

## Preliminary Model Development of Client Orientation in Civil Engineering Businesses

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**ABSTRACT:** As a key pillar underlining the marketing concept, client orientation is a philosophy in that an organization's customers should be put in the centre of its activities; therefore, it is able to create superior value for them continuously. Competing in the rapidly changing and highly competitive marketplace, firms in civil engineering sector need to attain this. This paper analyses various elements which contribute to the achievement of client orientation in civil engineering by starting with a review of the competitive marketplace and the approaches that the civil engineering sector have been adopted to meet the new challenges, then definition of client orientation. In conclusion, the preliminary "C-O-N-S-T-R-U-C-T-S" framework is proposed which aims to provide an outline approach to achieving client orientation in the civil engineering sector.

**Keywords:** Client Orientation, Construction, Marketing, Civil Engineering

### I. INTRODUCTION

Clients in the construction industry comprise of a variety of organizations different in size, sector and geographical location, culture etc. They have been seen as the "driving force" of the industry, and therefore their needs and wants must be satisfied (Latham, 1994). Clients demand that products and services are delivered to time, budget and quality, work from day of handover, add value, reduce business risk (Williams, 2001). However, there have been rapidly significant changes in clients' expectations recently, which have posed challenges on the construction industry (Blockley and Godfrey, 2000), as well as on the Civil Engineering Sector. Clients' expectations, and therefore, their requirements to the market have been driven to change according to the issues both from their own, and from the external environments. There is a continuing and increasing demand of clients for good quality and performance improvement on construction products and services (CITB, 2004; Blockley and Godfrey, 2000). Innovation and new

Technologies that the industry is being encouraged to apply have had more of an impact on the firms, requiring them to be more receptive and ready to change. The new requirements from legislation, for example policies in work-life balance, health and safety issues or in reducing the damage to the environment, etc... are considered as significant and influential factors to clients' needs and wants. In particular, the Government's policy for sustainable development reinforced by legislation has impacted the industry as well as on clients' requirements (CITB, 2004). In addition, the world is becoming less predictable, necessitating greater flexibility, and increased globalization

means more international clients and also more competitors. Those challenges have made the market more and more competitive. The changes in clients' profiles, which is illustrated by the fact that the workload that the sector carried out for public sector clients has decreased while that for the private sector has been increasing (Latham, 1994), have also influenced the market.

Therefore, whether tendering for projects in the domestic construction market or overseas, Civil Engineering businesses have to face the fact that their clients now have not only a greater range of requirements but also of choice than ever before.

### II. Approaches of the Civil Engineering Sector to meet the Changing Environments

In response to the rapid changes from environments, the Civil Engineering sector, together with the whole construction industry, has been adopting new approaches to face the new challenges from the market.

Latham (1994), cited by Blockley and Godfrey, 2000) recognized the interdependence of the stakeholders in construction, such as clients, design professionals, contractors and subcontractors, and therefore articulated the need to construct the team inclusive of them.

Supporting the idea of Latham, in his report Rethinking Construction, Egan (1998, cited by Blockley and Godfrey, 2000) pointed out that construction industry, including the Civil Engineering Sector, "must replace competitive tendering with long-term relationships". Egan also indicated "five key drivers of change" for the industry: committed leadership, focus on the customer, integrated processes and

Teams; a quality driven agenda , and commitment to people. Therefore, partnering, in which the relationship among participants plays the most important role, becomes essential to construction industry's survival and growth (Critchlow, 1998). According to Latham (1994), some clients "have taken steps to enhance the level of consumer satisfaction for themselves and their tenants/occupiers". The Highways Agency even makes use of the Capability Assessment Toolkit (CAT) to help establishing and maintaining the relationship within its supply chain management (Highways.gov, 2006). Other tools and techniques applied may include the EFQM Excellence Model (catalystconsulting.co, 2006), Constructing Excellence (constructingexcellence.org, 2006), etc.

Civil Engineering businesses, a group of "players" in construction, have realized that they "need to focus on delivering value and to delighting the client and his customers through a much deeper understanding of their wants and needs from the value chain" (Blockley and Godfrey, 2000). This is a significant change from the traditional marketing approach in which the focus of Civil

Engineering firms is the project, not the customer (Cova, Ghauri and Salle, 2002). They now admit that "one of the most powerful" approaches in order to win projects is "to make the current customer happy" (Courtis, 1987).

