



Construction Industry Institute®

Deploying Best Practices in Unfamiliar Countries

Construction Industry Institute

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**Prepared by
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Research Team 294, Deploying Best Practices in Unfamiliar Countries**

**Research Summary 294-1
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Executive Summary

Rapid market globalization has created new opportunities and new challenges in virtually every industry in recent decades, and the global expansion of the construction market has been particularly pronounced. To meet the demands of this continuing market growth and to ensure project success, the engineering and construction industry needs processes, metrics, and tools to improve the deployment of best practices in unfamiliar countries. In response to this need, the Construction Industry Institute (CII) formed Research Team (RT) 294 to develop a process to improve the systematic deployment of best practices in unfamiliar locations. Specifically, the CII Research Committee charged RT 294 with the task of developing a process that could be applied to any best practice in any country, as opposed to focusing on a specific best practice or on deploying best practices in any specific countries.

To develop this process, RT 294 identified a series of issues that organizations commonly encounter when deploying best practices in unfamiliar countries. The team identified these issues through a combination of content analysis, expert interviews, and focus groups. It then used the Delphi method to verify the relevance of these issues through expert opinion. Issues were grouped into the following nine best practices categories: 1) Business Customs, 2) Communications; 3) Cultural and Social; 4) Geography and Logistics; 5) Human Resources and Workforce; 6) Legal and Contracts; 7) Market and Political Conditions; 8) Regulations; and 9) Safety and Security. The Analytic Hierarchy Process (AHP) was then used to establish weightings for each of the issues within the nine categories, and to determine the relative importance of each category to overall deployment readiness. The team then used the weightings, issues, and best practices categories to create a systematic scoring metric for companies to determine their readiness to deploy best practices in unfamiliar countries.

To help companies overcome any gaps in readiness indicated by this metric, the team then developed a series of mitigation strategies for creating action plans to address readiness gaps. This process involved

conducting an extended series of interviews and focus groups, and generated a series of mitigation strategies for each of the issues identified in the Delphi study portion of the research. Team members then rigorously reviewed and edited the resulting strategies and asked subject matter experts in their respective companies to review them to ensure that they were both thorough and relevant.

Following this development of the assessment metric and recommendations for mitigation, the team developed the International Readiness Passport (IRP). This Excel-based tool automatically determines the gaps in readiness, calculates a readiness score, and provides the appropriate recommendations for improving best practice deployment. First, it presents a readiness self-scoring process on each of the issues in all nine categories, and then multiplies the inputs by the issue weightings. Once completed, the IRP tool generates a report that isolates the relevant items of concern and presents the corresponding mitigation strategies to address gaps in readiness.

To ensure that the IRP tool is capable of facilitating the systematic deployment of best practices in unfamiliar countries, the team performed a series of retrospective internal and external validity tests. These validation trials confirmed the accuracy and relevance of the tool's outputs. These tests also verified its functionality.

Introduction

Many companies have expanded their operations into the global market. Some may be working in an international context for the first time. Others may have already worked in numerous countries, but may be sending a project team to a country or region in which no one on the team has had any previous professional experience. Whether a company is new to working abroad, expanding into new markets, or sending new project teams into existing markets, the best practices that it deploys with confidence domestically often meet significant challenges when it tries to deploy them abroad. Thus, it needs a systematic approach to assessing readiness to deploy best practices. Indeed, across all sectors, the industry needs a metric to ascertain how ready project teams are to deploy best practices in unfamiliar countries and to identify the necessary processes for mitigating identified gaps in readiness. In its creation of the IRP process and tool, RT 294 has addressed this critical industry need.

Background

The engineering and construction industry is rapidly globalizing at the same time that companies across all industries are strategically investing in global projects and new markets. In addition to the opportunities this trend has opened up to construction firms, it has also presented project delivery challenges, since the well-understood best practices that enable project success in one country may not necessarily be deployed successfully abroad. For example, cultural differences among expatriate project team members, local project partners, and local workers may hinder best practice deployment and, thus, negatively affect project performance. In spite of any such differences, to capture the potential value of expanding into new geographical regions, construction firms must keep their project deliverable commitments to ensure that their projects succeed. To effectively respond to this imperative to deploy best

practices abroad while considering local norms, the engineering and construction industry needs the processes, metrics, and tools developed by RT 294.

Purpose and Objectives

The primary purpose of RT 294 was to develop a process to improve CII member companies' deployment of best practices in unfamiliar countries. The CII Research Committee requested that the team develop a process that can be applicable to any best practice in any country. Thus, the process, metric, and tool developed from this research do not focus on the deployment of specific best practices or the deployment of best practices in any specific country. To achieve its research objective, RT 294 gathered lessons learned and experiences from past projects to be able to address some of the common difficulties faced by companies when executing projects in unfamiliar countries. Globalization has become a central strategic focus within CII, and its member companies. To improve the likelihood that CII member companies successfully execute their global strategic objectives (e.g., company expansion or capital project delivery), the team was charged with creating a systematic process, a metric, and a tool that will improve the deployment of best practices.

The RT 294 research effort was guided by the following three key terms:

- *systematically* – characterized by a framework that is consistently executed, with an orderly and progressive set of procedures
- *deploy* – to position a company in readiness to implement best practices
- *unfamiliar country* – a location/environment in which a company has not conducted a particular business activity recently and/or in which the company does not understand the risks.

Scope Limitations

RT 294 assumes that users of its metric, processes, and tool already have an understanding of the systematic domestic deployment of the best practices that they intend to deploy internationally. Users should also understand that while the metric, processes, and tool are intended to help make projects successful, they do not replace proper due diligence in a company's project preparations.