

TM

# THINK

Issue 3 April 2008

THE  
BUILDING  
INTELLIGENCE™  
GROUP

**INSIDE:**  
HELPING RAISE THE BAR  
WITH ICONIC NZ BRAND



# LES MILLS

# HEART WITH BRAND



From left: Blair Wolfgram, Project Manager, The Building Intelligence Group; Reece Zondag, CEO, Les Mills New Zealand; and Jackie Marshall, Les Mills

**MEMORABLE BRANDS HAVE A CLEAR PROMISE THAT THEY DELIVER ON TIME AND TIME AGAIN THROUGH EVERYTHING THEY DO. FOR LES MILLS NEW ZEALAND, THAT PROMISE IS “PASSIONATELY DRIVING FOR RESULTS FOR A BETTER YOU”. IT’S A PROMISE BEING DELIVERED TO THOUSANDS OF NEW ZEALANDERS EVERY DAY WITH THE KIND OF ZEAL THAT IS BORN OUT OF A PURPOSE FAR GREATER THAN THE OBVIOUS BUSINESS OF MAKING MONEY.**

That purpose, says Les Mills New Zealand’s Chief Executive Reece Zondag, is to improve the lives of New Zealanders, and has been there since the business was started by Les and Colleen Mills in 1968 out of a love of exercise and a desire for people to be active.

Fast forward 40 years and Les Mills is now recognised as one of the most innovative and professionally run health and fitness companies in the world. With 10 Les Mills clubs in five cities throughout New Zealand the brand is synonymous with fitness on a local and global scale – selling its local brand of group fitness classes to 12,000 gyms around the world and changing lives from Sydney to Stockholm, from Washington to Wellington and from Rio to Reykjavik.

**“PEOPLE HAVE GOT TO DIG US TO WORK WITH US”**

Les Mills New Zealand are proud of the experience they create for members, with a continuous focus on what they can provide as a gym that keeps people coming back to do something which in itself isn’t necessarily fun and inspiring.

Reece likens the evolution of the fitness industry to that of the exercise bike, which began with the uncomfortable and uninspiring Monarch bikes. “To keep on those bikes for longer than five minutes was just a chore,” says Reece, who has been a gym instructor since the early 1980s.

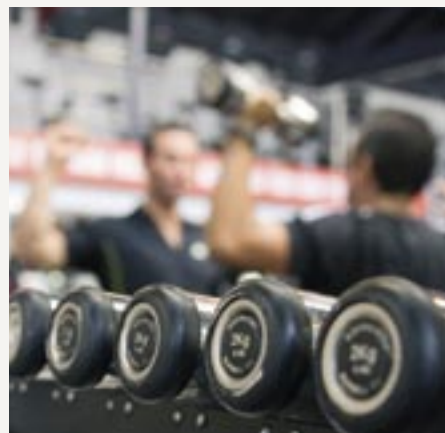
“If you think about where that has evolved, we’ve got bikes in our gyms now with fully integrated screens where you can watch TV or have a virtual trainer, right through to our RPM studios, which are just beautiful experiential, inspirational things.”

Keeping up with technology is important, but only part of the picture. What sets Les Mills apart is the unique experience they create for gym-goers. Developing gyms that offer passion and personality, that are fun and interesting and that are vibrant and exciting places to be has been an important part of building the Les Mills brand.

Two years ago *The Building Intelligence Group* was brought on board to project manage the development of Les Mills Hutt City into a club that would provide precisely this experience. At the time, Reece had been CEO for four years, charged with bringing to life a strategy around Les Mills’ key purpose. The strategy was laid out in a “little yellow book” that articulated everything the Les Mills brand stands for. The little yellow book, Reece says, was about engaging everyone who was part of the business, including contractors. It was also a way of ascertaining the “fit” of potential partners with Les Mills.



ills Auckland Manager.



## REACHING THE SUMMIT

WITH 650 GUESTS FROM AROUND THE WORLD DUE TO ARRIVE FOR THE LES MILLS INTERNATIONAL GLOBAL SUMMIT IN FEBRUARY, THE DEADLINE FOR TRANSFORMING LES MILLS AUCKLAND CITY WAS ABSOLUTE.

Add the challenge of accommodating an operating business, and *The Building Intelligence Group* were in their element.

