



Contractor Management Benchmarking

Program Synopsis

Contractor Management Benchmarking Program is designed to meet the Contractor Executive Management's challenge to continually improve their company's marketing function and strengthen their core management and execution capabilities.

This multi-company consortium benchmarking program will help contractors to identify areas where they need to focus their management's energies in order to be more competitive, achieve higher bidding success rate and accelerate their business growth.

In a highly competitive environment, a contractor's business growth and its ability to win new customers are directly related to its core management, execution and marketing capabilities. Contractors' Executive Management must have a clear understanding of their strengths and weaknesses relative to their peers and industry leaders. And most importantly, a contractor's strengths must be perceived by clients as a truly winning edge when they are evaluating competing bids and selecting successful contractors.

Based on your benchmarked performance and clients' contractor selection criteria, this program will also determine your competitive **Business Success Index**. This is a key indicator which confirms that the contractor's marketing approach and core management capabilities are in sync with clients' needs and their contractor selection process.

In order to provide the state-of-the-art business assessment techniques, Project Assurance has formed strategic alliance with benchmarking leaders, the American Productivity and Quality Center - Consulting Group and Murphy Management Innovations to help design and conduct the Contractor Management Benchmarking Program.

Principal Objectives

The key Contractor Management Benchmarking Program objectives are:

- Accelerate company's business growth by streamlining their marketing efforts and reinforcing key management and execution functions that clients' perceive as the winning edge during their contractor evaluation and selection criteria
- Provide an independent assessment of contractor's core marketing, management and execution capabilities relative to its peer companies and industry leaders
- Identify company's strengths and weak functional areas that need to be reinforced in order to be more competitive and efficiently execute the work
- Determine company's comparative Business Success Index based on their core current management capabilities and clients' bid evaluation and contractor selection criteria.

Business Success Index is a key indicator which confirms that the contractor's marketing approach and core management capabilities are in sync with clients' needs and their contractor selection process.





Business Success Focus

Why Benchmarking?

Construction industry has the lowest profit margins and for contractors to stay competitive they must maximize business growth opportunities by improving their operational and execution efficiencies.

The principal benchmarking objective is for a company to understand its existing capabilities, identify external or internal points of references or standards by which a company's strengths or weaknesses can be compared or judged.

Construction Management Benchmarking Program is uniquely designed to focus on a company's management processes, execution approaches and business development strategies, rather than comparative performance statistics related to cost, work hours and durations, etc.

The benchmarking program will also help the contractors to accomplish the following:

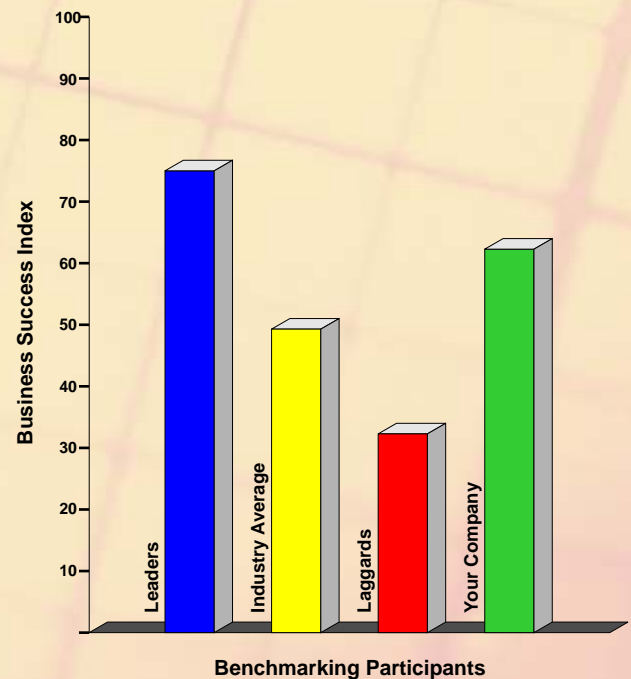
- Break the paradigm “this is the way we have always done at our company”
- Encourage innovation to adopt new business development ideas, management techniques and execution approaches
- Create a high-performance work environment that is conducive for accelerated business growth and improved bottom-line profits.

Business Success Index

As part of the program, we will get input from client and owner companies as it relates to their Bid Evaluation and Contractor Selection Criteria. We will also ascertain the relative weighting that typically clients assign to contractors' core management and execution capabilities during the contractor selection process.

