



INFRASTRUCTURE



Jerónimo Portilla
Business Development Coordinator
Hill International

Providing Confidence to International Investors

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Q: What differentiates Hill International from its competitors?

A: We are exclusively dedicated to project and construction management. Other companies carry out design and construction too, but we think this can present a conflict of interest. Our job is to stand side by side with our clients, in most cases developers and financial institutions, throughout the different phases of their projects. We implement our framework and procedures to manage our client's objectives of time, cost, quality and security in each project. For many investors, banks and foreign developers, we are a source of trust. There are many who want to invest in Mexico but are uncertain. Working with us means they can feel assured that their interests and objectives will be met. Our company has a vast presence in the US and is also active in other countries, which gives us considerable experience and also enables the exchange of knowledge between different teams worldwide.

Q: What approach do you follow regarding project management?

A: We employ our proved Project Management Plan. This plan establishes necessary procedures and processes that allow us to measure progress and anticipate, spot and mitigate risks of the projects. We share these on a digital project management platform, which shares everything in real time with all collaborators involved and our clients.

The best option for us to meet project management goals is to enter in the earliest phase of the project, known as predevelopment or preconstruction. We assist in choosing the architect and then proceed to establish the guidelines and deliverables for the design phases. The No. 1 demand of clients is that the project design meets cost expectations. We are able to establish a cost estimate that has a margin of less than 5 percent, unless there are changes in external factors such as inflation, exchange rate parity, commodity prices or other aspects that cannot be predicted from an early stage.

Q: What causes delays and cost increases in projects?

A: Cost and time are both vital variables that can be affected directly if the design is not complete or well specified. Hotels, for example, have an investor who expects returns at a certain time. The hotel brand, on the other hand, wants to have certainty about when it can start operations. The primary cause of delays is an incomplete design. Often, construction starts before the completion of the design phase and they run parallel. Sudden changes in design then require improvisation. This leads

to costs surging. We have seen cases like this before. Hill International offers a service called Trouble Project Turnaround, where we enter a troubled or delayed project, put everything in order and set realistic goals.

Q: What are your main projects at the moment?

A: We are managing two hotel projects in Los Cabos. Last year, we finished three projects there. Los Cabos is a very particular location. Because it is isolated, everything needs to arrive either by boat or airplane. This means companies need to articulate specific planning with at least a three-week window for the arrival of resources and supplies, many of which need to be imported.

Having learned to work there has given us considerable experience to operate in other areas of the country. Mexico City, for example, is better connected and therefore less complex. We have three residential projects in Mexico City. In Tulum, we have another residential project and in Nayarit we are participating in a hotel project, among others. In Mexico, we have had projects in other segments in the past, including office buildings, energy and industrial. In infrastructure, we have experience doing Project Management and Project Monitoring of various ports.

Q: What are your objectives for the next two years?

A: Right now, the investment climate remains characterized by uncertainty. However, in tourism, investment continues to grow. That sector really has a strong growth perspective. Luxury hotels are growing the most. Many hotel projects are a combination of hotel and residences. These residences are a point of interest for foreign investments and they sell fast. We want to continue expanding our activities in this sector.

In terms of the residential segment, we do not see a lot of growth right now. One model that is working is multi-family. We are looking at collaborating with more developers in that area and potentially expanding to other cities beyond Mexico City. Monterrey, Queretaro, Merida and Puebla are on our radar.

Lastly, we are looking to having a bigger presence in infrastructure. We are involved in several infrastructure tender processes. Our company has extensive experience in infrastructure, especially in the US. Currently we provide a service in that segment, called Project Monitoring. Financial

institutions require this service because we provide a form of independent technical assessment and independent engineering.

Hill International is a global company with approximately 2,700 professionals and support personnel in 50 offices worldwide, providing project and construction management services to public and private sector owners

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