

Complex Construction Project

Business Challenges

- This large construction firm manages and constructs multi-million dollar projects around the world. Some of their most complex work is on large hospital projects. In one case our client was faced with escalating change orders brought on by the poor quality of drawings, owner groups changing their specifications and a series of contractual changes. Consequently, the overall contingency fund for the three hospital project was being depleted at an accelerated rate.
- Relations between owners, engineering firms, architectural design professionals, subcontractors and the general contractor had become strained.
- The leadership group representing the major players became increasingly concerned about the ineffectiveness of OACs (Owner/Architect/Contractor) and the cost of having so many professionals on hand, all charging exorbitant hourly rates.
- The number of change orders, RFI's (Requests for Information) and building decisions awaiting government regulatory approval pushed the project into crisis.

Initiatives

- To facilitate meetings with each of the main group's leaders to elicit their perspective on the key issues and what they wanted to be better aligned on with other groups/individuals.
- To develop a consensus of six components on which all 7 groups (a total of 35 people) agreed would require alignment.
- To coach these players in generating expectations for each of these components (within and between groups).
- To provide analysis and feedback to the leadership team, isolating several initiatives, for example:
 - Aligning OAC representatives to focus on key initiatives in each of the three projects
 - Setting up structured coaching within owner, general contractor and architectural firms
 - Aligning the change order process across the three projects
 - Accelerating the decision to replace the incumbent architects and help integrate their replacements
 - Aligning three architectural firms on fostering better coordination and common design policies

Results

- Created a more productive environment for all of the building partners
- Reduced conflicts of all kinds by improving communication
- Reduced schedule blocks and re-work, thereby maintaining the approved construction schedule
- Lead the way for our partners (Client, Design Team, Inspection Agencies, and Subcontractors) in conducting business in a fair, open, and trusting way as the means to eliminate profit erosion, conflicts, and claims.
- Utilized "accountability and evidence-based management" as the means to accomplish our initiatives
- Reduced lost time and resources, resolving "festered" conflicts (most were resolved before they reach such a state).

Update

The company is well regarded for its ethical standards and continues to steadily increase its profit margins while maintaining a near zero level of customer complaints and no claims.