Interview with Robert Sirgiovanni, Vice President, Cockram Projects

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Tags: Cockram Projects

India is clearly a new location for Cockram, and what brought you here was your loyal customer Pfizer. After 3 years of project work, a permanent business has now also been established in India since 2010. Can you tell us how this first project worked out for you here?

In order to give you a little bit of background on Cockram's entry into India, we have to look further back than the recent Pfizer project. I first started doing research on India back in mid 2000's. At that time, one of our key clients in China, Johnson & Johnson, started asking us whether we would be able to service them in the Indian market too. I therefore went to India with one of our Indian-born, American colleagues, and started to conduct research, met some clients and a lot of contractors, spoke to people on the ground, and so on. Subsequently, we started making preparations to set up operations in India, right when the opportunity with Pfizer came around.

The Pfizer project was extremely challenging nonetheless, and was much harder than anticipated. I had lived in China in the 90s before, and was the first person to set up Cockram's operations there. Compared to China, India proved out to be easier thanks to this previous Asian experience and the widespread use of the English language, but nevertheless became more challenging in terms of availability of skilled labor. There was a lot of variation in labor skill levels, and quality of materials. As this was our first project on Indian soil, we lacked that level of local assistance, from trained local management staff. This could have helped to bridge the gap between Cockram Projects, with its foreign profile and rich expertise abroad, and the local industry workers and contractors. While we did employ these people, we did not have the opportunity to fully train them up. The complex

nature of this project, the voids in skilled labor and knowledge on the ground, and lacking infrastructure, made the Pfizer project extremely difficult. Thanks to the strong support of our client, we were nevertheless able to work through the process and get the job done successfully.

To pick up on how you have been dealing with the local management and workers in India, do you feel you have already learned certain lessons in India?
While I have learned many things, a lot of learning remains to be done. From my previous experience in China, I have eventually learned to know “what I do not know”. In India, we are in the early stages of our learning process. That said, we have already noticed how much easier it has been on our current and recent India projects. We have now seen what worked well in those first project, have established relationships with contractors, know where to source materials, and we now have a layer of local managers and supervisors with local experience and knowledge of our systems and standards.

The main markets you are now responsible for, are China and India. India, of course, is a market that can no longer be ignored. How important was it to get your foothold in this market, and how important do you see India becoming within your Asia operations in the future?
As our activities in India re relatively recent, the Indian operations for Cockram are much smaller than those in China. Nonetheless, the Indian operations have been growing faster than China, mainly due to our previous experience in Asia, our large client base and the wide acceptance of the English language in India.
We have a long history with our 150 year old company, and consider ourselves the custodians until the next generation of Directors and owners. We therefore look at the long term, and see no reason why India cannot become the next China for Cockram Projects. While Australia remains a strong market, other markets, such as the USA and Puerto Rico, have seen a downturn in the past few years. India, however, is therefore set to become more important for the company’s future.

You are indeed Australia’s oldest construction company, and have established a strong reputation in several markets. Considering that it is generally your existing customers that bring you into new markets, to what extent have you had the need to come up with a positioning strategy in newer markets such as India?
Generally, we do indeed follow the methods from other markets, such as China. Now that we have a lot of global clients, most of them already have the Indian market on their agenda. Naturally, this is a far easier situation than when we finished our first project in China 17 years ago. Roughly 50% of our international clients, including non-pharma, have an interest in the fact that Cockram Projects has established itself in India.

Most of your customers are MNCs and big international players. Do you also see the opportunity to tap into some new local customers in India itself?
We have had a few people approaching us on behalf of local companies, and have not said “no”, however, it is not our prime focus. Mainly because they do not always seem to fully understand the services that we offer, and why they are being offered at a premium price in compared to local companies. These local players have often followed traditional models, which are far different than what becomes available once companies such as Cockram Projects enters the market.

