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Trust, Transparency, and Velocity Help Reduce Risk

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Every construction project is a prototype of a snowf ake. For all their differences, however, all projects share some basic characteristics. They all start with a dream or idea and a blank sheet of paper before eventually taking physical form.

The process that takes a project from an idea to a f nished building entails substantial risk. Traditionally, a lot of that risk has been managed by developing detailed plans and specif cations that def ne scopes of work prior to a competitive bid process. The idea was that having a complete def nition of the scope combined with competitive bidding would eliminate a lot of risk while fostering competitive pricing. The downsides of this approach — antagonistic relationships between key stakeholders, and designs that are completely baked before receiving cost and constructability feedback — have pushed



project team realized that they needed to add an outlet to a room. The owner asked this GC representative what it would cost, and they threw out "\$1,000," eager to move on to more substantial issues on the \$100-million job.

The owner started the next OAC meeting by emptying a Home Depot shopping bag onto the table and shouting about how they had bought everything needed for an outlet for \$62, so how could the contractor tell them it cost a thousand? The answer, of course, is in the labor, the inspections, the long electrical run. However, because the owner didn't trust the contractor initially, they derailed not only that decision but many future ones. If it took weeks to get the owner bought in on a \$1,000 decision, what was it going to take on the hundreds of larger decisions that would be necessary to get a project of that magnitude built?

A team that is trusted can move faster and complete jobs

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