

PROJECT MANAGEMENT

ASSIGNMENT 2

MODULE LCBB5005

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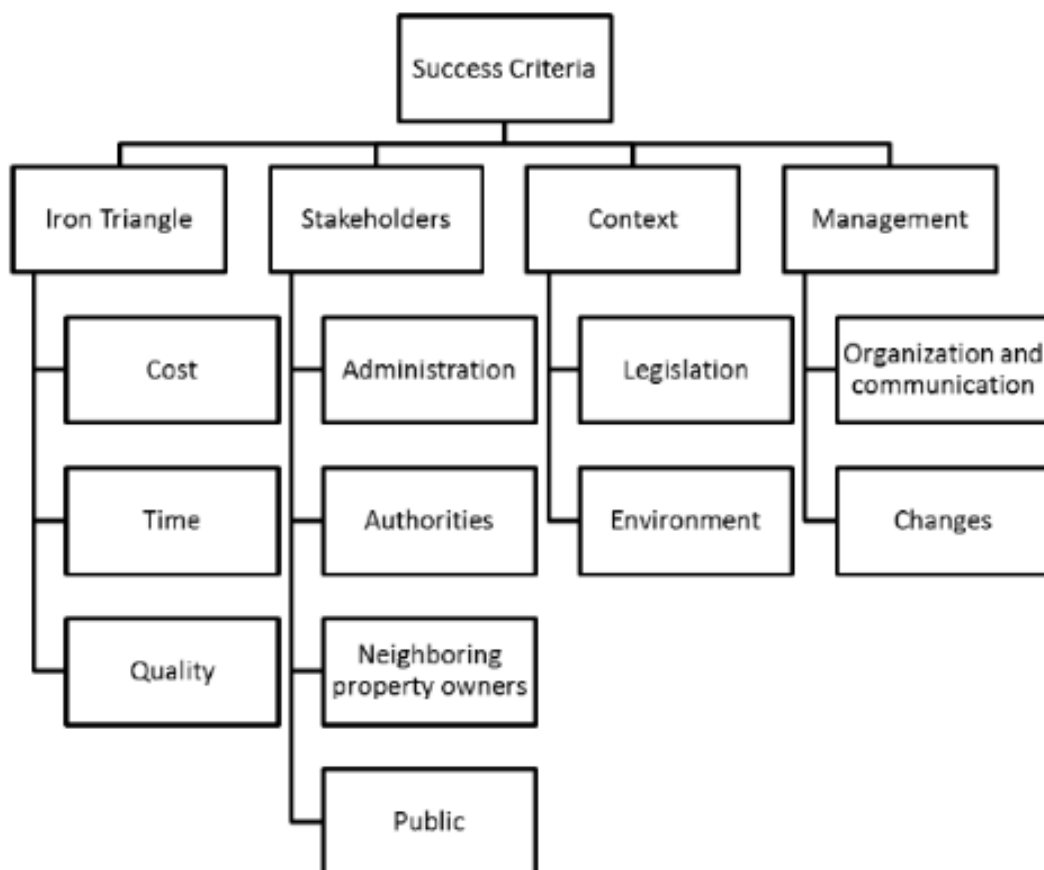
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Introduction

The essay continues the critical discussion focused on the construction project by Google – the future headquarters located next to the Kings Cross station in Central London (PG, 2023). The project is worth analysing due to its importance for Google, the urban landscape of London, as well as the ability to incorporate the most modern trends in urban commercial construction in general (PG, 2023).

The essay intends to analyse ten key features of the construction project, including scope, budget, time, risk management, quality, stakeholder management, communication, human resources (HR), integration and procurement. According to Prostejovska and Tomankova (2017), there are multiple characteristics affecting the success prospects of a construction project, as shown below.

Figure 1 – Success criteria framework



Source: Prostejovska and Tomankova (2017)

Given the earlier mentioned ten key characteristics, it is possible to evaluate the current project relatively accurately, as the selected criteria cover many of the areas outlined

by Prostejovska and Tomankova (2017). Relevant recommendations for improvement are also considered based on the research findings.

