

STREAMLINING CONSTRUCTION MANAGEMENT SURVEY



INTRODUCTION

Canam Research partnered with Rizing and SAP to better understand the challenges, priorities and digitalization strategies among modern construction and engineering enterprises. We heard from respondents ranging in job function from CEO, VP of IT, and COO to CFO, VP of Software Engineering, and Chief Engineer.



KEY OBSERVATIONS

Frequent budgeting and forecasting, practiced by nearly all respondents requires a robust set of project design and planning tools to keep up with fluctuating demand. Most respondents agree that integrating virtual design and construction (VDC) and delivery applications improves design-build performance; however, a fifth still don't have any plans for digitizing commissioning. Implementation of digital twins or other technology investments could help turn an organization into a truly intelligent enterprise, capable of streamlined project management, a diversified portfolio, and improved profitability. The top three focus areas for the upcoming year to improve efficiency involve project planning, finance, and field management tools.



FEATURED STATS



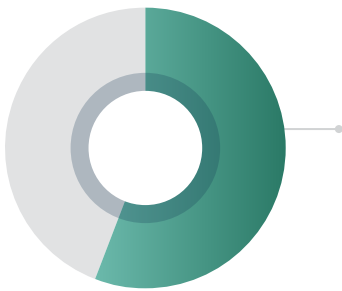
68%

of respondents say their company is focusing on technology investments to improve revenue and profitability.



82%

of respondents agree that integrating VDC and delivery applications improves design-build performance.



56%

of respondents rate their company's tools for budgeting and forecasting on projects as 'reasonably good,' leaving room for significant improvement.



The two biggest challenges to meeting project milestones and profit projections are change management and labor shortages.

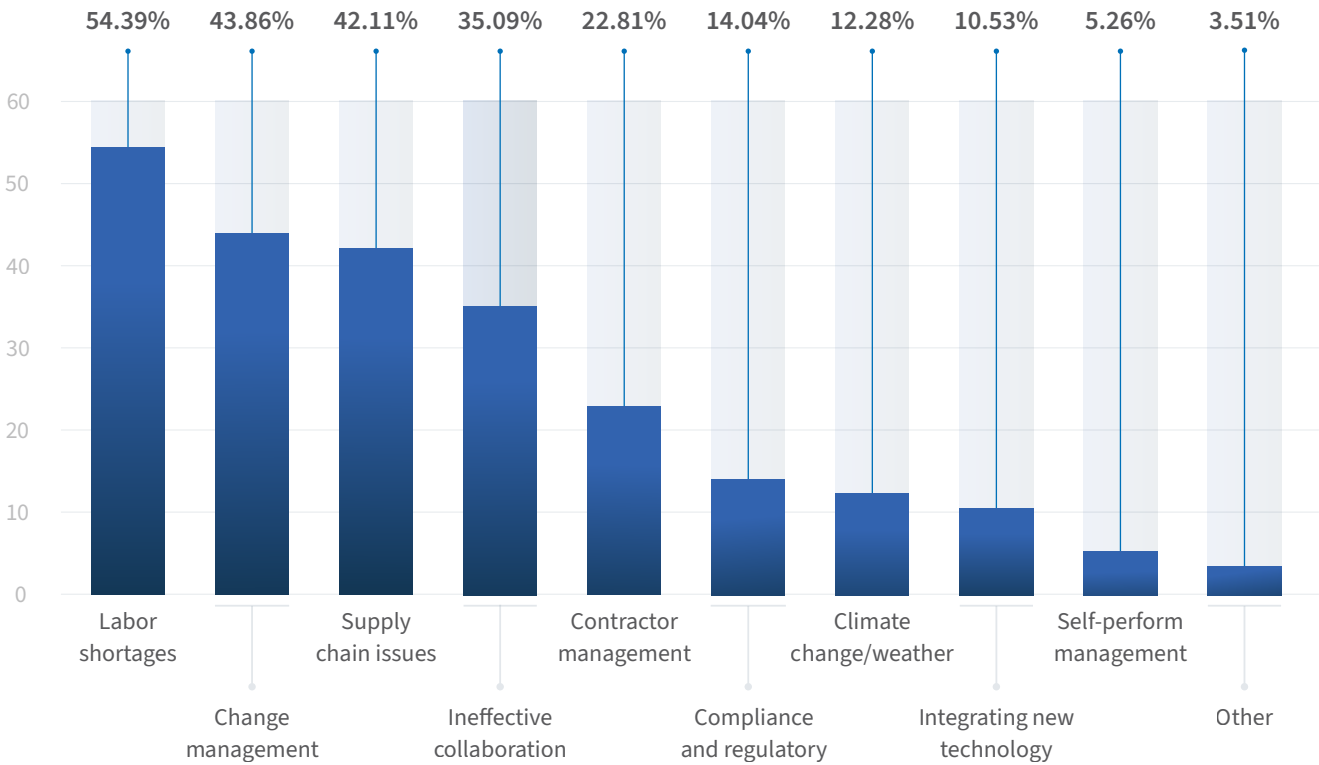


Safety, worker management, permits, and inspections are considered the most effectively managed elements of project performance.