They can win customers and outperform competitors by doing a better job of meeting and satisfying customers' needs (Preece et. al., 2003).

Therefore, as a key pillar underlining the marketing concept, client orientation is a philosophy that puts customers and clients at the heart of business activities. However, a search of the literature shows that little attention has been afforded this by civil engineering businesses or the construction sector in general, though the client orientation philosophy, programmes, tools and techniques are well established in business generally. The problems discussed in the next section may be the obstacles that prevent organisations in Civil Engineering from implementing this philosophy.

### **III. Client Orientation and the Issues in Implementing It in Civil Engineering**

Christopher et. al (1991) have distinguished six markets in which stakeholders may be regarded as clients and suppliers in some dimensions. They include: customer markets, internal markets, referral markets, suppliers markets, potential employee markets and influence markets. However, this paper focuses only on the customer markets, where Civil Engineering businesses play as suppliers of services to their clients, who commission the project or activities and enter into the contractual relationships with them, as the definition suggested by Pettinger (1998).

Client orientation involves taking actions based on market intelligence, not on verbalized client opinions alone (Kohli & Jaworski, 1990). It requires the organization to stay close to its customers and track their satisfaction over time (Preece et. al, 2001). It is the sufficient understanding of one's client to be able to create superior value for them continuously, including customer commitment; creating customer value; understanding customer needs; identifying customer satisfaction objectives; measuring customer satisfaction; and providing after-care services (Narver & Slater, 1990). To achieve this philosophy, the organization needs to obtain and use information from their client, develop a strategy which will meet client needs, and implement that strategy by being responsive to clients' needs and wants.

It is therefore necessary to identify the issues that may frustrate development of client orientation in the construction industry. Preece ET. al (2003) conclude 5 issues as following:

**Issue 1:** Management of marketing, quality and the human resource are relatively underdeveloped areas in the construction industry. Emphasis has therefore been on technical details such as technology innovation and the quality of the end product such as the building or structure, rather than on developing services to exceed the needs and wants of the clients and achieving their satisfaction.

**Issue 2:** The standard of service in providing construction projects is often affected by major conflicts and disputes between parties, rather than a partnership culture and collaborative or alliance strategy focusing on satisfying the clients' needs and wants.

**Issue 3:** The people in contract with the client in construction change during the course of a project.

This places great emphasis on all a firms personnel being trained to be 'caring' to the client team. In addition, subcontracting and outsourcing of responsibilities, make it more difficult to control the way the client team is being served.

**Issue 4:** Clients' perceptions are 'coloured' by the overall image of the industry.

**Issue 5:** Given the low profit margin in contracting, client orientation programme is likely to be viewed as too expensive to implement.

In addition, there are some other issues connected with the support from the top management, appropriate delegation or empowerment, effective communication and the recognition in the organization, are also possible barriers to achieving client orientation.

However, except for the increasing awareness of Civil Engineering firms, there are some favorable conditions to apply client orientation into the sector. First, the nature of the construction industry has led to the unique relationship between client and constructor. Clients and constructors have to be involved with high degree of uncertainty in a long transaction with many phases clearly delimited. Therefore, both sides in the relationship naturally recognize the need to keep each other informed about the projects. In addition, although clients vary, an increasing number of them are "well informed, know what they want and take decisive steps to achieve it" (Latham, 1994). The orientations to constructing teams and partnering in construction industry also advocate the application. Last but not least, the support from the Government, the biggest client of the sector, could be considered as another advocacy.

### **IV. The preliminary development of the C-O-N-S-T-R-U-C-T-S framework**

At present, client orientation in the construction industry is something that needs further development and has not been fully established and considered by many businesses.

The main ideas behind client orientation are still not fully understood even through the client orientation philosophy is crucial to the success of the construction company in highly competitive markets.

