

Connections 2017

Building an Information Bridge Between Field and Office

We are

A professional services firm with three integrated businesses working together to advance our clients' success, create uncommon careers for our people, and do what is right for the public, our clients, and each other.



WEALTH ADVISORY



OUTSOURCING



AUDIT, TAX,
AND CONSULTING

CLA by the Numbers

- Over 13,000 Construction & Real Estate Clients
- Over 5,000 Employees
- 100+ Locations
- 10% of the ENR Top Contractors are current clients
- CLA has more CCIFP Professionals than anyone in the country





Closing the Gap



INEFFICIENT

Back Office Processes

lack of



CONSISTENCY

A target with a red bullseye and a yellow frame, symbolizing inaccuracy. The target is positioned on the right side of the image. The word "INACCURATE" is written in large, white, serif capital letters across the center of the image. Below it, the word "Data" is written in a smaller, white, serif font. The background is a solid blue color.

INACCURATE

Data

NO VISIBILITY

Common Problems: Construction

Environment

- Highly-competitive bidding process **pressures margins and increases risk**

Specific Needs

- Improve estimate accuracy to **win more bids at manageable margins and risk**



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- Communication gap between jobsite and office **increases risk of project surprises**
- Increase in Labor and Material Cost continue to **increase likelihood of Profit Fade**

Specific Needs

- Improve estimate accuracy to **win more bids at manageable margins and risk**
- Standardize processes across teams to **avoid errors and inefficiency**
- Integrate project systems to **increase management visibility and forecast confidence**
- Improve operational processes and **adapt best practices to offset labor shortages** and rising material costs



Industry Trends: Construction

2017 Trends to Watch

- Construction costs will rise due to labor shortage forcing companies to find **new efficiencies** in operations



