Process Improvement

A Playbook for Leveraging Technology, Managing Change, and improving ROI
Today’s Agenda

- Definitions
- Diagnosis
- Solving
- Implementing
- Summary
Definitions

Some form of input → Some level of processing → Some form of output
As an Industry We Struggle

- Autonomous behavior
- Remote/discrete job sites
- Lack of investment in IT
- Poor understanding of the cost of non-standard processes
- Lots of non-integrated systems
Impact/Measuring

- Impact
- Efficiency
- Cost
- Risk
- Information
Best Practices

One point or several?
Point of Diminishing Return
Diagnosis
What to Look for
Other Symptoms

30%
Strong Feelings Exist Around Purchasing and AP

- BOM
- PO
- Invoice
- Requisition
- Receiver
- Check

*Additional documents for subcontracting*
Procure to Pay

1. Requisition
2. Approval
3. RFQ
4. Analysis
5. PO
6. Receiver
7. Invoice
8. Scanned/Routed
9. Entered in AP
10. Check
11. ACH

Something needed

BOM
Value of Purchasing for its Own Sake

- Quicker Job Cost
- Committed Cost
- Confirm Receipt
- Confirm Pricing
- Control over buying
- Vendor history
- Purchase History
- Confirm Shipping
- Sales Tax Lookup
Making the Case

- ROI
- Head-count
- Growth without more overhead
- Better information
- Better pricing/control
Admin Compliance

- Lien Waiver
- Signed Contract
- Certified Payroll
- LCP Tracker
- Insurance Certificate
- Bond
- Warranty Doc.
- O&M
- Safety Data

Documents received via mail → Scanned / Routed
Documents submitted via e-mail → Captured / Routed

Require Review?

- Routed for Review
  - Approver Approved
    - Returned to sub
      - Content storage
    - Compliance checked in E1
  - Review
    - Some documents are prequal related
    - Handled in Henderson Risk Mgt.

Sometimes limits change per contract

No
What Makes for a Good Process

- Streamline/Integrated
- Flexible
- Intuitive
- Mobile
- Automated
- Auditable
- Tightly controlled
Buy-in

A density plot of Y

Number of People

Less-Than Progressive  |  Average  |  Progressive
Top 10 Processes for Construction

1. Procure to Pay
2. Time cards/labor
3. Material Management
4. Service Management
5. Contract Management
6. Project Management
7. Equipment Management
8. Billing
9. Job Cost, Change Orders, Forecasting
10. Estimating and Bidding

Highly dependent on sector
Implementation
Gain Support

- Business analyst
- Executive sponsor
- IT’s role
- Team
- Vendor
Task Force

Interested parties

- Estimating
- Project Management
- Superintendent
- Accounts Payable
- Purchasing
Solutions

- Middleware
- Low-code/No-Code solutions
- Enterprise Content Management (ECM)
Recap

This is a journey...not an event
Next Steps

- Diagnose
- Prioritize
- Plan
- Organize
- Make the case
- Evaluate
- Implement
- Train
Questions