

Global Opportunities

PERSPECTIVES FROM AIRPORT DEVELOPMENT COMPANIES

Editor's Note: Over the last 15 years the number of U.S.-based ACC member firms that work overseas has grown significantly. At the same time, non-U.S. companies have joined ACC in greater numbers. This is clearly a reflection of the global nature of the industry and companies taking advantage of emerging markets. We asked select ACC member firms for their perspectives on why they actively seek projects around the globe.

DR. ALEXANDER ISING DIRECTOR, HOCHTIEF AIRPORT, ESSEN, GERMANY

While demand for air travel is still growing in most regions of the world, less and less funds are available to provide adequate airport infrastructure. We have found that the key to success is to develop tailor-made and feasible capital expenditure programs for airport owners and operators, and avoid proposing castles in the air that can never be realized. As such, companies should simply avoid "business as usual." Given the limited money resources, "this is the way it's done in the industry" will no longer work. Only those using alternative and innovative ways of planning airport facilities will have a chance to compete and work on both lucrative and interesting projects.

When looking to potential partners, we seek those that bring

unique qualifications to our team, i.e., if a partner has done work in the country of the project before. We also may want to benefit from foreign partners with better cost structures, thus making our offer more competitive.

Overall, the key to success is understanding the client and his needs. Then, try to understand the foreign client's, or partner's mentality, which can be best explained in a very simple example: Nodding means "Yes" in the western world, but "No" in South Eastern Europe, parts of Russia and India!



KEITH THOMPSON PRINCIPAL, GENSLER, LOS ANGELES, CALIFORNIA

We have found that the biggest opportunities for U.S. firms comes from bringing design expertise that does not exist in many countries, while simultaneously learning from the scale and innovation offered in other cultures/countries. Patience, reputation and solid corporate support for the initiative are critical for success.

Some of the top risks include the higher costs of competition, questionable business/selection practices, and cultural/language differences that lead to difficulties in understanding and responding to client priorities. Having a corporate relationship network and international risk-management is



a plus. Also, teaming with firms that have established relationships abroad is a good way to enter markets and mitigate risks.

Companies should be prepared to bring their checkbook and spend resources and time getting grounded in a given market. Having boots-on-the-ground with language and cultural skills doesn't hurt either.

TUNDE OYEKOLA MNIA INTL. ASSOC. AIA, CEO, EL-MANSUR ATELIER GROUP, ABUJA FCT, NIGERIA

In my opinion, the biggest opportunities for airport development are in small-to-medium-sized airports in the new and emerging markets of Africa and Asia. While the needs may be for simple, functional and uncomplicated facilities, the fact is that Africa remains a huge market for airport development, and companies will be well advised to begin to look at this opportunity.

The primary risks vary, from a lack of understanding of the market and culture, to the overall budgets that are available. Frequently, the funds needed for projects are not readily available. As a result, the various governments have to depend on foreign loans. Companies that can facilitate such an arrangement are at a competitive advantage. Doing business in Africa requires a lot of unique thinking because challenges are as diverse as they are unconventional.



Understanding the culture and mindset and peculiar needs of the client and people is vital. Never go in with a pre-conceived perspective; otherwise you will be unnecessarily prejudiced. One should go the extra mile to understand why things are the way they are. Take time to ask questions. Frequently, partnering with the locals who have great exposure will make this process easier.

Finally, know the difference in the application of Federal Aviation Administration (FAA) and International Civil Aviation Organization (ICAO) standards. While these two bodies are similar, there are subtle differences in requirements and expectations. For example, the FAA uses the Aircraft Classification Number (ACN) in classifying airports, whereas Nigeria uses the Pavement Classification Number (PCN) as an ICAO country. In Nigeria, our airport pavements are typically made from flexible, hot-rolled asphalt, compared to rigid concrete at some airports in the U.S. Companies that understand the FAA and ICAO standards, and their implementation in various regions, can take advantage of this when competing abroad. Of course the units of measurement varies from country to country as well.

