

# BIG PROJECT

THE BUSINESS OF CONSTRUCTION

www.bigprojectme.com    DECEMBER 2013

09€

**CPI**  
CPI  
MEDIA  
GROUP  
PUBLICATION LICENSED BY IBCF

## ALSO INSIDE

AWARD ROUNDUP

AL JAHRA ELEVATED

THE YOUNG TURKS

DEVELOPING DUBAI

# OUT OF THE SHADOWS

Hill International's head of international project management operations Raouf Ghali on why he and you can look forward to 2014



"THERE WAS AN AVERAGE OF THREE HOURS PER DAY. WE USED WHATEVER WE COULD GET OUR HANDS ON! WE GOT BATTERIES TO KEEP THE COMPUTERS RUNNING, BUT WE GOT IT DONE. WE GOT THROUGH"

**R**aouf Ghali has just stepped off the red-eye from New York and walked straight into an interview with **Big Project ME** at Hill International's London offices – a smart, charismatic and witty interviewee – if he's jet-lagged he's certainly not showing it.

"How did I grow my career?" When asked. "I started my career, I say, a little bit on the wild side! I was completely crazy. I went into places that others didn't."

The new countries that emerged after the collapse of the Soviet Union in the early 1990s were desperately short of infrastructure and desperate to modernise. However where most were daunted by the challenges in countries such as Georgia, Romania and Bulgaria presented, Ghali saw an opportunity.

"When I went into the CIS and the Balkans in 1993/94 the infrastructure wasn't even there to do business," he says. "It put things into perspective. (Construction) can positively impact the economy; it creates jobs; even after completion it requires maintenance, operation, etc. Most of all, you've left something behind, a structure for better living or a production facility, etc."

For Ghali, the country that arguably best typifies those early years.

"I started with Hill in Armenia, when Armenia was pretty much at war with Nagorno-Karabakh," he explains.

The repercussions of the conflict over the Nagorno-Karabakh territory in southwestern Armenia are still being felt today, and the experience he picked up there continues to shape Ghali's approach to running the International Project Management arm of Hill, two decades down the line.

"That was probably one of my best, key years. Difficult years, but I learned a lot and met a lot of people," says Ghali, who was responsible for project and financial control for procurement on the European Bank for Reconstruction and Development-funded 300MW thermal power plant in Hrasdan. "It went back to the basics. Relying on yourself – technology wasn't there, communication wasn't there."

While the University of LaVerne Masters graduate was instrumental in preparing and issuing the international tendering procedures that helped to secure much-needed equipment at competitive prices for the fledgling Armenian government; helping to scale-up a country's power supply where it was in short supply wasn't without its challenges.

"For a while we didn't have electricity," he recalls. "There was an average of three hours per day. We used whatever we could get our hands on! We got batteries to keep the computers running, but we got it done. We got through."

As he oversees Hill International's operations beyond the US market almost two decades later, he is able to empathise with teams based in far-flung and remote locations. When talking about those currently helping to bring power and roads to Afghanistan, there is an appreciation of the efforts it takes to be effective.

"Afghanistan is an extremely challenging place to be. I can understand the difficulties they are going through. I think it's much harsher than what we had to go through," he explains. "All these experiences over time add up to providing certain aspects where you can do your work much more efficiently."

The last ten years has seen tremendous growth for Hill. For the past six years of that decade, Ghali has served as its president and he reveals that it is currently earning \$300 million in turnover ("from consulting fees"), and employs a 2,800 strong workforce. The head office for the International Project Management arm of Hill is in Athens, it's a different and surprising location, considering the Western Europe/US-centric nature of most global consultancies. Ghali says that it is a consequence of its Balkan-centric growth.

"If you look at where we operate, the Middle East is by far our largest region. Geographically we also have North Africa (a very important region for us). When you look on a map, Athens is right at the entrance to the Middle East," he remarks. "It's right across from North Africa (Cairo is at centre of our operations there). It's also at the heel of the Balkans."

**INTERNATIONAL PLAYER**  
Ghali has been instrumental from growing Hill's PM presence in Europe, the Middle East and Africa.

The Middle East contributes 40% to 50% of the Group's annual turnover with other markets growing in importance to complement Dubai and Qatar, where it first made its mark.

