

**How to build construction
management processes**

Over the last three years Deloitte CIS has analyzed the implementation costs of more than 30 construction projects. Based on the statistics, losses of funds during the project implementation period may be as high as 30-40 percent of the project cost.

Root causes:

- Insufficient control over the project implementation process
- Bad faith subcontractors
- Lack of proper work and procurement planning of materials

Stricter control and the implementation of construction management procedures with support from Deloitte enabled these companies to complete the projects successfully.

We will develop the processes and procedures allowing you to successfully manage the following key project parameters: cost, timeframes and quality.

Identification

The Deloitte CIS team will analyze your current construction management practices, including:

- Current business processes
- Internal policies and procedures
- Corporate standards
- Experience with previous projects

We will identify issues that the organization may need to solve. Such issues may include:

- The parent company and its subsidiaries having inconsistent procedures, which complicates interactions and control over construction processes;
- Unreliable subcontractors being selected due to the absence of formalized procedures for vendor and subcontractor selection;
- Manipulations with the amount of construction materials and the scope of work at the tender and construction stages due to a lack of procurement procedures;
- Differing timeframes for the implementation of similar tasks due to a lack of standard processes;
- Disparate data in the regulations and policies of the company, which makes it more difficult for employees to perform their tasks correctly;
- A lack of KPIs, which leads to employees focusing on spending the budget rather than on construction and commissioning;
- Provision of fragmented and incomplete information about the project due to the absence of a unified approach and templates.

The deliverables include:







- A description of the company's "as is" business processes
- Goals and measures for the optimization of business processes and PMO implementation
- A preliminary business case for the optimization of business processes and PMO implementation



Design

After completing the identification procedure, based on the stated objectives and planned indicators, Deloitte will help **build the construction management processes**.

Services

-  > **Business processes optimization**
-  > **Reorganization of the administrative structure**
-  > **Development of job descriptions, regulations for the functions, KPIs**
-  > **Development of the company's standards and policies**
-  > **Development of reporting rules and forms**
-  > **Implementation of a PMO* office**

PMO* is the function responsible for providing continuous support during the project implementation process by accumulating and implementing best project management practices, as well as by ensuring compliance with corporate standards.

The deliverables will include:

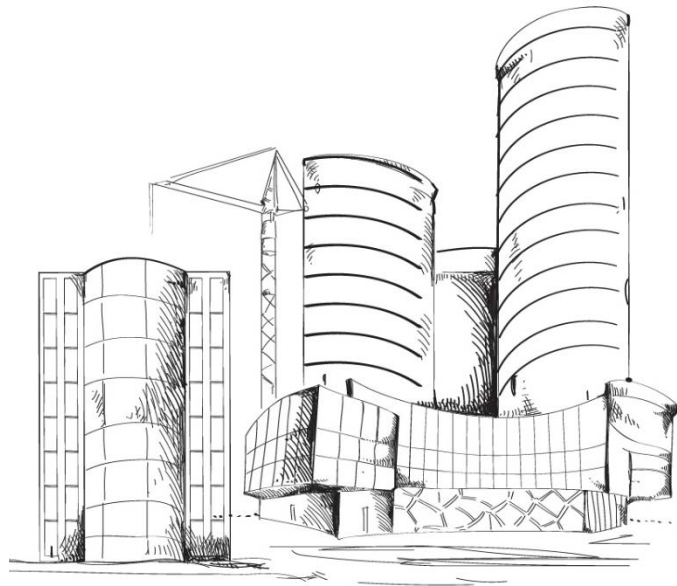
- A description of the company's "to be" business processes
- Development of the rules, procedures and standards for the company
- Determination of the procedure and stages of business processes and PMO implementation
- Identification of the required PMO infrastructure



Implementation

At this stage, Deloitte will provide assistance and control implementation of the new procedures and PMO office at the company:

- Pilot implementation
- Testing and optimization
- Application to all of the company's projects



As a result, the company will have:

- Unified processes and procedures for all group companies – **less red tape**;
- Unified rules, policies and reporting forms – **ongoing control over construction at different stages**, transparent tracking of project KPIs
- Transparent structure of the construction management department – **higher efficiency of staff performance**, allocation of responsibilities between particular persons
- KPIs introduced for projects and individual employees – **focus on project commissioning**
- Unified forms for standard contracts, tender forms – **mitigation of contractual risks**
- Procurement rules and policies – **lower risk of engaging with bad faith subcontractors**
- Continuous methodological assistance for the business – including the following advanced **construction control tools**: **S-curves, schedules with critical path graphics**

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