Main body

Scope

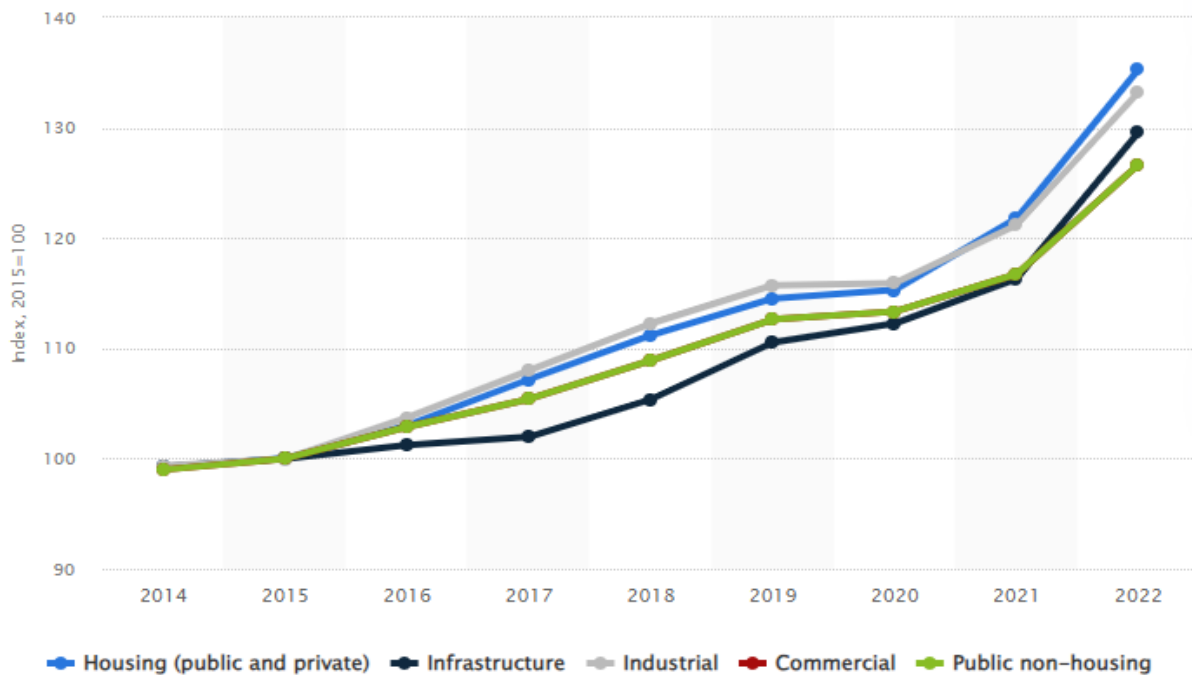
The first element under consideration refers to scope. There are several pieces of evidence suggesting the large scope of the project. The building is designed as a "*landscaper*" (PG, 2023). This means that the focus is placed on covering a large area, rather than having vertical development. According to the plan, the new building will span a length of 330 meters and provide around 80,000 square meters of office space, accommodating over 7,000 Google employees (PG, 2023). It is worth noting that KGX1 – the name of the new headquarters – is specifically built to include the world's largest façade constructed from timber and glass, spanning an impressive area of 23,300 square meters (PG, 2023). Based on the concise information provided, it is inferred that the building is a significant commercial construction project and a major architectural achievement by Google.

Budget

The approximate budget costs of the project were estimated to be £1 billion (Vincent, 2017). The amount is seen as relevant given the large scope of the construction project, as discussed in the previous section of the essay.

Nevertheless, meeting the projected costs can be seen as challenging given the long-term nature of the project. As explained by Flyvbjerg et al. (2002), approximately 90% of construction projects experience cost overruns. The risk is exacerbated by the long duration of the project which makes cost planning less precise. The recent period of high inflation is a good example of the inability to plan escalating construction costs. As shown below, the inflation rate in construction has reached approximately 30% in the last several years, as measured by the construction costs index (Statista, 2023). Moreover, the cost escalation has been quite severe in the 2021-2022 period, thereby making the cost planning process less effective.

Figure 2 – Changes in construction costs (2015 = 100)



Source: Statista (2023)

Hence, the large construction project is likely to experience cost overruns based on the unfavourable external inflationary trends and long duration. The risk, however, can be managed given the considerable financial resources of Google.

Time

Time is a crucial component of any project (PMI, 2017). Google has long-standing intentions to construct a new corporate headquarters, with the initial public statement made in 2013 (Wilde, 2022). Nevertheless, the construction project has experienced several considerable delays. The completion was initially intended to take place in 2016, however it has been delayed due to ongoing construction activities in the neighbourhood of a prominent transport hub in London (Wilde, 2022). The project's original completion date was set for 2016; nevertheless, the formal commencement of the construction project took place in 2018 (Wilde, 2022). Therefore, the numerous delays in the commencement of the building works ultimately extended for a period of five years, considering the discrepancy between the announced date and the actual starting of the project. Wilde (2024) predicts a strong likelihood of project completion in 2024, supported by the present development of construction and project design. Accoya (2023) predicts completion of the project in 2025. Based on these two sources, the construction project is likely to last six or seven years.

