



HAVEN'T LOOKED BACK SINCE 1986

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How an initial leap to the Middle East jump-started success around the globe for U.S.-based Hill International.

1986 was a red-letter year for Philadelphia-based Hill International as it was appointed lead consultant for the Abu Dhabi government and its claims committee, marking the entry of the company on the international stage.

Its first overseas office was opened that same year in Abu Dhabi, and at that time Hill was also one of the first expatriate firms to be working in the Emirate. Undoubtedly there were risks and many questioned if it was a smart move for a then young to take such a step. But the opportunity that was seized ultimately helped Hill International to learn the ropes of operating in a new country.

The project management/construction management company has not looked back since in the Middle East, and in the past 35 years the firm has carried out some iconic real estate/tourism (Palm Jumeirah in Dubai); infrastructure (Doha Metro Line in Qatar, Bahrain International Airport expansion, the Abu Dhabi International Airport Midfield Terminal complex, the two airports in Oman and the Riyadh Metro); cultural (National Museum of Qatar and the Shaikh Zayed bin Sultan Al Nahyan, Grand Mosque); and high rise and residential (ADNOC Headquarters complex, Etihad Towers in Abu Dhabi and Emirate in Dubai) projects, to name a few.

Probability of three. To grow organically, there are typically three different scenarios under which Hill International "goes abroad" for business opportunities.

1. An existing client seeks to engage the services of Hill International on a project they have in hand in a new country.
2. When a major project is being developed in a new country that aligns with the services we offer, is consistent with sectoral growth strategy, and has a significant fee that would justify setting up shop in a new country. An added advantage of such an opportunity: While executing the project in that foreign land, Hill also gets the opportunity grow its business there.
3. When the company's ongoing research determines there are certain countries/geographies that are undergoing m growth, either in a particular industry or in general. At that point we would prepare a business plan along with a market-positioning study (basically taking stock of the opportunities and competition there) and a presentation is made to senior management for approval to set up an international office and invest resources even before a project is in hand.

A common denominator for a U.S. project management/construction management firm working abroad would include good clients, reasonable fee margins, exciting and challenging projects, and a safe working environment.

While working overseas, Hill keeps a strict eye on acquisition of proper licensing in the new country, establishment of a local entity and associated formalities, meeting all local compliances, and creation of a human resources system to offer competitive benefits and compensation to attract and retain appropriately-qualified resources. In addition, there is also the need to get registration with the local agencies (like the tender board in some locations to receive government tenders) and industry associations (like the chambers of commerce and professional or engineering councils).

For Hill, a win-win strategy would be to pursue projects where it keeps its cost structure lean to have a competitive edge in the local market, while maintaining the high standards of quality, integrity, and professionalism it has extended to all its clients across the globe. Localization of human resources is one way to be cost effective by ensuring the company hires the right professionals locally that are trained and inducted into the company's systems and processes.

Facing headwinds. Like any other place, challenges exist in the Middle East and Asia-Pacific for a U.S. project management/construction management firm.

One of these challenges is working in a country with low corruption perception index that results in inadequate transparency in the procurement process. Another issue is currency fluctuation risks that result in a lower-than-anticipated revenue. Repatriation of funds, lack of clear regulations, and inadequate labor and safety laws are also issues that have to be dealt with.

Whether we're identifying opportunities or competing for and securing new business for Hill International, it is important to run and deliver projects successfully. The success of these projects significantly depends on the understanding and respect of local customs and practices and maintaining strong personal relations with clients to demonstrate Hill's corporate commitment to these projects.

Abdo Kardous is the Middle East president of Hill International and oversaw the setting up of about a dozen international offices of the company in the Middle East and Asia-Pacific. He can be reached at abdokardous@hillintl.com.