

# Modern Methods of Construction: Brokering better Public/Private Partnerships

Construction Innovation –  
Major Projects Advisory

Kevin Masters – Director





# Presenter



## Kevin Masters

Director, Major Projects Advisory

Over 20 years of industry experience, 15 years of which are in Modern Methods of Construction:

- Kevin has designed and delivered some of the most innovative construction systems in the market
- Understands the policies, strategies and processes needed to deliver fundamentally better outcomes in construction & infrastructure
- Cross sector experience
- Public & private sector expertise
- UK & international experience



# What can be learned from the Stanford marshmallow experiment?



## Outline of the test



- A child was given a marshmallow and asked to wait until the scientist returned
- If the marshmallow remained (when the scientist returned), the child would get a second treat
- Most children ate the marshmallow before the scientist returned

## What can we learn?



- Power of delayed gratification?
- Crucially, a lack of trust that the second marshmallow will ever materialise

## Does this remind you of a sector where this is happening?



- No one believes the pipeline is real
- There is a need to broker trust between government and the private sector to help cement the belief that the pipeline *can* materialise

# How to break the current rhetoric of MMC deployment

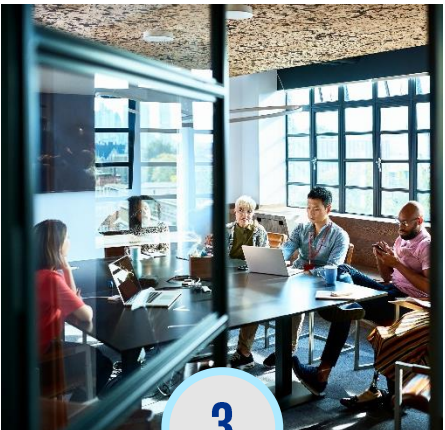


1

Need to consider the entire ecosystem when making decisions

Understand the roles & motives of all the actors involved

2



3

Needs individuals and organisations to help broker more productive conversations

- Certainty
- Transparency
- Risks

Existing operating models will need to change

4



5

Whose job is it to fix this?

- Role of Government
- Role of Supply Chain

# Role of the government

Governments need to **provide the scaffolding**. The **temporary structure** needed to allow us to aim higher.

## 1. Efforts must be made to make the sector more attractive:

- Middle East \$3.5T investment in infrastructure
- US \$1.7T investment in infrastructure
- Where will the people, skills, etc come from?
- How does Ireland retain the skills necessary to build the government pipeline?

## 2. Government must become a better, more commercially credible client

- Global trend of supply chain moving away from construction
- Supply chain already cannot deliver on the demand
- Existing 'habits' remain hard to break (risk allocation, incentives, market engagement)

# 24% vs 49%

**Girls Vs Boys positive about pursuing a career in construction**



**“...low level of understanding of the construction sector.”**

**“...narrow image of the construction industry as merely “on-site” work.”**

*Careers in Construction: Action Plan. The Department of Further and Higher Education, Research, Innovation and Science.*

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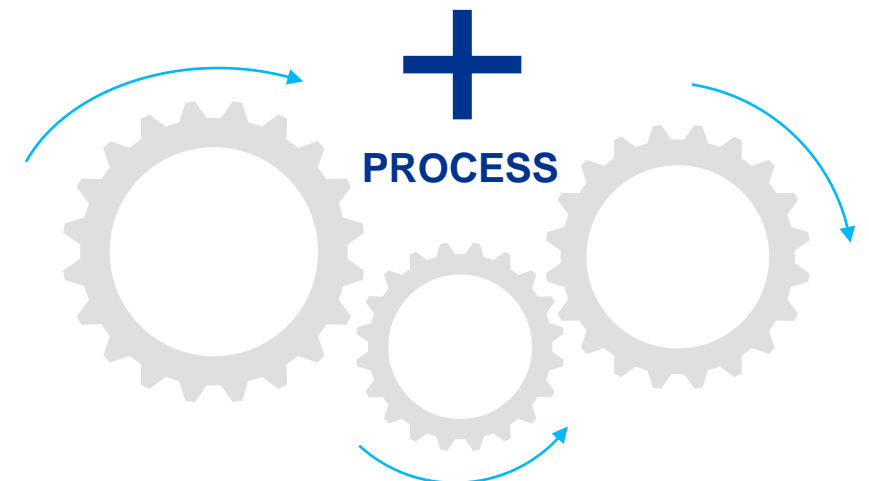