The projected timeframe of six years is substantial, notwithstanding the project's significant scale. Nevertheless, it is crucial to note that the pandemic in 2020-21 significantly impeded the typical building process and led to further delays (Office Reality, 2022). Given the unpredictability of the pandemic and its effects on the building industry, it is more reasonable to accept the resulting delays as unintentional and to some extent reasonable, rather than attributing them to incompetence in the field of project management.

Risk

Effective risk management is essential for achieving project success by meeting predefined objectives in terms of scope, quality, time, resources and others (Pinto, 2016). The importance of this issue becomes particularly evident when considering large-scale projects, such as the new headquarters of Google. Pinto (2016) states that the risk management approach often involves classifying existing threats according to their likelihood and potential impact. The risk management matrix incorporates two key dimensions – likelihood and impact – to rank risks depending on their characteristics.

Figure 3 – Risk management matrix

		Impact		
		Low	Medium	High
Probability	High	Low	COST OVERRUNS Medium	DELAYS High
	Medium	Low	Medium CONFLICTS	ACCIDENTS Medium POOR QUALITY
	Low	Low	Low	EXTREME EVENTS Low

The risk assessment findings indicate that the construction project is particularly susceptible to the risks of exceeding budget and experiencing delays, which have a substantial impact. The occurrence of accidents and the existence of sub-standard labour can have a substantial impact on the advancement of a project, although the probability of their occurring is small.

As discussed, cost overruns and time delays are quite likely in the current case. There are no reported accidents, conflicts or other extreme events associated with the construction project. Therefore, it can be concluded that the experienced risks are moderate by causing inefficiencies but not risking the completion of the project.

Quality

The high quality of the construction project is supported by several key developments. Most importantly, a significant number of resources are accessible for the development of a spacious office block with many features, lavish design, and top-notch construction materials (PG, 2023). Moreover, the characteristics of the construction materials are worth noting. The primary materials utilised in the project include steel, glass, and timber (PG, 2023). The project's excellence is evident in its intention to incorporate the biggest timber and glass façade in the world, spanning an impressive 23,300 square meters (PG, 2023).

Furthermore, it should be emphasised that the roof plane extends around 300m horizontally and ranges in width from 20m to 60m from the southern to the northern direction. The area includes Levels 7 to 11, and there is also accessible landscaping on Level 11. The inclusion of roof terraces at these heights offers substantial recreational areas for employees, together with extensive views of the cityscape (WA, 2017). The purpose of the roof is to accommodate several plants, so promoting sustainable growth and reducing the adverse effects on the environment (WA, 2017). Therefore, the idea is very creative and enables efficient vertical expansion by enhancing employees' access to a natural and recreational environment with plants.

Figure 4 – The planned roof of the landscaper



Source: WA (2017)

Last, but not the least, the role of amenities in boosting the quality is also evident. More specifically, the premises include several facilities that specifically cater to sporting activities. Furthermore, there are other amenities provided, including conference rooms, cafés, a retail centre, a 300-meter-long park, a 210-seat theatre, and several others (Vincent, 2017; PG, 2023). The list of exceptional features is extensive; thereby demonstrating the unprecedented quality of the new building.