SURVEY TRENDS

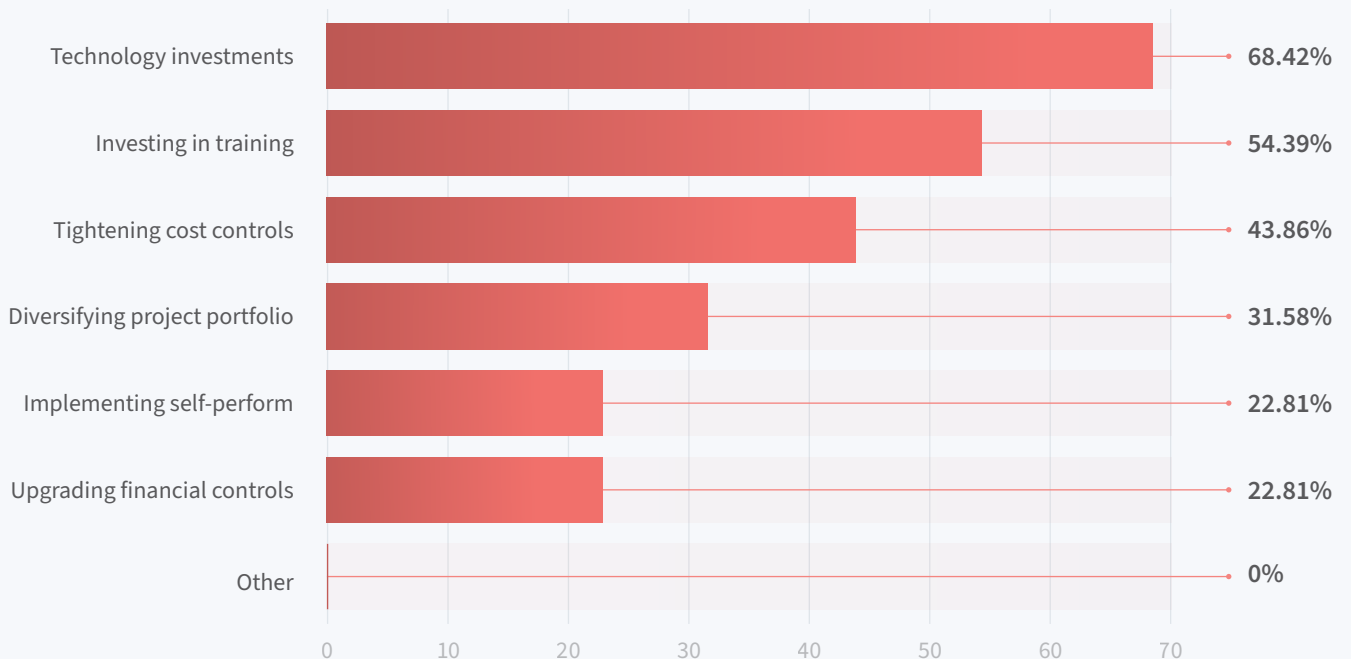
■ **The top challenges to meeting project milestones are labor shortages, change management and supply chain disruption.**

Q1 - What are the biggest challenges to meeting project milestones and profit projections?



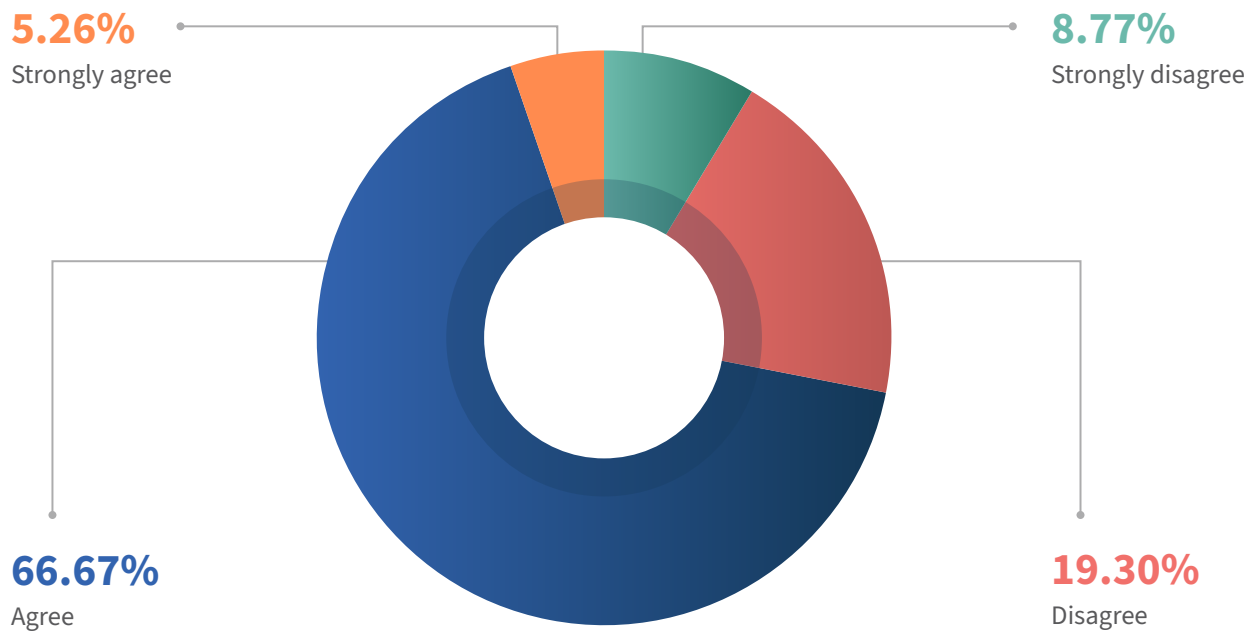
■ **Key focuses to improve profitability are investments in technology and training, but with smaller budgets.**

Q2 - What is your company focusing on to improve revenue and profitability?



