



Setting the Stage

Managing your construction project planning in four distinct stages may help you to save time and money and achieve your estimate with greater accuracy.

The pre-project planning stage is critical for successful project completion. During the pre-project planning stage, the project's scope is established and written. During this stage, construction and design professionals are not yet involved in the project. Successful pre-project planning includes developing alternatives, analyzing risk and the economic benefit of the successful completion of the project, developing the financial plan, and determining if the project will go forward or not.

During the estimate stage the job is obtained. Estimates are all about cost and duration and must assume certain factors about the resources necessary for the achievement of the project's objectives. The assumptions must include cost, availability and logistics and the estimator must also consider time-cost combinations that will allow the contractor to be successful. The best estimate accounts for different conditions imposed by the construction project design and by site characteristics. Too high an estimate results in no job, while too low an estimate results in a loss of money for the project owner or a loss in profit for the contractor. Any necessary changes to an estimate should improve it and should consider present effects and future outcomes. Rarely does an estimate match up exactly with the final budget of a project, which is why it's an "estimate," but a well-planned one should closely resemble the final budget.

In the monitoring and control stage the duration of the project and cost are key concerns. The project manager must ask, "Is the project on time and is the project on budget?" Being on time does not automatically mean that a project is on budget and vice versa.

The evaluation stage occurs as each phase of construction is completed. During evaluation, the project planner compares the completed construction subprojects with the subproject's estimate and the results of the evaluation either validate or invalidate the estimation. When assumptions made about the project are found to be inaccurate, the project planner must modify or adjust the project plans as necessary to accommodate the inaccuracy.

The construction project must be monitored and evaluated constantly throughout its lifecycle. As each phase of construction is completed the project planner must be apprised and updated with progress reports prepared with enough detail to accurately reflect the project's progress to ensure that both time and cost are managed properly.