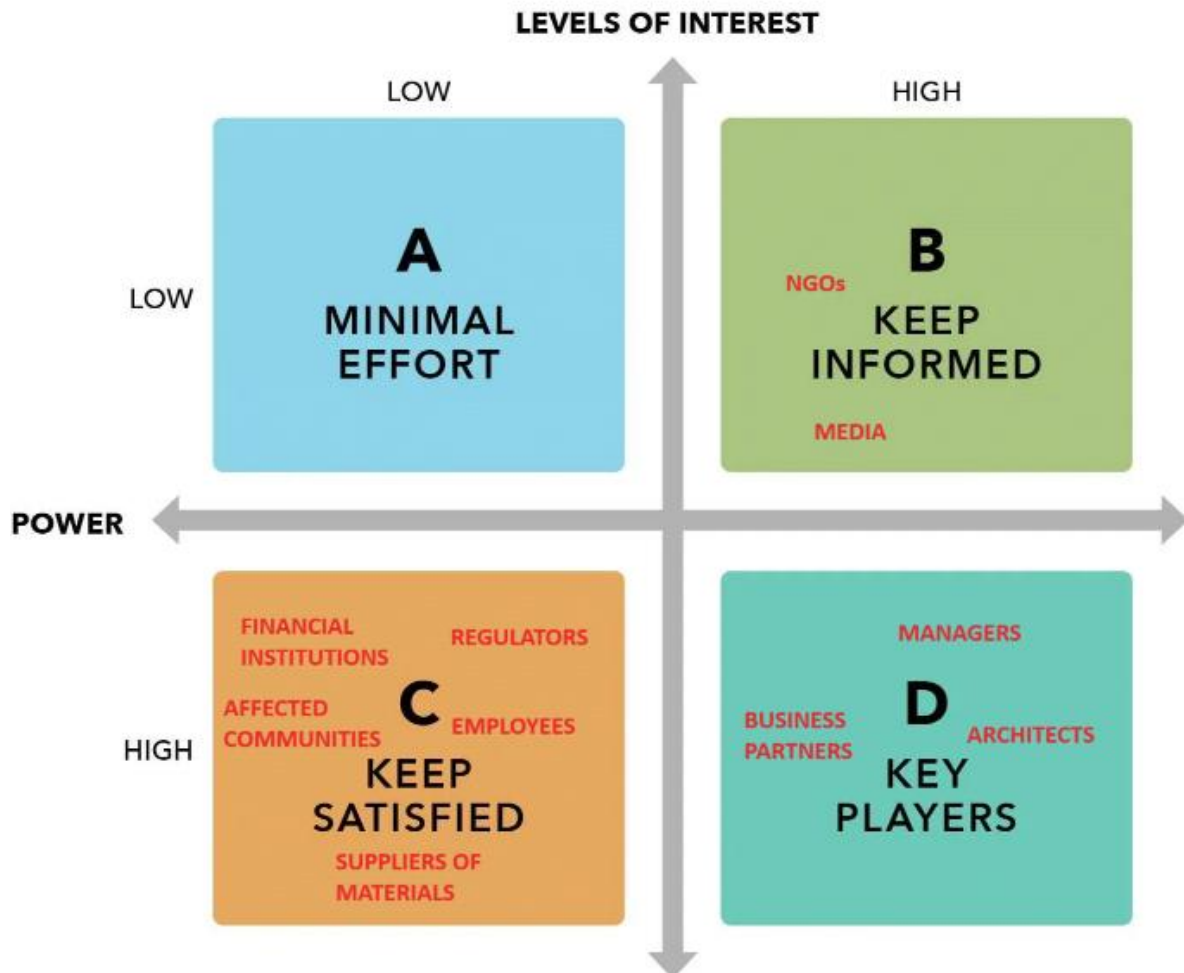
Stakeholders

Stakeholder management is quite important in large-scale projects due to the inclusion of numerous stakeholders with contrasting needs and interests (PMI, 2017). A stakeholder can be any individual or a group affecting or being affected by the respective project (Johnson et al., 2017). Therefore, gaining the approval and support by stakeholders can largely determine the ability to successfully complete the project (Johnson et al., 2017).

In general, stakeholders can be categorised according to several criteria. Typically, there are internal stakeholders, who are a part of the organisation, or external ones (Johnson et al., 2017). Stakeholders may also have a different level of power and interest in the specific project which in turn determines the most appropriate strategies for effective stakeholder management (Johnson et al., 2017). The analysed

construction project by Google has different stakeholder groups, which are mapped below, based on the mix of combination of power and interest.

Figure 5 – Stakeholder mapping of the current project



Google must diligently oversee many crucial stakeholders, including managers/supervisors, architects, and commercial partners, due to their significance in advancing the building projects. Several stakeholders may not have a direct interest in the project, but still possess substantial influence that can impact the execution process of the project. Therefore, maintaining satisfaction seems to be a suitable approach when overseeing financial institutions, regulators, workers, suppliers, and the impacted communities. Considering the position of media and NGOs, it is imperative for Google to distribute enough information to fulfil their requirements.

Google should not only create customised stakeholder management strategies, but also periodically reassess the placement of each group to guarantee a seamless project execution process.

Communication

The analysis of the communication effectiveness is important in the context of the stakeholder management process. As discussed, there are specific stakeholder groups which have a high level of interest; hence, requiring more information (Johnson et al., 2017). The communication process is not fully transparent because it is a private project. For example, the actual costs of the project have remained confidential, despite the approximately initial projections of £1 billion (Atelier Ten, 2023; Vincent, 2017).

In addition, the specific stages of the project and its deadline are also assumed, as there is not publicly available information. Sporadic evidence regarding the deadline is provided by Accoya (2023) and Wilde (2022). Taken together, it is important for Google to foster communication to improve transparency and stakeholder management process in general.