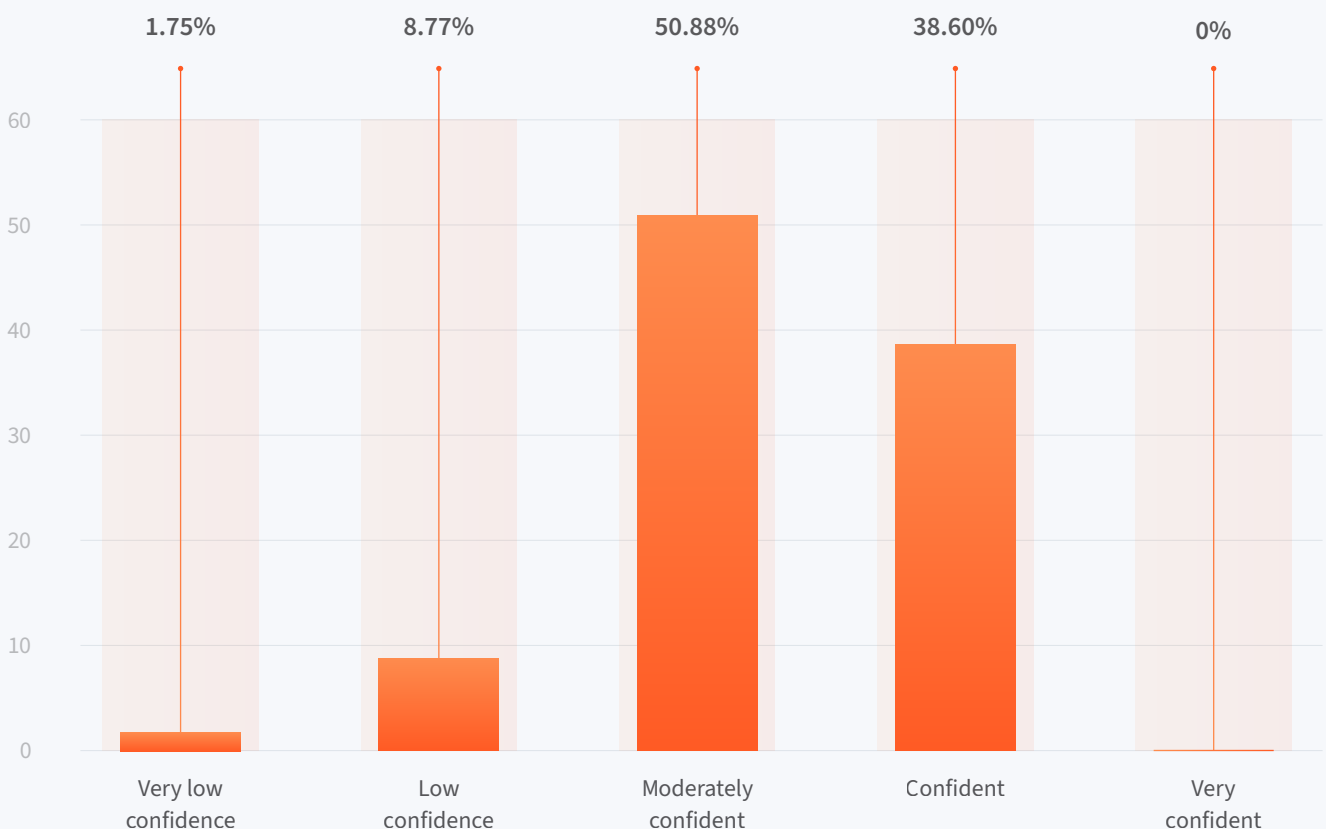
■ **Over half of respondents think project performance has improved with cost and work breakdown structures, but over a quarter [disagree + strongly disagree] say otherwise.**

Q3 - How would you respond to the following statement? We have improved project performance by integrating Cost Breakdown Structures (CBS) and Work Breakdown Structures (WBS).



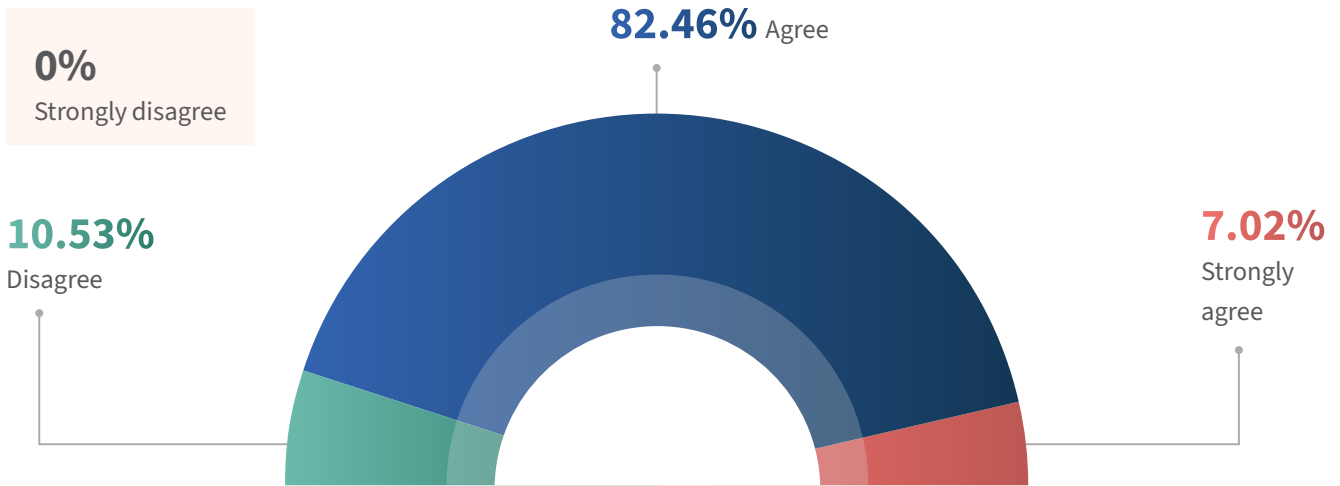
■ **Almost 90% of respondents report at least moderate confidence that their VDC is accurate enough to buy out design over estimate.**

Q4 - On a scale of 1 to 5, rate your confidence that your VDC is accurate enough to buy out your design versus your estimate.



