



STUDY FINDS:  
**CMs HELP PROJECTS**  
**Succeed**

Professional construction managers are outstanding leaders of successful projects that feature more effective communication, fewer crises and fewer “surprises” for the owner.

That’s the key conclusion of a major new market research study carried out recently by McGraw Hill Construction for the CMAA Foundation. It’s the first time a rigorous and extensive study has quantified the benefits owners realize from having a professional CM as their agent in executing a project.



#### Project and Photo Information

FRONT:

Perot Museum of Science and Nature, Dallas, TX

CM: Balfour Beatty

Photo: Balfour Beatty

THIS PAGE:

L. L. Anderson Dam Spillway Modification,  
Placer County, CA

Owner: Placer County Water Agency

CM: MWH Constructors, Inc.

Photo: MWH Constructors

BACK PAGE:

I-495 Express Lanes, Northern Virginia

Owner: Virginia Department of Transportation

CM: Fluor-Lane LLC

Photo: 495 Express Lanes

## THE CM IMPACT LIBRARY

CMAA maintains an online portfolio of major projects in which owners have realized and described the benefits they have obtained from professional Construction Management. The CMAA Impact Library can be accessed at [www.cmaanet.org/impact-library](http://www.cmaanet.org/impact-library).



McGraw Hill Construction connects people, projects, and products across the design and construction industry. A reliable and trusted source, the company provides construction project and product information, plans and specifications, industry news, market research, and industry trends and forecasts. McGraw Hill Construction offers a variety of tools, applications, and resources that embed in the workflow of its customers, providing them with the information and intelligence they need to be more successful.

Backed by the power of its top brands, Dodge, Sweets®, Architectural Record, and Engineering News-Record (ENR), McGraw Hill Construction serves more than 1 million customers within the global construction community.

# CMs Help Projects Succeed, Study Finds

The CMAA Foundation study looked at 623 projects, including 266 on which an Agency CM was retained and 357 without an ACM. The mean value of these projects was \$17.8 million with ACM and \$13.4 million without.

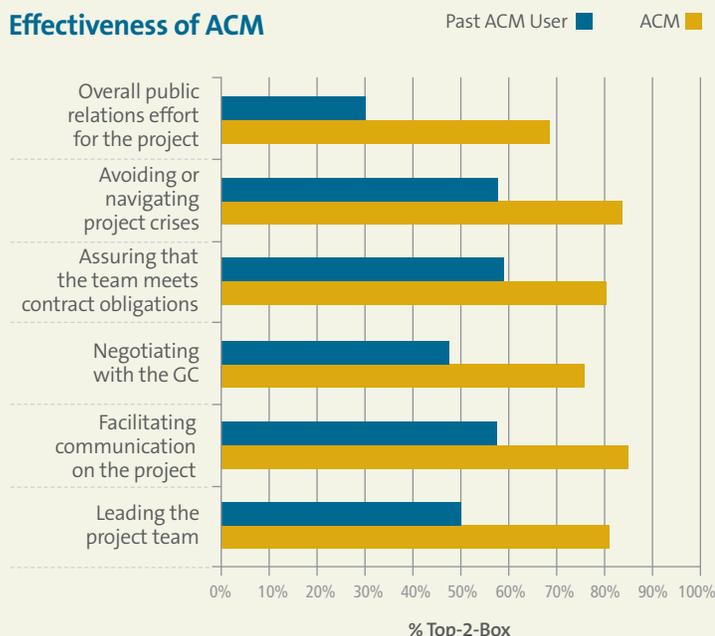
Projects were selected from McGraw-Hill's Dodge Reports database and embraced six major industry sectors: K-12 education, higher education, government buildings, healthcare, streets/highways, and water/waste-water.

