

## Member Communication Experience

# Budgeting to Quality: Construction Project Mistakes and How to Fix Them

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Managing a construction project is a challenging job that involves careful planning, coordination, and problem-solving. Small mistakes cause delays, increase costs, or create safety issues. Learn more about how to avoid some of the most common mistakes in construction management so your projects stay on track and within budget.

## PLANNING STAGE

### 1. Rushing Preconstruction

Companies often rush through the preconstruction phase due to tight project deadlines, financial pressures, and competitive market demands in an effort to start construction quickly and generate revenue sooner. External pressures, such as regulatory changes, permit approvals, or seasonal constraints, can also contribute to rushed preconstruction. However, this short-term approach often backfires, leading to costly errors, project delays, and increased risks that could have been mitigated with proper planning.

#### How to Avoid This Mistake?

- » Allocate sufficient time to preconstruction planning which includes feasibility studies and site evaluations.
- » Work together with architects, engineers, and contractors to ensure accurate designs and cost estimates.
- » Identify potential risks and develop mitigation strategies before construction begins.



### 2. Unclear Project Scope

Companies often end up with an unclear project scope in construction due to poor initial planning, inadequate stakeholder communication, and evolving project requirements. They often rush through the scope definition phase to meet aggressive deadlines, leading to gaps in project requirements.

#### How to Avoid This Mistake?

- » Team up with stakeholders to create a detailed scope of work outlining deliverables and expectations.
- » Ensure all project requirements are documented and reviewed before execution.

- » Regularly revisit the scope to accommodate necessary adjustments without scope creep.

### 3. Getting Only One Estimate

Companies often go with the first estimate due to time constraints, cost pressures, and a desire to expedite the project. They may trust a familiar contractor without seeking competitive bids, assuming it will save effort. Inadequate market research and a lack of cost benchmarking also leads to accepting initial estimates without verification. Additionally, optimism bias and overconfidence in early projections can result in underestimating actual costs. To avoid budget overruns, it's essential to compare multiple estimates and conduct thorough cost analysis.

#### How to Avoid This Mistake?

- » Solicit multiple bids to compare pricing, scope, and contractor reliability.
- » Review estimates thoroughly and negotiate better terms.
- » Use cost estimation software to assess market rates and make informed decisions.
- » Do not focus solely on price when considering an estimate, but instead assess a contractor's reputation, experience, and the warranty they offer for the job.

### 4. Misaligned Budgeting

Companies misalign budgets in construction projects due to inaccurate cost estimation, underestimated risks, and lack of contingency funds. Scope changes, market fluctuations, and hidden costs further strain finances. Poor cost tracking and improper resource allocation often lead to overspending and financial shortfalls.

#### How to Avoid This Mistake?

- » Conduct a detailed cost analysis and include contingency funds.
- » Update the budget regularly based on project progress and new expenses.

### 5. Lack of Risk Management

Failing to identify and address potential risks can lead to costly surprises during the project. Construction projects fail to identify and address risks due to inadequate risk assessment and lack of contingency measures. Poor communication,

evolving regulations, and unforeseen site conditions create unexpected challenges if not proactively managed.

#### How to Avoid This Mistake?

- » Develop a proactive risk management plan with contingency measures.
- » Regularly conduct risk assessments to identify potential threats.
- » Implement response strategies to minimize project disruptions.

## EXECUTION STAGE

### 1. Improper Scheduling Techniques

Inefficient scheduling can lead to project delays, resource conflicts, and cost overruns. Projects suffer from improper scheduling due to unrealistic timelines, lack of coordination between teams, and failure to account for project dependencies. Poor planning, inadequate use of scheduling software, and ignoring potential delays further disrupt workflows. Additionally, resource shortages and frequent scope changes make it difficult to maintain an efficient project timeline.

#### How to Avoid This Mistake?

- » Use advanced scheduling tools to plan timelines accurately.
- » Develop a realistic project schedule, considering dependencies and lead times.
- » Regularly monitor and adjust the schedule to reflect project progress and unforeseen changes.

### 2. Poor Communication

Miscommunication between stakeholders, contractors, and teams can cause delays, confusion, and cost overruns that can arise from unclear project scopes, inconsistent progress updates, misaligned expectations on timelines and budgets, and inadequate feedback.

