

# CRYSTALIZING YOUR CASE FOR CHANGE

5 Steps for Championing Construction Technology



**PROVEN PROJECT CERTAINTY.**



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## 5 Steps for Championing Construction Technology

Change inspires excitement, curiosity, resistance, and sometimes outright fear. Whether stepping into a new market or planning a grand reinvention of your organizational culture, the metamorphosis out of the status quo and into the unknown can make or break careers, divisions, and entire companies. Notably, 70% of change programs fall short of their initial goals.<sup>1</sup> Change is about more than just new technologies and talking points. Change demands leadership, communication, and strategic planning that is well outside the everyday operations of most businesses.

But the need for change cannot be overstated. Over the last twenty years, the construction industry experienced a mere 1% productivity growth. Yet, organizations that adopt construction management software increased operational efficiency by 12%.<sup>2</sup> Advanced estimating tools realize a 30% productivity improvement.<sup>3</sup> Setting aside improved morale, less redundant work, and more consistent outcomes, technological change in the capital construction space can justify the effort based on productivity increases alone.

Unfortunately, guiding technological innovation in a cautious industry is no easy task. Six common obstacles hinder change:

- **Failure to Align Technology to a Strategic Business Plan.** When new tools fail to account for current problems, the disconnect creates more confusion and obstructs any long-term plans.
- **Lack of Executive Buy-In.** Leaders may say they support a change, but that support can waiver if they misunderstand the specific benefits or the true ROI of change.
- **The Frozen Middle.** Even with executive buy-in and enthusiasm from field personnel, middle managers may still resist transitioning away from their preferred processes.
- **“We’ve Always Done It This Way.”** This common mentality speaks to the inertia that opposes progress. The team doesn’t believe in how change will improve their lives.
- **Competition for Investment Across the Organization.** There are only so many dollars to go around. Leadership is more likely to invest in initiatives with hard numbers and clear ROI.
- **Fear of Change.** Change across an organization can be overwhelming financially, personally, and culturally. It’s easy to overlook the human element of change.

Any one of those obstacles can stop change initiatives before they start. Progress relies on planning. Leaders can overcome those hurdles through a robust business case that communicates the long-term benefits that change offers your organization and a realistic vision of the needed resources.

There is no innovation without communication. What follows is a practical approach for champions of change looking to present their case for change. These steps reflect years of guiding successful change initiatives and the first-hand experience of experiencing change within our organizations.

Good luck—you can do this.

<sup>1</sup><https://www.mckinsey.com/featured-insights/leadership/changing-change-management>

<sup>2</sup><https://jatapp.co/blog/construction-industry-software/>

<sup>3</sup><https://devtechnosys.com/insights/ai-in-construction-industry/>





# STEP 1: AUDIT YOUR CURRENT STATE VERSUS YOUR FUTURE PLANS

A sound business case for change looks inward. It can be humbling to assess the current state of your organization and acknowledge your flaws openly and honestly. Most of those realities may not be a surprise, but they can be difficult to say out loud. What led you to this moment? What is working? What isn't? What tools are you currently using? Have there been other change programs; how did they fare? Are people tired of transformation? Don't forget to document your successes as well—where

are you thriving? How do you compare to your competitors? With a realistic assessment complete, it's time to focus on the future. What are your goals for the next five to ten years? What processes would you like to improve?

Once you've defined your current state and your future ambitions, compare the two and identify any potential gaps or obstacles in your today that may obscure your tomorrow.

## CONSIDERATIONS FOR AN ACCURATE AUDIT:

- Document your key business drivers and how they align with your organization's strategic vision.
- Outline current "as-is" workflows for a clear picture of what is currently happening.
- Use workshops and stakeholder interviews to add workflow detail and identify needs and opportunity areas.
- Document what your competitors are doing, i.e., what level of digital transformation have they experienced? Where are they succeeding or failing?
- Additional workflow pain points to consider:
  - o Time spent looking for information
  - o Materials that aren't always ordered on time, creating unreasonable demands on schedules
  - o Senior contributors who may retire soon and take their experience with them
  - o Incomplete physical drawings
  - o Contractor discrepancies

Understand what matters most to your CFO, COO, CEO, and other key leaders before you present your case.

## STEP 2: COMMUNICATE YOUR VISION

Effective leaders inspire their followers by crafting a clear vision of where they are going. For organizational and technological change, it's important to remember that while you've spent months assessing the data, interviewing stakeholders, and shaping your vision, other stakeholders won't enter the conversation with that same context and fervor. Change leaders must create a clear, accessible vision of where this initiative is going and why that destination matters.