The actual composition of the sample was:

K-12 education	87
Higher education	85
Government buildings	101
Healthcare	98
Streets/highways	105
Water/wastewater	121

## TOP RATINGS FOR LEADERSHIP, COMMUNICATION, AVOIDING PROBLEMS

### Effectiveness of ACM



(Responses from owners using ACM on the surveyed project, and from owners who have used the service in the past, although not on the current project. "Top-2-Box" indicates rankings of 4 and 5 on a scale of 5, i.e., highly or very effective.)

**Leadership** is a key benefit of professional CM: **82 percent** of owners who used Agency CM gave their CMs top ratings for leading the project team.

**86 percent** rated their CMs highly for facilitating communication on the project.

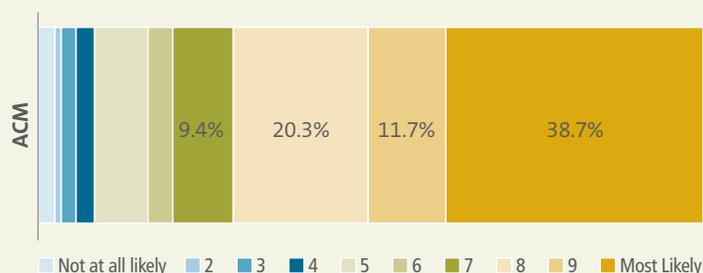
**85 percent** gave top scores for avoiding or navigating project crises.

**81 percent** said their CMs were highly or very effective in assuring that the project team met its contract obligations.

Among the 357 non-ACM projects in this study, 23 percent of owners (81 projects) had used Agency CM in the past. These past ACM users also rated CMs highly for:

- » Assuring the project team met contract obligations (59 percent)
- » Avoiding or navigating project crises (58 percent)
- » Facilitating communication (58 percent)

### Likelihood to Recommend



**80 percent** of the owners who used Agency CM on their projects in this study are highly likely to recommend ACM to other owners (ratings of 7+ on a scale of 10). 71 percent of owners ranked their likelihood to recommend at 8 or higher!

**80 percent** of owners using Agency CM on the survey project said they were very likely or most likely to use ACM again in the future.

Even among the 352 non-ACM projects, about one-third (34 percent) said they were at least somewhat likely to use ACM on a future project.

These owners, although they did not use Agency CM on the studied project, nevertheless saw strong reasons to use the professional service in the future:

- » Project is considered very complex (71 percent)
- » Project is expected to have schedule or budget issues (43 percent)

## NO SURPRISES

Projects with an ACM did somewhat better than non-ACM projects in this study in terms of meeting or beating budget and schedule goals.

With an ACM, 84.9 percent of projects finished on or under budget, compared to 81.9 percent of the non-ACM projects.

68.8 percent of ACM projects were on or ahead of schedule, compared with 65.9 percent of the non-ACM projects.

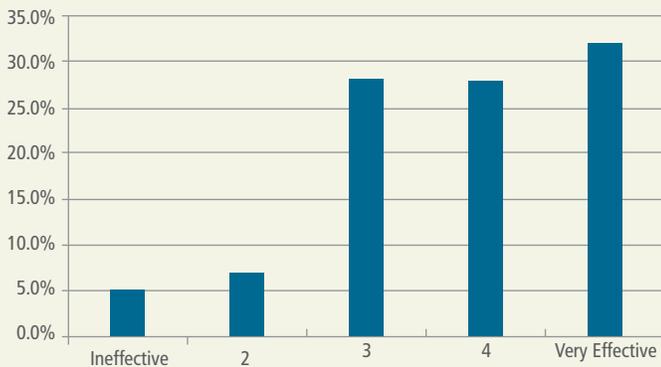
But owners also reported how often these schedule and budget outcomes were surprises to them. For example, among non-ACM users whose projects finished behind schedule, this outcome was “unexpected” to 58.7 percent. Even when a project finished ahead of schedule, it was a surprise to 59.5 percent of non-ACM owners.

Whether their projects finished on, under or over budget, ACM client owners knew what to expect. This is no surprise, considering the 86 percent who rated their CMs highly effective in facilitating communication!

