

# WS-5- GROWING AND SHARING EXPERTISE

Coordinator: J.C. RITCHIE (Hatch Acres, India)

## FOR A SUCCESSFUL ASSOCIATED PRACTICE

Presented by:

**SHERIF .M. WASSEF (Wassef Design Office, Egypt)**



# FOR A SUCCESSFUL ASSOCIATED PRACTICE

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# FOR A SUCCESSFUL ASSOCIATED PRACTICE

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## BACKGROUND

Member of Egyptian Society for Consulting Engineers (ESCONE), established in 1971 and joined FIDIC 1991. Its General Secretary Dr. Gamal Nassar was elected to the executive board in 1994, and had played role in:

- Translation of FIDIC Contracts to the Arabic Language.
- Active participation in committees proposing changes to QBS for government procurement rules, based on CBS.
- Participated in the editing of contracts with contractors.



# FOR A SUCCESSFUL ASSOCIATED PRACTICE

## 1. GROUND RULES AND VARIATIONS

- Association offers many advantages required of expanding architectural and Engineering profession.
- It may help in growing and sharing expertise.
- It can also introduce complications and frictions.
- Association should be voluntary- otherwise possibility of friction or misunderstanding.
- Rules reflect Wassef Design Office experience and successes, and not the general practice in Egypt.



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## 2. PROCESS FOR A SUCCESSFUL ASSOCIATION

The process of forming an association begins with asking these questions:

- What does the project require?
- What are your strengths and weaknesses relative to these requirements?
- Stated another way, what do you bring to the project.
- what do you need to obtain through an Association or joint venture?



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## PROCESS FOR A SUCCESSFUL ASSOCIATION

One approach is to examine these key issues:

- Required skills, the project needs?, availability in-house and disciplines required? Is the owner expecting construction management, financing, or other specific services?
- Background and knowledge. Special requirements for the project ? Expertise or experience of your firm to accomplishing projects like the one under consideration?



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## PROCESS FOR A SUCCESSFUL ASSOCIATION

- Staffing. Does your firm have right expertise and experience? If these people are committed to the project, can you meet your other commitments?
- Geography. Does the location of one or both of the venture partners bring an advantage to the project?
- Financing. If resources are needed, are you in position to make the investment?





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## PROCESS FOR A SUCCESSFUL ASSOCIATION

- Insurance. Scope of each firm's professional liability insurance acceptable to the others-and to the client?
- Management. Do you have the leadership and management capabilities to take on the project, service the client, and manage the people, processes, and risks involved?
- Contacts. Do you have the necessary contacts to secure the commission?



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## 3. MOST IMPORTANT CONDITIONS FOR SUCCESS.

- Complete mutual respect.
- Healthy communication - Each firm must feel that the other is qualified to criticize or make suggestions on any phase of the work.
- Cooperation - Each firm should be concerned with the work of the other.
- Coordination of Efforts.
- Fairness in Business deals.



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### 4. DIFFERENT KIND OF ASSOCIATIONS: EFFECTIVE TEAMWORK VS. SHOTGUN MARRIAGE

- Different type of association, some of which reflected differences in motivation, Others describe differences in the actual working relationship itself, as follows:
  - Building types which are unfamiliar to a firm.
  - A public agency may insist upon association for policy reasons, and a kind of shotgun marriage may result.
  - Location of Project.



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## DIFFERENT KIND OF ASSOCIATIONS: EFFECTIVE TEAMWORK VS. SHOTGUN MARRIAGE

- A firm of moderate capacity may have a client who suggest association with a larger firm.
- Private Reasons of Architect and/or Engineer.
- Reasons of workload and diversification of talent on Large projects.
- Client may insist upon involving its own architect or engineer in the project.



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## 5. THE MECHANICS OF ASSOCIATION: FEES AND ARRANGEMENTS

- Fees for associated work must be slightly higher than for non- associated jobs, due to loss of time.
- Conformity to law, building codes and standards of country of the Project.
- Formal agreement, spells out in detail the scope of each firm's work, responsibility and fee.
- Association preferred to Joint Venture contract.