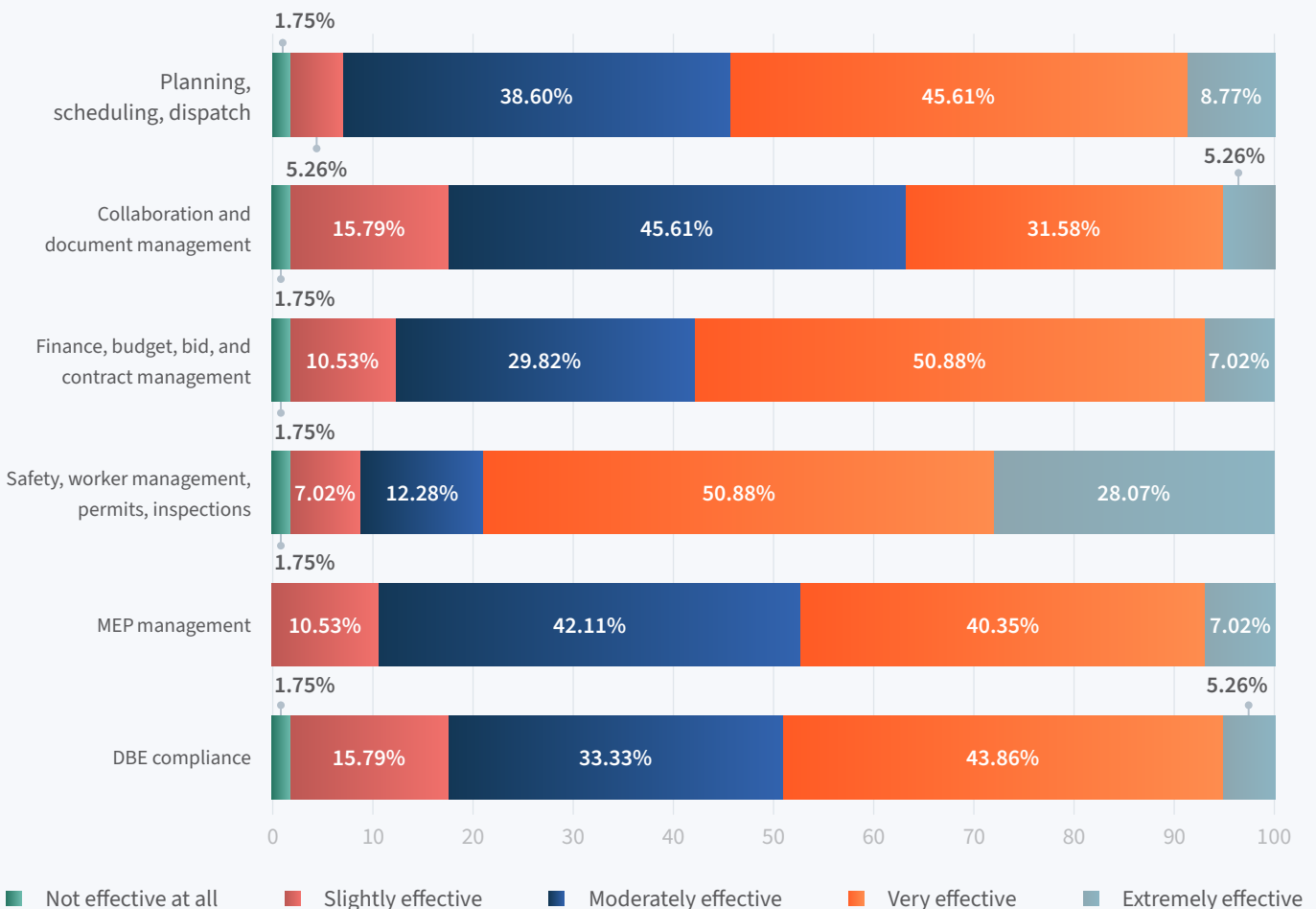
■ Respondents overwhelmingly agree VDC integration and delivery applications improve design-build performance.

Q5 - How would you respond to the following statement? Integrating VDC and delivery applications improves design-build performance.



