



The Value of a Project Management Team for Your Company's Next Construction or Facilities Project

Companies undertake construction and facilities projects for many reasons: relocation, growth, renovating existing space, downsizing, or operational initiatives like adding a new product line or group. Yet despite how common these kinds of facility changes are, the resulting project management is often a costly and time-consuming headache for the property or business owner whose primary focus is *running their company*.



What Could Be That Complicated?

Hire an architect and a contractor, tell them what you want and what you can spend, approve a design, and get to work. Right? Sounds straightforward enough.

In an ideal world, it could be that simple. However, the process is often not managed tightly enough and relies on the architect to deliver a total solution. While the architect is an expert in design and design technology, many plans come back with areas not well enough defined, construction elements left out, and occasionally over-designed. The architect always has the client's best interest at hand, but they are not in the field dealing with the actual construction. The contractor may estimate the project based on the exact designs they receive (even though it may leave things to the judgment of the contractor). If the plans happen to leave out key elements of the design (i.e; flashing detail between an existing building and the addition being added), the contractor faces the competitive risk of bidding a too-high price versus the contractor who chooses to ignore it and address it later through the change order process. These change orders typically can add 10% - 25% or more to a project's costs.

Whether you're planning a construction project, relocation, or other facilities change, all of these undertakings are complex animals with numerous players, high costs, and seemingly endless decisions and details.

"Studies focusing on construction efficiency have documented 25 to 50 percent waste in coordinating labor and in managing, moving, and installing materials."

(Tulacz and Armistead, 2007; from a report issued by the National Research Council)

The Solution: A Project Management Team

There are three primary success indicators for a project: cost, schedule and quality. These factors are interdependent, with changes to one affecting the other two. The secret to hitting the mark on all three is to have a strong vision and program in place up front, assemble a skilled and reputable team, and have strong, knowledgeable project management.

For many clients, the best and simplest way to achieve all of this is to work with a project management team. A project manager can provide years of experience, and will serve as the client's dedicated advocate from the beginning of a project through to completion.

The Benefits of a Project Management Team

You could consider a project manager yet another project cost, and another player in an already crowded meeting room. However, if you did, you would be missing some significant and tangible benefits that project managers can contribute to a construction or facilities project.

1

One Accountable Source

With a single accountable source managing a project, the client is free to focus on their own business and the day-to-day responsibilities that are best suited to their role and experience. While every project is unique, most require similar experience and responsibilities from a project management team.

Project managers typically assist with:

Design Management: conceptual design, specifications and drawings, regulatory review

- Programming
- Space planning
- Feasibility studies
- Team selection, including architect and contractor

Construction Management: from initial planning straight through to project close-out.

- Real estate location and selection
- Budgeting
- General contractor selection
- Developing a schedule and budget
- Permitting
- Construction Coordination including bidding, punch lists, job meeting coordination, and close-outs

Facility Management: help reduce the cost and maximize value of managing a space

- Maintenance management
- FFE management
- Risk mitigation
- Capital programs
- Lease review and negotiations

Logistics: other project types typically faced by Management

- Enterprise Planning Systems
- Business Plans & Budgeting
- Lean Methodologies
- Quality Improvement

A project management team can also help with additional logistics related to other aspects of the business, such as employee communications, sourcing, and relocation management, to name a few.

2

Define a Clear Project Vision and Goals in the Beginning

Changes that occur mid-way through a project are one of the largest causes of added costs and schedule extensions. By establishing a clear vision and goals from the very beginning, and ensuring that the entire project team understands those goals, clients can be sure that no unnecessary efforts are expended and the project is as efficient as possible.

Construction project managers work with the client on upfront planning and programming. This process often includes:

- **Clarifying the drivers behind the project**
- **Setting metrics for success**
- **Identifying the Stakeholders serviced by the project**
- **Defining a realistic schedule and budget**
- **Selecting a qualified and reliable team**
- **Controlling and reporting on progress**

Experienced project managers understand that unrealistic (too tight) schedules can actually end up costing much more, and that architects, contractors and other players each have their own motivations in any project. The PM provides strong project leadership, manages the entire project team, and provides push-back as needed to ensure the project stays in line with the client's goals.

“Research conducted by the ASCE and CII finds that direct cost of rework contributes an average of 5 percent to the total construction cost (CII, 2005). However where head office overhead and indirect costs are taken into account, the percentage of rework contributing to total construction costs can exceed 7.25 percent and reach as high as 11 percent.”

CM eJournal, March 2014 (page 12); Construction Industry Institute (CII)
Causes and Effects of Field Rework

3

Assemble the right team, and manage them from start to finish

A project management team can serve as an “Angie’s List” for its client. With years of experience working with many different contractors, architects, and other consultants, a project manager knows which consultants will be good matches for their client and the project, and which to avoid.

A skilled project manager contributes to the team selection process by:

- **Vetting potential team members**
- **Advising the client on which companies should be invited to bid and what strengths they could bring to the project**
- **Reviewing proposals**
- **Advising on team selection**

Once the team is in place, the project manager acts as the client’s representative (owners’ project manager) and can set the tone for the project – establishing strong communication guidelines, meeting schedules, technology platforms, and setting expectations from the very beginning.

In addition to a contractor and an architect, many project teams also include engineers, IT professionals, consultants, furniture representatives, town officials, and internal client committees and stakeholders. The project management team oversees all of these players, keeping them on schedule, on budget and aligned with the client’s goals.

4

Experienced Client Advocate

Some companies have internal teams, such as facilities. However, a facilities staff typically focuses on maintenance and managing existing facilities. For capital expenditure projects, these internal teams may require additional support, as these project types are not everyday occurrences.

From start to finish, a PM serves as the client’s eyes and ears at meetings, in email and phone conversations, among consultants and internal departments, and on the construction site. Project managers can help answer questions such as:

- **Which design ideas are viable, and which aren’t?**
- **Which options may cost a lot for little value?**
- **Which options may cost little for high value?**
- **How could an integrated delivery model impact the project schedule and cost?**

5

The End Results: Money, Time, and Quality

Home improvement shows often show a building fully renovated over the course of a 30-minute show. Inspired, viewers run to Home Depot to stock up on paint, caulk and tools. They have enough to get started, but once things start to get messy, the project stalls. The T.V. show only illustrated the problem and the final solution, but skipped or glossed over all the complicated steps in the middle.

Large projects can be a similar scenario, as in commercial construction. Business owners expect that they can manage a large construction project, but during the middle somewhere, it can become a nightmare. All the parts are moving in different directions, and the project ends up **costing** far more than anticipated, finishing long past **schedule**, with subpar **quality**. When clients reach out for help with project management, they have often experienced the challenges of managing their own internal project once before and have no desire to do it again.

However, managing a construction or facilities project is often an exciting challenge for an experienced professional with many years and buildings under their belt. Armed with lessons learned, experienced project management teams possess the strategies and tricks to keep costs in line, stick to a realistic schedule, and maximize quality for their clients.

Precision Project Management provides skilled construction project management for clients and projects of all sizes throughout the Eastern U.S. and Canada. Learn more at www.precision-pm.com. To talk to one of our project management experts about how we can help with your construction, renovation or relocation project today, contact us at **508.699.3510** or via info@precision-pm.com.

