



Kramer Management *Consulting*

"specializing in the construction industry"

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*Improving Management
Decision Making Through
Business Intelligence*

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Why is This Important ?

The Dollars Lost in Productivity & Potential Cost Savings is Measurable !

The cost savings from technological information improvements will outpace the cost savings through any Field Productivity improvements achieved at the jobsite level

➤ Software Improvements Will Save \$ 15.8 B

✓ Source: Reed Business Information

➤ Average worker spends 40 % their time searching for information *

➤ Each employee takes 70 % of their knowledge when they leave a company *

➤ 60 % of companies have not successfully integrated hard-copy documents into their digital workflow *

✓ * Source: Digital Asset Storage

Cost Savings

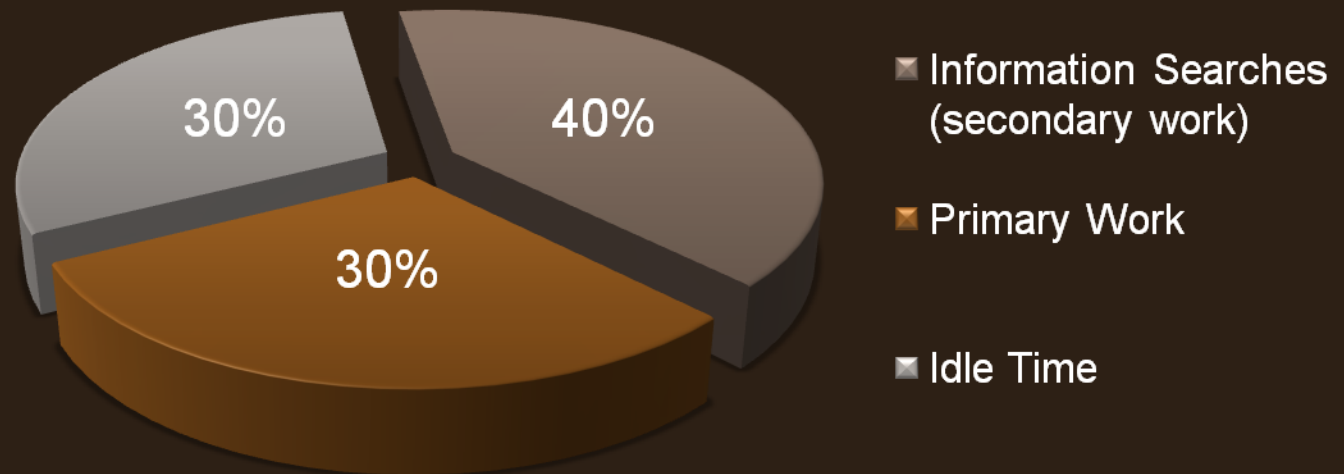
- ❖ One contractor has estimated that they save 10,000 hours per year by streamlining, summarizing, and linking their information sources to produce new report formats and strategic management decisions
- ❖ At \$ 20 per hour per employee, the cost savings would be \$ 200 K annually

Cost Savings: IT Improvements vs. Field Productivity

➤ Example Company:

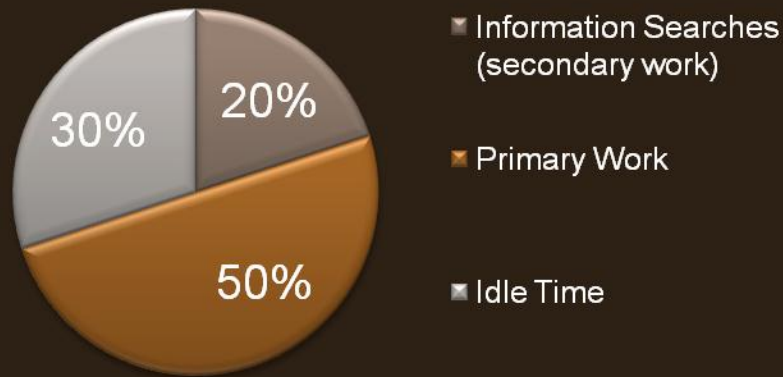
\$ 25 M in revenues with 100 employees

Typical Construction Employee Productivity



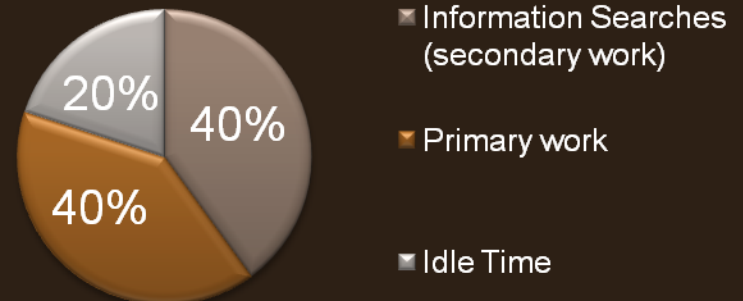
Productivity Change Comparisons


IT Improvements



- 100 employees = 208 K work hours
- 20 % productivity increase saves over 40 K hours
- 40 K hours pay = \$ 800 K

Field Productivity Improvements



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- \$ 25 M Contractor produces \$ 6 M in direct Labor Costs
 - 10% productivity increase = \$ 600 K