IT Ambition for the Contractor

BY CHRISTIAN BURGER

Many construction businesses have been quick to jump on the IT bandwagon, but never really achieve solid footing. Some have learned valuable lessons along the way and have adopted better practices when it comes to managing both IT and automation expectations.

Whether reading the latest industry journals, meeting with other companies through peer groups or attending an industry conference, managers frequently wonder why their organization does not get as much value from technology as others. This anxiety can lead to impulse purchases or initiatives that are well intended, but not well thought out. How can contractors better align their ambitions with their organization's capabilities?

Large-scale IT initiatives often require far more energy and patience from an organization than expected. Ten years ago, management would write a check for a new piece of software or hardware and then stand back, expecting new information and efficiency to magically appear.

Many of today's senior managers are more responsible. They involve the entire organization in decisions and then commit the time and money necessary to ensure the implementation is successful.

INTERNAL AMBITION FACTORS

Some companies have not kept pace with technology or made an effort to standardize processes. Employees already intimidated by technology often find an entirely new system or process threatening. They view their value to the organization in relation to the one specific task they perform (e.g., keying in timesheets). If field devices for automatic time capture are introduced, the employees may fear for their job security. They may not understand management is planning to assign more ambitious or valuable tasks to them. Fear of making mistakes or not understanding how the technology works are other common concerns.

Employees also can become comfortable controlling change orders, forecasts and commitments to make their jobs look better. Implementing a better integrated costing system exposes some of these hiding places, making it more difficult to

manipulate results or work off the grid.

Senior management can do a lot to alleviate these concerns and get the team moving in the same direction. A presentation about the upcoming change can work wonders. It also helps to take the pulse of the organization from time to time, checking to see how employees feel about a new piece of software. Sometimes being heard is all employees need to move to the next step.

EXTERNAL AMBITION FACTORS

While many contractors want to be out in front of the competition when it comes to technology, there is only so much competitive advantage to be achieved. Sometimes construction companies spend far more than they can return to the bottom line. Or worse, they over-commit to an unproven concept.
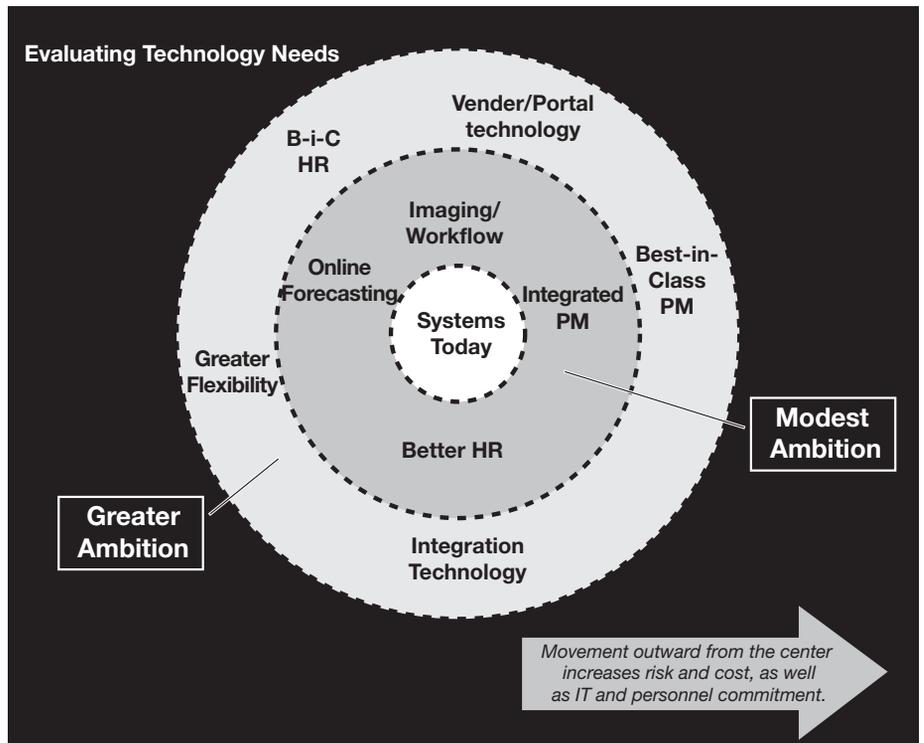
If a given technology has not been proven, a contractor should ask if the potential returns or benefits are worth the risk of being a pioneer. For many, the answer is no. These companies would have enough difficulty implementing established systems that the market has already tested and adopted.

The exhibit below can help companies gauge their level of ambition. The circle in the center indicates where the company stands with current systems and technology. The next ring represents a reasonable
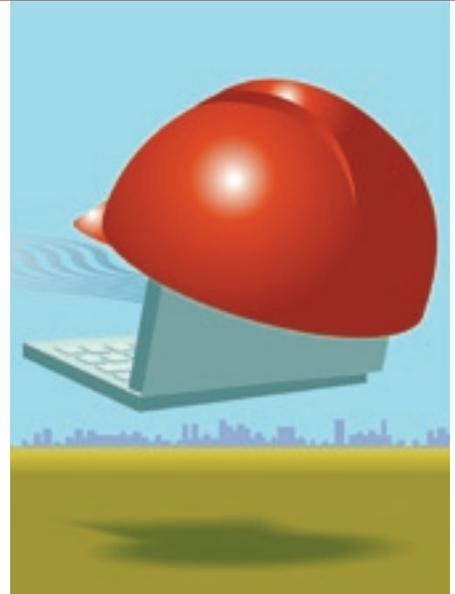
level of ambition for the company, relative to the market and available technology. Contractors can apply reasonable resources and reach a high level of success with technology within this inner ring. The organizational demands to get here also are reasonable. For those who have the vision, resources and commitment, the outer ring represents the highest level of ambition that is safe to undertake. Reaching this level requires more time, effort and energy, as well as greater levels of IT staffing.

Contractors must be careful when evaluating large-scale solutions and long-term prospects. For those with a moderate budget, but lofty ambitions, it may be

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Better HR

Greater Ambition

Integration Technology

Movement outward from the center increases risk and cost, as well as IT and personnel commitment.

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prudent to go after a solution that allows movement to the outer ring in a few years but can be implemented to the inner ring in the near term. Contractors also do not want to under-purchase and end up being constrained by their systems a few years down the road.

By taking careful measure of the market, the organization and the technology alternatives, managers can make an informed decision on how ambitious to be when implementing new systems.

Burger is president of the Burger Consulting Group, Chicago. For more information, email cburger@burgerconsulting.com.