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## EXPERIENCE AT WASSEF DESIGN OFFICE

- About one in every three jobs going through the Wassef Design office is done in association with other firms.
- Positive problem-solving business attitude, we have been able to create long-term partners and friends.
- Importance of communication between firms.
- Associate firms included major firms in the U.S., France, and U.K.



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## NOTABLE ASSOCIATION EXPERIENCE AS CONSULTANT: H2L2/WASSEF.

- A notable association in which Wassef was deeply involved was with an architectural firm H2L2 from Philadelphia for the design and construction management of the school of engineering and computer science at American University in Cairo. For H2L2, distance with the country project was reason to believe that a local associate with a multi-disciplines practice is needed.



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## NOTABLE ASSOCIATION EXPERIENCE AS CONSULTANT: H2L2/WASSEF.

- In the case of the association for the building of the New Academic Center I, at the American University in Cairo, for example, the basic agreement was between the University (the client) and H2L2 as the Architect and team leader, but associated architects and consultants all signed sub-consultant agreement to work together.





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## NOTABLE ASSOCIATION EXPERIENCE AS CONSULTANT: H2L2/WASSEF.

H2L2/WASSEF does not assign particular jobs to an exclusive project manager. Instead it operates on principle of guidance and supervision of each job by the top people in the firm. The associated arrangement therefore works out very well for this type of internal office organization, since each firm can supervise its own phase of the work without the serious dislocation and problem of excessive supervision.



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### NOTABLE ASSOCIATION EXPERIENCE IN CONSORTIUM: OCI/BOUCHEZ/WASSEF.

Another type of association was with Orascom Construction Industries (OCI), a major General contractor in Egypt, who invited for a BOT project for the Construction of a New Lycee Français in Cairo, a team of Gilles Bouchez, architects from the Client's country (France), and the country of project (Egypt). Wassef Design Office accepted the challenge of this controversial commission, and their work with OCI.



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## NOTABLE ASSOCIATION EXPERIENCE IN CONSORTIUM: OCI/BOUCHEZ/WASSEF.

OCI approached both Bouchez, and WDO independently with the suggestion of association, and each firm selected the other. The main reasons was the size of the job, which could have tied up the resources of any one office, and the distance with the Client and Architect offices in France. Association permitted each firm to handle its load efficiently without risking the total commitment of its entire staff to one huge project.



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## ADVANTAGES OF ASSOCIATED PRACTICE

- One means of accelerating the learning process, and of deepening the experience of architectural and engineering practice.
- Transfer and exchange of know-how.
- New area of expertise.
- Capacity Building and New markets exposure.
- Better remuneration and Profit.



# FOR A SUCCESSFUL ASSOCIATED PRACTICE

- **ADVANTAGES OF ASSOCIATED PRACTICE**
- Combine key resources and expertise.
- Combine experience to perform a specific project while allowing each participating firm to pursue projects outside alliances.
- Exposure to up-to date specification and technologies.
- Better Marketing skills.



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## DISADVANTAGES OF ASSOCIATED PRACTICE

- Added risk elements due to a temporary ‘multi Organization’ element, which is a condition that raises its own problems and adds to the risks inherent in the building enterprise.
- Address many varied complex professional and business issues that normally arises during the course of any joint venture that requires a higher degree of trust and confidence than normal direct relationship.