#### How to Avoid This Mistake?

- » Establish clear communication channels for all project members.
- » Conduct regular meetings and updates to keep everyone aligned.
- » Use project management software to streamline collaboration and document communication.

### 3. Inadequate Resource Allocation

Poor distribution of labor, materials, or equipment can slow down project progress and inflate costs. Choosing unqualified contractors or workers to save costs often backfires. Lack of expertise can result in poor quality and project delays.

#### How to Avoid This Mistake?

- » Use resource planning tools to allocate resources effectively.
- » Track availability and usage of resources throughout the project lifecycle.
- » Plan for resource adjustments in response to project changes.
- » Hire experienced professionals with a proven track record.

### 4. Ignoring Quality Control

Failing to prioritize quality assurance and control can lead to poor workmanship, dissatisfied clients, and serious safety hazards. Without rigorous inspections and adherence to standards, structural integrity may be compromised, resulting in costly rework, delays, and reputational damage.

#### How to Avoid This Mistake?

- » Implement strict quality control measures and regular inspections.
- » Ensure compliance with industry standards and regulations.
- » Use quality management software to monitor performance and detect issues early.

### 5. Inadequate Documentation

Documenting project progress decisions and issues is a standard project management practice. Poor record-keeping of contracts, change orders, and safety reports creates confusion and delays decision-making. Without proper documentation, tracking project progress, costs, and responsibilities becomes challenging, increasing the risk of errors and financial losses.

#### How to Avoid This Mistake?

- » Maintain detailed project documentation, including contracts, change orders, and safety reports.
- » Use digital documentation tools to store and organize records efficiently.
- » Train staff on proper documentation practices to ensure consistency.

### 6. Ignoring Change Management

Without a structured change management process, projects become vulnerable to uncontrolled scope expansion. In the absence of a formal process or defined roles to handle change requests, decisions can be made without considering the project priorities. Consequently, scope creep occurs, resulting in compromised quality, delays, higher costs, and reduced profitability.

#### How to Avoid This Mistake?

- » Establish a clear change management process with proper documentation.
- » Implement approval workflows to assess the impact of changes before execution.
- » Communicate changes effectively to all stakeholders.

### 7. Improper Cost Tracking

Failing to monitor expenses in real-time can result in budget overruns and financial mismanagement. Without real-time monitoring, hidden expenses go unnoticed, causing cost escalations. Poor tracking also hinders accurate forecasting and decision-making, resulting in resource shortages and project delays. Ultimately, it compromises profitability and project success.

#### How to Avoid This Mistake?

- » Use cost tracking software to monitor spending against the budget.
- » Conduct periodic financial reviews and make necessary adjustments.
- » Implement cost-control strategies to avoid unnecessary expenditures.

## PROJECT CLOSURE STAGE

### 1. Skipping Final Inspection

Skipping the final inspection in construction projects can leave critical defects unnoticed, leading to safety hazards, compliance issues, and costly rework. Without a thorough review, structural flaws or code violations may go undetected, risking client dissatisfaction and legal liabilities. This oversight can also delay project handover and damage the company's reputation.


### **How to Avoid This Mistake?**

- » Conduct a thorough final inspection before project handover.
- » Address punchlist items promptly to ensure project completion.
- » Obtain necessary approvals and certifications before closing the project.

## **2. Failure to Conduct Lessons-Learned Sessions**

Failing to conduct lessons-learned sessions can prevent the identification of areas for improvement, leading to repeated mistakes in future projects. This step is crucial for enhancing project management processes and improving team performance.

### **How to Avoid This Mistake?**

- » Schedule a lessons-learned session with the project team and stakeholders.
- » Document insights and recommendations for future projects.
- » Implement changes based on lessons learned to improve project management processes. 



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### About the Author

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Pam is the Vice President of Marketing for the Utilities sector at [TRC](#). With over 20 years of experience in the utilities industry, Pam leads strategic marketing initiatives that elevate TRC's brand and support its mission to drive innovation and sustainability in the energy sector. Pam's expertise spans marketing strategy and industry thought leadership, enabling her to effectively connect TRC's services with the evolving needs of utility clients.

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### About the Article

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