Industry Trends: Construction

2017 Trends to Watch

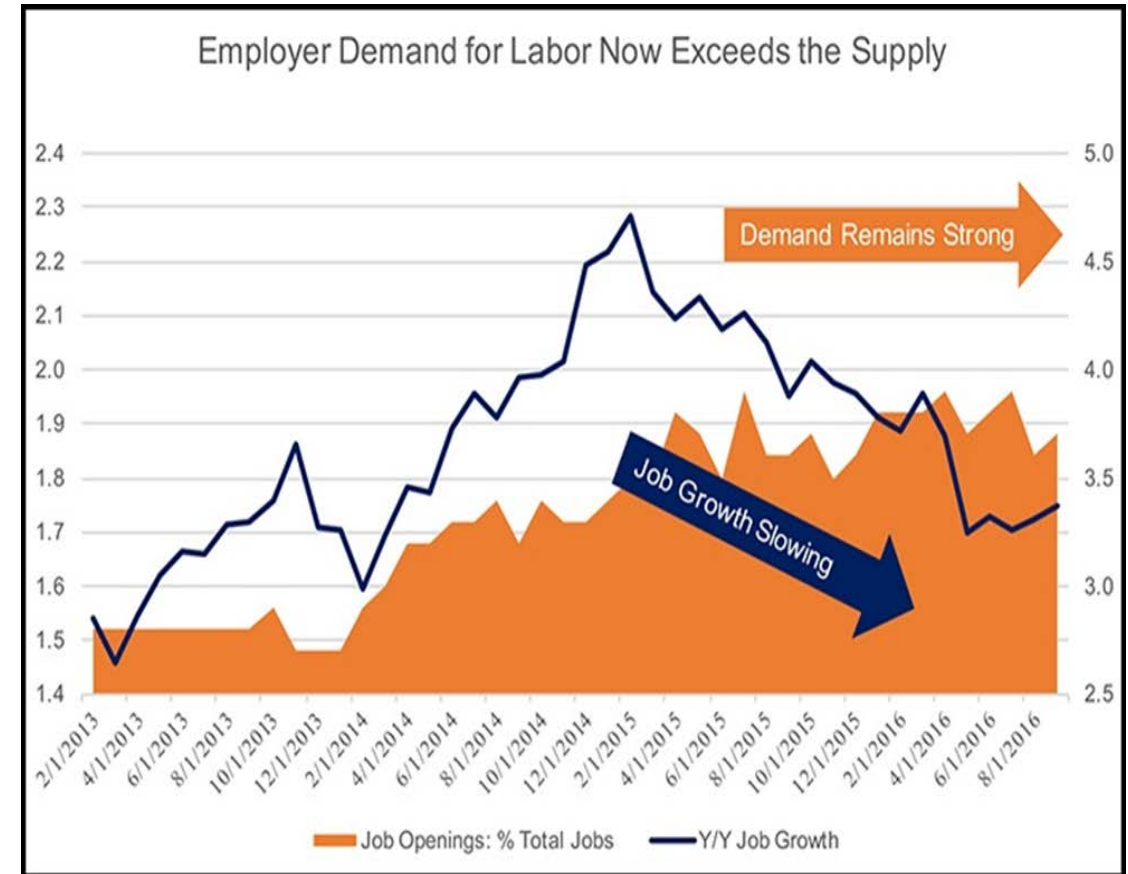
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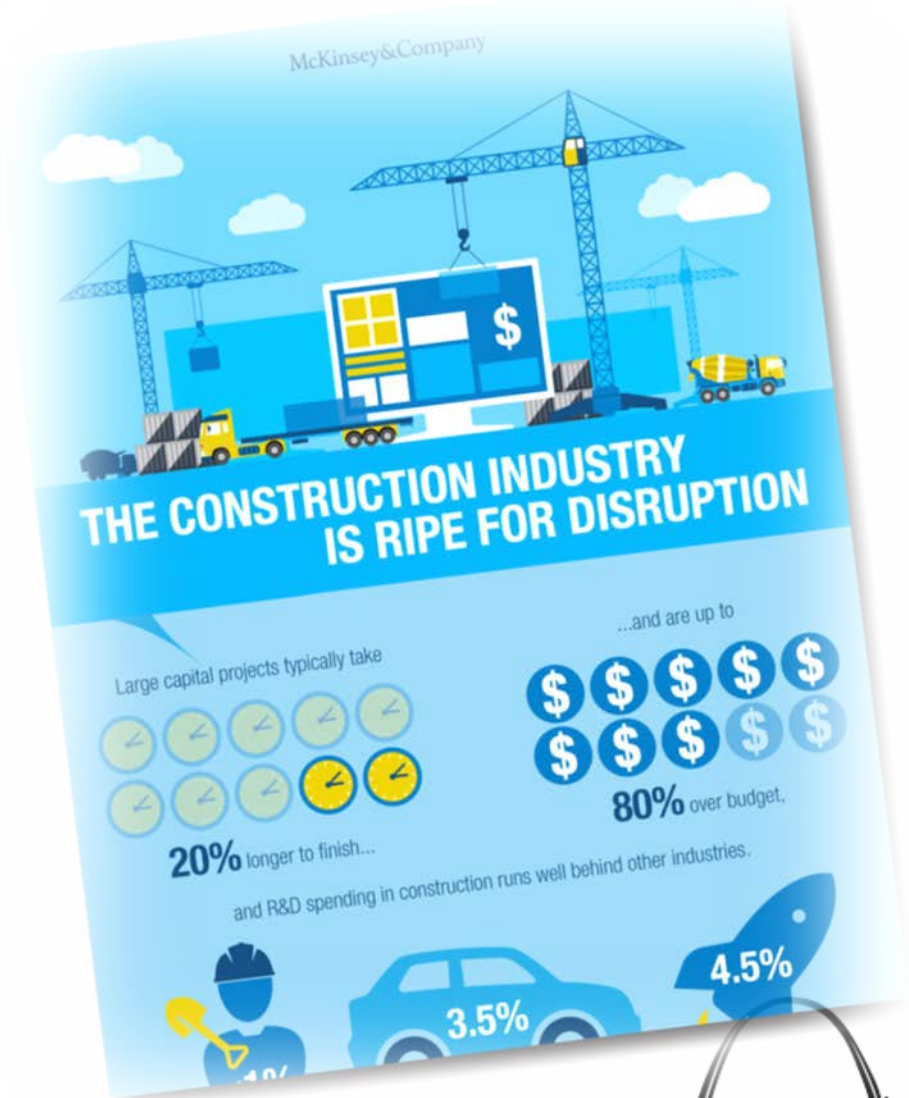