"Now the driving force is really Abu Dhabi, Saudi Arabia, Oman and Qatar. Four points/markets that are very strong. And also very different. In the Kingdom, as an example, we're involved in healthcare, infrastructure (with our recent win in rail), and education facilities. In Qatar we are seeing more and more large projects in the infrastructure sector rather than the high-rise buildings we would traditionally see."

Expanding on Qatar, he reviews the impact Hill International has had on the country.

"We are quite involved in Qatar," he enthuses. "We went through a major development (stage) and now Qatar is upgrading the infrastructure. We are working on the Green Line of the Metro, the Qatar National Museum; and continue to have several private developments. There is still quite a lot of local private money being invested – and we are confident it is sustainable.

"You cannot do all that development for just the FIFA tournament. Even with pre-trials and everything else it is only going to be a three-month period. It is the post-games period (which is the most important). Qatar has a plan of how they are going to sustain this expansion – they also need the infrastructure to go with it."

Oman, often ignored by a UAE and Saudi-centric media, is another market that excites.

"There's a lot of activity there: it's a totally different ball game. We are working on the airport, on hotel development; we've just been awarded a project to support the Minister of Defence and we're also participating on Oman rail," he reveals. "We're still in the evaluation stage but we're hoping that they will finalise it by the end of the year or the first quarter of 2014."

Oman is a major component in the establishment of a Gulf-wide rail network but has slipped behind the efforts seen in Qatar (Q-Rail), the UAE (Etihad Rail) and Saudi Arabia with its investment in high speed inter-city rail.

"Once we, or whomever else, gets on board, they will need to start looking at a realistic

schedule," he says. "You can open certain segments of the rail (for instance), it does not have to be the entire corridor.

"I think mass transport has been ignored for a very long time in the Middle East and the realisation that you need it to become sustainable as a country and an economy is starting to come. Mass transport never used to be a feasible profitable business. It requires volumes and there is no alternative for long-term viability and environmental constraints."

This is especially true in newly created urbanised areas where fuel is still cheap. How do you sell it as a proposition?

"Traffic. Time, convenience and environmental protection. If you are going to be travelling between one city to the other, and you have to go by air, you need to be there one hour before; you land at the airport; and it is usually way out of the city – and you have to drive back in. Whereas a train can take you from centre to centre. Look at Paris-London. Who would fly to Paris now from London?

"We are building some of the great airports of this century, right now. There's Dubai, NDIA, Oman, etc. And you've got Midfield Terminal too. We are part of the CM team on that as well."

When people see the word consultancy, they often imagine teams of desk jockeys, but you get the impression that, as an organisation, Hill International is much more than that.

"We are very well engaged in managing activities on all stages," says Ghali. "It depends on what our scope is and this varies from client to client, from project to project. We can be involved in the master planning and the implementation. Sometimes we come in at a much later stage."

While most of the global players in design and project and construction management that are active in the region are able to draw on expertise from teams based across their offices, Ghali has encouraged deeper involvement within Hill International. The company even runs its own peer review system which frequently sees teams drafted in from Europe to probe, analyse and advise on projects in the Middle East – and vice versa. This cross-fertilisation of ideas and

## GHALI LOOKS AT THE YEAR AHEAD

**"I think in general 2014 is going to be a year where we will see economic improvement globally. Spain is really waking up; there's been a lot of transactions; the banking system is starting to show signs of life again. I'm not telling you it's going to be booming, but the contraction is stopping. It's been six/seven years since the recession started, so this is not going to be an overnight change. But prices of assets have come down; there is a huge amount of cash that needs to be invested and investors are eager to get back in the game early to take advantage.**

"You've got markets like Egypt – if it continues to stabilise, you've got the UAE and Kingdom pledging money that has to go into construction – you've got Libya which I think will hopefully start off in 2014.

"Then you've got Iran that seems to be coming towards the western countries. You've got scepticism but on both sides. I think it's positive however. The tension that has been clouding us over the last decade is lifting. If both sides start showing some trust and faith, then things can start to get better. Now how does that effect oil prices? I'm not an expert, but logic would show that is going to be pressure on prices coming down.

