

## Five Tips to Reduce Cost on Commercial Construction Projects

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Navigating through the intricate process of commercial construction projects demands a strategic approach, meticulous planning, and a deep understanding of the industry's dynamics. Given the substantial investment involved, it's imperative to optimize every stage of the project to manage costs effectively and ensure a successful outcome.

This blog will provide critical strategies and tips aimed at enhancing efficiency, controlling construction costs, and ensuring a more seamless execution. By adopting these practices, stakeholders can expect a reduction in unnecessary expenses and a well-coordinated process.

### Plan Early and In Detail During Preconstruction

#### PRECONSTRUCTION IS CRITICAL TO PROJECT SUCCESS

The journey of constructing a commercial building starts long before the actual construction begins. The preconstruction phase is a critical period where plans are laid out, budgets are set, and the groundwork for the entire project is established.

By investing time and resources into this initial stage, stakeholders can gain a clearer understanding of the project's scope. You can further identify potential challenges and devise strategies to mitigate risks.

Leveraging construction management software during



preconstruction creates efficiencies and consistency for your project. It generates a continuous stream of data starting with the initial estimate all the way through to project closeout.

#### EFFECTIVE PROJECT MANAGEMENT DRIVES SUCCESSFUL PROJECT OUTCOMES

Effective project management is the cornerstone of successful commercial construction projects. By adopting a top-level approach, project managers can oversee every aspect of the construction process, from design to procurement and construction. They play a crucial role in coordinating the efforts of various teams. It is their responsibility to ensure that the project stays on track, within budget, and adheres to the highest quality standards.

Successful project management results in a smoother construction process. It ensures more efficient resource utilization and ultimately leads to lower cost on commercial construction projects.

### **ESTIMATE COST-PER-SQUARE-FOOT TO EFFECTIVELY MANAGE COMMERCIAL CONSTRUCTION COST**

Understanding and accurately estimating the cost per square foot is vital for budgeting and financial planning in construction. This metric provides a standardized way to compare and assess the cost efficiency of different projects.

By gaining insights into the average construction cost per square foot, stakeholders can make more informed decisions. Next to better resource allocation, it also allows them to identify areas of cost savings.

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### **Prioritize Collaboration Across Project Stakeholders**

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#### **CHOOSE THE PROJECT DELIVERY METHOD THAT'S RIGHT FOR YOU**

Introduced in recent years, the design-build approach represents a paradigm shift in commercial construction. It fosters collaboration and integration between designers and builders from the project's start. This method contrasts with the traditional design-bid-build process by streamlining project delivery and leading to cost and time savings.

When taking a design-build approach, a single entity holds responsibility for both design and construction. This makes it more likely that potential risks and issues can be caught during the design phase. With greater general contractor involvement in design, there should be less surprises and change orders throughout the project. This project delivery method can significantly enhance the efficiency of the commercial construction process.

Consider the Construction Management at Risk delivery method when looking for financial predictability on your project. This approach enables collaboration between your contractor and design teams during preconstruction. Both teams are involved in developing accurate budget

expectations, that inform a guaranteed maximum price (GMP) for the project.

It's key for the construction manager (CM) to work effectively with design teams and contractors on the project. Not only to make sure the project runs smoothly, but to minimize their financial risk while meeting the owner's expectations.

### **ESTABLISH INTEGRATED TEAMS ON COMMERCIAL CONSTRUCTION PROJECTS**

Embracing an integrated project team model fosters a collaborative atmosphere, where contractors, architects, engineers, and other stakeholders work cohesively towards common goals. This in turn facilitates better communication, quicker decision-making, and a more agile response to challenges. Consequently, it contributes to the overall success and cost-efficiency of commercial building projects.

Through this approach, the commercial construction process becomes more streamlined, transparent, and aligned with the project's objectives and budgetary constraints.

Prioritizing early, completing detailed planning, and adopting a project-delivery approach that meets your needs, sets the stage for a successful, cost-effective project outcome.

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### **Ensure Comprehensive Site Preparation to Minimize Commercial Construction Cost**

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#### **WHY PROPER SITE PREPARATION IS IMPORTANT**

Site preparation sets the foundation for a safe and efficient construction process. It involves clearing the land, setting up proper drainage, and ensuring the soil is suitable for building. If this step isn't executed properly, it could lead to construction delays and increased costs downstream.

For instance, discovering unstable soil after construction has begun can result in expensive modifications to the project plan. This in turn significantly impacts project profitability. Thus, investing time and resources in thorough site preparation is essential for the overall success and cost management of your project.

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## Build and Manage Effective Construction Teams

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### THE IMPACT OF A COHESIVE CONSTRUCTION TEAM

The construction team, comprised of skilled laborers, technicians, and supervisors, is the driving force behind successful projects. Their expertise and dedication play a crucial role in executing the project plan, adhering to quality standards and maintaining the construction timeline. Effective management of these teams is essential to ensure they work cohesively, stay motivated, and deliver their best work.

### EMPOWERING EFFECTIVE TEAM COLLABORATION

Fostering a collaborative environment is key to managing construction teams effectively. This includes clear communication, regular meetings, and the use of project management software to keep everyone on the same page.

Additionally, providing training opportunities and recognizing good performance can enhance team morale and productivity. Adopt these best practices, to ensure your construction teams are well-coordinated, highly efficient, and motivated to do their best work.

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## Pay Close Attention to Detail During Final Phases

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### CAPTURE OUTSTANDING ISSUES IN A PUNCHLIST

The punch process is critical to the success of commercial construction projects and takes place throughout construction and during the final punch walk. Create punchlists to capture any outstanding tasks or issues that need to be addressed before the project can be considered complete. Jobsite management software allows general contractors and architects to jointly capture and review any punch items. All parties involved can communicate in real time and resolve punch items once addressed using the collaborative platform.

Paying close attention to and closing all items in the punchlist ensures that every aspect of the project meets the required standards. This helps avoid costly corrections or modifications after substantial completion. By diligently managing the punchlist, stakeholders can ensure a smooth transition from

construction to occupancy. Ultimately, this helps safeguard the integrity and success of the project.

### ENSURE PERMITS AND REGULATIONS ARE MET

Obtaining the necessary building permits and ensuring compliance with all relevant regulations is a crucial part of the commercial construction process.


Failure to do so can result in fines, delays, and legal issues, significantly impacting the profitability and success of the project. Stakeholders must prioritize this aspect of the project. Close collaboration with local authorities and experts ensures all permits are obtained, inspections are held, and regulations are met. Using construction management software assists in the recording of permits, manuals, and OSHA documents. Ultimately, a proactive approach and continuous review helps safeguard the project from potential setbacks.

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## The Bottom Line

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Commercial construction projects are complex with a multi-faceted process that demands careful planning, efficient management, and attention to detail.

Adopting the right project-delivery method for your needs helps to align every phase of the project with the overall objectives and budget. When you supplement this with building an effective construction team and investing in construction management software, you hold the key to maintaining a healthy bottom line. 



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## About the Article

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The [Builder Blog by RedTeam](#) was launched in 2023. It serves as a resource for construction professionals with industry insights, in-depth articles about solutions, and helpful customer stories. From best practices to workflow guides, the blog builds on RedTeam's expertise and knowledge of the industry to help create a better tomorrow for everyone in construction. You can learn more about RedTeam at [redteam.com](https://redteam.com).

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