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Project Management of Construction Industry

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Управление проектом строительной промышленности

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Аннотация. Статья посвящена определению и исследованию понятия проект менеджмента в строительной индустрии. В современных рыночных условиях проект менеджмент является важным элементом для повышения конкурентоспособности компаний во всех секторах, так же и в строительной

индустрии. Проектный менеджмент и его составляющие имеют некоторые особенности в компании строительной индустрии.

Abstract. The article is dedicated to the identification and investigation of the concept Project Management of Construction Industry. Project management is increasing in importance as companies strive to gain competitive advantage in today's tough business environment. Project implementation has become a critical aspect of managing assets and resources effectively. A small drop-off in effectiveness can put a company at a distinct competitive disadvantage. It can negatively affect market share and the bottom line. Companies in Construction industry are looking for ways to improve the reliability of their systems and those of their business partners.

Ключевые слова: проект менеджмент, строительные компании, строительная индустрия.

Keywords: Project Management, construction companies, construction industry.

The term “project management” has been applied widely in various industries for several decades. Project Management Institute (PMI) in United States claims that the five processes are specially emphasized in project management. They are also necessarily applied with the nine great knowledge aspects of project management, integration, quality, time schedule, scope, cost, communication, human resources, risk, and procurement. Project Management Association (IPMA) under European system indicates that method application is a key aspect to achieve efficiently the planning schedule, cost, quality, and scope.

Not surprisingly, finance plays a central role in the achievement of project management goals. These initiatives involve not only the obvious direct costs, but also an array of indirect financial issues, such as decisions about how money flows through the organization and whether the company should change scheduling, payment processes or other activities to improve cash flow. It's essential for companies to maximize working capital and assess risk and determine which project managers and teams are the best fit for a particular project.

These five strategies can help take project management to a higher level:

1. Use software that measures project results. By definition, a project is a temporary activity designed to achieve specific objectives. Project leaders must manage people and resources effectively to reach those goals. In today's fast-changing business environment, this can be particularly challenging, as projects often cross departmental and sometimes corporate boundaries.

Managing small projects at small companies might require only a spreadsheet, but most organizations require more sophisticated tools. When you have hundreds or thousands of people involved in a project, it's important to coordinate resources and prioritize tasks within a specific time frame. Unfortunately, most companies are at an early stage of managing high-end projects. They're focused more on inventory and scheduling than the spectrum of issues related to project management.

Some companies examine construction cycle times, labor costs, materials costs and the time required to complete specific tasks. Gathering this data for projects companywide enables Intel to implement best practices globally -- even when contractors, subcontractors and outside consultants are involved. They can examine a specific task and how long it takes to accomplish it at different construction sites. Once they know the best methods, they can adopt the process throughout the world.

2. Tie together employees across the enterprise. It's important for people to collaborate and communicate on a real-time basis. Leading-edge projects include a wide array of technologies, including online chats, instant messaging, e-mail, faxes, interactive paging, portals and design-collaboration software. The latter can prove especially valuable for joint review of plans by geographically dispersed people. Online dispute resolution is another option that's attracting growing attention. These applications -- often part of a core project-management suite -- can automate and simplify an often frustrating process.

At Barton Malow, a Southfield, Mich.-based architecture and construction firm, technology has played a huge role in boosting project management capabilities. Using IP telephony, unified messaging, IP videoconferencing and wireless networking, the company has put data -- including key financial indicators -- in the hands of those who need it, when they need it. In addition, project management

software has helped the company reduce the time required for dispute resolution by as much as 66 percent. "That's significant because the earlier we can get a project done, the greater the profit," explains their project manager.

3. Put data to work quickly. A project management solution is only as good as the data it provides. Finance and other departments must get their hands on key indicators as quickly as possible. The longer a company waits to make changes to a project that's veering off course, the more costly it will be. If you catch a problem right away, it might result in a slight cost overrun; if you wait longer, it can lead to a problem that's 10 times more expensive, even 100 times more expensive.

4. Align business processes with software. Although a particular department might oversee many of the activities related to a project, effective project management must be collaborative. It requires the input and oversight of a variety of functions, including finance, HR, operations, sales and marketing. These departments should be involved in project management initiatives from the start, and finance should be intimately involved in designing the business processes and systems that will support projects.

5. Use systems for more than cost control. Fiscal responsibility is clearly the foundation for effective project management. By wringing out excess costs, companies can ensure the success of all their endeavors. Project cost overruns, change orders and other factors directly affect the bottom line. The better defined a project is and the better equipped an organization is to make changes quickly, the more likely it is to meet financial goals. One study by Aberdeen Group found that project management applications can reduce billing cycles by as much as four weeks.

Companies that succeed at project management maintain tight control over projects. They assess each project's value and minimize its risks, conduct audits of its performance, carefully manage the labor and other resources dedicated to the project, develop highly qualified project managers, and monitor projects on an ongoing basis to ensure they stay within established guidelines.

While it's never easy to balance competing demands related to time, quality, cost and risk, a growing number of companies are recognizing that project

management is a building block of success. With the right software and business processes, an organization can become more efficient and competitive. Effective project management allows companies to prioritize resources based on key business issues. If a company uses it the right way, it can provide enormous benefits.

The scope in management is not respected enough in construction industry. The main scope is not usually adjusted, yet the content is somehow adjusted for design and budgets. That affects the efficiency of the project execution. Therefore, the prior appropriateness of the content and the budget control and modification during the project should be examined carefully in order to avoid the change of the expected scope. Outsourcing is highly conducted in construction industry, which becomes the reason for educating and developing the talents are not taken seriously. It also influences the execution of Human resources. The only way to change is to modify entirely the whole construction team and the way of running.

Time, costs, and quality are the key cores in project management. Thus, the executors should consider all the aspects in knowledge areas, and control these three aspects precisely to reach the expected plan.

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