

3 Ways to Cut Costs on your Next Construction Project

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The <u>profit margins</u> in construction are thin at best. You don't just need to justify new expenses; you have to figure out where the money is coming from. Spending money in one area usually means cutting money from another.

While increased profitability is the obvious goal at cutting costs, it isn't always the main reason. <u>Many general contractors view being able to better compete</u> <u>for jobs and win more bids to be even more valuable.</u> Whatever your motivation, here are three opportunities to cut costs on your next projects.



1. Get Everyone On the Same Page Early

In the planning stage, <u>it's valuable to get everyone (i.e. general contractor</u>, <u>architect, project manager, etc.) together</u> to review and discuss the project.

<u>Use the experience or expertise of the group</u> to your advantage in identifying



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open risks up front and eliminating them early and cost-effectively. From reviewing materials, project logistics, construction methods or flagging common issues, many aspects of the project can provide opportunities for adding value while decreasing costs.

While you may not be able to foresee every problem, spending the time early can save you big time in the long run.

2. Lean Construction Techniques

Per the <u>Dessault Systemes Lean Construction Smart Market Report</u>, "A simple definition of Lean Construction is the elimination of waste from the processes of designing and constructing buildings."

The Lean Construction Institute (<u>www.leanconstruction.org</u>) offers a variety of <u>resources</u> to help you take advantage of the benefits associated with lean processes, including cost savings through less waste, less rework and increased productivity.

Specifically, their <u>glossary</u> includes a list of techniques and systems, some you can adopt on your current project today, and others you can consider for your next project.

3. Technology Solutions

Many workers fall into the trap of relying on what's worked for them in the past. Don't overlook <u>new technology that can make your processes more effective</u> <u>and efficient</u>.

Smartphones, tablets and cloud storage have opened the door to apps that enable you to better manage a project and collaborate more effectively from the jobsite.

For example, PlanGrid eliminates the need to carry and distribute paper blueprints. Not only do you save on the cost of printing multiple sets of blueprints (including reprints every time there is a change), you save on rework as your team is always working on the most up-to-date plans.

These are just three ways that you can save money on your next project. What other ways have you cut costs or made your project more efficient? Let us know in the comments below.

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