

# Increasing productivity and collaboration in a large conversion project

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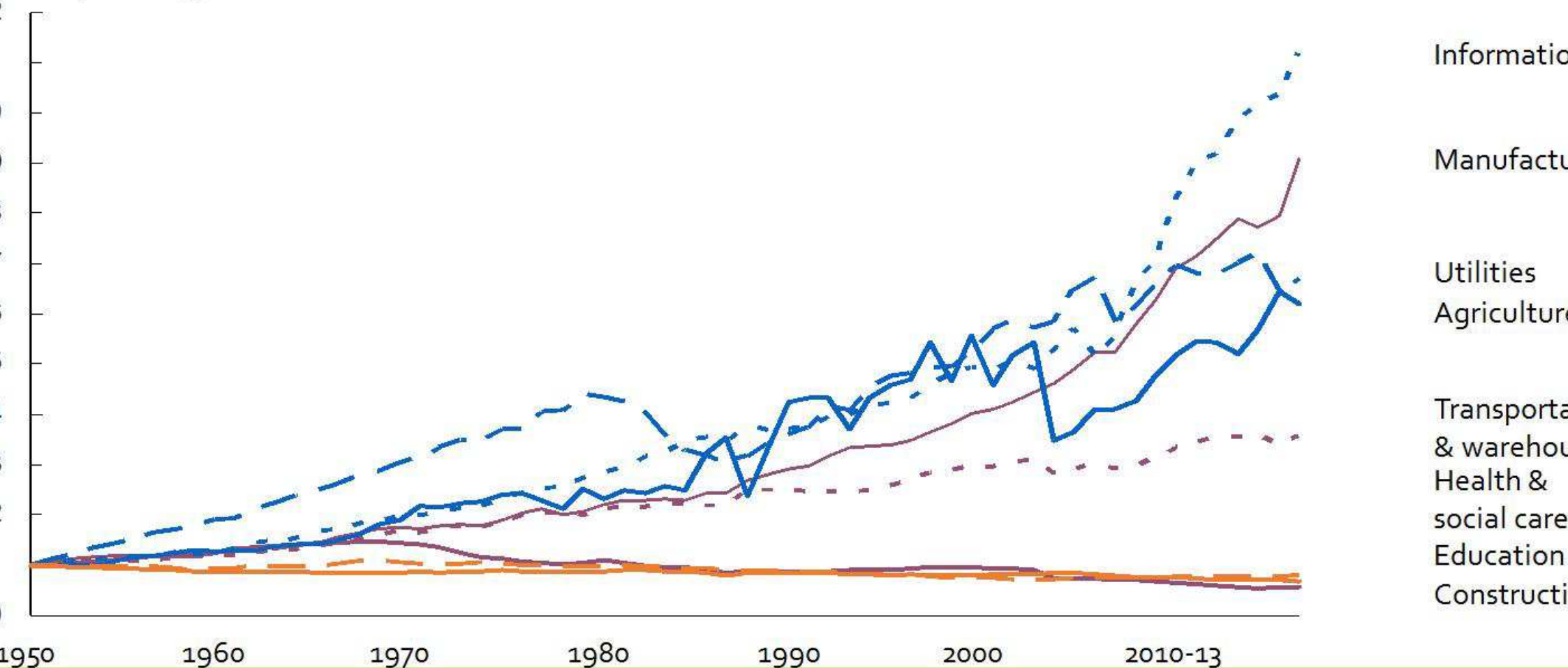
# The Challenge we face

- [The construction productivity challenge globally](#)
- Project specific goals : Cost -30% , Indirect  $\geq 20\%$  , Schedule , Quality , 0 interruption to active factory
- Project specific complexity - what is a conversion ?
- Project's 5 Dimension concept

# construction industry productivity challenge



Real productivity<sup>2</sup>, by industry in the US  
Indexed; 1.0 = 1950



Real productivity per employee

Source: Bureau of Economic Analysis (BEA), Hideyuki (2011)



# Holistic approach – 5 dimensions project

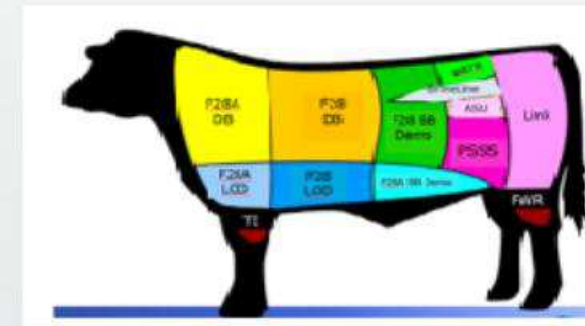
Each dimension unique for  
this project .  
Programs <> site alignment  
critical for success



# Moving forward , Turning challenges into opportunities

Project analysis with major focus on the "Game changers":

