

Five Powerful Construction Project Management Strategies

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Construction project management is complex. One misstep can cause an avalanche of delays, cost overruns, and quality issues, which can ultimately lead to project failure.

However, there are simple steps general contractors (GCs) and project managers (PMs) can take to mitigate these challenges. Once you learn them, you can apply them to any size project and run it well.

Read on for five construction project management tactics that'll help you hit your budget, manage risks, and deliver high-quality projects on time.

1. IMMERSE YOURSELF IN THE PROJECT

The only way to manage a construction project well is to understand it – inside and out – from the very beginning.

So before you do anything else, delve into the project drawings, specs, and prime contract. This may seem like an obvious step, but it's not. According to attorney Kevin Tharp, construction project managers often fail to read contracts. In fact, he cites this as the top construction project management mistake he sees when counseling construction professionals through delays, cost overruns, and collection problems.

So, carefully review every project drawing, spec, and contract document until you fully grasp the project's scope and all of its requirements.

Then, as you review your contracts, drawings, and specs, identify any unique circumstances that might impact the



project's budget or timeline and list them out. For example, your specs might say you can't apply waterproofing to the foundation for 30 days. If you pull out this information and catalog it, you can call it out to your teams when you share drawings and specs with them.

Listing out potential issues at the start of a project ensures that they don't get lost or overlooked. In turn, this reduces the need for rework and change orders later. This initial investment of time and effort may seem tedious, but it sets the stage for smoother construction project management, reduces risk, and increases the likelihood of project success.

2. DEVELOP YOUR TEAM

Your project's success is closely linked to your team's

performance. That means that your role as PM or GC goes far beyond managing schedules and finances. It's your job to ensure that every team member excels in their responsibilities. Therefore, it's important not only to assemble the right team but also to prioritize and invest in their growth and development.

Jason Schroeder of the construction consulting firm Elevate Construction puts it like this: "Project managers build [up] the people who build things." Come alongside your teams as a mentor and a coach. Support them. Train them. Connect with them.

You're in the position of PM because you've earned it. Don't assume your people know everything you do – or even everything they should. Stay in constant contact. Offer advice and guidance, and do everything in your power to help them do their jobs well.

3. ALWAYS BE COMMUNICATING

For communication to be effective, it has to be constant. From the preconstruction phase until closeout, you should be in continual contact with stakeholders. Here's how:

- » **Define roles:** Clarify roles, responsibilities, and expectations for your teams and trade partners as well as for owners. This helps to avoid confusion and ensures that everyone understands the specific parts they play in the project.
- » **Hold regular meetings:** Regular, well-planned meetings foster collaboration among team members. Ensure that meetings follow clear agendas, encourage active participation, and include action points. (One caveat: Beware of scheduling back-to-back meetings. These don't give you enough time to process information between times. So you end up with a long "to-do-later" list that's hard to tackle all at once.)
- » **Establish open channels:** Encourage an environment of transparency and honesty. Create open channels of communication where team members feel comfortable sharing ideas, concerns, and feedback.
- » **Use construction technology:** Leverage communication tools and construction management solutions to enable real-time updates and streamline communication processes. Just remember to use these tools to complement face-to-face interactions, not to replace them.

- » **Promote proximity:** Enable collaboration by encouraging in-person interactions. The best teamwork happens when people work closely together. This could mean having teams share office space or holding regular site visits.
- » **Address issues promptly:** Address communication breakdowns or conflicts promptly and constructively. Encourage open dialogue to resolve issues and prevent them from escalating.
- » **Lead by example:** Demonstrate effective communication skills through your own actions and behavior. Always be approachable, responsive, and clear in your communications with team members and stakeholders.

4. PROACTIVELY PLAN FOR RISKS


Every project has its own set of challenges, changes, and unexpected events. You can mitigate these construction risks by planning for them. Here are some key steps to take:

- » **Assess risks as a team:** Conduct thorough risk assessments with your teams. Hold brainstorming sessions to identify potential disruptions to the project's budget and timeline. Then chart your biggest risks.
- » **Practice scenario planning:** After you've identified your biggest risks, envision different outcomes and develop strategies to respond effectively to each scenario. This prepares you to overcome these challenges if they become a reality.
- » **Create contingencies:** Develop contingency plans to address identified risks and unexpected events. Set aside additional resources to accommodate potential delays, changes, or emergencies.
- » **Embrace change orders:** Sometimes, scope changes are necessary. When they are, go by the book and use change orders to document them. If you adjust the project without a signed change order, you may not be entitled to payment for your additional work. Plus, you could be held liable for any scheduling delays caused by the change.

5. MONITOR YOUR NUMBERS

Identifying potential risks helps you see what might happen in the future. Monitoring your numbers shows you what's happening in your projects right now. Here's what you should pay close attention to:

- » **Profit:** Gross profit margin vs. net profit margin
- » **Cash flow:** Net cash flow vs. projected cash flow
- » **Cost variance:** The actual cost vs. the established budget
- » **Working capital:** Current assets minus current liabilities
- » **Labor hours:** Planned hours vs. actual
- » **Labor downtime:** Downtime hours divided by total hours

Keeping an eye on these project numbers helps you catch small issues early and fix them before they become big problems. 



About the Article

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