HR

The HR process is complex due to the inclusion of different professionals working on the project, such as architects, construction workers, suppliers, interior designers, quality experts, partners and others. The opinion of future employees who will use the finished product is also important. The stakeholder map showed the high level of power of the involved professionals and regular employees. Moreover, despite the absence of specific quantitative data, the large-scale nature of the construction project also suggests that the number of employees is quite high. Therefore, the importance of HR is beyond doubt.

Project managers must devise effective HR policies and practices ensuring the most optimal performance of the involved employees. Therefore, it is important to provide attractive pay levels, a safe working environment, transparency policies, assistance and support, team-based activities, appropriate rewards and recognition of achievement and other solutions to boost motivation and satisfaction at work (Hook and Jenkins, 2019). Given the resource availability and experience of Google, effective HR management is quite likely.

Integration

The new building has a design which enhances integration. The structure provides an effective interconnection of employees located in the building. The combination of

efficient vertical expansion, many open spaces, functional places and others strengthens easy access to a recreational and natural environment (Vincent, 2017; WA, 2017; PG, 2023).

Some design solutions foster the sense of integration. For instance, the use of triple height spaces enables ample natural light to penetrate the main office areas, but it has also necessitated extensive efforts to manage thermal gains and losses, as well as regulate sunshine and glare (Atelier Ten, 2023). Implementing a displacement ventilation system that offers complete fresh air ventilation and temperature control is the most effective approach for integrating the building with its external environment and specific location (Atelier Ten, 2023).

Procurement

In the context of construction, procurement refers to the process of acquiring all necessary products and services to successfully complete a construction project within the desired timeframe and to the client's satisfaction (Stonemark, 2023). Procurement is quite important given the large scale of the construction project and its specific needs for building materials, such as timber, glass and others.

The façade elements are quite important given the considerable requirements for timber, steel and glass. As mentioned earlier, this will be the largest façade in the world (PG, 2023). The façade elements are fabricated by the reputable supplier HESS Timber, Germany (Accoya, 2023). The capacity of the supplier is essential for accessing all key raw materials.

In addition, Google relied on the services of Atelier Ten. The architecture company has experience and expertise to properly handle the interior design requirements related to the 60,000 square meters of office space (Atelier Ten, 2023). The services of the reputable agency Parkeray are also used in connection with the internal design elements of the reception, café, canteen, meeting rooms, terrace gardens, library and other amenities (Parkeray, 2023). The success of the construction project is also strengthened by the cooperation with other key service suppliers, including PENSON, CBRE and Midland Metropolis (Parkeray, 2023). Taken together, cooperation with key material suppliers and reputable agencies is of critical importance for the effective procurement process.

Conclusion

Research findings stemming from the included ten project management criteria suggest good prospects for success. More specifically, the construction project is expected to meet its scope targets and quality criteria by effectively managing different types of risks and diverse stakeholder groups. The effectiveness of the HR process, procurement and integration are also advantageous according to the analysis. The expected cost overruns and delays are common in construction management, but they cannot jeopardise the project completion and its overall success due to the resource availability of Google to absorb the negative impacts originating from the two risks.

The main lessons from the current case are important because of the impact on performance. Budget management appears to be quite challenging in a highly inflationary environment. Another lesson stems from the risk of delays related to large-scale projects. Moreover, the value of integrating different stakeholder groups demonstrates the relevance of communication process and stakeholder engagement. In general, it can be concluded that the scale of a project largely determines its complexity and risk exposure; thereby suggesting different strategies and standards in project management.

In addition to the above-mentioned specifics, Google must also consider the growing importance of sustainable development. In the UK alone, approximately a fifth of consumers express willingness to boycott brands which are not sustainable (Statista, 2021). Therefore, sustainable must be incorporated not only in the offered products and services, but also in the investments, such as in the case with the current construction project. Another key recommendation recognises the significant importance of corporate social responsibility (CSR). According to Carroll (2016), effective CSR requires not only being profitable, but also recognising a set of legal, ethical obligations and philanthropic obligations. Therefore, it is important to accomplish the construction project in alignment with the best legal and ethical practices; thereby, maximising the benefits to as many stakeholders as possible. Considering the latter, Google may also consider the relevance of the triple P concept where a balance must be found between profit, people and planet (Miller, 2020). Taken together, the recommendations acknowledge the importance of finding the balance

between different concepts and this is quite relevant in the case of Google given its popularity, brand value and high expectations by many stakeholders.

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