

## Why Great Project Management Starts Before Construction Begins

Written by: Guia Lasquete, Associate Principal, Rider Levett Bucknall

### FIVE WAYS A PROJECT MANAGER CAN MANAGE AND MINIMIZE PROJECT BUDGET RISK

Engaging a project manager (PM) at the beginning of the design process – rather than starting at the construction phase – offers owners, architects, and contractors the measurable benefit of actionable options, not merely analysis.

By proactively presenting multiple perspectives and solutions throughout the programming, design, and procurement stages, the PM can play a major role in shaping a successful outcome for all stakeholders. By the time a project reaches construction, 70% of the project budget is actively tied up in that phase and contingency funds may be reduced to 8% to 10%, which severely limits any unforeseen changes or course corrections that need to be made at that time.

On the other hand, if a PM is engaged upfront during programming, the 70% project budget risk can be managed and minimized.

The following is a look at some specific examples of how an experienced PM can impact each of the four aspects of the programming process.

#### 1. PROGRAMMING: BUDGET

At this phase, an involved PM can identify and help implement efficiencies and savings in several key areas. For site selection, they can generate costs for multiple feasibility studies,



increasing the owner's choices. They can expand the budget development to include soft costs instead of just construction/hard costs, giving a more realistic, fully formed financial picture. They can also guide the design team to make informed materials selections that may alleviate disruptive value engineering at sensitive points in the project.

#### 2. PROGRAMMING: SCHEDULE

If the PM was joining the project at the construction stage, their involvement in scheduling would be moot, restricted to monitoring an already-established timeline. But creating a schedule in the programming phase puts the PM in a position to hold team members accountable at key milestones.

Drawing on their knowledge of the local bidding climate, a PM can recommend the optimal time to put a project out to bid, increasing the owner's ability to secure the best price.

### 3. DESIGN

In this stage, PMs are in an ideal vantage point to ensure the original, agreed-upon project programming goals are all reflected in the design intent.

Acting as a second set of eyes on the documents during constructability reviews, they can critique the design as drawn, call out any early risks the proposed design poses to the budget, and advise on corrective measures to keep the project moving forward.

### 4. PROCUREMENT

A PM's market expertise can be an invaluable asset in the procurement phase. Their familiarity with design firms' capabilities and portfolios, as well as those of contractors and consultants, can streamline the selection process for the owner as they can effectively screen qualified candidates. Creating a short list of suitable procurement options can further maximize cost savings. When developing requests for quote (RFQ) and requests for proposals (RFPs), the PM can offer insight into whether a project might benefit from a two-stage procurement approach. Additionally, a PM's knowledge of multiple forms of contract agreements can again work to an owner's advantage, as can their contract negotiating skills.

### 5. CONSTRUCTION

If construction is the point where a PM is first brought into the job, they are relegated to playing only a monitoring/oversight role. The potential benefits to the team, as described above, remain unrealized, nothing more than a missed opportunity. By integrating the PM into the initial of planning and design phases, they can guide the comprehensive creation of the scope of work and capture the most cost savings and efficiencies. Early engagement also enables the PM to truly act as a representative of the client as they drive the entire process, from project inception to completion. In continuous interaction with owners, designers and contractors, a PM serves as the point person in communication, ensuring that consistent, accurate information is delivered in a timely and transparent fashion. By identifying the expectations of the entire project team early on, establishing realistic goals and executing throughout the life of the project, the PM delivers a win-win situation for all stakeholders. 



---

### About the Author

---

Guia Lasquete is an associate principal with Rider Levett Bucknall and has over 20 years of national and international quantity surveying, cost management, and project management experience in multiple sectors.

Visit [rlb.com](http://rlb.com).

---

### About the Article

---

Republished from [Construction Business Owner](#). Construction Business Owner (CBO) is the leading business magazine for contractors and is designed to help owners of construction firms run successful businesses. Founded in 2004, CBO provides real-world business management education and knowledge that is of real value to the owners of construction companies.

Any views and opinions expressed in this article may or may not reflect the views and opinions of the Construction Management Association of America (CMAA). By publishing this piece, CMAA is not expressing endorsement of the individual, the article, or their association, organization, or company.