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## DISADVANTAGES OF ASSOCIATED PRACTICE

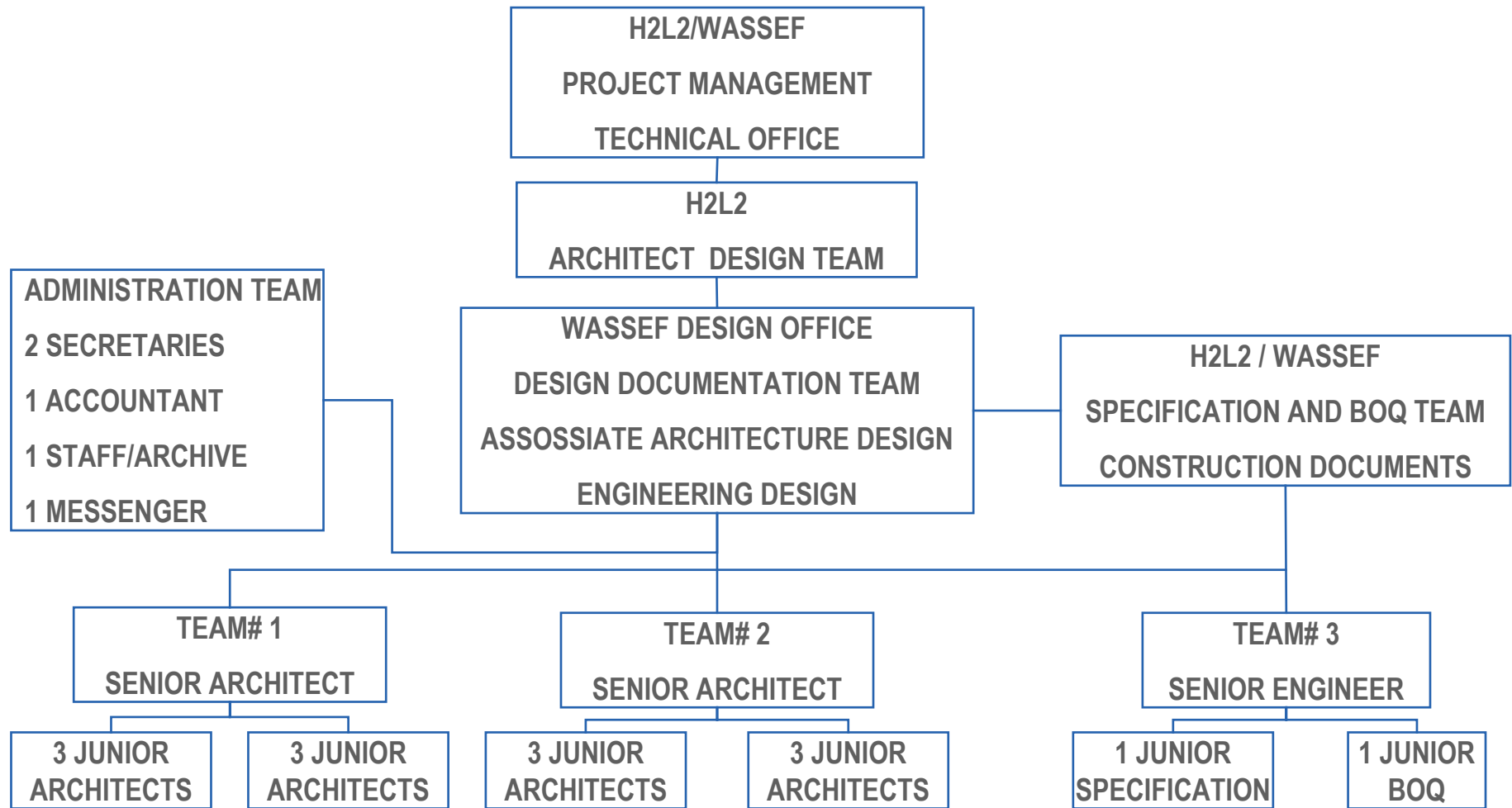
- Cultural differences.
- Language obstacles of team members.
- Difference in codes, practice and laws.
- Profit expectations.
- Competitive fees.
- Low Budget leading to Poor payments.
- Poor Dispute resolution mechanisms.



