A Critical Analysis of Project Delivery

Agenda

• How Customer Demands Shape the Business
• Characteristics of the Supply Business
• Interaction Between the Supply and Demand Forces
• 3 Ways to Enhance Success in the Business
• The Influence and Opportunities of Digital Systems and Communications
<table>
<thead>
<tr>
<th>TYPE</th>
<th>TYPICAL REQUIREMENTS</th>
<th>DELIVERY MGMT RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual End Users</td>
<td>Rapid Response Custom Solutions</td>
<td>Attention, Explanation and Understanding</td>
</tr>
<tr>
<td>Business Unit Managers</td>
<td>Maximum Flexibility in Planning. High-Quality Information for Decision-Making</td>
<td>Understand Business Drivers – (Their Customers) &amp; Provide Options &amp; Consequences</td>
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<tr>
<td>Fiduciary Interests</td>
<td>Least Cost – Return on Investment</td>
<td>Present T.C.O. Best Value. Maintain Rational Path &amp; Documentation</td>
</tr>
</tbody>
</table>
Service Providers in Project Delivery (Designers & Builders)

**Natural Characteristics**

- Specialization
- Deep Expertise
- Rigid Methods to assure accuracy
- A Focus on Specifics
- Process Driven Environment
- Risk Owners

**Results**

- Fragmentation
- Inflexible, Resistant to Changes
- Reactive, Not Proactive
- Defensive
Summary
Primary Determinants of Project Success or Failure

- Integrate the Supply Industries:
  - Around project objectives and known constraints
  - Create broad overlaps, not hand-offs
  - Around shared incentives to meet customer expectations
  - Around their value or competencies

- Educate Customers
  - Understand customer’s requirements and expectations
  - Drive programming
  - Establish milestones and responsibilities to get the documents developed and reviewed
  - Drive decision making

- Communicate
  - Charter objectives at outset, measure at milestones
  - Build project information format around decision maker’s requirements
  - Focus on communication process rather than work process
  - Project management focus is communication quality, not project quality
Variations Between Corporate Product & Project Delivery Cycles

Corporate Product Cycle

What is Needed? → What are the Choices? → Select & Implement
(The Demand)
• Performance
• Cost
• Time

Project Delivery Product Cycle

What is Needed? → How is it Provided? → One Choice:
(Performance) (Built?)
• How much time?
• How much cost?
Comparison of Traditional Delivery to Integrated Delivery

Traditional Process:
- Request
- Design
- Permit
- Bid
- Build
- (Owner At Risk)
- Cost & Schedule

Integrated Process:
- Design Standards
- Program
- Schematics
- Design Development
- Permit
- Construction Docs
- Final Cost
- Build
- Commission
- Occupy
- Order Long Lead Items
- Set Target Budget
- Select General Contractor
Summary
Primary Determinants of Project Success or Failure

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  - Around project objectives and known constraints
  - Around their value or competencies
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Digital Systems & Communications

Level I – Digital Systems
  – Email
  – Digital Files
  – CAD

Level II – Integrated Systems
  – Projects have a digital continuum
  – Combine project management with issue management
  – Web-based information and shared files

Level III – Bob Collier….