In particular in the construction industry, safety standards are still less respected in India than in many other of your markets today. Respecting the international safety standards as an international company obviously costs more, but how do you explain to your customer that this is the price to pay? In addition, how difficult is to enforce such safety measures on the field every day?
This is an extremely challenging aspect indeed. However, it is also one of the main reasons why we are active in India now, as big MNCs such as Pfizer strongly prefer to work with companies that can uphold the same safety standards as themselves. A foreign company with a foreign mentality and knowledge, can take care of many of their safety concerns.
On the ground, it is the most challenging aspect of our projects, and it is far more important than cost and time management. The lack of safety awareness in the Indian Construction industry is a real issue. For example: many of these workers do not even feel comfortable wearing shoes, let alone our requirement for them to wear steal-capped boots.
Despite having run through all the safety standards in the contract and the quotation, many local contractors will still try to avoid having to buy basic personal protective equipment for the workers. In such cases, we have to stanuchly enforce the safety measures to such extent where we go out and buy the required PPE for them. Nevertheless, with 2 million man hours and no loss through injury on the Pfizer project, our efforts clearly paid off which was extremely rewarding to us and our client. It is still hard to envisage that a local client will be prepared to pay a premium for that sort of service. Many of them do not fully understand the effort and cost involved in upholding such safety requirements.

To promote a one stop shop model, you also need to be able to work together with local partners. Do you then find local companies that fit your stringent requirements?
Whilst we do offer Design and Construction in China, in India Cockram Project’s core service is construction management. Many of Indian clients generally independently take care of the design, either through a local firm or a foreign specialist engineering company. However, we have come across numerous clients that are asking for a “one stop shop” model, whereby we take care of the

whole lot. Therefore, we have formed relationships with both foreign and local design companies which now allows us to offer the full “design and construct” service.
As far as using construction contractors is concerned, we still need to use local contractors to do the physical work on the site. To do so, we go through a very rigorous pre-qualification process. We rely on experience and systems to educate and train the Contractors manager s and workers. We have a very comprehensive induction process at the start of the project. Apart from initiatives such as videos in local languages and dialects, we have our people on the ground, who make sure that these workers follow the required safety and quality practices.

Do you see such training also as one of the main reasons for people to join Cockram Construction, as compared to other construction management companies?
At supervisor/management level, there are indeed some people that are driven by such elements. Safety professionals, in particular, are generally very keen on joining Cockram Projects and see our company as both a training ground and career option. We have also found ways to reward safe work at the worker level, through milestone ceremonies and certificates for example.

Where do you now see Cockram Construction heading in India, and what is going to remain your biggest challenge here?
India is certainly a very important market for us, that we want to grow and succeed in. We will be driving this growth further, as we do see India as Cockram’s next China. We consider India as a great opportunity, especially as China has already become extremely competitive. In our field and in our industry, we now have competitors from virtually every country in the world – fortunately we were there before most.
We therefore feel fortunate to touch base early in India as another emerging market. In spite of some of the inherent obstacles of the country, we expect India’s growth to achieve growth rates we have experienced in China.
In five years from now, I do not see the Indian market being larger than China (for Cockram), but I do expect it to become the third largest market for Cockram Projects after Australia and China.

Are you much earlier than your competitors in India?
There are not many foreign companies, specialized in construction management, in India today. We have now completed some of the earlier pharmaceutical projects in India which gives a major advantage. , We do expect to see many more competitors in the next 5 years.

As the market will become more competitive, what will make Cockram Construction stand out?
Cockram Projects very much values itself on the clients it has worked for. We do not try to obtain a certain amount of projects or volume, but instead aim to target our key clients in the areas that we

want to be in. And the areas we want to be in, are the areas our clients need us in.

Do you have a final message for the readers of Pharmaceutical Executive?
There are a lot of traps in India, which makes it key to be there early and find people that have experience on the ground. There are a lot of success stories, showing how the day-to-day challenges are outweighed by the many benefits. Persistence, patience and setting realistic expectations are the most important factors to achieving success in India today.

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