Confronted with the uniqueness and complexity of each project as well as the issues faced by implementing client orientation in the construction industry, a "**C-O-N-S-T-R-U-C-T-S**" framework of client orientation has been developed. This is based upon a general framework proposed by Cook (2002) and has been piloted with a small number of construction businesses. In her research, Cook suggested 9 elements that "need to be in place" to help firm to create a climate and culture of customer orientation. They include:

1. Business imperative and top team clarity,
2. Listening posts,
3. Service strategy and goals,
4. Customer-driven processes,
5. People and development,
6. Empowerment,
7. Communication,
8. Reward and recognition, and

## 9. Sustaining a customer focus.

Considering the general management perspective and its mitigation of the issues that may frustrate the development of customer orientation in Civil Engineering Sector, the proposed **C-O-N-S-T-R-U-C-T-S** framework has been developed, as in Table 1. Each of its elements is given a weighting score, determined by using a set of questions to gather information from relevant sources in the firm, for the measurement of Customer Orientation level as in Table 2

**Table1. C-O-N-S-T-R-U-C-T-S framework**

Factors	Description	Weighting score	Frustrated issues related
<b>1. C</b>	<b>Clarity of the top management team:</b> The growing importance of client orientation as a mean of differentiation in the construction industry must be recognized by senior managers and project managers, as it is they who fashion the response of their organizations to client orientation. It is from the top management that a client orientation programme could be started. Through the top management team, the mission, vision, values and strategy related to client orientation could be established.	10	1
<b>2. O</b>	<b>Operate the current situation analysis:</b> The construction company attempts, usually through market research to conduct the customer service audit operation—internally and externally. From the external, the relative importance of time, cost and quality must be given careful consideration and be discussed with the client. . It is also necessary to ask employees especially project staff what they consider would be unsettling for the customer in the transaction of the project with their department.	5	/
<b>3. N</b>	<b>Need of value management and risk:</b> Value management is chosen to make the functional benefits of a project more explicit consistent with a value system defined by client (Kelly, Male and Graham, 2004). In addition, risk management, which is used to identify the possible risks and use appropriate methods to mitigate the negative effects, together with the value management, aim at the achievement of the customer's best value for money.	7	5
<b>4. S</b>	<b>Supply chain management :</b> Supply chain management is a strategic function of the construction form that integrates those external and internal activities required to manage the sourcing, acquisition and logistics	6	2

Factors	Description	Weighting score	Frustrated issues related
	of construction resources essential for the organization to produce construction project or services that add value to the customers (Smith, 2002).		
<b>5. T</b>	<b>Training and people development:</b> Training and development is an essential cornerstone in promoting a customer service philosophy (Cook, 2002). It is crucial to include everyone throughout the construction company especially the project team in training and development to enhance their knowledge, skills and attitudes towards client orientation.	9	1, 3
<b>6. R</b>	<b>Relationships with the external clients</b> Developing long-term relationships with loyal customers and retaining existing customers could help to get valuable customer information and reach win-win situation.	6	4
<b>7. U</b>	<b>Understanding, commitment and satisfaction by employees</b> The attitude taken by staff is related to the successful achievement of the customer orientation and customer care.	6	3
<b>8. C</b>	<b>Communications</b> A well-defined system of communication is essential to enable rapid dissemination and feedback of management and staff views, proposals and actions in the implementation of the customer orientation philosophy.	8	4
<b>9. T</b>	<b>Tests on motivation for client orientation</b> Test results through customer satisfaction surveys, evaluate the training methods. Create a motivating climate for their employees by recognizing and rewarding client-oriented behavior, and then improve the client orientation programme on a continuous basis.	5	/
<b>10. S</b>	<b>Services of after-care</b> As in any other kind of service organisation, the quality of after-care customer service is a critical factor in the winning of repeat business, and it is not exception in the construction industry.	8	/

**Table2. Standards for the Measurement of Customer Orientation**

Scores	Level of Customer Orientation
49 +	★★★★★
42 ~ 48	★★★★
35 ~ 41	★★★
28~ 34	★★
27 or below	★

In order to demonstrate the effectiveness of the framework, a pilot survey has been conducted. In this research, a questionnaire designed for face-to-face interviews, using a qualitative approach has been used to create data related to each element in the proposed framework.