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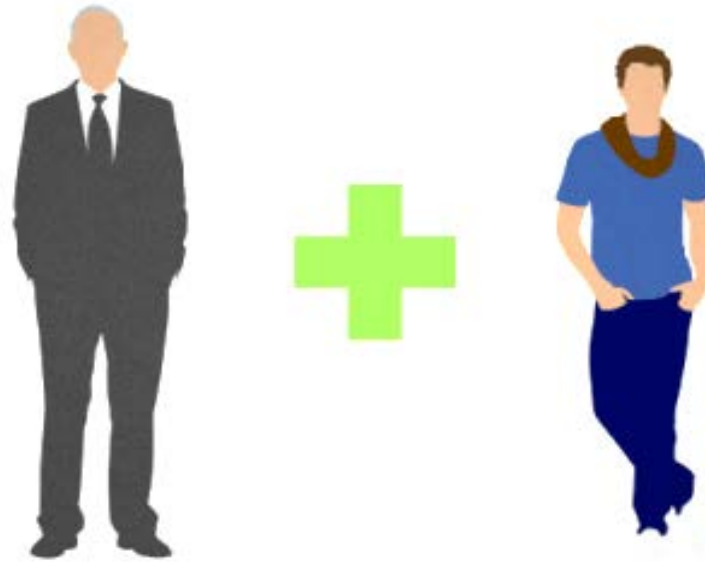
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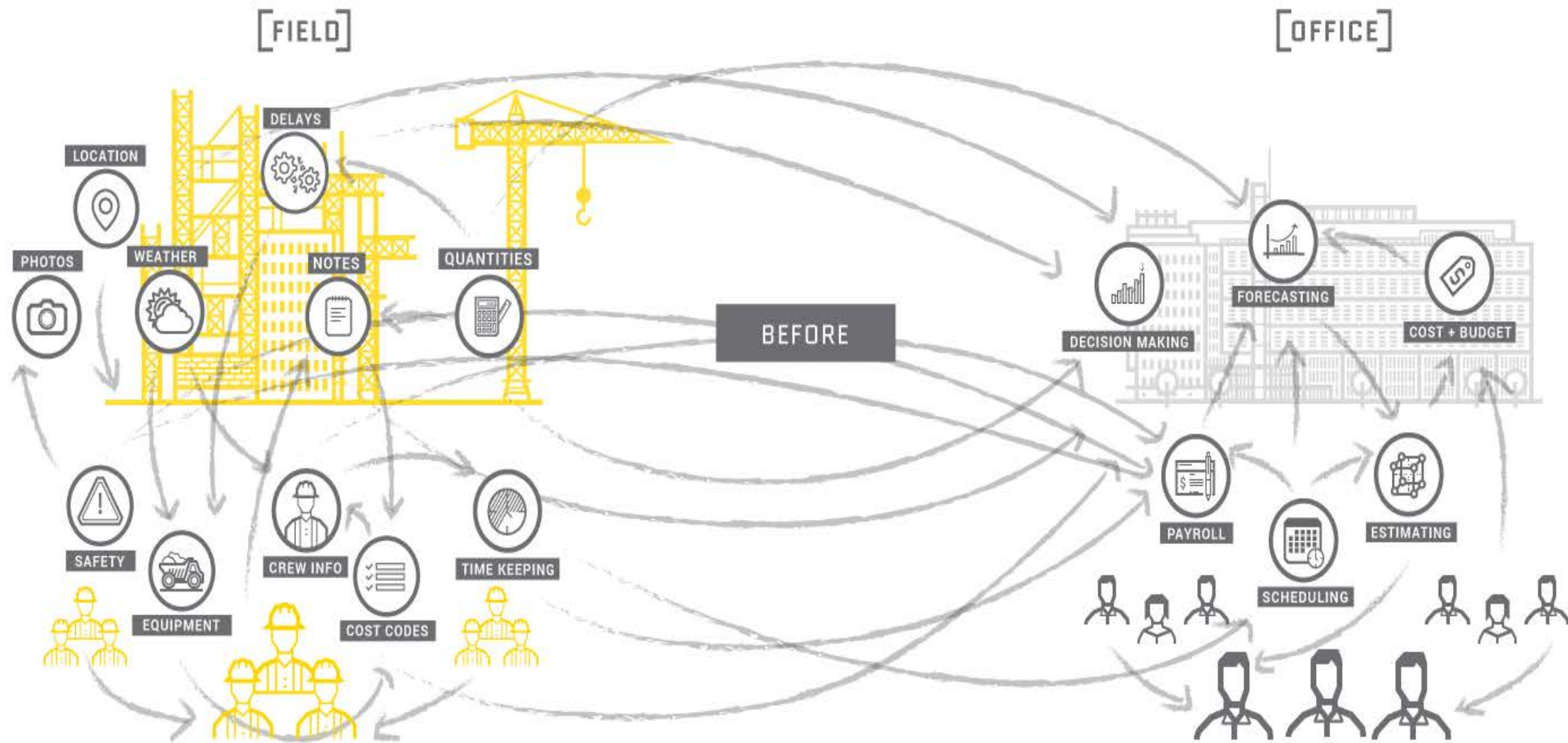


