

# FIDIC ANNUAL CONFERENCE 2004

## “INTERNATIONAL NETWORKING”



Thursday, 23 September 2004

September 2004, Copenhagen

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# Enviros in the UK – What Drove International Aspirations?

- Enviros is established as one of oldest environmental consultancies in UK (since 1972, as Aspinwall)
- Environmental issues are becoming more international (global)
- Regulatory drivers are international (EU, Kyoto)
- Corporate clients are increasingly overseas owned and multinational
- Clients less keen to pay for travelling
- Client structures are more devolved around the world with local management
- UK is very crowded market place, international reach a differentiator

# What was the Enviros Response in late 1980s/early 1990s?

1. Acquisition of companies in SE Asia to give office base in Hong Kong, China, Malaysia, Singapore and Indonesia:
  - Accessed major waste, infrastructure and landscape projects
  - Introduced to networks & consortia as a regular bid process
  - Established wider network across Asia
2. Entered EU and IFA funded work, particularly EU TACIS, PHARE:
  - Opened low cost project offices in Czech, Moscow, Kiev
  - Drove significant growth outside home market
  - Attractive workstream to use UK experience internationally

# Lessons Learnt from this Strategy?

## 1. SE Asia:

- Style of office seen as 'colonial' not indigenous
- Devolved management led to sale of businesses
- Retained good partnering network with new owners

## 2. EU/IFA bids:

- Increasing fee competition eroded profitability
- £/\$ and £/euro exchange rate losses
- Increasing need to deliver work through indigenous firms

## 3. Conclusion: Not a sustainable strategy, and only gave limited geographical coverage anyway

# A New Approach?

- Strongest market driver was environmental due diligence (EDD)
- Informal successful working with Cowi (DK) and Tauw (NL) in Europe
- CAT Alliance created as a formal MoU for EDD work in 1998
- Cultural and geographic fit vital to success
- Shared knowledge of international partnering and pooled resources
- Led to significant growth, followed by CAT Alliance Ltd in December 2001
- Now providing other services, it is a company with own brand:

## **CAT Alliance Ltd.**

- UK-based registered company
- Owned by three leading European environmental consulting firms with a total staff of 5000
  - COWI (DK)
  - Enviros (UK)
  - Tauw (NL)
- CAT established to provide clients with Corporate Asset and Transaction management advice
- Cooperation formalised in 1998 as an alliance based on a history of 10 years of ad hoc cooperation
- Excellent geographic fit with “home country” rules for consulting work.

## Details about the owners of CAT

	COWI	Enviros	Tauw
<b>Turnover \$M</b>	<b>275</b>	<b>40</b>	<b>88</b>
<b>Founded</b>	<b>1930</b>	<b>1972</b>	<b>1928</b>
<b>Total Staff</b>	<b>3500</b>	<b>350</b>	<b>1200</b>
<b>Countries</b>	<b>20</b>	<b>6</b>	<b>6</b>
<b>Environmental consulting</b>	<b>20%</b>	<b>90%</b>	<b>70%</b>

## How does CAT Alliance operate?

All projects directed by core staff

Projects executed on a world-wide basis using partner companies

Partners represent best available local skills – not necessarily subsidiaries

Local partner has one-year rolling framework agreement which defines ability to deliver services

Possible gaps in local delivery are filled by CAT core staff to meet client requirements consistently

CAT core staff remain employed by Member companies – skeleton CAT staff only, appointed through secondment



## Countries with Resident Alliance Environmental Due Diligence Capabilities



### **Western Europe**

Austria  
Belgium  
Denmark  
Finland  
France  
Germany  
Greece  
Ireland  
Italy  
Luxemburg  
Netherlands  
Norway  
Portugal  
Spain  
Sweden  
Switzerland  
UK

### **Eastern Europe**

Croatia  
Czech Republic  
Estonia  
Hungary  
Latvia  
Lithuania  
Poland  
Russia  
Slovak Republic

### **Africa**

Cameroon  
Ghana  
Kenya  
Nigeria  
South Africa  
Tanzania  
Uganda

### **Asia**

China  
Hong Kong  
India  
Indonesia  
Japan  
Malaysia  
Philippines  
Singapore  
Thailand  
Turkey  
Vietnam

### **Australia**

Australia  
New Zealand

### **North America**

Canada  
Mexico  
USA

### **South America**

Argentina  
Brazil  
Chile  
Peru

### **Middle East**

Egypt  
Israel

## CAT – lessons learned

- Cultural and geographic compatibility is vital
- Building an international network like CAT needs considerable commitment and investment
- Success is dependent on creating distinctive brand and internal culture
- Integration and mixing of core staff essential
- Easy to create confusion for employees over loyalty/role
- Need clear rules for operational work
- Indirect benefits are very significant
- Requires long-term commitment and clear business planning
- Local marketing can be difficult

# Conclusions

- A long term strategy for exploiting international opportunities through networking/partnering is an essential part of environmental consultancy
- Large benefits from sharing resources, particularly when managing networks of partner companies
- Strong common vision and relationships are necessary to deal with local conflict between network partners
- Staff see considerable opportunity in successfully creating an international network
- The CAT model of maximising local delivery mimics the development of multi-national companies.