Based on the above information and benchmarked ratings of contractor's management and marketing capabilities we will determine participating contractor's Business Success Index.

The Business Success Index will provide an overall relative assessment of a contractor's potential of business success rate based on their business development strategies and current core management and execution capabilities.





Benchmarking Functions

Contractor's Benchmarking Functions

The following is a list of tentative marketing, management and execution functions that will be benchmarked as part of this program. Each of these functions will be further broken down into sub-categories and followed by the best practices and processes. This list will be further fine-tuned with the input from the participating consortium companies.

1. Corporate Organizational Structure
2. Project Teams and Their Experience
3. Company's Marketing Presentation
4. Proposal and Bid Development Process
5. Company Policies, Processes and Procedures
6. Safety, Health and Environmental
7. Substance Abuse Program
8. Management Staff Development and Training
9. Craft Hiring, Training and Retention
10. Subcontractor Strategy and Alliances
11. Materials Procurement and Management
12. Construction Equipment and Tools
13. Inspection and Quality Control
14. Cost Estimating and Budgeting
15. Cost Management and Change Controls
16. Planning and Scheduling
17. Progress Measurement and Forecasting
18. Productivity Improvement
19. Work Completion and Facility Turnover
20. Innovation in Construction Technology
21. Accounting, Invoicing and Billing
22. Contracting and Legal
23. Risk Management and Insurance
24. Miscellaneous

Key Capability Areas

Evaluate contractors' capabilities in the following three major business areas:

- Capital and Revamp Project Construction
- Plant Shutdowns, Turnarounds and Outages
- Routine Maintenance

Participating Contractors

In order to ensure program viability, only those contractors have been invited who have their business focus in the following operational areas:

- Capital and Revamp Project Construction
- Turnaround, Shutdown and Outages
- Routine Maintenance Support
- Large Specialty Contractors

“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”

— Albert Einstein



Maximizing Profits Through Knowledge & Productivity



Program Phases and Final Results

Benchmarking Program Phases

The Contractor Management Benchmarking Program is designed for accelerated implementation of results in order to deliver highest value and investment returns to the participating contractors. The program is broken into following phases:

1. Project Assurance has developed a preliminary Contractor Management Benchmark Model based on the best industry practices and client companies' contractor selection criteria
2. Kick-off session of the Contractor Management Benchmarking program for two (2) days in Houston
3. Finalize the Contractor Management Benchmark Model with input from consortium program participants
4. Get client companies' input about their bid evaluation process, contractor selection criteria and assignment of relative weighting in the selection of successful contractors
5. Visit participating contractor's offices for 1-2 days to evaluate their core management, execution and business development capabilities. Also review their in house processes, documentation, etc. and rate these as per the Contractor Management Benchmark Model
6. Compile data from all the participating contractors and finalize the Contractor Management Benchmarking program results
7. Present Contractor Management Benchmarking results along with the contractor-specific recommendations to enhance their business growth and execution capabilities.

Benchmark Results Presentation

To present the results of the Contractor Management Benchmarking Program, an Executive Briefing will be conducted at the location of each participating contractor. Presentation will include the benchmarked performance of the contractor compared to peer companies, industry leaders and laggards.

Company-specific recommendations will also be presented to further enhance the weak functions and implement strategic initiatives to accelerate business growth. The executive briefing and follow-up discussions are designed to accomplish the following:

- Confirmation of company's weak functions that demand management's highest attention and need the most improvement in order to deliver exceptional results
- Prioritization of recommendations to focus on high-value initiatives and achieve maximum returns
- Establishment of a Company Excellence Plan to strengthen their business development program, core management and execution capabilities
- Institution of a feed-back system to ensure that implementation of recommendations and strategic initiatives are providing the intended benefits or if it needs further modifications



Benefits and Deliverables

Major Benefits

Contractors will derive following benefits by participating in this breakthrough consortium Contractor Management Benchmarking Program:

- Accelerate business growth by streamlining their marketing efforts and reinforcing functional areas that clients' perceive as the winning edge during their contractor evaluation and selection criteria
- Get independent and true assessment of companies current strengths and weaknesses in the marketing, management and execution functions as compared to peer companies and industry leaders
- Become more competitive by offering clients value-added services in the areas where clients need the most help in order to achieve pacesetter results
- Increase the bid winning success rate, reduce marketing costs and improve operating efficiencies, resulting in business growth and higher bottom-line profits
- Create a high-performance work environment that encourages innovation and adoption of new management techniques and execution approaches.