## CM HELPS EVEN PROBLEM PROJECTS

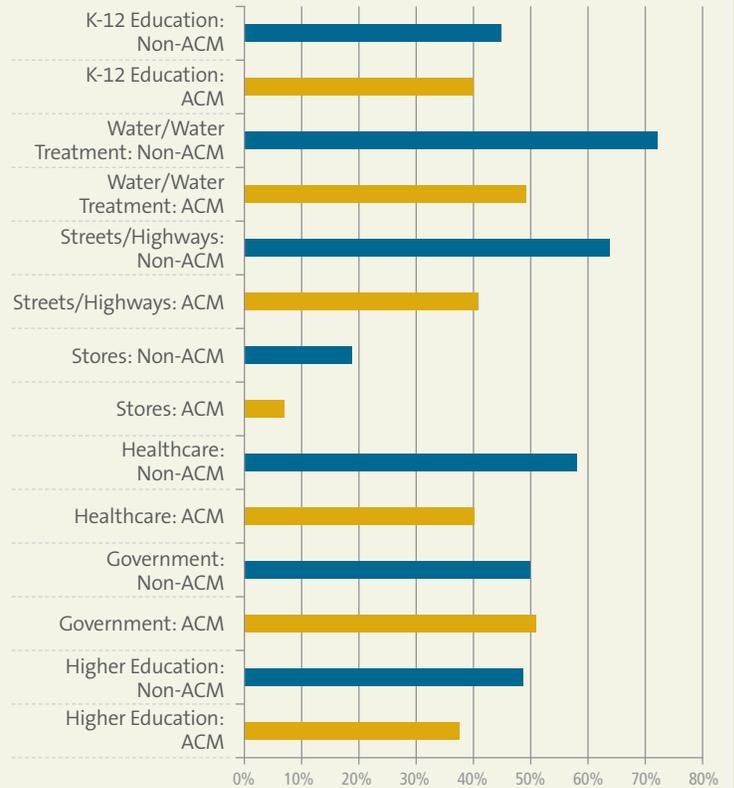
Even among projects that were over budget, behind schedule, or both, the value of professional CM was recognized. 88 percent of owners said their Agency CMs were effective to very effective in saving these projects from even more negative outcomes!

### Preventing more problems

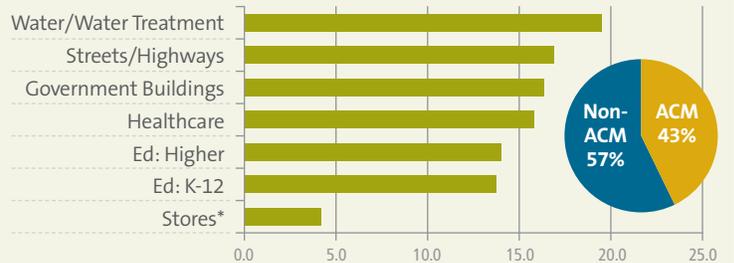


Among these troubled projects, only 16.2 percent of ACM users said “ineffective management” had significant or a great deal of impact on the outcome. Among non-ACM projects, 24.4 percent of owners identified ineffective management as having significant or a great deal of impact.