Millennials are the Leaders of Tomorrow



Contractors Ecosystem and Challenges





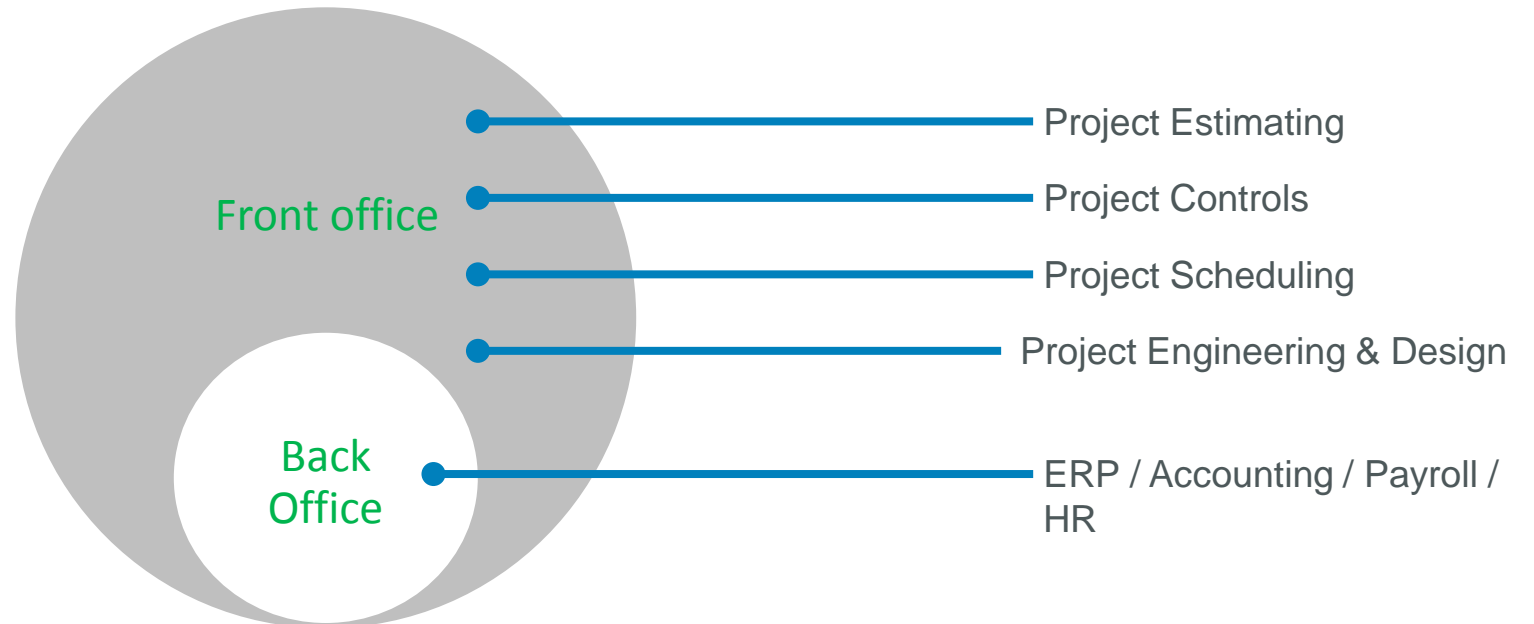
Back Office: Challenges

- Get actual cost and timesheet data from the field
- Maintain consistency across systems
- Provide data needed for better decisions



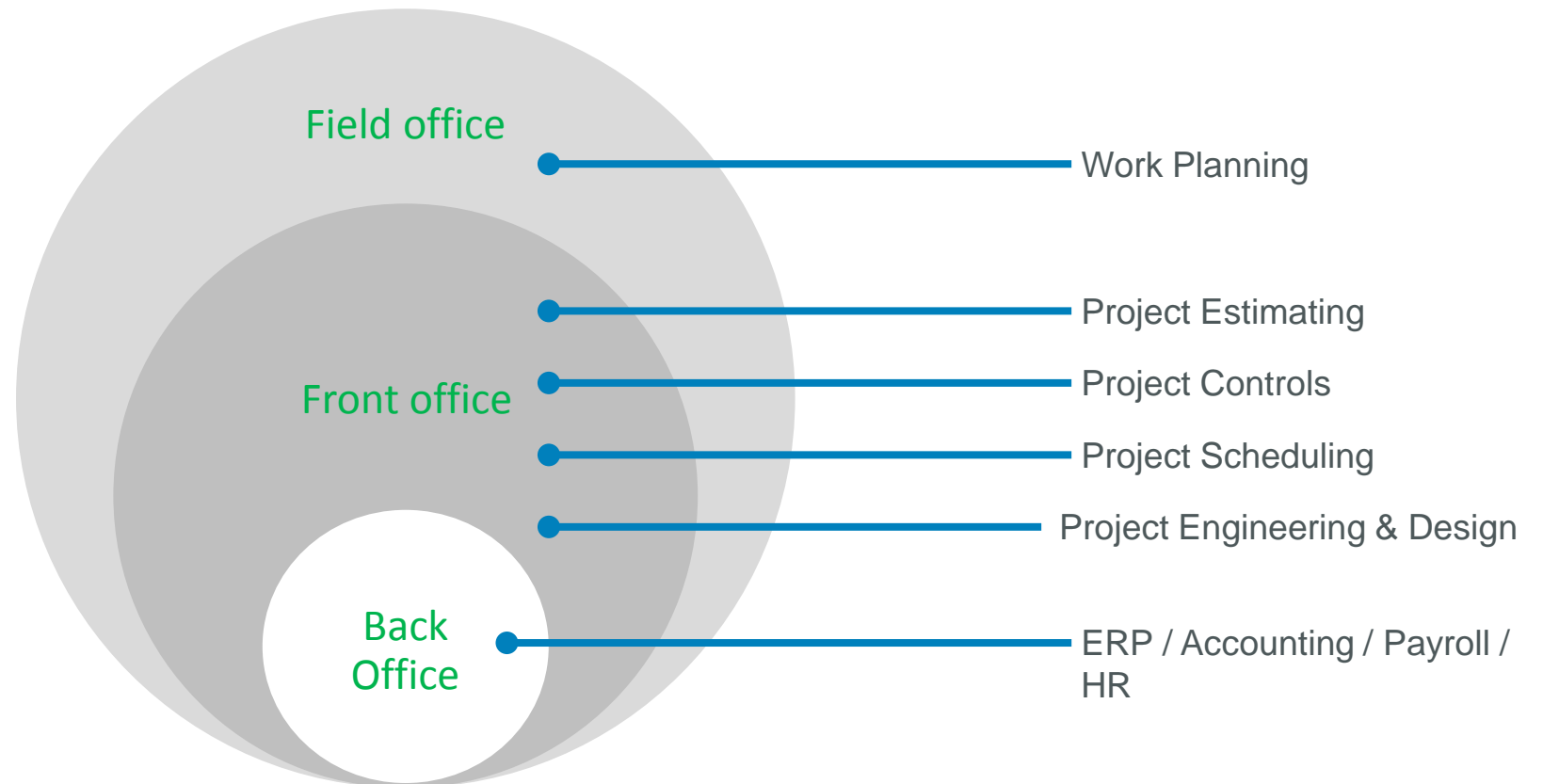
Front Office: Challenges

- Implement best practices for strategic benefit
- Maintain consistency across systems
- Provide visibility needed for better decisions