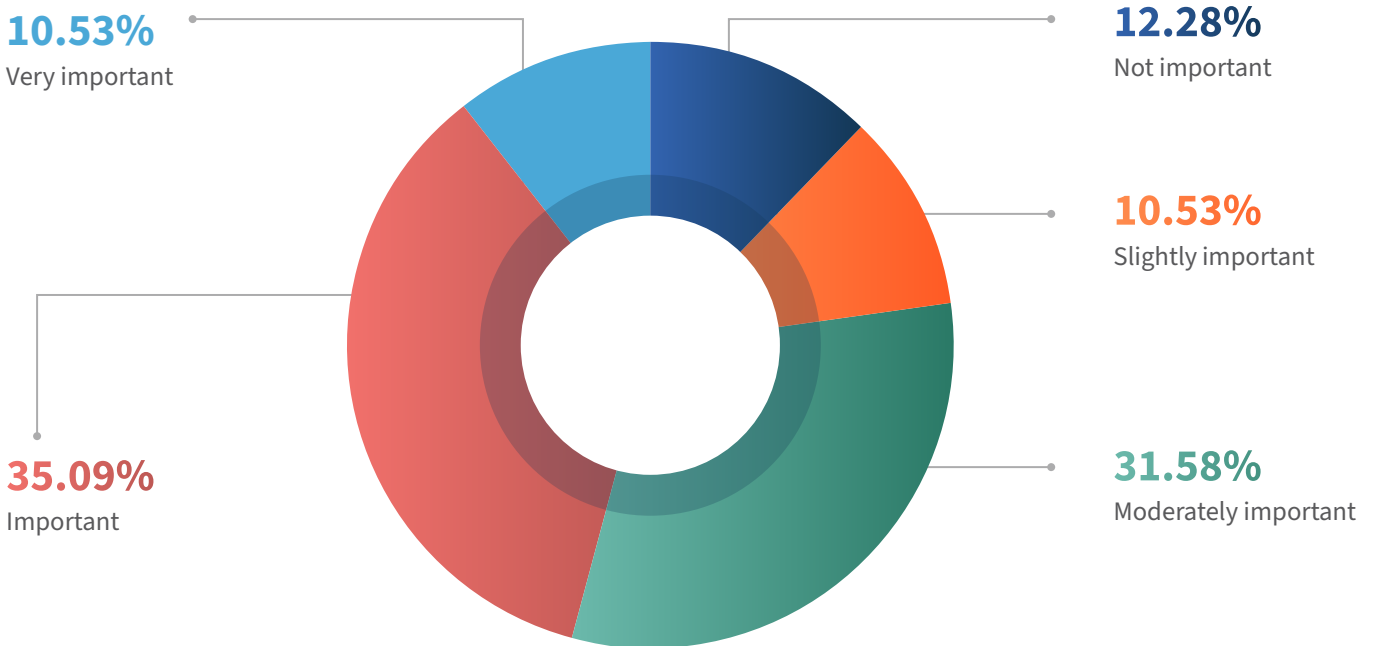
■ Most respondents say their company falls short when facilitating collaboration and document management and indicate that stronger efforts are made on operational and financial aspects of projects.

Q6 - On a scale of 1 to 5, rate how effectively your company manages the following elements of your project performance.



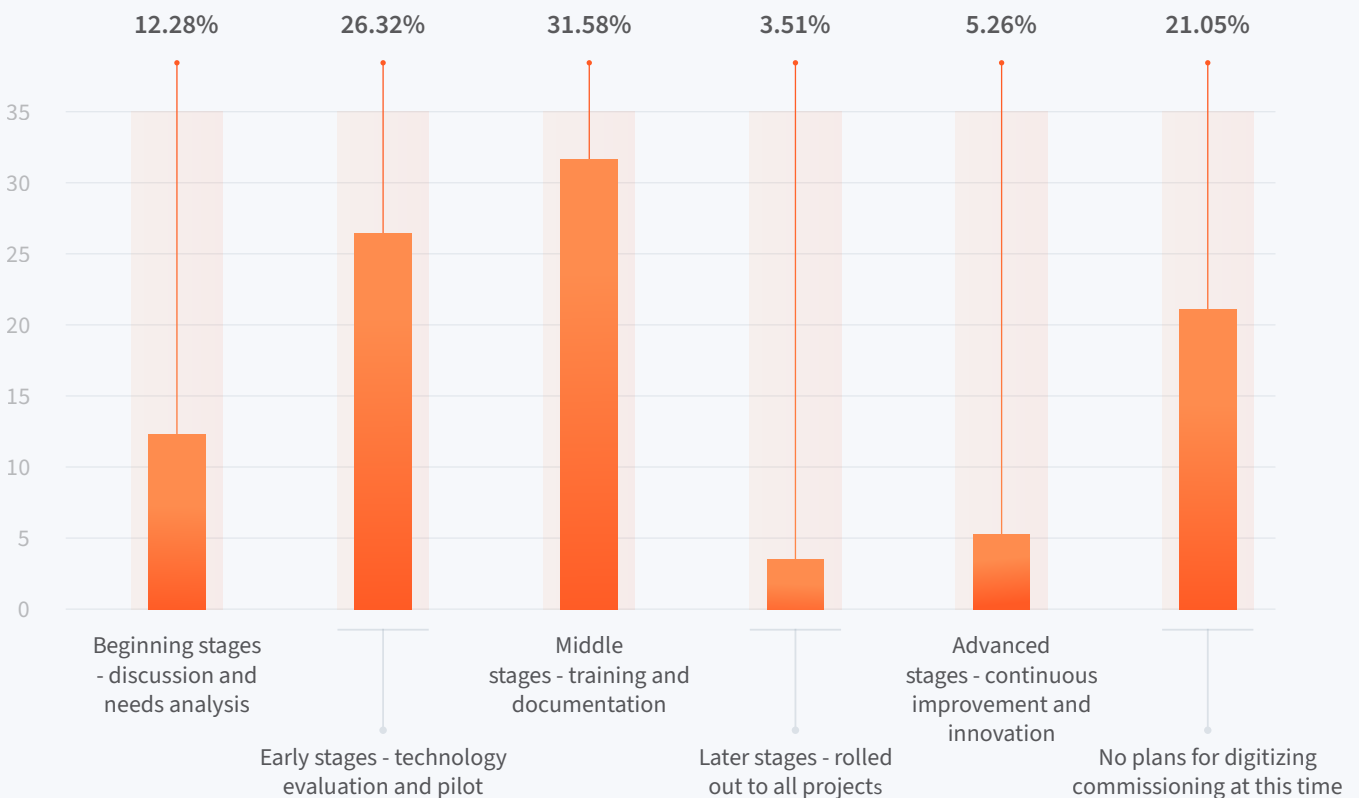
■ Not as many respondents are confident in the importance of digitizing commissioning. Many companies are still in the middle stages of implementing this strategy.

