

CONTRACTOR MANAGEMENT BENCHMARKING

Consortium Program to Benchmark
Contractors' Management and Marketing Capabilities



Breakthrough Program is Developed for Contractor Executives to Strengthen their Company's Core Management Capabilities, Improve Bidding Success Rate and Achieve Accelerated Business and Profits Growth.



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Benchmarking Program Objectives

Project Assurance has developed the Contractor Management Benchmarking Program to assist the Contractor Executives in achieving the following key objectives:

Increase success rate in winning bids, reduce marketing costs and improve execution efficiencies, resulting in faster business growth and higher bottom-line profits.

Accelerate business growth by streamlining your marketing efforts and strengthening functional areas that clients perceive as the winning edge during their contractor evaluation and selection criteria.

Create a high-performance work environment that encourages innovation and adoption of new management techniques and execution approaches.

bench · mark'ing : The practice of being humble enough to admit that someone else is better at something and wise enough to try and learn how to match and surpass them.



Contractor Management Benchmarking

Program Synopsis

Contractor Management Benchmarking Program is designed to meet the Contractor Executives' 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. Executives must have a clear understanding of their company's 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 / benchmarking techniques, Project Assurance has formed strategic alliance with benchmarking leaders 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.

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

— Albert Einstein





Business Success Focus

Why Contractor Management Benchmarking?

The 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 recognize their strengths and weaknesses, evaluate their core capabilities, and compare with external and internal points of references / standards.

Contractor 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 in 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 improve bottom-line profits.

Business Success Index

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

As part of the program, we plan to utilize Clients' Evaluation Criteria that they use for contractor selection as the basis to develop the Business Success Index.

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

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.



Benchmarking Functions

Contractor's Benchmarking Functions

The following is a list of 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

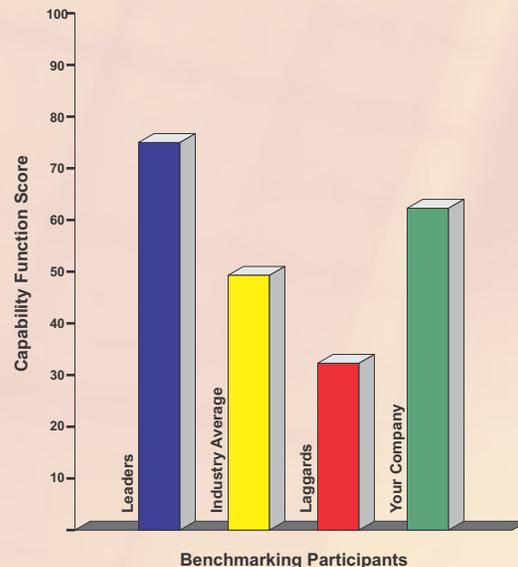
Evaluate contractors' capabilities in the following three major business areas:

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

Participating Contractors

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

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





Program Phases and Final Results

Benchmarking Program Phases

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

1. Project Assurance has developed a preliminary Contractor Management Benchmark Model based on the best industry practices and client companies' contractor selection criteria.
2. Finalize the Contractor Management Benchmark Model with input from consortium program participants.
3. Get client companies' input about their bid evaluation process, contractor selection criteria and assignment of relative weighting in the selection of successful contractors.
4. 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.
5. Compile data from all the participating contractors and finalize the Contractor Management Benchmarking Program results.
6. Present final benchmarking results along with a Company-Specific Business Excellence Plan that includes recommendation for enhancing execution capabilities and achieving accelerated business growth.

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:

- Establishment of a **Company-Specific Business Excellence Plan** to strengthen their core management and execution capabilities, and the business development program.
- Identification of company's weak functions that demand contractor 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.
- 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 and reinforcements.



Program Features and Confidentiality

Value-Added Features

The Contractor Management Benchmarking program is designed to provide the participating companies great value and quick returns on their investment. The program has the following value-added features:

Accelerated Schedule so that companies can put into immediate action the lessons learned from the benchmarking program. Typical time to plan, organize and conduct a benchmarking program can take one to two years.

Benchmarking Model Information has already been researched and compiled by Project Assurance. The information collected over several years with the input from client and contractor companies will dramatically improve the benchmarking contents and quality.

Cost Effective Approach to benchmark company's capabilities with peer companies and industry leaders. The proposed program cost is nominal compared to benchmarking studies conducted by large management companies which can easily run into hundreds of thousands of dollars.