"Look at what Iraq has done. We have just signed a \$53 million contract with the government of Basra. The contract scope is to review Basra's masterplan needs and implement them. We expect a mixture of projects to include educational facilities, roads, bridges, etc. With Iran calming down. Everything calms down. We are living in some exciting times. I strongly feel that we're seeing a good seven to eight years of prosperity and a little bit of peace, I hope!"

practices is essential as Hill International strives to push the quality of execution upwards.

"You're being reviewed and the next time you are reviewing somebody else. It not only keeps everybody on the edge but it is an efficient way of sharing knowledge amongst teams," he explains.

"Take Latvia Library, for instance, and the Grand Egyptian Museum: two different worlds but yet there are a lot of things that are in common, the uniqueness of the building, for example. Latvia Library, for instance, is not just a library but they have put a lot of old artifacts such as old books, etc," he continues. "That means that you have to have climate control rooms (for example). It has to be user-friendly and well-engineered. Both are public buildings. Both have

**"WE ARE LIVING IN SOME EXCITING TIMES. I STRONGLY FEEL THAT WE'RE SEEING A GOOD SEVEN TO EIGHT YEARS OF PROSPERITY AND A LITTLE BIT OF PEACE, I HOPE!"**



high security – and yet you have to allow free movement and flow for the guests. There are a lot of common similarities people would not always think about.”

The peer review meetings bring the top three people from two or three projects together with Ghali and the regional manager joining the meeting: “The team comes in and present the project status and the major challenges they are facing. Then, as a team, we explore ideas: *have you tried this?, or, we had a similar problem and we found this solution worked.*”

With full site visits frequently required and the removal of key personnel from projects essential, it would be understandable if the peer reviews placed drag to the pace of construction. Rather

than stretching out the project management process, Ghali argues – convincingly – it has to be said that the reverse is often the case.

“It speeds things up. You find out that the guy – and I use this only as an example – who handled the Qatar Museum is talking to the guy on the Egyptian Museum and asked whether he had a similar problem, *do you know of somebody that can help? Yeah, I've got somebody on the team. Can you spare him for a ten days? Sure.*”

Backing up the project teams is a technical core team for each region. Ghali describes them as the ‘back-office’. They act as another level to Hill’s quality control.

“They shadow most of the difficult projects when they are in the early design stage. They have

seen a lot of these projects and bring in a lot of lessons learned to the table,” he says. “This is part of our service – we typically don’t charge for it. It is also part of our own quality plans.”

Creating continuity and understanding between the teams has been an asset as the International PM Group has grown. He adds for any given country, Hill has now reached a size where it has enough staff from that country to form the nucleus of its project teams.

“This is the starting point and then we start slowly recruiting. In Turkey, for example, we’ve probably got a good 60 to 80 Turks working for us. If we get a new project then I can transfer them back into Turkey with international experience and the ‘Hill culture’.”

Hill’s progress in the Middle East is notable for its two centre beginning. Straddling both Dubai and Doha, Ghali says that the move was a deliberate attempt to mitigate against risk. The company also started pushing into North Africa in 2006 just as every project manager and consultant with a passport descended on Dubai.

“Never have your business be dependent on any one specific location or client,” he says. “I always try to go where everybody else is not! In 2006, everybody was flocking into Dubai and the UAE. We were there – and I thank my lucky stars we were – but that’s when we made a strong push for North Africa. If everybody is going to one place, it is going to get crowded and you need to be thinking of going somewhere else. If you’re in at the beginning you take a lot of the work initially but then you share. That’s how the market moves.”

He adds: “We’ve been quite successful in spreading throughout the Middle East; very successful in spreading out in North Africa. We are present in all of the North African countries now with the exception of Tunisia where we are now looking at entering. We’re doing very nicely in Algeria with great growth potential.”

He was told about Dubai’s successful Expo 2020 bid as he was leaving New York. He believes the win is well deserved.

“It’s very, very exciting. I believe they already have infrastructure for it. Nothing was really moving until they secured bid, now it’s going to be like the horse races where everybody starts (gestures to signify the start of the race). Look at what Dubai has done. The 2020 win is a vote of confidence by the international community that the international markets still believe in Dubai. It has become a major city of the world over the last 15 years. They’ve done a great job so far, and I’m sure they will do a great job of this event.” ■