Q7 - How would you rate the importance of digitizing commissioning to provide a good owner experience?



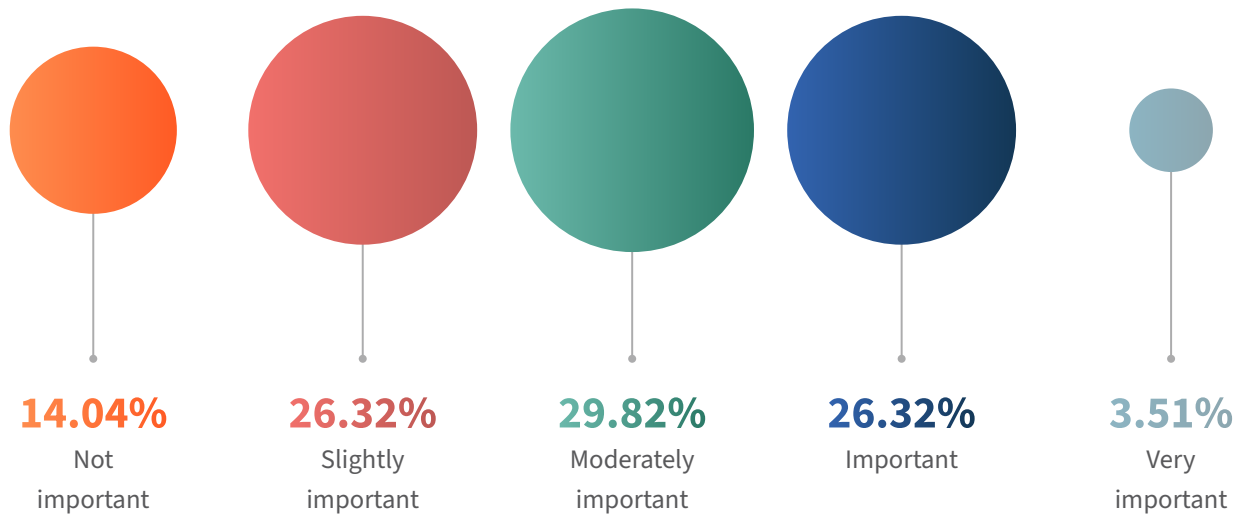
■ Over 20% say they have no plans in place to digitize commissioning, and less than 4% say it's been rolled out to all projects. The companies still in the stage of training and documentation (32%) may require an accelerated timeline or assistance with implementation.

Q8 - Where is your company on the path to digitizing commissioning?



■ Nearly 60% of respondents feel a digital twin helps provide a good owner experience.

Q9 - How would you rate the importance of digital twins in providing a good owner experience?



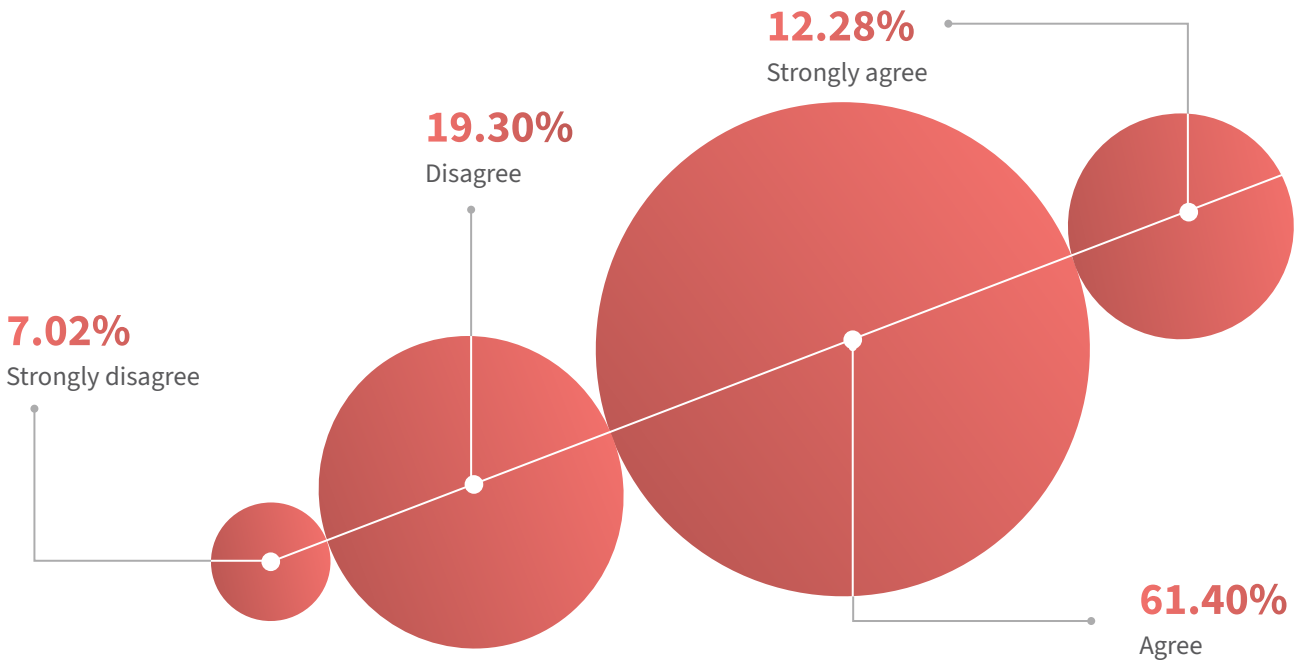
■ Nearly 50% are at early or beginning stages with Digital Twin.

