

Insight

VOLUME 1 ISSUE 1 MAY 2009

M e r c o r

We build strategic relationships in business

Introducing Mercor

Walkemeyer's Way

Many of you know that I have been providing the Australian infrastructure market and select international clients with innovative business solutions for more than 10 years. What you may not know is that I have taken a new direction and established the Mercor Group. We are analytical business consultants who help clients build strategic relationships in business.

The Mercor Group's services encompass the critical areas of relationship contracting, structured analytical problem solving and decision-making, contract strategy development, performance management and measurement, risk and value management and business consulting.

Today, employers cannot rely solely on contracts as a form of risk mitigation. The traditional approach of writing tough contracts that are full of service level agreements and warranties – and then suing in the event of a breach – has given way to a new reality. Successful businesses now understand the need to properly manage the relationship and the contract. This is a far more effective and less costly method of rectifying poor performance or missed business objectives.

One size does not fit all

At Mercor we provide an end-to-end service to support relationship-based contracting strategies utilised in the engineering and infrastructure



industry. We do not subscribe to a 'one size fits all' approach and therefore we work with our clients to develop approaches that are ideally suited for their specific objectives.

Our service offer is generally in the four broad areas of governance and leadership, collaboration and teamwork, strategic procurement and business excellence.

I would welcome a chance to explain what sets us apart from other 'management consultants', why we are different, and how we can help you meet your business objectives.

Peter Walkemeyer
Principal Consultant

Our Team

We choose people who are able to meet the needs of executives and managers for problem-solvers to help them make better, data-driven business decisions. Our team possesses extensive analytical expertise that draws from our experience and backgrounds in business operations, engineering, and economics.

Our people are also strong in the areas of business modeling, data analysis and advanced analytics – which are all appropriate to a 'business problem/solution' domain.

Business analytics is now essential to business strategy and for maintaining a competitive edge in a tough marketplace. The skills and experience of our people clearly differentiates Mercor from general project managers and management consultants.



Data analysis for better business decisions.

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What We Are

We are practitioners of 'business analytics'. In other words, we solve business problems, not technical problems.

Essentially, we are project managers that move from one problem to the next, bringing analytical rigor to decisions through a combination of business expertise, consulting and analytics skills.

Our research and development services are focused on developing and refining products containing 'decision-support analytics' for clients to assist them in solving problems. These products are often implemented through software e.g. performance management and measurement systems that underpin continuous improvement and the drive for business excellence.



Improve systems and transform productivity.

Who Uses Our Services?

Mercor's clients are organisations that come equally from the public and private sectors. The main market sectors include electricity, gas and water; government defence; health and education; resources, energy and mining; legal and finance industries; property development; and infrastructure.

Over the last 10 years our team members have performed major roles in numerous large projects and programs across these sectors in countries as diverse as South Africa, Botswana, Hong Kong, Brunei, India, Canada, France, and throughout Australia.

We have assisted many clients in setting-up and developing alliances, early contractor involvement [ECI], and other contracting arrangements for major projects. Some of these projects have won numerous awards both in Australia and internationally.

How We Work

The following examples of recent projects provide a brief picture of some of Mercor's areas of capability and proven successes.

Project: RoadScores Performance Management System

Client: Downer EDI Works

RoadScores was originally a project that required variations to specific term network contracts between Downer EDI Works and Main Roads in Western Australia. The objective was to transform the contracts to more 'relationship' style arrangements. One of the aims was to develop a system that would motivate specific desired behaviour in a given situation.



Mercor's RoadScores project: the path to business excellence.

Early in the contract restructure process, a consultative workshop identified the project's critical success factors. In developing the framework for RoadScores, we considered these critical success factors and the SMART principles (simple, measurable, attainable, reasonable and tangible). The KPI measurements typically paralleled the activities that followed normal good business practice. Therefore, the information required for developing RoadScores was generally available from the existing business systems and processes.

The Solution

Mercor facilitated the transition and developed the RoadScores performance management and measurement system in collaboration with the contracting parties. As part of the process, we developed new key result areas (KRAs), key performance indicators (KPIs) and performance measures.

The Mercor solution provided consistent opportunities for reward that did not diminish with time or the achievement of targets. We designed the solution so that it could evolve with the needs of the company (it was not a static solution) therefore consistently generating the desired behaviour through constant incentives.

The Outcome

The result was a performance management and measurement system that was flexible and consistent to ensure it continuously steered the Downer EDI Works business to sustained business excellence in the areas that were important to Main Roads.

Project: EOI Development

Client: Suez Environnement

Suez Environnement and a consortium of organisations including one of its subsidiary companies, Degrémont, were developing an expression of interest (EOI) for an advanced sludge treatment facility for Hong Kong. The proposed facility was to handle dewatered sludge from 11 sludge treatment facilities around Hong Kong.