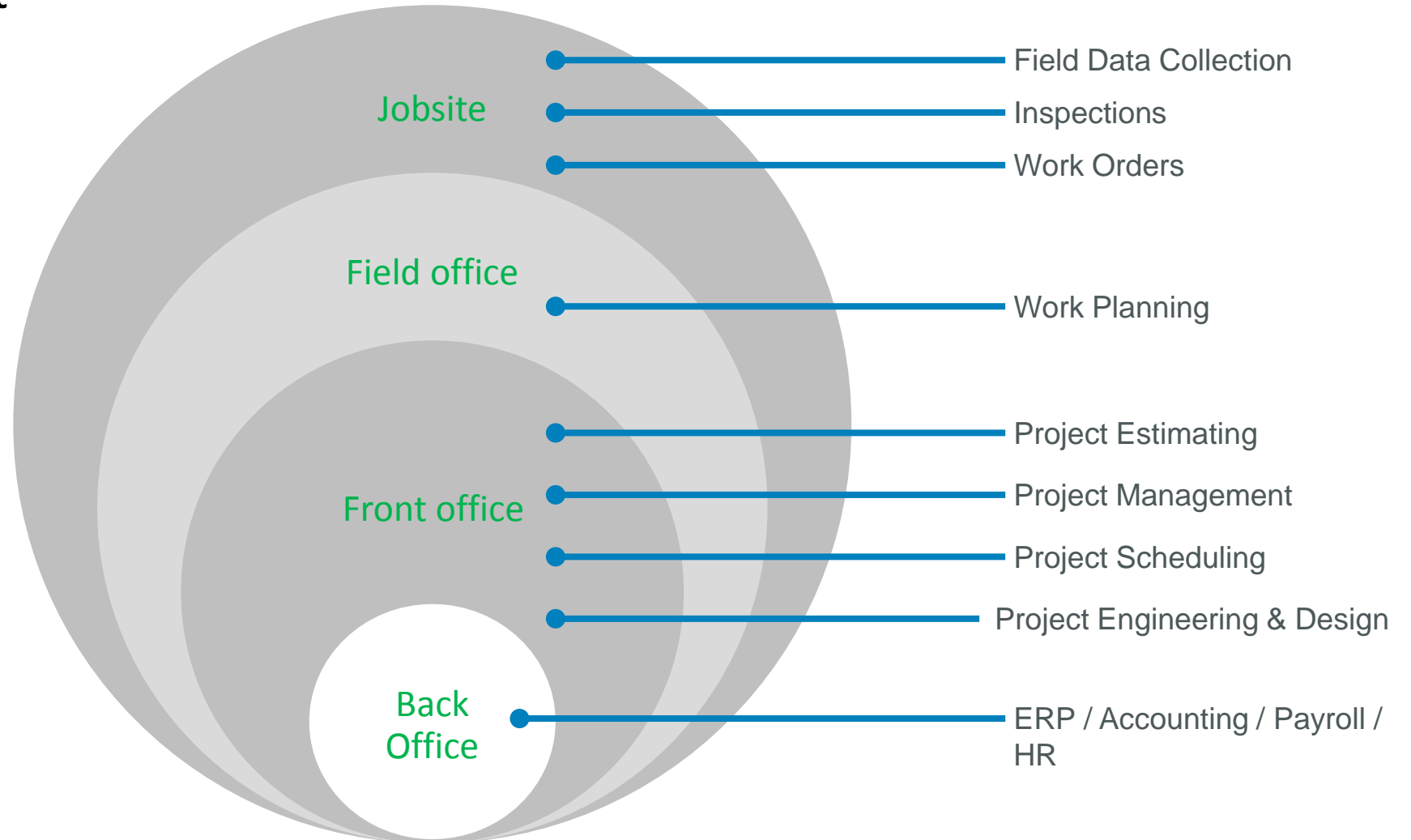
Field Office: Challenges

- Quickly react to and recover from field issues
- Keep the project on track and on budget