Q10 - Where is your company on the path to deploying digital twins?



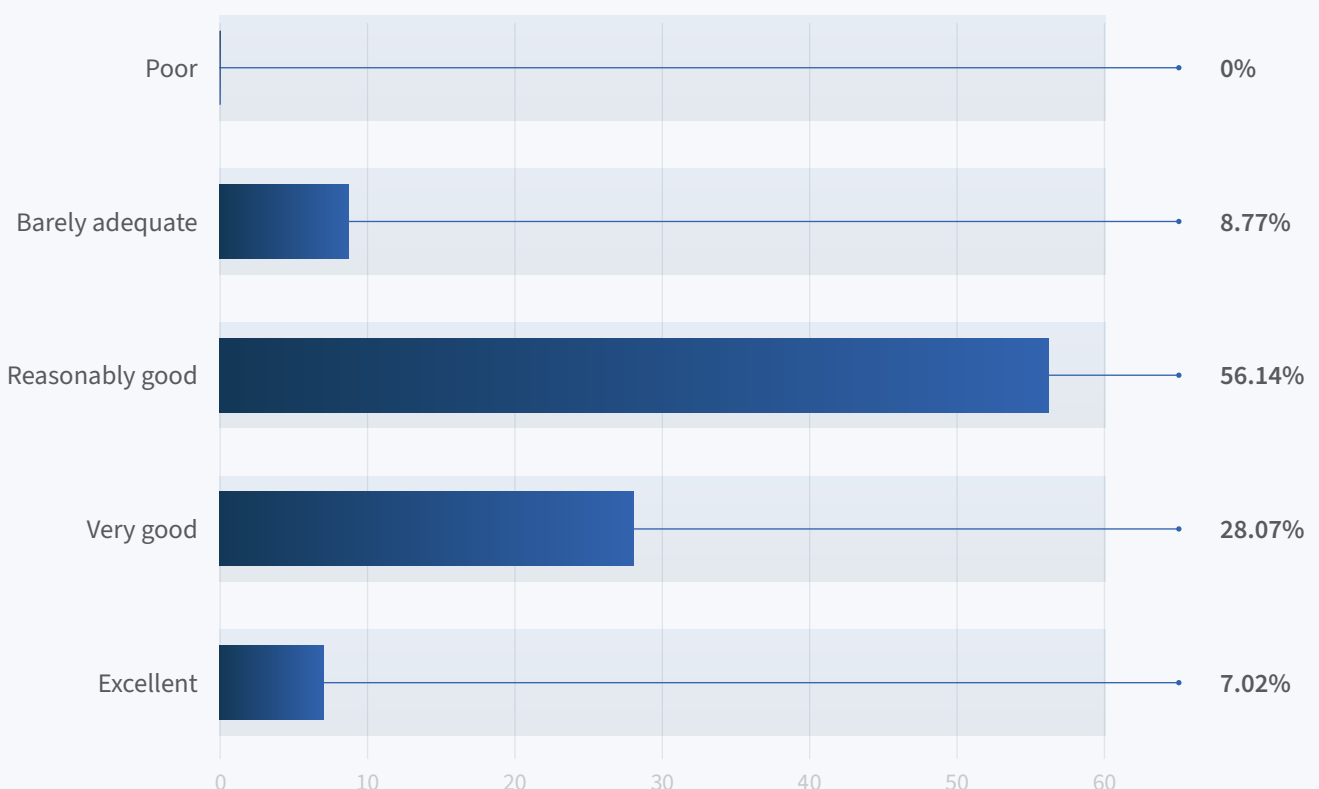
■ Most respondents believe their finance team has the tools necessary to easily adhere to ASC 606 compliance requirements.

Q11 - How would you respond to the following statement? Our finance team has the tools to comply with ASC 606 easily.



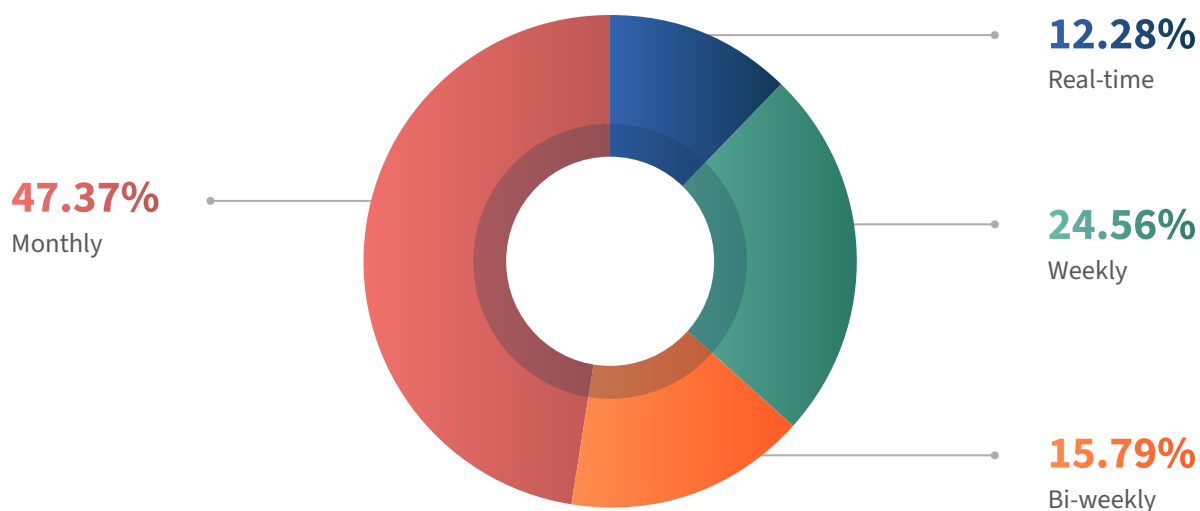
■ While most respondents are satisfied with their company’s tools for budgeting and forecasting on projects, over half recognize these tools are only reasonably good, acknowledging room for improvement.