What makes your future better than any other alternative? What's in it for your executive team? How will individual contributors benefit? What will it take to get there?

Early in your planning, talk one-on-one with key stakeholders at each level of your organization. This communication equips you with the necessary knowledge to better shape that vision and ensure their needs and pain points are included. Invite them to contribute to the process. How will you solve your problems? What metrics and processes could support success?

Preparing for change is challenging enough on its own. Simplify the process by dividing it into smaller tasks and then inviting those allies to own each individual part. Look for colleagues who are enthusiastic and eager to prove themselves, amplify a vision, or explore an opportunity. Stakeholders are far more likely to buy in when they see themselves reflected in your new future.

Look to others in your organizations who have tackled large IT or change management projects for guidance.



### CRAFTING YOUR VISION:

- Choose a destination. Start with a detailed description of where you see your business after implementing the digital strategy. How you articulate your vision will determine whether stakeholders will support the entire strategy. Stay flexible. Your vision will often look different post transformation.
- Consider the market: Will your customers become more or less detail-oriented in the future? Will competitive pressures remain as they are, become more intense, or evolve into something different? Will future employees want to work in an environment with modern tools?
- Establish major milestones. A schedule is an essential part of a transformation plan. Break down the entire strategy into a few milestones to demonstrate a step-by-step breakdown of your journey.
- Provide evaluation criteria. Evaluate your progress against those key pain points from your audit and interviews.
- Confirm that doing nothing is not an option! The time to act is now. Even if you don't get complete buy-in upfront, try to generate a consensus agreement.





## STEP 3: **BUILD INVESTMENT BUY-IN WITH A COST-BENEFIT ANALYSIS**

Pursuing change is an active decision to stop committing resources to a familiar process and divert those efforts in a new direction. Not only does change shift those resources, but it can actively take funding away from other proposals.

An impactful cost-benefit analysis explores more than just licensing dollars and users; it explores time wasted in re-work or manual processes, errors, IT support, and potential downtime. Does the technology require

specialized training? Do the tools integrate into other processes or divisions?

Siloed systems create niche spaces that can rely on a handful of contributors with specialized knowledge and experiences. Insightful cost-benefit analysis articulates a plan for overcoming those knowledge gaps and connecting workflows across the team. How does your plan better account for those scenarios than the alternative?

Ensure early on that you have the right internal and external resources to fully support the project.

**COST-BENEFIT WORKSHEET:**

CAPITAL EXPENDITURES		
LICENSING		
Total End Users		<ol style="list-style-type: none"> <li>1. Fill in values.</li> <li>2. Multiply Estimated End Users by License Costs. _____</li> <li>3. Multiply Estimated End Users by Hours Training per User. _____</li> <li>4. Multiply the result of Step 3 by the Training Cost per Hour. _____</li> <li>5. Add the Train the Trainer Program Costs With the results of Steps 3 and 4. _____</li> <li>6. Subtract the Reduction in Third-Party Point Solution Annual Costs from Step 5. Enter your total below.</li> </ol>
License Costs	\$	
Hours Training per User	\$	
Training Cost per Hour	\$	
Train-the-Trainer Program Costs	\$	
Reduction in Third-Party Point Solutions Annual Costs	\$	
<b>Estimated License Costs:</b>		\$
IMPLEMENTATION		
Custom Development Costs	\$	<ol style="list-style-type: none"> <li>1. Fill in values.</li> <li>2. Add together all three values. Enter your total below.</li> </ol>
Consulting Services	\$	
Onboarding Support	\$	
<b>Estimated Implementation Costs:</b>		\$
COMPUTING HARDWARE AND NETWORKING		
Additional Servers	\$	<ol style="list-style-type: none"> <li>1. Fill in values.</li> <li>2. Add together Additional Servers and Mobile Devices and Data Plans</li> <li>3. Subtract the Reduction in Third Party Point Solution Annual Costs from Step 2. Enter your total below.</li> </ol>
Mobile Devices and Data Plans	\$	
Reduction in third-party point solutions	Minus	
<b>Estimated Computing Hardware and Networking Costs:</b>		\$
<b>Add your Estimated License Costs, Estimated Implementation Costs, and Estimated Computer Hardware and Networking Costs.</b>		<b>Estimated CAPEX:</b>  \$
OPERATIONAL EXPENDITURES		
Software Maintenance Subscriptions	\$	<ol style="list-style-type: none"> <li>1. Fill in values.</li> <li>2. Add together all four values. Enter your total below.</li> </ol>
Full-Time Equivalent To Support Implementation	\$	
Training Productivity Loss	\$	
External Support	\$	
<b>Estimated Operational Expenditures:</b>		\$