# Role of the supply chain

The supply chain needs to be **braver** about conversations relating to **commercial red lines** and the art of the possible.

1. **What is possible now? What needs to be true to do things differently?**
  - MMC is a tool. It needs the correct environment & application to thrive
2. **Consider what is possible, rather than being consumed by the impossible**
3. **Don't forget the underlying processes that are needed to realise the benefits of MMC**
4. **Measure everything!**
  - It is your USP
  - It supports growth opportunities
  - It is an increasing requirement

## PRODUCTS



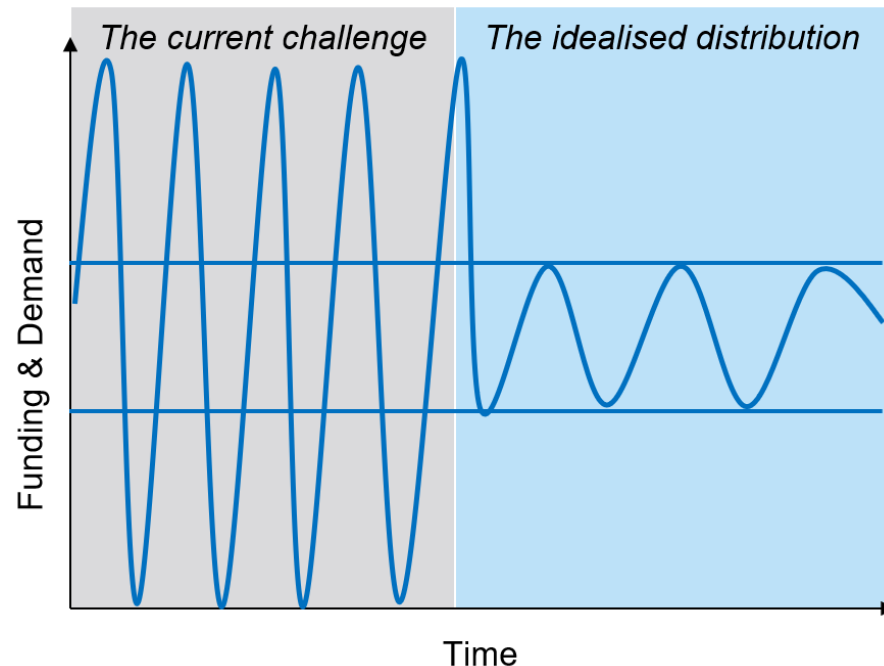
# Some lessons from brokering government & private sector

## 1. Build greater confidence in the pipeline

- Better signalling of long-term ambition and direction
- Use data driven insights as way of making better, more strategic decisions and priorities
- Engage with the market in a meaningful way - what would need to be true to mobilise greater participation

## 2. Opportunities for greater standardisation

- Public & Private sector
- Build in deliberate flexibility
- Remove barriers that propagate 'not designed/built/conceived here'



## 3. Refresh procurement & commercial models

- Take a whole-systems perspective
- Outline and evidence the benefits of 'non-traditional' approaches
- Be careful when mandating MMC

# Final Message



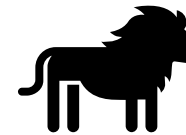
**“The response to losses is stronger than the response to corresponding gains”**

**Daniel Kahneman’s loss aversion**

**People, by nature, are averse to losses and tend to avoid them**



**Small guaranteed  
outcomes**



**A little more  
brave**



**Starts with  
individuals**



# Thank you



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