### Count of Projects

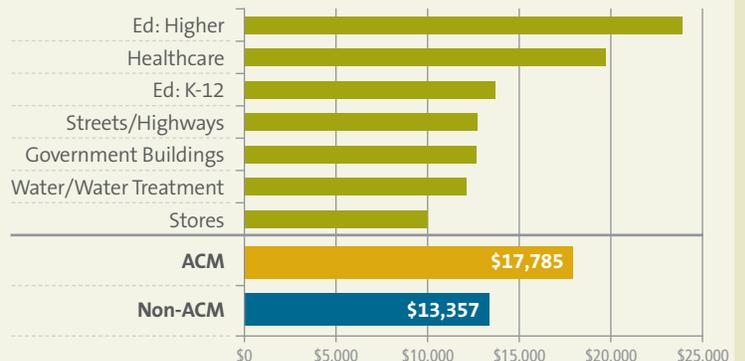


### Project Distribution



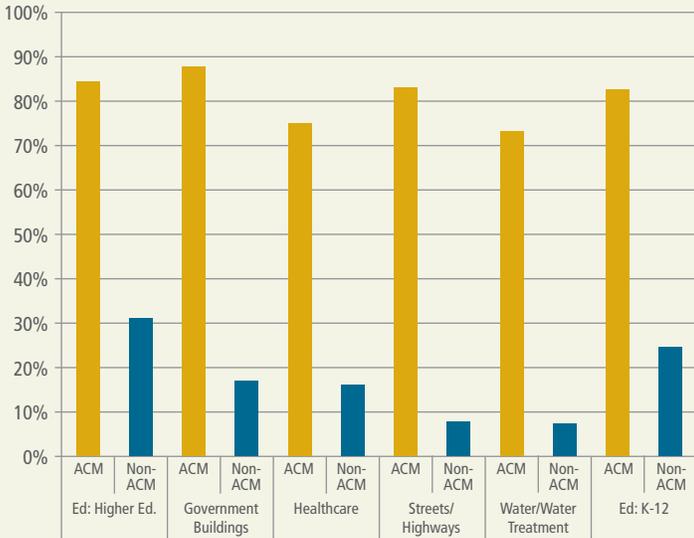
Note: The “stores” sector produced an insufficient number of projects to support detailed analysis. As a result, the data from stores is included in the overall totals but not in the market sector breakdowns.

