

Report on the Rice University 4th Annual Global Forum

On Tuesday, September 4th 2001, Rice University sponsored the 4th Annual Global Forum on Opportunities and Challenges in Engineering and Construction for over a hundred participants representing companies from throughout the world. The purpose of the forum is to provide an opportunity for dialogue for corporate executive management in planning, technology, marketing and project management supporting excellence in education and research for the E & C Industry.

The day started with a keynote address, "Current and Future State of the E&C Industry," by Philip J. Carroll, Jr., Chairman and CEO of Fluor Corporation. Mr. Carroll stressed the need for a strong financial base for E&C companies and indicated that the customers are increasingly demanding imposing intense price competition among the contractors. He said that current prospects for E&C contractors focus on infrastructure, power, and chemical facilities. He concluded by saying that competitiveness in the future should be based not only on price but also on quality and reliability. He affirmed that accepting unprofitable margins and unqualified risk can no longer be acceptable to responsible members of the E&C community.

During the day, eight speakers addressed specific topics including "U.S. Federal Science & Technology Policy", the "Current State of the Japanese Industry", "Canadian Perspective of the Hydrocarbon Energy Business", "Natural Gas Outlook", "E&C in India", "Acquisition: A Specific Analysis for the Process Plants' E&C Business", "Strategies for Economical Development of Deepwater Oil and Gas", and "Staying Competitive: Embracing Change to Create New Opportunities in the Dynamic E&C Business." Speakers representatives came from Japan, Canada, and India, in addition to the U.S. Opportunities for questions and networking were afforded throughout the day.

The keynote speaker for the dinner at the end of the day was Dr. J. P. Chevriere, founder and President of Transmar Consulting. Dr. Chevriere's topic was "Lions and Lambs-The Peculiar Relationship Between Owners and Contractors." He explained what has been learned from a long series of studies conducted over many years for owners and contractors. One of his principal conclusions about the changes in contractor selection criteria was that, after a period during the mid-1990s "Importance of Contractor Senior Management" dropped from 4th place in 1997 to 10th place in 2001. The criteria of "Responsiveness and Flexibility" fell to a 10th place ranking in 2001 from a lofty 4th place in 1995. He indicated that these two findings, along with other factors, emphasized the reduced interest on the part of the owners for alliances or partnership relationships with the contractors.

Additional details about the Forum may be accessed on the Forum web site at <http://www.forum.rice.edu/>.