Jobsite: Challenges

- Focus on real work, not paperwork
- Keep it simple



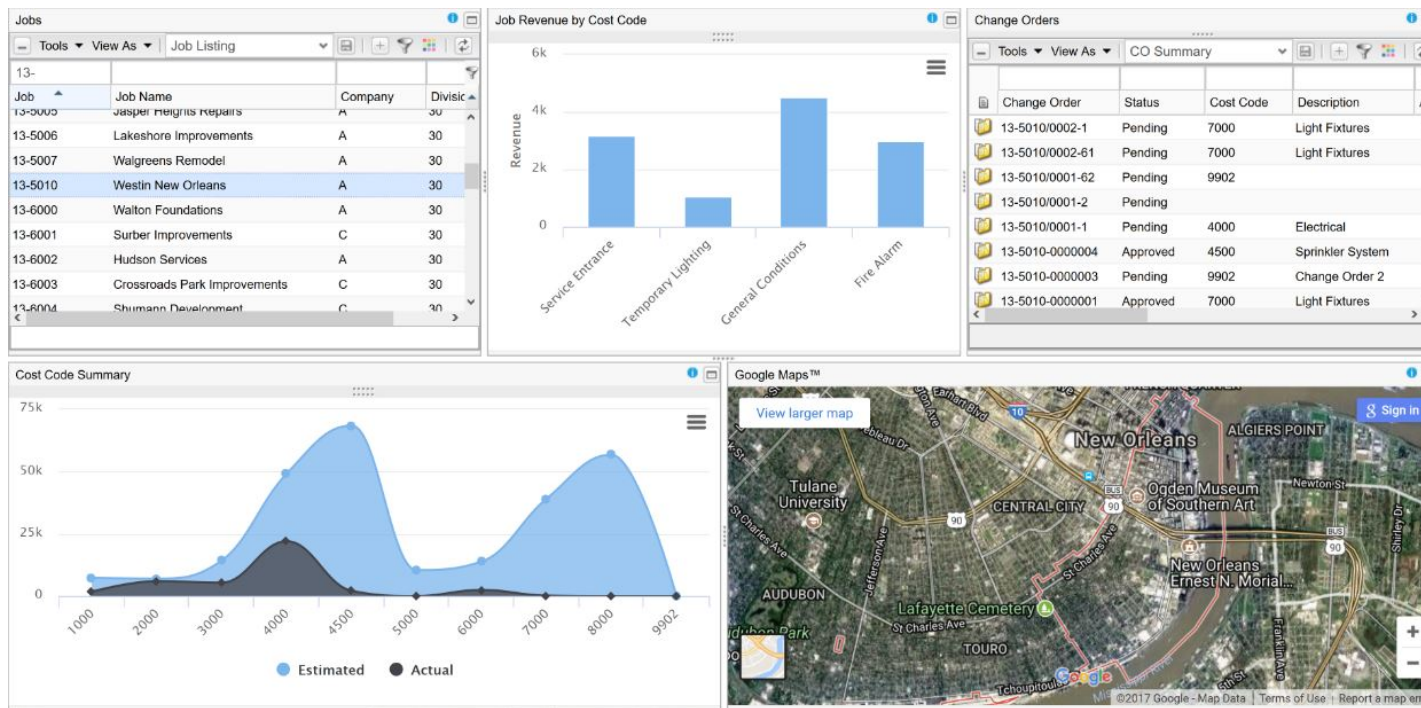


- According to the Oxford English Dictionary, ‘collaboration’ is “the action of working with someone to produce or create something.” To many in the construction industry, it is the equivalent of the holy grail—an elusive ideal of performance. In theory, in a truly collaborative venture, all parties focus on, and contribute to, a project’s goals, thus ensuring success for the project and themselves.



Collaboration, Communication, Why.....?

- Profit Fade Mitigation
 - Earlier identification
 - Positively influence results



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- Management Succession
 - Transparency and de-centralized decision making
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- Workforce Deficit:
 - Efficiency is a response to labor shortage



With Collaboration....



