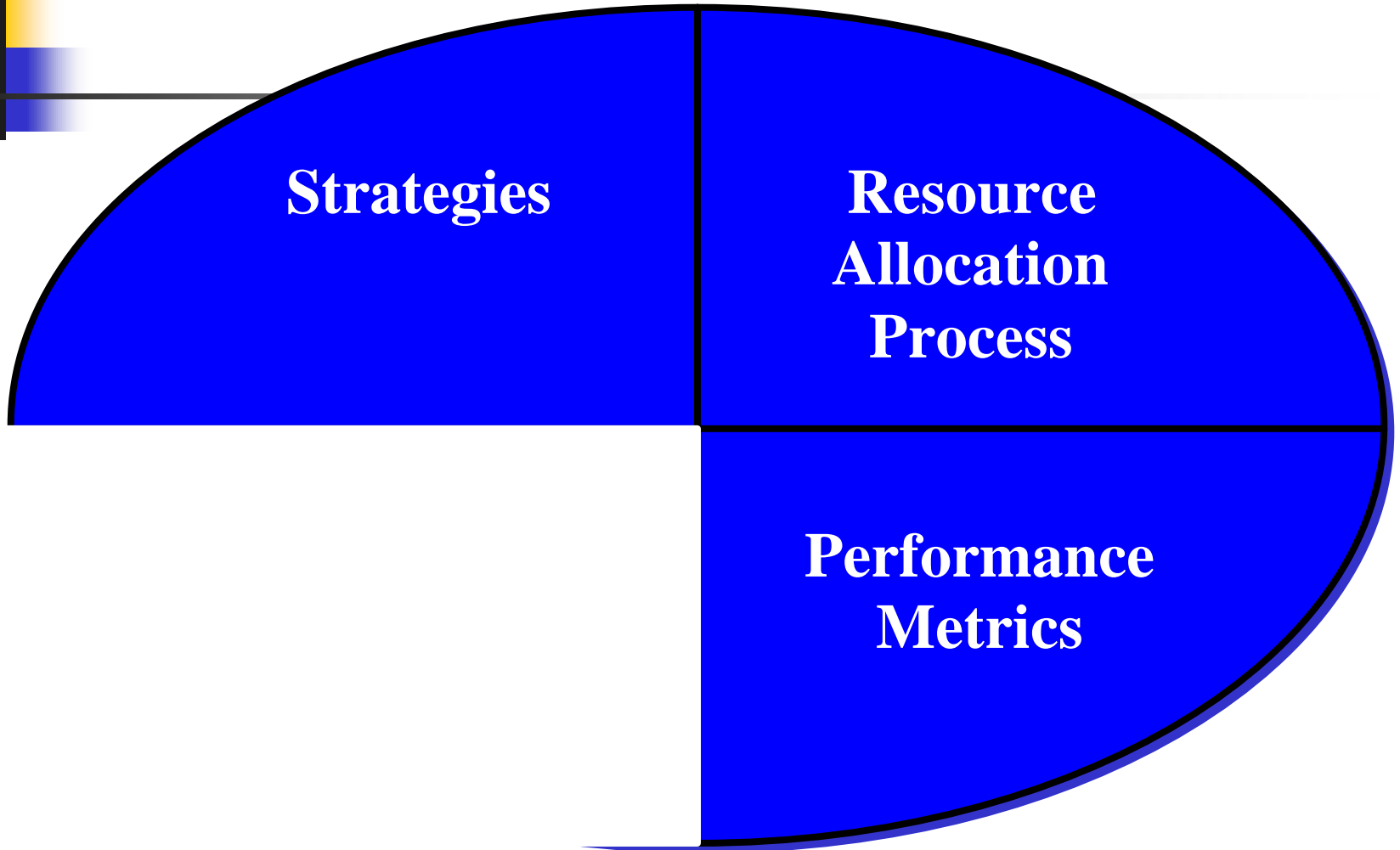


Strategies

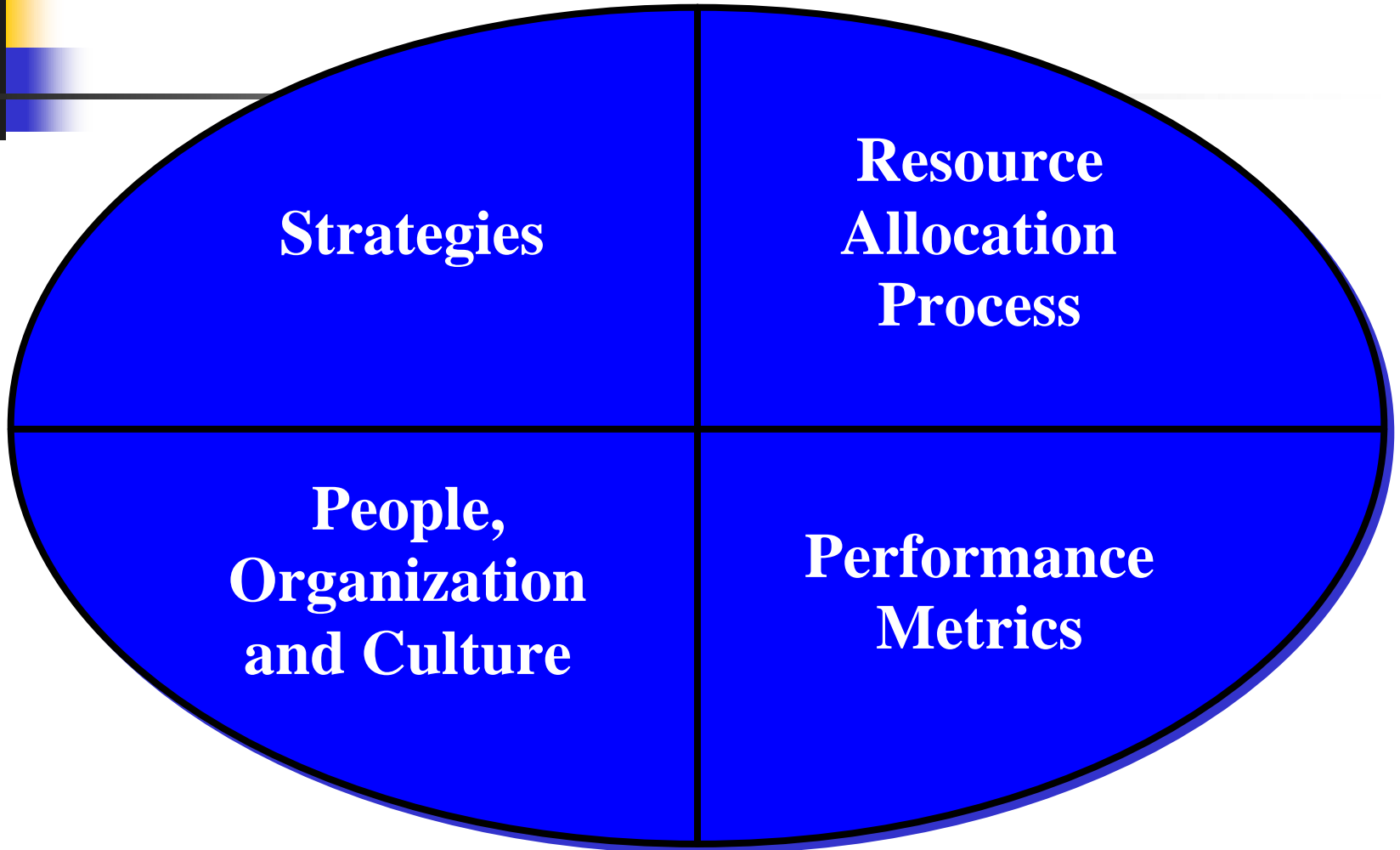


**Performance
Metrics**

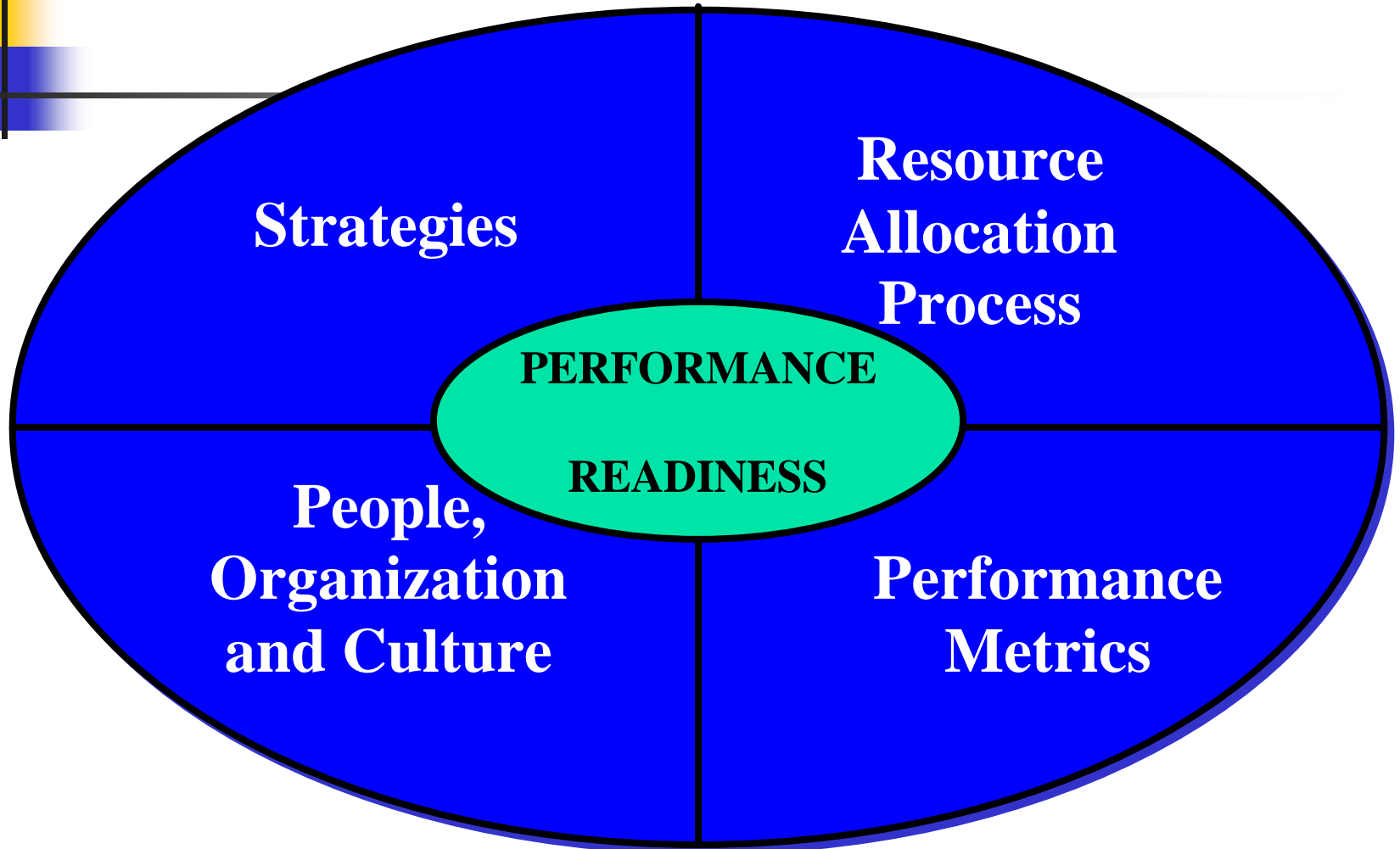
Performance Readiness Model



Performance Readiness Model



Performance Readiness Model





Social Capital: An Essential Resource

- Resources available to us through our personal and business networks
 - Information, ideas, leads, opportunities, power, financial capital, goodwill, trust, cooperation
- Source of Productivity
 - Enables us to create value and get things done
 - No one can succeed or even survive without it
 - “Going it Alone” is a myth
- Managing relationships in a reciprocal way that benefits others and us



Business Case for Social Capital

Most jobs are found through networking

People with rich social capital are paid better

One's position in networks of workflow, communication and friendship affects influence and effectiveness

70% of learning in the workplace happens through informal interaction

Strategic alliances, mergers and acquisitions are often built on social capital

CH2M HILL Companies Ltd. Milestones

Services/Geography

TIMELINE

Business/Markets

1946

Studies, Design, SDC



Water & Wastewater

- municipal
- industrial

Environmental (solid waste, RCRA, air)



Hazardous Waste/Remediation (Superfund)

O&M Services



Electronics/Semiconductors (silicon)

International



Transportation

Nuclear

Design/Build



Communications/Telecom (?)

CAPCO/DEVCO (?)



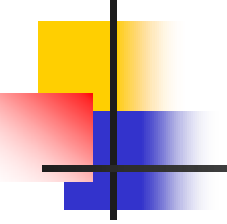
Energy/Power (??)

Products/IP (??)



Biotech/Pharmaceuticals (???)

PRESENT



Thank You