

CASE STUDY: **SOUTHWAY BUILDERS**

HOW A DATA STRATEGY ENHANCED THE OPERATIONS AND PROFITABILITY OF A LEADING CONSTRUCTION FIRM

HARTMAN EXECUTIVE ADVISORS



OVERVIEW

In the competitive landscape of construction, Southway Builders identified opportunities for both growth and operational performance improvement. While supported by a strong regional reputation and highly successful individual projects, they recognized areas for enhancement in operational efficiency, portfolio performance and data-driven decision-making by accessing and using information across all projects. To capitalize on this potential, the firm's executives engaged Hartman Executive Advisors to implement a project life cycle data strategy, fostering constructive performance feedback to further success and innovation and ensuring performance that aligns with the company's core values of quality, dependability, and integrity.

CHALLENGES

The mid-sized construction firm faced a series of operational hurdles that, while common in the industry, presented opportunities for improvements. Foremost among these challenges was the lack of the consistent use of its selected and best in class IT applications, which hampered their ability to leverage technology for efficiency and effectiveness gains, set and adhere to transparent performance standards for operations team members and identify process improvement driven performance opportunities.

Furthermore, the firm faced difficulties with portfolio analytics because it lacked access to accurate and comprehensive data. With critical information scattered across disparate spreadsheets, ensuring data integrity and consistency was a significant concern. This fragmentation not only impeded the effectiveness of internal processes but also raised questions about the reliability of certain insights driving key business decisions.



SOLUTIONS

To overcome these challenges, Hartman implemented several solutions:

- **Data Strategy and Governance:** Hartman's team of IT and construction industry experts collaborated with Southway's executives to define high level dashboard measures such as quality standards, safety management, schedule achievement, client satisfaction and profitability, and then define and build business processes spanning the project lifecycle (from construction start through completion of the warranty period) to measure and report key performance metrics beneath each dashboard element. These metrics were integrated into daily operations, providing teams with scorecards to track their performance, and reviewed monthly by project executives. The firm's data was migrated from a manual and labor intensive spreadsheet approach to an automated dashboard delivery, enabling quick decision-making based on accurate information. Additionally, a thorough data cleansing effort along with Standard Operating Procedures (SOPs) for data entry were implemented to improve and maintain data accuracy and reliability.

- **Coaching and Mentoring:** A construction project manager within the company who expressed interest in leading IT-related matters was transitioned into an IT leadership role. Supported by training and mentoring by Hartman, this employee lead the effort and now oversees IT strategy, data management, analytics, and IT governance as the company's IT director.

- **Change Management:** Employees were trained on the new data processes and encouraged to embrace data-driven decision-making. Leadership actively supported the cultural shift towards a more data-centric approach and implemented effective change management practices.



RESULTS/ROI

- **Improved Business Outcomes:**
  - Excelled in improving overall quality by consistently delivering completed residential units across multiple projects with zero turnover issues, resulting in accelerated project completion, exceptional client satisfaction and additional new business.
  - Increased profitability due to greater transparency into risks with actions to effectively mitigate or eliminate.
  - Provided critical feedback to the preconstruction team on scope identification and pricing issues minimizing impacts on future projects in the pricing stage.
  - Integrated and automated subcontractor payment submittals and payments eliminating use of Email to process subcontractor payments.

- **Optimized Construction Site Safety Management:**
  - Reduced safety incidents through enhanced safety observations and defined team monitoring accountabilities, leading to improved overall safety performance
  - Improved subcontractor management through data-driven conversations with the ability to track and document safety incidents across company portfolio. By leveraging incident data, the executive team was able to provide documented evidence to counter subcontractor objections. This approach saved both time and money by reducing the need for protracted negotiations and ensuring that safety standards were upheld while on the job site.



RESULTS/ROI

- **Enhanced Decision-Making:**
  - Gained visibility into operations through capturing and consistently coding change events that didn't result in a contract change order, allowing the performance of root cause analysis to drive process improvements and eliminate recurring issues.
  - Transitioned project teams away from preparing data to analyzing and interpreting data shifting activities to managing risk and/or driving performance.

- **Sustained Growth and Continuous Improvement:**
  - Positioned the company for sustained growth and continuous improvement in the competitive construction landscape by putting scalable processes and performance measures in place.

TESTIMONIAL

"Our partnership with the Hartman team has been integral in positioning Southway to not only leverage data to drive operating and financial performance, but also build a scalable IT solution that will fuel and support its long-term growth strategy."

-Melanie M. Lundquist, CFO, Southway Builders