Exceptional Benchmarking Expertise has been assembled to facilitate this program. Project Assurance has formed strategic alliance with Murphy Management Innovations to provide expertise and the state-of-the-art benchmarking methodology.

Innovation and Knowledge Transfer are the primary program drivers to help your staff transform from hard working to smart management teams. In the changing work climate, clients are relying more on contractors who can fill the management vacuum created by continuous downsizing and outsourcing.

Confidentiality and Data Security

Participants' data and findings will always remain confidential. Competitive businesses participating in multi-company studies have many reasons to demand that precautions be taken to ensure not only the integrity, but the security of program information and final benchmarking results.

Project Assurance takes this data confidentiality obligation seriously and will strictly protect participant's input data, documentation, findings and final results throughout and after the benchmarking program.

Any company-specific data and information will never be shared with any other contractors or client companies.

“There is nothing more difficult to carry out, no more doubtful of success, no more dangerous to handle, than to initiate a new order of things.”

— Machiavelli





Benefits and Deliverables

Major Benefits

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

Increase success rate in winning bids, reduce marketing costs and improve execution efficiencies, resulting in faster business growth and higher bottom-line profits.

Accelerate business growth by streamlining your marketing efforts and strengthening functional areas that clients' perceive as the winning edge during their contractor evaluation and selection criteria.

Receive an independent and true assessment of companies current strengths and weaknesses in areas of marketing, management and execution, and benchmark these with peer companies and industry leaders.

Become more competitive by offering clients value-added services in the functional areas where clients need the most help in order to achieve pacesetter results.

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 require contractor executives' attention and 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.
- 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.
- **Company-Specific Business Excellence Plan** with recommendations to improve weak functional areas for accelerated business growth and action plans.

The proposed program cost is nominal compared to benchmarking studies conducted by large management companies which can easily run into hundreds of thousands of dollars.



Program Phases and Fees

Program Phases

1. Initial development of Contractor Management Benchmarking Model.
2. Finalize Contractor Management Benchmark Model with participants' input.
3. On-site visit (1-2 days) to evaluate company's capabilities.
4. Data analysis and finalize Contractor Management Benchmarking results.
5. Presentation of benchmarking results and company-specific Business Excellence Plan.

Program Fees

Program Participation Fee*	\$29,500
Fee for an Affiliated Company	\$24,500

* 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 us 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 enhanced their management capabilities to accelerate their business growth, then we will refund the participation fees minus the expenses.





Experts Panel and 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 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.

Program Facilitators

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-five 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, Nova Chemical, Dow Chemicals, Saudi Aramco, LyondellBasell, Mosaic, Valero Energy, Suncor, PDVSA, S.A., Total, Maaden Phosphate, Marathon Petroleum, etc.

Mr. Singh conducts public and in-house training programs in all facets of capital projects, plant turnarounds and contract management. He has given seminars and conducted training programs for operating companies in the USA, Canada, Europe, South America, the Middle East and Asia.

Mr. Singh is author the book *World-Class Turnaround Management*. He holds Masters Degree in Industrial Engineering from Texas Tech University.

Dr. Paul Murphy is President of Murphy Management Innovations and has forty-five years of experience in implementing quality improvement programs for the defense and energy industries.



Dr. Murphy 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 was co-founder of the APQC Consulting Group an industry leader in the productivity and quality consulting. He has provided support to organizations in strategic goal setting, benchmarking assessment, process improvement and team skills development.

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.

“To know that we know what we know, and know that we do not know, that is true knowledge.”

— Confucius





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Agreement to Participate

Please call 281.496.0100 or fill out and fax it to 281.496.4646 or email to excel@projectassurance.com

Sponsor's Name / Title: _____

Company Name: _____

Address: _____

City, State, Zip: _____

Telephone No: _____ Fax No: _____

E-Mail: _____

We plan to participate in the Contractor Management Benchmarking Program and agree to the commercial terms and the no-risk performance guarantee.

For Participating Company:

For Project Assurance:

Authorization Signature

Authorization Signature

Sponsor's Name / Title

Name and / Title

Company Name

Project Assurance

Date

Date



All participants will receive a complementary copy of the book
WORLD-CLASS TURNAROUND MANAGEMENT by Bobby Singh.

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“The greater danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it.”

— Michelangelo



PROJECT ASSURANCE
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*Leading the Way to
World-Class Projects and Turnarounds*

Program Co-Sponsor:

MURPHY
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