The needs of the club's 12,000 paying members were a priority for Les Mills Auckland Manager Jackie Marshall.

"It was an extremely challenging timeframe to have everything ready for the Global Summit – we couldn't be late by even a day – but through all of that, it was important we maintain the Les Mills experience."

At times, that meant her maintenance staff worked through the night moving equipment just to make sure the gym was open and beautiful as always at 5.30am.

"That's about having the people behind us that believe so much in what we do – all our staff were fantastic."

Meanwhile *The Building Intelligence Group* team, headed by Project Manager Blair Wolfgram, pulled out all the stops to support Jackie and her team and to ensure as smooth a transformation as possible. Nothing was too much trouble as *The Building Intelligence Group* met the challenges of construction in an operating gym, compressed design and construction programmes over the Christmas break in order to meet the hard deadline, and keeping within a tight value engineered budget.

"From the beginning we understood that the biggest stakeholders in the project were ultimately the gym members," Blair says.

With the members in mind, he and his team provided creative solutions when areas of the gym were decommissioned, including creating a temporary RPM room and cardio room in the car park area to maintain classes throughout construction.

Regular meetings with the Les Mills team, architect John Wray and head contractor Cape Interiors ensured any issues were overcome quickly and enjoyment was not compromised for the members, who took it all in their stride. And as the opening day of the Global Summit dawned, all was ready and waiting – but that was always certain. ■



Photo montage courtesy of Warren and Mahoney

## TAX TEAM TACTICS

TASKED WITH HELPING INLAND REVENUE FIND NEW HEADQUARTERS FOR ITS WELLINGTON STAFF, THE TECHNICAL ADVISORY TEAM, LED BY BUILDING INTELLIGENCE GROUP, TOOK A FRESH APPROACH TO EVALUATING POTENTIAL PROPERTIES.

We asked the question: Why leave short-listed developers in limbo to prepare their proposals? Why not provide guidance in line with Inland Revenue's expectations, so the developer can be sure of putting their best foot forward, and Inland Revenue can be confident of receiving the best possible proposal?

"It was about working on a partnership basis even before we had a partnership, to give developers the best possible chance and to achieve the best possible product for Inland Revenue," says Project Director David Mann.

Inland Revenue's overarching requirement was for a building that would increase its teams' efficiency and support its long-term business plans. The building also needed to contribute significantly towards the department's environmental sustainability goals as it strives for carbon neutrality in 2012. Savings that One Featherston Street will deliver include 13 million kwh of energy, 61 million litres of water and 5800 tonnes of carbon over the next 15 years.

*The Building Intelligence Group* facilitated meetings between short-listed developers and Inland Revenue design consultants to assist the preparation of proposals that maximised the benefits of their property against Inland Revenue's requirements.

One Featherston Street - the capital's largest office building, being built by Mark Dunajtschik - was clearly identified as fitting the bill. Inland Revenue is scheduled to start moving in from the end of 2010.

*The Building Intelligence Group* was a key party to negotiation of the development agreement for construction of the new building to Inland Revenue's requirements, incorporating:

- building performance specification that provides minimum standards for the building environment both on completion and for the lifetime of Inland Revenue's lease
- agreeing a programme and method for integration of Inland Revenue fit-out to minimise cost and maximise flexibility
- agreeing key milestones and risk mitigation methods to provide maximum certainty of project delivery.

David believes this process is essential for all organisations who are serious about ensuring they have the best environment for their staff and that the building continues to perform properly for the duration of their lease and renewals, not just the first 12 months.

He notes the fantastic efforts and professionalism of the team that helped conclude the project agreements. Along with *The Building Intelligence Group*, this included DTZ, Pelorus Architecture, eCubed Building Workshop and Simpson Grierson. ■



3D visual courtesy of Paris Magdalinos Architects

## CLOSING THE GAP

IN APPOINTING THE BUILDING INTELLIGENCE GROUP AS PROJECT MANAGERS FOR THE NEW HASTINGS COURT, MINISTRY OF JUSTICE WERE ASSURED NOT ONLY OF THE NECESSARY EXPERIENCE AND EXPERTISE, BUT ALSO THE ABILITY TO DELIVER NATIONWIDE.

