# Template 3 - Construction-Specific Estimating Technology

*[Plug this information into the Basic Annual IT Strategic Plan.]*

**IT Strategies and Objectives**

*[Enter business goal or objective]*

*Example:* Increase new, more profitable business through improved bidding.

*[Describe your IT goal as it relates to your business goal]*

*Example:* Our goal is to deploy technology that will provide data and capabilities to help cost estimators improve the bid-hit ratio on jobs showing the greatest potential for profits.

*[Describe the current state of technology as it relates to your business goal]*

*Example:* The recession significantly reduced our project backlog due to higher competition for fewer jobs. In order to take advantage of expected economic improvements and protect against future downturns, we need to revamp our estimating process in order to create more competitive bids in less time. We also must focus our bidding on jobs that will provide the greatest profits.

Our estimators currently use Excel spreadsheets to prepare estimates and have their own individual processes, data, and formulas for creating bids. While our very experienced estimators have reasonably low bid-hit ratios (4:1), they find it difficult to keep up with the increasing volume of bid requests. New estimators have a long ramp-up time to build out their own processes and show much higher bid-hit ratios (8:1). Formula errors and a lack of analytical tools have also affected the accuracy of our bids, reducing our final profits.

*[Outline Strategy 1 and supporting initiatives]*

*Example:*

Strategy 1

We will standardize our estimating technology to support more consistent estimating processes and bids.

Initiative 1: Implement a single company estimating system with shared database that will capture estimating best practices and knowledge.

Initiative 2: Partner with estimating leadership to develop regular best practice training that encourages system adoption and effectiveness.

*[Outline Strategy 2 and supporting initiatives]*

Example:

Strategy 2

We will facilitate our estimators’ ability to produce estimates more quickly and accurately through effective and reliable estimating tools.

Initiative 1: Automate manual takeoff and other time-consuming processes to significantly shorten time spent creating estimates.

Initiative 2: Assure technology is in place to provide improved estimating analysis, pricing accuracy, and integration with job cost and scheduling systems.

Initiative 3: Incorporate estimating into planned enhancements to our preconstruction process that will include building information modeling (BIM).

**Benefits**

*[List the positive business impact you expect from new technology investment listed in your plan]*

Example:

**Increase New Business**

Investment in a new centralized estimating system is expected to increase our project backlog by 33% and profits by 40% over the next five years. This will be achieved in three ways:

* We will be able to bid on more jobs. It is estimated that automating the takeoff process itself will reduce the time spent producing estimates by 50%. This will allow us to go after jobs that we previously had to pass up due to estimating staff bandwidth. Given past history that could realistically add 20 more jobs each year to our bid process.
* The accuracy of our bids will be increased due to best practice standards used by all estimators, greater understanding of true job costs through analysis tools, and faster ways to do “what-if” analysis. We anticipate these changes will improve our overall bid-hit ratio to at least 4:1 over the next 5 years.
* Cross-estimate analysis and other trending tools will allow us to determine the most profitable jobs to go after, and jobs we should avoid. This will increase the profit potential of our backlog and ultimately our overall profitability.

**Challenges**

*[Describes the challenges the company will face in achieving the goals you have set out in your plan, including any possible solutions]*

*Example:*

**Staff Technology Adoption**

Any change is difficult for employees to embrace, especially when it involves new technology that takes them out of their comfort zone, changes their processes, and initially may interrupt their work. We will likely receive some resistance and should anticipate ways to handle it when it occurs. Proper training, including “super-user” support can help ease the transition for employees. Rolling out technology changes in phases and with smaller groups first will also aid in adoption.

**Roadmap**

*[Show high-level milestones related to you strategic plan, such as suggested go-live dates]*

*Example:*

* Year 1
  + Estimating system live
* Year 2
  + Estimating integration with accounting system
  + Cross-estimate analysis in place
  + Job cost analysis in place
* Year 3
  + Estimating integration with scheduling system
  + Estimating integration with BIM