- Understand what is Market, compare to your requirements/ standards and see if you are willing to “pay extra” for it, get target in advance : Detailed specs vs. performance spec.
- On COW analysis we have :
  - Materials and equipment (high % in conversion projects) - we need to engage market in advance , SPECS >>> white papers ,Global Vs. regional ....
  - Work with trades on how to reduce cost on labor , work in collaboration to see what is causing high rates : Logistics, scope, expertise, Safety , Site requirements ....
  - Utilize the expertise if your supply base to reduce cost , real collaboration as game changer
  - Drive integration from Day 1 :Owner, Trades in the center, GC/CM/DB, A&E
- Supply base need to be ready aligned and engaged before project starts, our 2012 / 2013 Prequalification results impact project today





# Stuck in the 'Extremes' Vs. collaboration

Neither Extreme is a Path to Mutual Success

## 'Ability Control'

### Location

- Performance Risk Mitigation vs. Efficiency
- High Contingency
- Limited Innovation

### Reimbursable

- Limited to No Cost Commitment
- High Claims/CO's

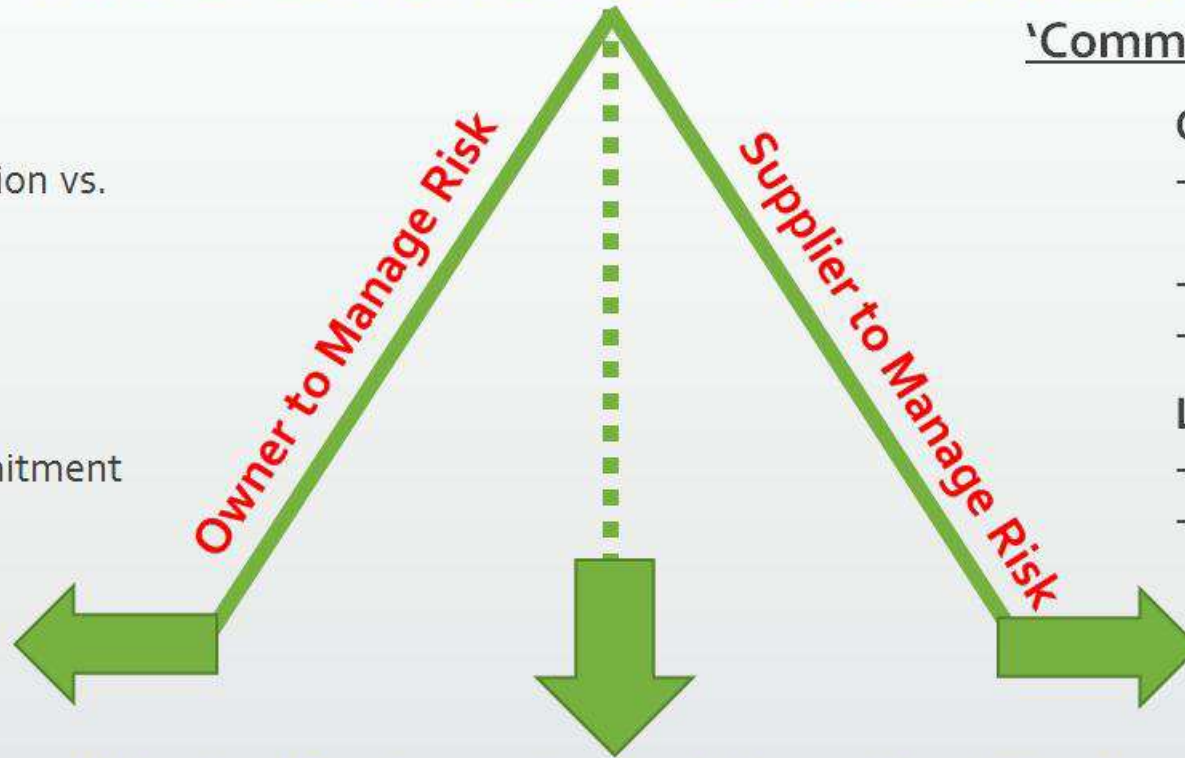
## 'Commercial Control'

### Competitive Bid

- Potential to Lower Cost with Potential Performance Risk
- Limited Commitment
- Limited Integration

### Lump Sum

- Cost commitment for known scope
- High Cost for Any Change



Its Possible to Partner to Achieve the Desired Outcomes

## Supply Chain Expertise Commitment

- Productivity, OH&P, Materials, etc.

## Jointly Mitigate Risk/Waste, Enable Innovation/Improvement

- All Risk Actively Managed to Mitigate
- Proactive Waste Elimination
- Implement Innovation to Improve Efficiency
- Share the Success

## Owner Manages Areas Control

- Scope, accessibility, schedule, reqs/specs, etc.