In short, the project is reaping all the benefits of local project management, with the added advantage of *The Building Intelligence Group's* capability, skills, capacity and size, and experience with projects of this nature.

*The Building Intelligence Group* Project Manager Stuart Lyons says the challenges of delivering a project while based in Wellington or Auckland are easily overcome through good planning, organisation and the willingness and resource to travel and be on site as needed. Technology including e-mail, and video and phone conferencing also make it easy to interact as needed with local architect on the job, Paris Magdalinos, and his design team.

Whether a project is local or at the other end of the country, the bigger issue is to provide the right structure and expectations for the project team, Stuart says, particularly the contractors.

"It's about planning the project properly and setting clear expectations so that people know how it will work."

It's a proven approach that *The Building Intelligence Group* has used successfully in projects as varied as refurbishment of the Blenheim District Court through to work currently being delivered for Les Mills New Zealand for its new Christchurch gym and temporary premises.

"We've got it covered, and are able to offer additional value that overcomes what is normally seen as being the drawbacks of using a non-local project manager," Stuart says.

For Ministry of Justice's Director Property Strategy and Service, David Stevenson, that additional value extends to specific courthouse experience, an obvious passion and commitment to the job, and shared objective of doing the job right.

"We see this reflected in *The Building Intelligence Group's* willingness to take ownership, to go the extra mile, to get stuck in and deal with problems, their high level of stakeholder management, and in their reliability," David says.

The main contractor on this project is Argon Construction Ltd. ■

## THOUGHTS ON...

# TRUE PARTNERSHIP: IAN MACASKILL

In recent months there has been much discussion about the Collaborative Working Arrangements (CWAs) used for the Department of Corrections' Regional Prison Development Project (RPDP). Criticism has centred largely on the fact that 60 per cent of total costs of the RPDP were paid to contractors before target outturn costs were finally agreed. There have been suggestions that Corrections was spending blindly on the back of an unproven contracting method before they had any idea of the eventual cost. The State Services Commissioner report on the RPDP found that this was not the case. What these discussions also fail to focus on are the benefits of a partnering arrangement, of which the CWAs used by Corrections are just one example.

The public have naturally focused on money in this case. This is understandable given the lack of awareness of Corrections' likely wider objectives – avoidance of a traditional adversarial approach to contracting in favour of a common goal for delivery that everyone shares in.

Whatever your view on the Corrections outcome and the partnering method applied, partnering is a good idea, and it needs to be remembered that value for money does not necessarily mean lowest cost. At its core is the objective of achieving better project outcomes and success for all stakeholders than is often delivered from traditional adversarial-based contract mechanisms.

True partnering as a concept is not just limited to use in one-off project delivery methodologies – it's about building relationships and a quality and continuity of service delivery. However, the way you structure a partnership is crucial to what you get as an outcome.

At its most basic level, a partnership should be structured so that the client, all the consultants, and the contractors – right down to the sub contractors – share the risk and reward around the project. There also needs to be full transparency and shared understanding around scope and budget.

But there are other key elements too. Currently there are a plethora of so-called "partnership contracts" that not only allow the client to cancel at any time but are also non-exclusive. Exclusivity is critical to ensure real commitment from a supplier.

Agreements also need to be structured so that they give more certainty to the service provider. If the service provider knows what the quantum of work is likely to be, they are better able to commit resource. Without this structure, it will be difficult to develop that true partnership, and some of the key continuity and consistency of delivery objectives that should arise can be lost.

The benefits to clients of a true partnership are immense. Particularly if there are measures of service delivery. This needn't be hard; it could simply be a regular sit down and review session.

For the service provider, and we certainly find this as Vision Formers<sup>®</sup> the closer you can be to your client the better. If you really do have a true partnership, your client will be open about their future plans, and trust that you, as a professional, will keep that confidential. If we as service

providers know these things about our clients, we can add tremendous value at the front end, which is where it really counts to best ensure the client's vision is delivered.

At the centre of any true partnership, there is an objective to de-risk the project and take collective ownership for its success. In a true partnership everybody wins.

Ian Macaskill –  
Director/General Manager,  
Wellington,  
The Building Intelligence Group

# Intelligence

## Green Stars for our people

Project managers Jonathan Laird and Stuart Lyons of *The Building Intelligence Group* have been awarded Green Star accreditation from the New Zealand Green Building Council.