The Solution

Mercor assisted with the development of the Suez response to the Hong Kong government and provided advice and assistance to ensure the credentials of the consortium were presented in a compelling manner.

The Outcome

The Hong Kong government is yet to announce the shortlist of bidders. However, Suez Environnement was delighted with the quality of the services and assistance Mercor provided and the professional manner in which the work was undertaken.

Project: Capital Investment Strategy – PIR

Client: Water Corporation Western Australia

In 2004, the Water Corporation identified that it had a peaking capital works program over the coming few years. This was at a time when the construction and engineering industries were struggling to meet demand from competing projects. The Corporation's capital program was stepping up from around \$400 million per annum to around \$1 billion per annum. The Corporation developed and put into operation a capital delivery strategy (CDS) in a particularly narrow time frame. The Water Corporation has since taken steps to measure the extent to which the objectives of the CDS were achieved.

The Solution

The Corporation engaged Mercor to conduct a post implementation review (PIR) of its delivery strategy. The review is a complete analysis of the implementation of the CDS and its effectiveness. In conducting the PIR, Mercor employed its on-line survey and business analytics tools.

The Outcome

While this project is ongoing, the outcome will provide the information needed to make improvements or adjustments in the execution of delivery strategies for future capital works programs.



Mercor's post implementation review will enable improvements to the delivery of future capital works programs.



Expansion of Kimberley agricultural land.



Sustainable economic and social development.

Project: Ord-East Kimberley Expansion

Client: Department of Local Government and Regional Development

The Ord-East Kimberley Expansion Project will double the size of the Ord irrigation area in the far north of Western Australia to 28,000ha, enabling the expansion of agricultural production and providing major opportunities for sustainable economic and social development in the Kimberley region. The project includes the development of irrigated agricultural land in the M2 (Weaber Plain), Ord West Bank, Packsaddle and Mantinea areas.

In total, the \$415 million project includes \$220 million of State Government funding for agricultural infrastructure including irrigation, roads, power and telecommunications. Another \$195 million will be committed by the Commonwealth Government (subject to a joint Commonwealth/State assessment) to develop social infrastructure such as schools, housing, hospitals and early childhood facilities with investment also in Kununurra's airport capacity and Wyndham Port.

The project has a number of unique needs, issues and risks as well as critical timeframes for delivery.

The Solution

The DLGRD engaged Mercor to conduct a structured analytical decision-making process to develop a contract strategy that would identify the most appropriate mechanism for delivering the project and incorporates an analysis of the project's unique needs, issues, risks and opportunities.

The Outcome

While this project is ongoing, the outcome will provide the information needed to make informed decisions on contracting strategy while providing a detailed audit trail for decision-making.



Investment in schools and early childhood facilities.



Infrastructure funding for Kimberley communities.

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How We Structure Our Services

The Mercor Group of Companies comprises three interrelated business streams, Mercor Consulting, Mercor Systems and Mercor Commercial.

Mercor Consulting is our core business stream that provides services focused on improving decisions, impacting relationships and transforming business.

Core areas that our consulting group typically works in include governance and leadership, strategic procurement, collaboration and teamwork, and business excellence.

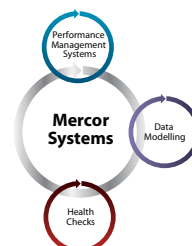


- Improving decisions
- Impacting relationships
- Transforming businesses
- New ways of doing things

In our core business areas we bring expertise in structured analytical decision-making and problem solving; business processes and systems; workshop facilitation; and coaching.

Mercor Systems is the business stream that specialises in implementing enterprise-level business management systems, in particular, performance measurement and management, and sustainability health check surveys within organisations.

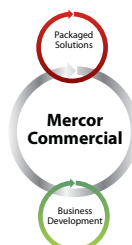
- Improve systems
- Impact processes
- Transform productivity
- Motivating the 'right' behaviour through reward



Effective systems are ones that people like to use and which add value to the business. System outputs should be underpinned by objective evidence. Outputs should enhance decision making and facilitate continuous system improvement.

Mercor Commercial is the business stream that focuses on developing business opportunities for selected clients.

One of our primary interests is in commercialising and marketing our products i.e. packaged business management systems developed by Mercor Systems.



- Improve service
- Impact organisations
- Transform results
- Market penetration, opportunity identification, customer communications

Mercor has developed a performance management system that can be customised to meet the needs of any organisation or project. The system is built around three modules that not only have a broad scope but are also flexible enough to meet the varying needs of clients from industries such as financial and banking institutions through to diverse project alliances.