**What
happened?**



**What is
happening?**



**What will
happen?**



**How and why
did it happen?**



**What is the
risk?**



**How do you prevent /
ensure it happens again?**

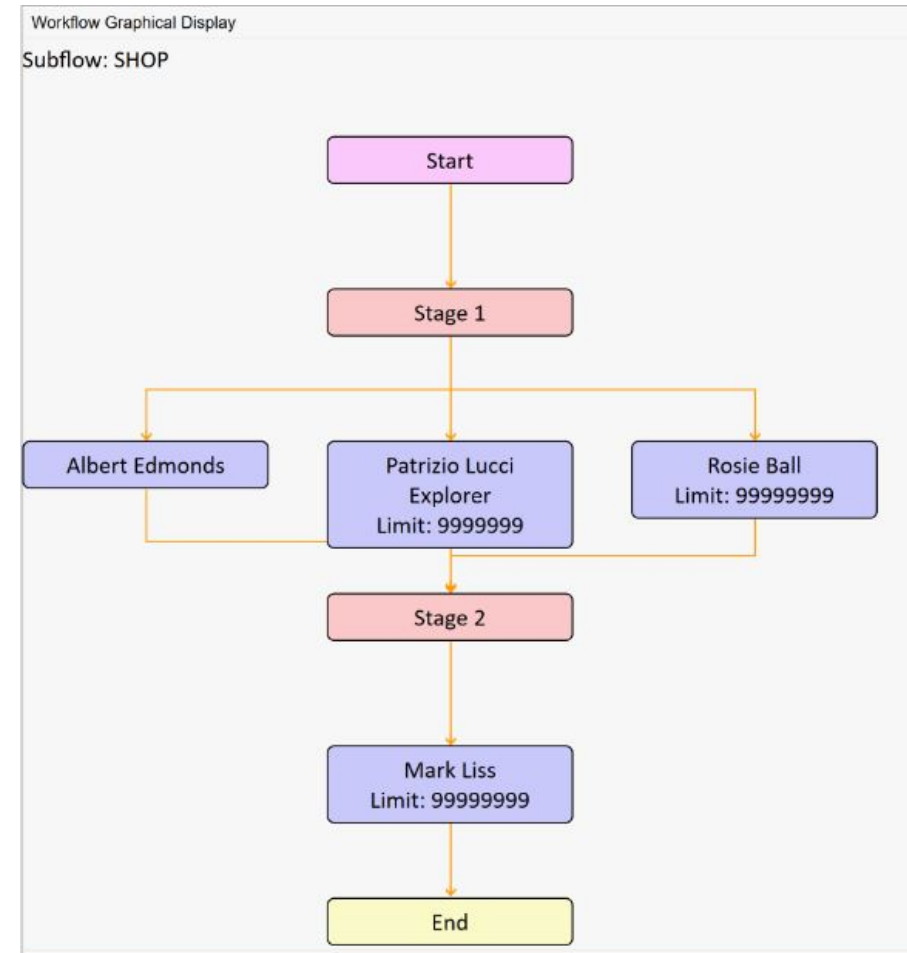
Estimate / Budget Creation

- Winning Jobs at the Right Price
 - ✓ Standardized estimating process
 - ✓ Bidding with consistent rates
 - ✓ Benchmark against historical bids
 - ✓ Evaluate level of risk



Project Setup

- Foundation for project success
 - ✓ Early identification of responsibility
 - ✓ Initiate a project within the system
 - ✓ Accuracy of project information
 - ✓ Standardize project workflows



Budget Management

- Effectively utilize resources
 - ✓ Provide real-time project performance data
 - ✓ Give field personnel visibility of project performance (plan vs. budget)
 - ✓ Create accurate WIP schedule and projections
 - ✓ Create early warning systems to forecast and adjust against profit fade
- Daily data flow allows optimization and course correction



Time and Actuals

- Create a data-driven organization
 - ✓ Leverage digital processes to collect job site data
 - ✓ Capture best practices
 - ✓ Utilize technology to capture work plans, time sheets, material quantity claims
 - ✓ Eliminate the element of surprise resulting from paper/manual processes