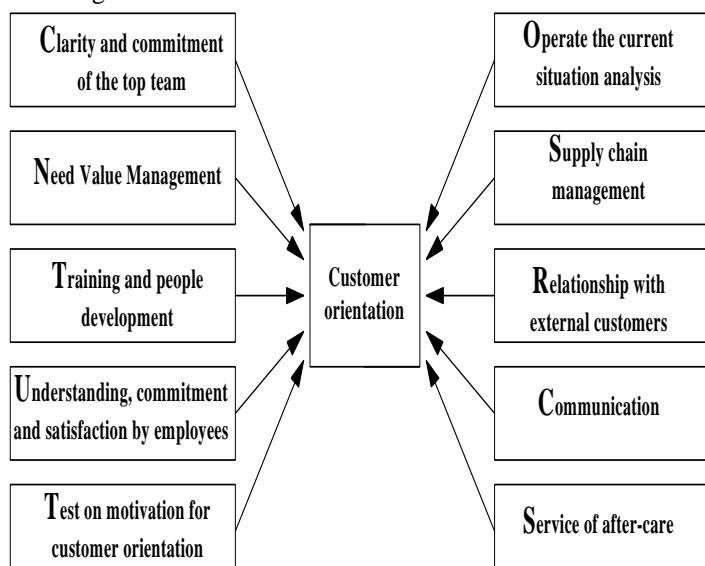
The following conclusions have been drawn out from the information gathered:

1. It is believed that customer orientation and the understanding of it are critical to operate business profitably and create competitive advantage. This conclusion supports all of the elements in the framework, particularly elements 1, 5, and 7.
2. Supply chain management in construction industry should be given more priority; therefore it should be a separate element as in the framework, as a development point from the Cook's framework.
3. Some of the respondents agree that those elements are included in their policy to implement customer orientation, such as the Balanced Business Scholar-Card or KPI.
4. Most of the respondents agree that the elements in the framework are critical for a successful application of customer orientation.

In line with their suggestions, the framework would seem to require the following improvements:

- I. Cancel the information about risk management
- II. Add some questions about the target companies sizes and market share
- III. Consider the relationship among the main contractor, architect, consultant and subcontractor.
- IV. Improve the set of questions enclosed.

The framework, after those improvements, is illustrated in Figure 1.



**Figure 1: "C-O-N-S-T-R-U-C-T-S" Framework of Client Orientation in Construction Industry**

## V. CONCLUDING & COMMENTS

The expectations and requirements of clients for construction industry in the UK, the "driving force" of the industry, have rapidly been changing recently. This fact has put pressure on the way Civil Engineering businesses operate. New approaches have been adopted to help them to confront to the new challenges. After Latham's idea

of "constructing the team" among stakeholders in construction, Egan (1998) emphasizes the need of firms to build a long-term relationship with their clients. Partnering becomes essential to construction industry's survival and growth (Critchlow, 1998, p.2). Many other tools and techniques such as CAT, Business Excellence Model, Constructing Excellence, etc... have been used. Civil Engineering businesses, therefore have realized that they need a much deeper understanding of clients' wants and needs from the value chain. According to Preece and Moodley (2003), there are five key issues that frustrate the implementation of this philosophy in the sector.

Based upon a general framework proposed by Cook (2002) considering the nature of the sector as well as the issues faced by implementing client orientation in the construction industry, a "C-O-N-S-T-R-U-C-T-S" framework of client orientation has been developed, together with a set of questions to help measure Customer Orientation Level in firms. As this study is only a very small part of research into client orientation of construction companies, there is still scope for further investigation into client orientation in the construction industry which can be looked at in the future.

### The areas that can be researched further are possibly:

- This research only touched on the proposed framework aimed to achieve client orientation in the construction industry. Therefore, a great deal of time and effort should be invested in commencing the full-scale customer orientation research.
- Comparing and analysing a number of different size or scale construction companies such as small, medium, large and very large size, and try to find how they go about client orientation and differences among these implementation, then, different framework for different size Construction Company needs to be set up.
- Looking at different contractors in different sectors of the construction industry, such as specialised companies, for example, transport focused organisations or water based organisations, how customer orientation could be achieved in professional companies.
- Looking at the international market, the global economy and international construction companies try to find how those international construction companies could meet their foreign customers' needs and wants then achieve client orientation.
- Focusing only on a single construction company which has not been client oriented organisation and study it in depth to find how this company could achieve customer orientation and what the barriers are, then propose appropriate solution methods to deal with these issues.

It is concluded that, this research has just touched onto the topics of customer orientation in the construction industry and there is still a large amount of research need to be conducted in order to understand ideas behind customer orientation in the construction industry.

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