



Construction in the Mid Market

The journey to market leader



KPMG Australia understands how to support Construction companies on their journey to market leadership.

Construction in Australia operates with some of the thinnest profit margins of any industry and typically have large & complex operations, supply chains, workforce challenges and legacy systems. Firms that are able to adapt and capitalise on emerging trends will take advantage of the opportunities in the market. KPMG has an approach to fast-track your **journey to market leader**¹, which will put you on the path for streamlining your operations and realising your growth ambition.

This journey can appear complex, however, it is our view that organisations are more likely to succeed if they consider: their ambition for market leadership, a customer aligned go-to-market approach, agile operations and business models, as well as modern connected technologies. For many organisations, it can be a struggle to decide 'what to do' and 'where to start'. KPMG works together with construction organisations to define their growth ambition and to achieve it, in a sustainable way.

The transition to an agile, fast growing and profitable construction business starts by understanding the different pathways to achieve your ambition. Key questions to be answered are 'what type of business am I (or do want to be) and what are my streams of revenue', 'who are my customers

and how much do I know about them', 'are my supply chain and procurement processes optimised', 'do I have an established project management capability to manage bids and ongoing projects', 'does my back office support function enable or hinder my service delivery', 'are my people capable of delivering the work required of them', among others. Ensuring alignment on the answers to these fundamental questions allows your management team, and your organisation, to have a clear view of the direction the company will take.

A successful transformation that delivers the expected business outcomes takes time and effort, and needs to be carefully planned with specialists who understand the complexities and dimensions of a transformation. While the journey is a long term one, a multi-speed adoption will enable you to benefit from accessible and affordable components in the Industry adoption cycle at an early stage.

1. KPMG's Journey to Market Leader Framework

Key Industry Trends



The customer centricity continues to drive alignment across the front, middle and back office.



Value chains are becoming highly integrated, supported by end-to-end digital platform & strategic partnerships.



Digitisation and the IoT are driving operational efficiency and unlocking new business models.



The industry is rapidly evolving towards a modular and product based delivery method



Sustainability remains a highly influential decision factor, supported by social and political reforms



Attracting and retaining digital talent is becoming difficult for those who do not have an innovation agenda

KPMG’s dedicated construction practice is focused on supporting mid-market organisations on their journey to market leadership.

We understand what it takes for you to be successful at each stage of your growth journey. KPMG’s construction practice will work with you to define your path and execute on your ambition.

In order for you to realise your growth potential, it is imperative to:

- pause and understand the current position, and proposition;
- plan the plan for a sustainable growth; and
- learn from what others have learned already, and do it better.

Our journey to market leader framework provides the scaffolding to define your ambition and plan the plan for future growth.

Your journey to market leader

Each organisation has a unique competitive position and aspirations for growth.

Keeping this in mind, understanding the market profile of our clients, their trajectory and their ambitions is essential to navigate their path to market leader.

KPMG has developed a Market Profile Framework (figure 1) following extensive industry research, leveraging the proven journeys of existing market leaders. From their inception to their current market position.

We leverage a unique combination of senior industry professionals, growth strategy advisors, and business and technology specialists, to support your business aspirations.

We will work alongside you to accelerate your journey to success.

Step 1: Understand where are you on your journey

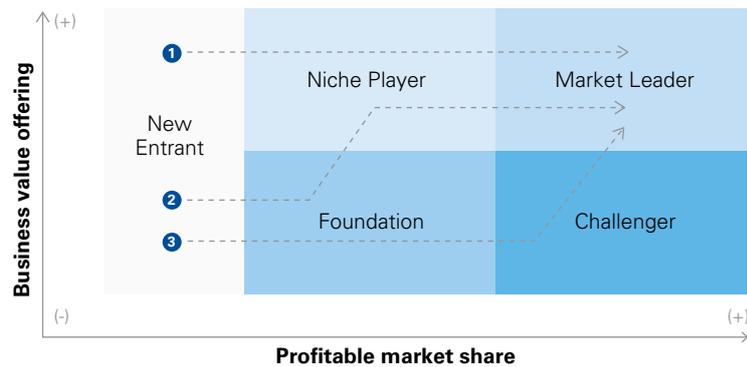


Figure 1 – KPMG Market Profile Framework, KPMG, 2020.

We have identified 3 paths to market leader:

- | | | |
|--|---|--|
| <p>1 High Road</p> <ul style="list-style-type: none"> • Deliver high value niche market value offerings. • Leveraging niche market insights to develop scalable offerings and formulate market share growth strategies. | <p>2 Focused Pivot</p> <ul style="list-style-type: none"> • Utilise strong relationships and core processes to support a pivot towards high value niche segments. • Leveraging niche market insights to develop scalable offerings and formulate market share growth strategies. | <p>3 Push & Elevate</p> <ul style="list-style-type: none"> • Push for market share through organic and inorganic growth initiatives. • Leveraging broad market footprint and operating capacity to penetrate new high value segments. |
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Step 2: Identify and measure the critical success factors for your journey

The organisations that are more likely to thrive are those which not only plan their unique growth journey but measure their success in business outcomes. KPMG demonstrates its commitment to helping organisations in the construction and real estate industry to grow and transform by focusing on the outcomes that matter. These outcomes cover all aspects of the front, middle and back office of organisations, and are pivotal to continued and sustainable success.

	Personalised customer and stakeholder experience		Profitable projects to agreed quality
	Maximised and fully utilised asset lifecycles		Integrated partner and alliance ecosystem
	Connected and proficient workforce		Accurate, rapid tendering and estimation
	Excellent reputation		Proactive safety and risk management

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Step 3: Focus on the key business and operating model enablers

We have identified six key enablers that organisations in the Construction industry must embrace to streamline their evolution and drive rapid growth.

These enablers address strategic direction, operations and digitalisation, are underpinned by organisation wide continuous improvement, and contribute directly to the critical success factors for your journey.



● Strategy ● Operations ● Technology

Figure 2 – Business and Operations Model Enablers, KPMG, 2020.

1 Ambition aligned growth strategy

Ambition aligned strategic plans must be in place with a clear and measurable implementation plan. These plans should have a long term vision and a direct connection with the organisation's core value.

2 Connected customer centric organisation

Continuous pursuit of a customer-centric organisation with an operating model which aligns, and streamlines, the front (sales and marketing), middle (field management, supply chain and procurement) and back office, maximising customer value and operational efficiency.

3 Intelligent program delivery capability

Constant development of project management best practice, tools and knowledge. Leveraging the power of lessons learnt and data, to develop powerful foresights for current and future projects.

4 Secure digitally enabled organisation

Leverage the connected organisation and the IoT to make better & faster decisions, automate processes and enable prediction of future events. Establishing an adaptive organisation that can respond to change with speed and confidence, as one team.

5 People + asset smart

Scalable, agile and fit for purpose workforce and asset base, aligned to the organisation's value offerings. Supported by end-to-end value chain visibility, enabling effective resource utilisation and workforce planning.

6 Continuous improvement

Actively seeking out ways to minimise waste - of materials, time, and effort -, and innovate, in order to generate the maximum possible amount of value for the client and the organisation.

Contact us

While this factsheet gives an overview of KPMG's approach to growth and transformation there are more insights to share. KPMG advisers are dedicated to working with businesses like yours – no matter the size or stage of your business.

If you'd like to discuss any aspects of our approach contact us to learn how we can help you.

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