Green Star New Zealand Accredited Professionals have a detailed understanding of the Green Star New Zealand environmental rating system and the Green Star New Zealand Office Design rating tool.

*The Building Intelligence Group* believes that, as green project managers, our ability to take a holistic approach to implementing green initiatives makes our role invaluable in the green building process.

To deliver a truly green building, it is imperative to have a qualified project manager who understands the green approach and who can ensure environmentally sustainable design initiatives are implemented across all phases of a project. This provides the continuity needed to take the idea of a green building through to actually getting a building that meets all stakeholders' visions for innovation and environmentally sustainable design.

Achieving this vision is a key performance indicator for our staff. All our project managers are now either accredited or in the process of being NZGBC trained, so that any project managed by *The Building Intelligence Group* will have an accredited Green Star professional on the team.



From left: Jonathan Laird and Stuart Lyons.



## New intelligence just in

Senior Project Manager Natasha Possenniskie has recently returned to New Zealand to join *The Building Intelligence Group*. Natasha began her career in quantity surveying and project management in New Zealand, and was a recipient of the New Zealand Institute of Building/Downer Construction National Scholarship for the Central Chapter 1999. In 2000 she relocated to London, where she achieved a reputation within the industry and developed relationships with clients, consultants and contractors that resulted in repeat business from all. Most recently she was a development consultant for a major developer, and also previously held the role of Associate Director at one of London's leading consultancy firms.

## The pride of Lyons

*The Building Intelligence Group* family continues to grow! Stuart Lyons and partner Pip's first child, Oliver James Lyons, arrived 19 November 2007. He is already showing huge interest in cars, trucks and power tools and will no doubt be giving dad a hand with those renovations very soon.

## Good things happen

When a good bunch of people get together, good things happen. In November *The Building Intelligence Group* team gathered in the Wairarapa for Vision 07. The two-day staff conference was an opportunity to look together at business fundamentals and make sure we're delivering on our values, to share knowledge and to have some fun! Sightings are now set on bringing business innovation ideas from Vision 07 to fruition and to an equally successful gathering at Vision 08.



We are committed to reducing our environmental footprint. This newsletter has been printed on 100% recycled paper manufactured in a totally chlorine free process.

## FACE VALUE

Enhanced nationwide communication between staff and with clients, increased productivity and reduced air travel (and therefore reduced carbon emissions) are just some of the benefits *The Building Intelligence Group* is enjoying since installing videoconferencing systems in its Auckland and Wellington offices.

Many businesses have been reticent about installing videoconferencing, but we believe the technology is an essential real-time communication tool for building effective business relationships and making important decisions.

We take our responsibility to reduce our carbon footprint very seriously, and so the ability to reduce air travel was a compelling and key motivation for investing in this technology. The environmental benefits extend to clients too, who can make the choice if they wish to meet by video conference where appropriate. They also benefit from the ease the technology offers for meeting more frequently if needed, not having to put off important decisions because of difficulties of all getting together in one place, and being able to eliminate cancellations or delays due to unreliable flying conditions or local commitments.

For our staff, one of the biggest hits has been the ability to have more face-to-face dialogue with each other without the environmental impact and travel time needed to do so. We can more easily share our problems and brainstorm solutions to provide a better service for our clients and the project teams we work with. It's easy, efficient, fun and good business. We've embraced it, and are loving it!



## WHAT WE DO

*The Building Intelligence Group* provides project management services for everything from multimillion dollar commercial and residential developments to the smallest one-off fitout. Our services include:

- Project viability/feasibility studies
- Project planning
- Project design management and delivery
- Accommodation sourcing and delivery
- Value management
- Risk management
- Critical path programming and resourcing
- Cost control

## Other specialist services

- Tenancy coordination
- Project evaluation and peer reviews
- Maintenance planning and building audits
- Due diligence and building audits
- Resource consent management

## TELL US WHAT YOU THINK

If you want to share an opinion, suggest a topic to be covered or want to know more about any of the stories in this issue of THINK, contact us here: [k.ammundsen@tbig.co.nz](mailto:k.ammundsen@tbig.co.nz)

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