FAMILY BUSINESS INSTITUTE

Blog Transcript – Can You Predict The Source of Delay?
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Good morning, everybody Dennis Engelbrecht with The Family Business Institute, Digging Deeper.

I was reading an article the other day, one of the trade magazines, and it was about an Oracle artificial intelligence software that believe it or not, supposedly could help you predict the source of delays in construction. I thought, wow. Can software really do that? Well, what they were going to do is collect a whole lot of data and then relate that to delays that happen to try to create that intelligence of what really caused those delays. So, you could then concentrate on the impact of those.

Well, I don't know whether this software is going to work. I don't know whether it would work for you. But it brought to mind something very important. Can you predict the source of delays on a construction project? And if you could, wow, what an impact that would have. Because most of the job losses, and job costs, and job fates that happen, do happen because of delays.

So again, I don't know what software can do for you, but as an organization, I think you probably can predict the source of delays and get out in front of it and prevent them. So, thinking about that, I was thinking about even through the pre-con process, you're going through the specifications and you get to a particular requirement for, let's just say a specific supplier. And you know that that supplier oftentimes has delays. Or in construction, the elevator operators seems to be a whole trade that we have trouble controlling. And we're worried about the delays that that may cause and. So upfront and pre-construction, you have an opportunity to identify those specifications, materials, perhaps even specific design elements that have been put into the project that could cause further delays. And you can solve some of those right there in pre-construction by hopefully, through RFIs and conversations, making some changes so that by the time you get out the building, you've eliminated some of the potential issues that could cause delay.

Then I was thinking, subs and suppliers, we get to the buyout portion of our job and we're choosing our substance suppliers. And you know very oftentimes in construction, we have to take the low bid, or we need to take the low bid. But oftentimes, that comes with a cost. You can look at your roster of subcontractors and you can identify upfront which ones of those are likely to cause you a performance issue that's going to cause a delay. And again, you have an opportunity to get out in front of it in several ways. One is of course, you could have some conversations and try to manage that subcontractor or supplier through the process. You could decide to go with a better one, paying a little more, but perhaps costing you a little less. Right.

Or you can manage the heck out of it as you go through the process. Right. And then that also brought back to mind, from my past, as a contractor, I recall, one specific instance, and I've talked about this in blogs in the past. But this fellow from Turner Construction that showed up in our miscellaneous metals location some 300 miles from the job site and wanted to know all about how we were doing. And how we were going to meet on a contract needs. What he was doing was taking nothing for chance. All right. He got out in front, he looked at the timing we had involved for getting submittals in, for doing our engineering, for sourcing our supplies, for getting it fabricated, for getting it onsite, for getting erected. And he parsed through all of this. And he kept checking in to make sure that we were always online, and we were always in sync.

So that sounds crazy complicated, especially for a trade that was 1-2% of the total job size. Right. And you've got 20 trades you're dealing with. But the fact of the matter is, you can take your suppliers, and your subs, and these potential delays for granted. Or you can control it and get out in front of it and communicate your way through it so that things don't catch you by surprise. So while software may or may not provide the intelligence to predict your source of delays and prevent those delays from impacting your project, you do have the ability to get out in front of, predict the source of delays, and prevent those, and have a successful project.

Again, Dennis Engelbrecht, Digging Deeper. Thanks for tuning in.