## STEP 4: SECURE THE INVESTMENT WITH COMPLETE ROI DETAILS

Organizations need more than ambitions to justify investing dollars in new technologies. It's your responsibility to prove the juice is worth the squeeze. Change initiatives demonstrate ROI through exercises like the cost-benefit analysis and productivity increases and by expanding the impact of implementation into how that change attracts new business and top talent. The right metrics can demonstrate precisely how much profit every new customer brings in today and how much the organization stands to gain by investing in construction technology. Even the most stalwart opposition struggles to argue against a proven ROI.

Be sure you capture the loss of productivity during the implementation and training period when crafting your ROI. Transparency is crucial to success.



### METRICS THAT MATTER:

- Essential benefit assumptions/quantifications
  - Productivity benefits:
    - Reduction in re-work
    - Reduction in unpaid or excessive change orders
    - Reduction in project time
  - Cost avoidance benefits:
    - Reduction of external costs
    - Reduction in capital project costs
    - Reduction in health, safety, and environmental risks
- “Real-life” typical savings unique to your business model
- Timing assumptions for benefits
  - Phase-in realization of benefits over time
  - Pull in cost assumptions
- Calculate net cash flow and financial metrics
  - Payback period/breakeven period
  - Internal rate of percent return



## STEP 5: FORMALIZE YOUR TRANSITION STATE TO ENHANCE BUY-IN

Transformation goes in waves. Somewhere between onboarding and full realization, there comes an interim state where users create short-term behaviors to help reach their final destination. Like the scaffolding on a new construction, these processes are incredibly valuable for a time, but create unnecessary obstacles if left ignored once their time has passed.

Ensure you communicate with stakeholders and impacted users so that everyone understands these stages are temporary. This approach heeds off any potential misconceptions, resistance, and disillusionment before they can evolve into greater opposition. By staying ahead of potential obstacles, you remind users of the final destination while addressing their concerns logically and practically.

Start by articulating how this transition state leads to that ideal future. A brand new highway starts as a pile of dirt and rocks. Transition is awkward and inefficient, but it's temporary. You will not immediately experience the fruits of your labor—and that's okay. The right vendors can have a considerable impact on this transition state. By providing support and expertise, the right partner can bring the best practices necessary to steer through the uncertainty and arrive at your destination.

Collaborate with your finance and accounting departments early and often. Their input and support is vital.



A formal summary of your transition state ought to include:

- Executive summary
- Problem statement
- Solution options
- Project descriptions
- Cost-benefit analysis
- ROI statement
- Next steps, including a high-level implementation plan



## REMEMBER THE HUMAN ELEMENT

Every company is a group of people. Beneath the mission statements, growth projections, and quarterly reports are individuals desperately seeking to achieve something incredible. We want fulfillment and value. We want to matter. For a business case for change to succeed, your proposal has to weave in those interpersonal nuances into the change management process.

At first glance, change management may sound reasonably straightforward. The process prepares, equips, and supports project stakeholders to embrace and adopt change successfully. This perceived simplicity, however, may be why many organizations and project teams view the process as either an optional extra or something that requires very little beyond a launch email and a few training sessions for each user.

The reality is every transformation journey—whether in the ranks or the executive suite—takes place in its own time. Change management has to support that sequence with patience, communication, and consistency throughout the initiative.





## THE ROAD **STARTS HERE**

Perhaps the most daunting element of change isn't the new processes or unknown tools, but rather, once you inspire a culture of change, the evolution never stops. You will reach your destination. You will achieve that ideal future. And then the future will shift. The organization will reach this grand new era of opportunity and potential and, with time, will realize even greener pastures on further horizons.

The brilliant thing is that change gets easier the more you do it. Every transformation comes with learnings and best practices to inform the next. Every implementation makes the next transition just a little bit easier to navigate. Of course, running a marathon feels impossible

for someone who just bought their first running shoes. But, when you stretch that endurance and gain the necessary experience, your goals start to feel closer and more achievable than ever.

Capital construction companies are long overdue for a change. That reality's no secret. As more and more capital construction opportunities arise, organizations willing to embrace change will be the ones exceeding the labor shortages, supply chain challenges, and global transitions that oppose them.

Your future is out there. It just starts with a step.

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