Program Deliverables

The Contractor Management Benchmarking Program will also help to accomplish:

- Comparative assessment of company's current capabilities in the areas of marketing, management and execution functions compared to its peer contractors and industry leaders
- Detailed benchmark ratings of contractors' current capabilities broken down by 24 functional areas
- Recognition of weak functions that need to be strengthened in order for the company to be more efficient and competitive
- Detailed assessment of company's marketing presentation, proposal documentation and bid development process
- Company-specific final executive report with recommendations for accelerated business growth
- Identification of contractors' functional areas and strengths that are perceived by clients as truly winning edge in the contractor selection process
- Company's comparative Business Success Index based on the benchmarked ratings of its core capabilities and clients' contractor selection criteria



Program Phases and Fees

Program Phases

1. Initial development of Contractor Management Benchmarking Model
2. Group work session and program kick-off
3. Finalize Contractor Management Benchmark Model with participants' input
4. On-site visit to evaluate company's capabilities (1-2 days)
5. Data analysis and finalize Contractor Management Benchmarking results
6. Presentation of Benchmarking results and company specific recommendations

Program Fees

Program Participation Fee	\$19,500*
Fee for an Affiliated Company Location	\$15,500*

* Does not include cost of travel outside Houston area. These costs will be billed on an actual reimbursement basis.

To Register or for Additional Information,
Please Call Bobby Singh at 281-496-0100

No-Risk Performance Guarantee

Project Assurance guarantees the total satisfaction and quality results from this **Contractor Management Benchmarking Program**. If a company feels that this program has not benefitted them in accelerating their business growth, and enhancing their management and execution capabilities, then we will refund the participation fee minus the expenses. This is an unconditional and no-questions asked guarantee from Project Assurance.



Maximizing Profits Through Knowledge & Productivity



Program Facilitators

Principal Program Facilitators

In order to provide the state-of-the-art business assessment techniques, Project Assurance has formed strategic alliance with benchmarking leaders the American Productivity and Quality Center-Consulting Group and Murphy Management Innovations to help design and conduct the Contractor Management Benchmarking Program.

Additionally, Project Assurance plans to utilize the services of other subject matter experts and benchmarking specialists in analyzing contractors' input and finalizing benchmarking results.

Facilitators' Profile

Mr. Bobby Singh is founder and President of **Project Assurance, Inc.**, an international company, specializing in managing capital projects and turnarounds in the process, refining, chemical, oil and energy industries.



Mr. Singh has over thirty years of experience in designing management solutions and establishing controls for optimum utilization of resources and efficient execution of projects and turnarounds. He has extensive experience in contract management, program reviews, project troubleshooting, and in organizational improvement with companies like ExxonMobil, Dow Chemicals, Saudi Aramco, Lyondell-Citgo, Mosaic, Valero Refining, Suncor Energy, PDVSA, S.A., etc.

Mr. Singh conducts training programs in all facets of capital project, plant turnaround and contract management. He is author the book **World-Class Turnaround Management**. He holds Masters Degree in Industrial Engineering from Texas Tech University.

Thomas M. Puffer is the President and CEO of the **APQC - Consulting Group**. He has over 25 years of extensive experience in industry and management consulting. Tom started his career with the Gulf Oil Corporation serving as a systems developer in the computing department and then as a senior analyst in the International Exploration and Production Department.



Mr. Puffer has been a "Big 6" partner with the firms of KPMG Peat Marwick and Coopers & Lybrand. Tom has a BBA degree in economics and has completed graduate work in accounting and management information systems. He completed the KPMG Partner Development Program at Stanford University.

He is a Certified Public Accountant and a Certified Systems Professional. He has served on the Advisory Board for the State of Texas Department of Information Resources and as Finance Chairman for a national technology conference.

Dr. Paul Murphy is President of **Murphy Management Innovations** and has experience implementing quality improvement in the Department of Defense, industry and government. He has provided support to organizations' Strategic Goal Setting, Assessment, Implementation Planning, Process Improvement and Internal Team Skills Development.



Dr. Murphy was co-founder of the APQC Consulting Group an industry leader in the Productivity and Quality Management Consulting. He served as a White House Special Assistant to the Director, Office of Management and Budget. He is recipient of Air Force's highest award for contributions to Professional Military Education.

Dr. Murphy is the author of the book **Focused Quality, Managing for Results**. He holds B.S. in Engineering from U.S. Naval Academy, M.B.A. from University of Missouri and Ph.D. in Business Administration from Syracuse University.