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## TYPICAL ASSOCIATED PRACTICE PROJECT

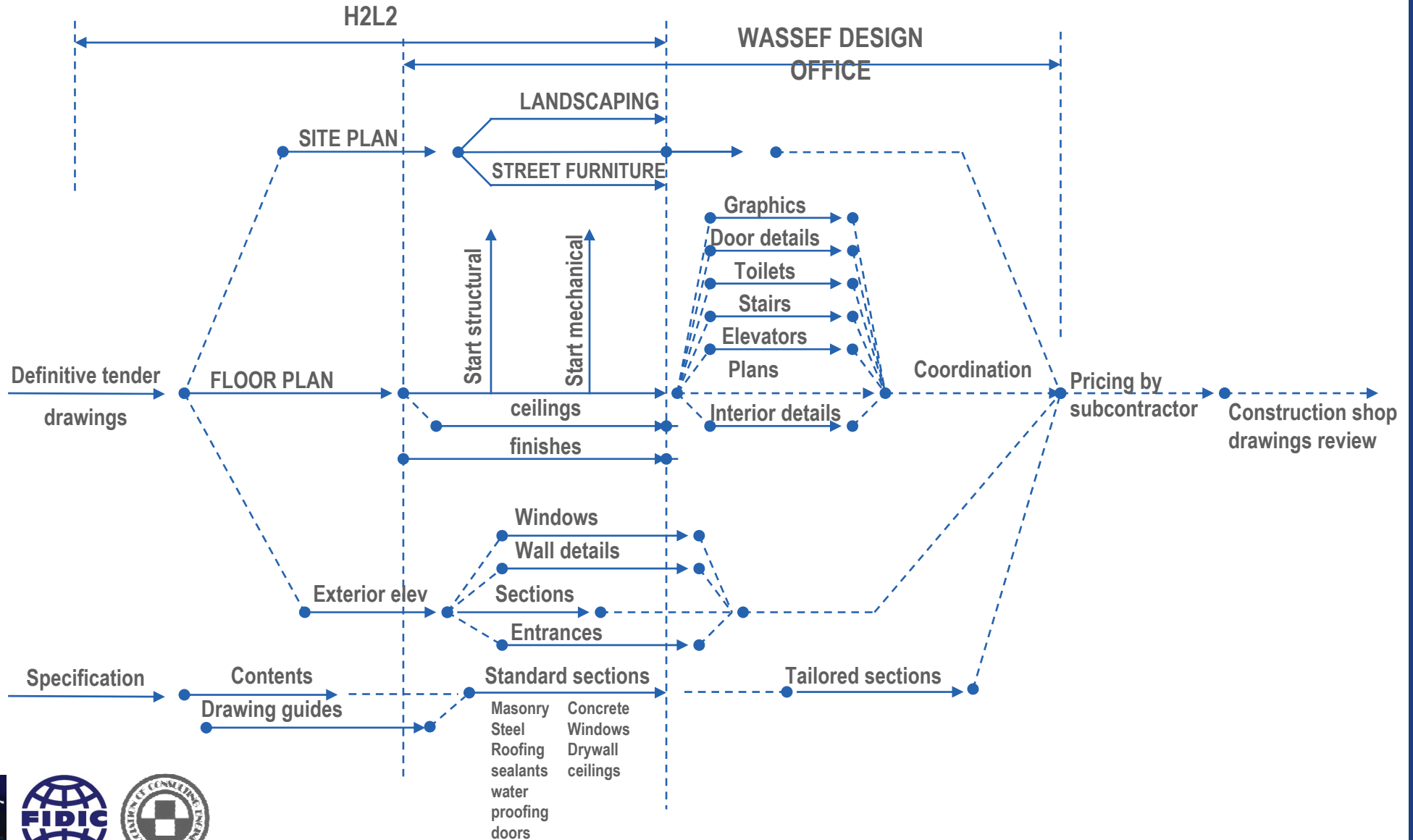
H2L2/WASSEF ORGANIZATION CHART





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## TYPICAL ASSOCIATED PRACTICE PROJECT



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FIDIC Singapore 2007 conference :: 9 – 13 September

THANK YOU

