

Lifecycle Management for Competitive Edge

By Susan K. Watkins

When government agencies such as the GSA Public Buildings Service, commercial building owners such as Target, and construction and engineering firms such as AECOM, can successfully track the capital project lifecycles of their building programs with technology, they realize three key benefits that can impact their bottom lines: 1) budget and cost control, 2) standardized processes, and 3) improved visibility.

Can standardizing on a single software solution for capital project management provide a competitive advantage? Government agencies, construction and engineering firms, and building owners and operators, think: Yes.

organizations can achieve tighter control over budgets and contracts. Additionally, inefficient processes can be automated and standardized across all capital programs. And finally, ILM delivers real-time visibility across an entire portfolio of projects.

BUDGET AND COST CONTROL

An ILM solution provides project-based organizations with a comprehensive system for managing project pipelines, developing project budgets, and comparing budgets to actual costs during the build phase of the project.

By letting individual teams separately manage parts of the process in disparate technology systems, it results in disconnected silos of data, making it difficult for project stakeholders to manage performance.

By using ILM applications to create an enterprise system of record, companies can better define, track, manage, measure, compare, integrate, and respond to budget and cost issues in ways never before possible. Managers and executives can look at budgets as they are being created and spent—with an accurate view of future forecasted costs providing an instant profit and loss projection.

IMPROVED VISIBILITY

Real-time project and program visibility is important to the senior executive responsible for hundreds of millions of annual capital expenditures, as well as to the individual project teams responsible for managing the scope, schedule, and budget on a single project.

Implementing one capital project system of record enables a roll up of all project data so that organizations can evaluate portfolio performance in real-time, as well as identify problem projects in time to intervene.



Today, Infrastructure Lifecycle Management (ILM) applications address these three key business problems head on by offering the ability to manage all phases of project lifecycles in one central system of record. This means that project-based

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Analytics allow executive managers and project teams to leverage insightful reporting tools such as executive dashboards, scorecarding, and alerts to stay in sync on project progress and performance issues. Project visibility and transparency ultimately keeps organizations accountable, so that they can better mitigate project risk and increase overall project performance. Imagine having a single repository of every associated document including changes to project scope, contracts, and work authorization approvals lowers risk in the event of impending litigation.

According to an IDC Analyst Connection opinion piece, a company-wide rollout of project data lets executives make better decisions at the real time, instead of relying on historical performance reports for guidance.¹

STANDARDIZED PROCESSES

Businesses today are concerned with improving staff efficiency and organizational best practices. Automating manual processes using workflow technology eliminates duplicate data entry and departmental inconsistencies, and ensures repeatable processes across all projects.

Project-related documents can move from desk to desk electronically in a streamlined fashion where content owners can view reports right on their desktops and provide approvals as needed. An ILM solution that contains a flexible workflow engine ensures adoption of proven practices because users can easily navigate through urgent action items and document approvals.

IDC concurs that an enterprise ILM solution delivers the tools to enforce consistent business practices, as well as

auditability to support corporate governance and risk mitigation. "As we all know, construction companies are operating under a constant cloud of litigation. In fact, statistics indicate that at least 40 percent of construction projects involve legal claims or go to litigation."¹

MARKET DYNAMICS ARE DEMANDING ILM

IDC reports in a 2009 Meridian Systems Vendor Spotlight that demand for ILM applications has traditionally been driven by business factors such as the increasing complexity of commercial building projects, the need to document every step in the life of a new real estate asset, and the pressure to deliver construction projects on time and within budget.

Additionally, demand for ILM is also being driven by hot global infrastructure issues: crumbling physical infrastructure of roads, bridges, and water systems; the need for additional healthcare facilities; adoption of sustainable building practices; and the increasing demand for transparency on construction projects funded by ARRA stimulus dollars.

These dynamics are creating the perfect storm for ILM, and driving the global construction community towards technology that can improve the infrastructure building process. As more public agencies, commercial building owners, and construction and engineering firms take advantage of ILM, they will increasingly benefit from faster project delivery, leading to increased revenue and productivity, and ultimately a greater competitive advantage. ■

¹Source: IDC Analyst Connection: *An Executive Perspective: Using ILM Technology to Align Real Estate and Facilities Portfolios with Corporate Objectives*, October 2007.

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