Q12 - How would you rate your company’s tools for budgeting and forecasting on projects?



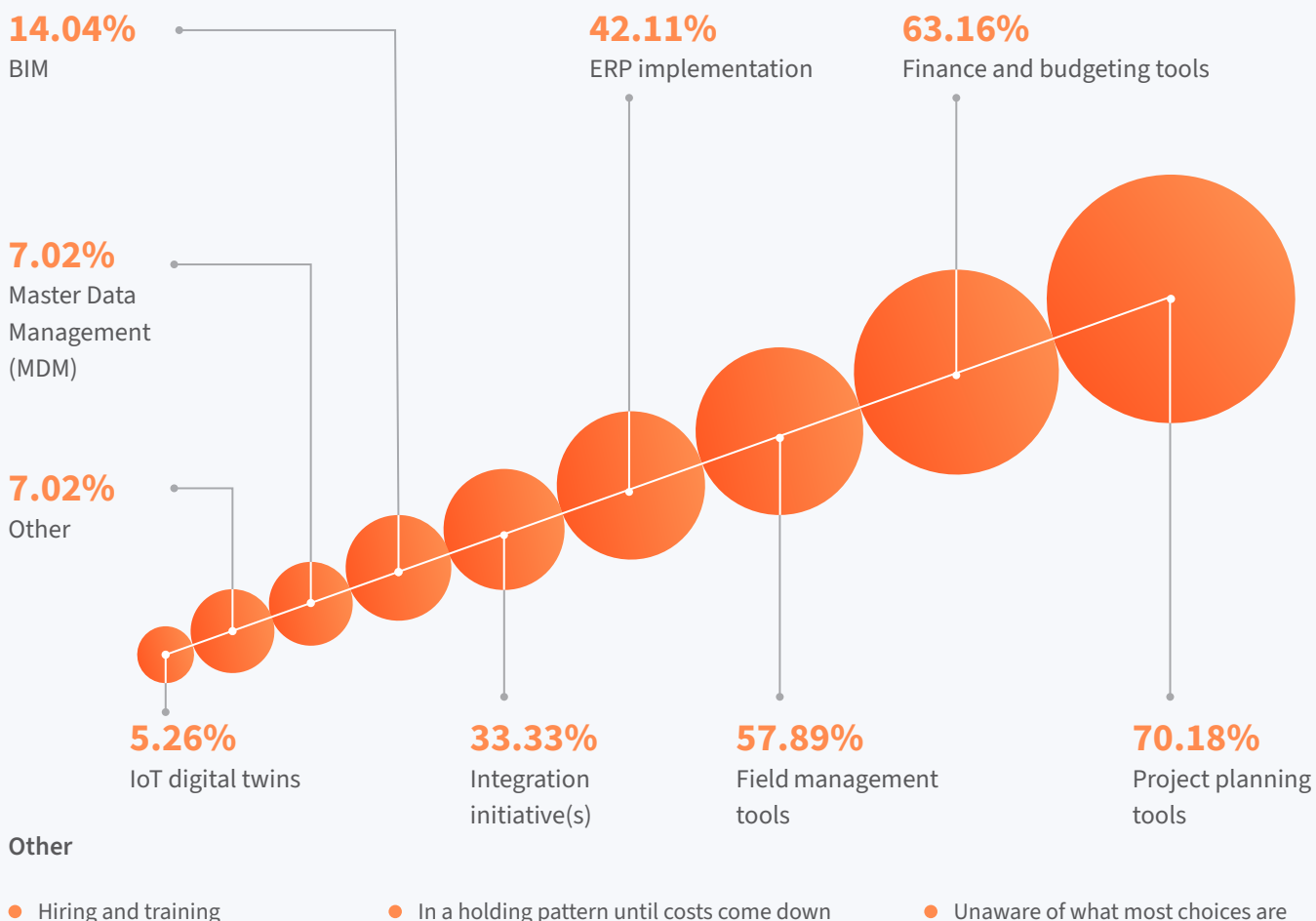
■ Many organizations budget and forecast on a monthly basis. Real-time frequency is the least common and could be due to a lack of tools or technology.

Q13 - Which best describes your organization's budgeting and forecasting frequency for your projects?



■ Top plans to improve planning and profitability in the upcoming year are project planning, finance and budgeting, and field management tools. Organizations appear to be tightening their budgets, but will still invest in new tools and technologies to improve efficiency.

Q14 - What will your organization focus on in the next 12-18 months to improve planning, efficiency, and profitability?



About Rizing

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Rizing provides services and our proprietary apps leveraging the SAP Business Technology Platform to Fortune 500 and small/medium enterprises.

Our mission is always to propel your organization along the transformation journey.

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