### Mean Project Value



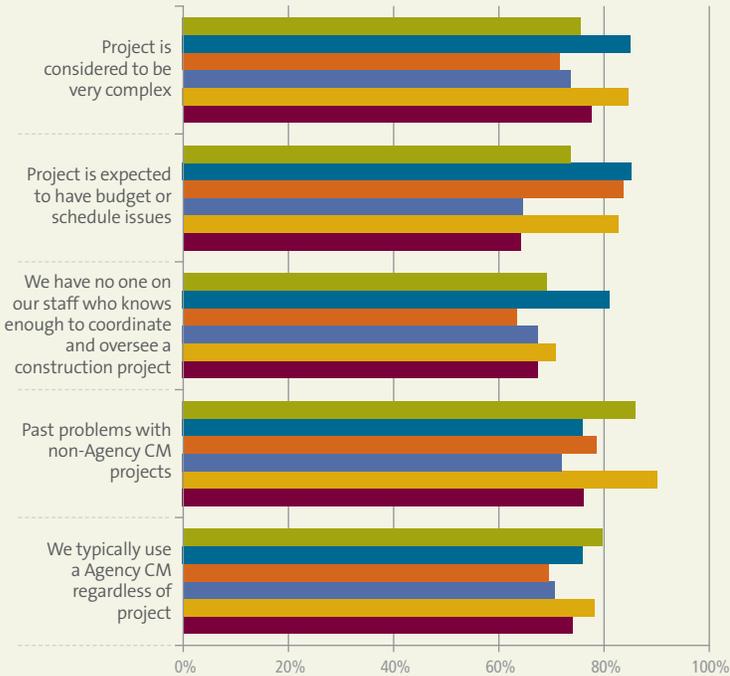
## FUTURE USE OF ACM

### Percent Saying Yes



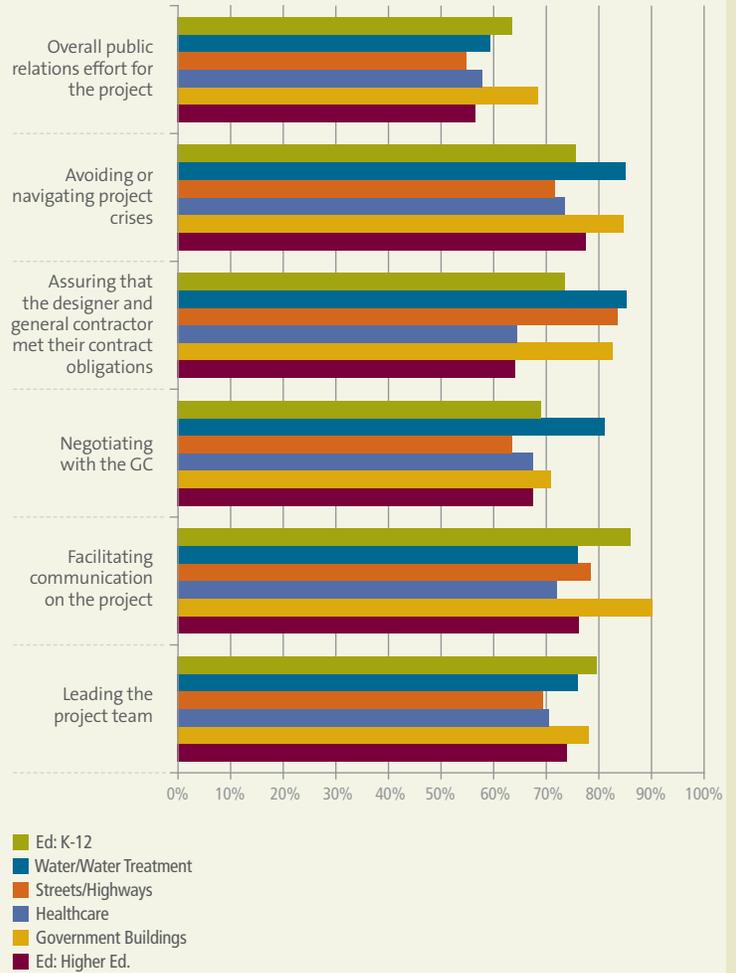
Across all project categories studied, a minimum of 73 percent of owners who used Agency CM on this project would use it again in the future. In four categories, this likely-to-use score exceeded 80 percent.

### Reasons for ACM Use



Owners not using ACM on the surveyed project were asked what they would consider strong reasons to use the professional service on a future project. Complexity, schedule and budget concerns topped the list of factors.

## Effectiveness of ACM Firms



Owners surveyed gave their CM firms uniformly high ratings for all six project execution values, with “Facilitating Communication,” “Avoiding or Navigating Project Crises,” and “Assuring that the Designer and GC Met Their Obligations” leading the way.

## CONCLUSION?

**Owners working with a professional Agency CM experience smoother, more trouble-free projects characterized by leadership, communication, and met expectations.**



## The CMAA Foundation

The CMAA Foundation was created in 2001 by the Construction Management Association of America to provide dedicated, consistent funding for activities designed to strengthen the professional practice of CM, expand basic knowledge in the field, and attract talented newcomers.

The Foundation's Mission is to provide opportunities and support through education and research endeavors to advance knowledge in the management of the construction process. Its Vision is to be the premier foundation supporting education and research in the management of the construction process.

In 2012, the Foundation conducted the FutureFocus 2012+ roundtable and published its findings in a report "FutureFocus 2012+: The Road Ahead for Professional Construction Management." That report is available at the Foundation's website.

The Foundation has also produced videos, brochures and other materials to encourage college and university students to explore careers in CM.

**Contributions** to the Foundation are deductible under section 501(c)3 of the Internal Revenue Code. These contributions will support future Foundation activities in research, knowledge creation and career promotion for professional CM. For more information visit [www.cmaafoundation.org](http://www.cmaafoundation.org).

The Foundation's chair for 2013 is Ed Bond, Jr., CCM, FCMAA, LEED® AP, Chief Executive Officer of Bond Brothers, Inc., Everett, MA. For 2014, the Foundation will be chaired by Darrell Fernandez of Parsons, Pasadena, CA.

**CMAA**  
*Foundation*

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