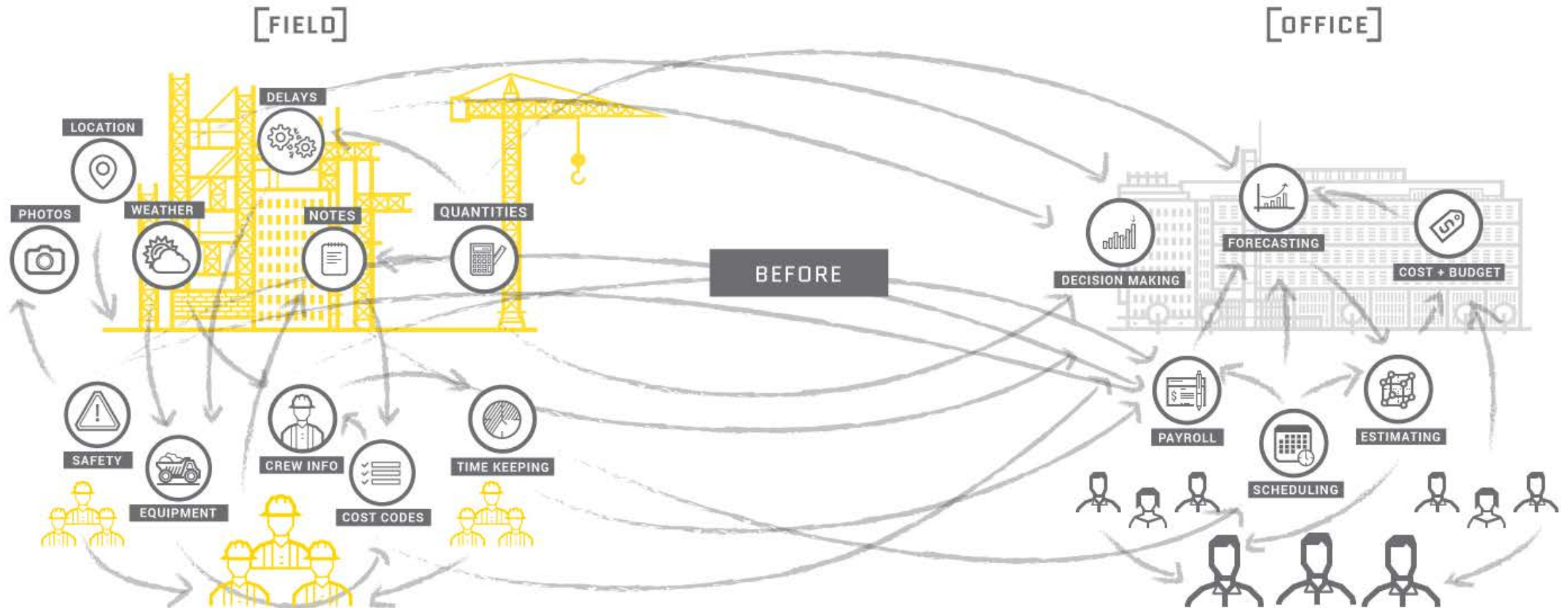


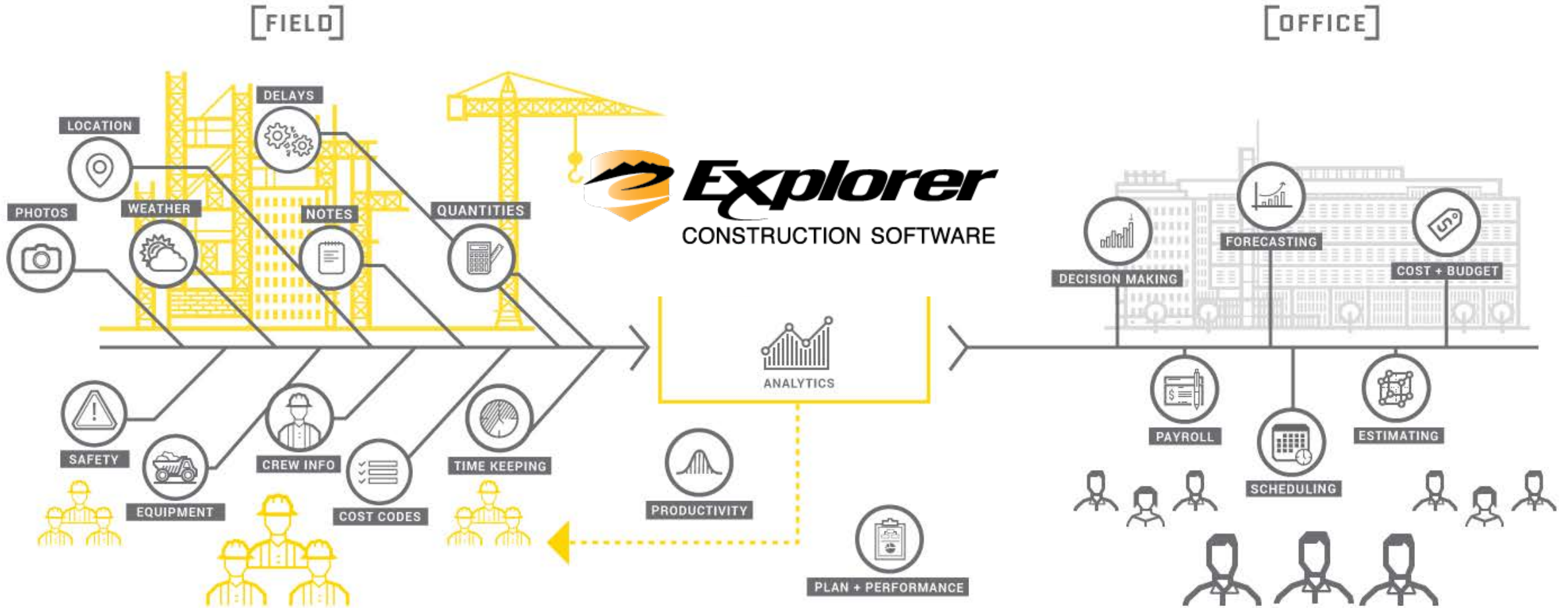
Project Management

- Execute high quality projects ahead of schedule and under budget
 - ✓ Tie together scope, schedules and actuals to create a single source of project truth
 - ✓ Real-time active view of a project at any given time
 - ✓ Provide project transparency to executive leadership
 - ✓ Tie construction jobsite to back office accounting through efficient use of integrated tools



Utilize technology to connect your employees





Jeffrey Nesbitt

Profile

Jeffrey Nesbitt is Manager of Firm wide Consulting with CliftonLarsonAllen Construction and Real Estate Group. Jeffrey works from Phoenix as a national resource. He is responsible for working with all CLA offices to deliver construction industry-specialized consulting services and projects.

Jeffrey specializes in operations consulting and implementation of technology to construction companies to help improve inefficiencies and increase margins.

Industry Education/professional involvement

- Primavera P6 Certified, Oracle University
- Project Cost Management Certified (Estimating, Cost Controls), Hard Dollar
- Associated General Contractors (AGC)

Projects

- Clark Builders (General Contractor): Construction Cost, Best Practices and Productivity Management
- Zachry Construction (Heavy Highway): Organizational Costing and Productivity Management
- Woodgroup PSN (Oil & Gas): Oil & Gas project Controls and portfolio analytics
- Veolia Environmental Services (Environmental): Implementing best practices for connecting the field office to the back office with real time project tracking.
- Iam Gold (Mining): Capital Project Estimation for Mining



Andy Headding

Profile

Andrew Headding is a director/consultant in the Construction and Real Estate Group in the Minneapolis office of CliftonLarsonAllen

Andy joined CliftonLarsonAllen in 2016 after working in the construction and real estate industry for several years. Most recently, Andy worked as a project manager for a large commercial real estate developer that specialized in market rate/affordable housing and hotels. Prior to that, Andy held a project management position with one of the larger self-performing general contractors in Minnesota. In this position, he was responsible for managing large commercial projects of all scopes including industrial, educational, parking, multi-family and senior housing.

Educational/professional involvement

- Master of Business Administration (MBA) with a focus in Finance and Strategy from the University of St. Thomas – Opus College of Business, Minneapolis, Minnesota
- Bachelors of Science in Construction Management with a minor in Business Administration from the University of Wisconsin – Stout, Menomonie, Wisconsin
- Associated General Contractors of Minnesota (AGC)
- Minnesota Construction Association (MCA)
- Mentor for Construct*ium (MCA)
- OSHA 30-Hour Health and Safety Training



Thank you!

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