

Case Study

proBUILD Contract Administration Software System: Integrated Project Management Contract Administration Solution

David MacDonald, VP of Product/Market Development for iBUILD, was faced with a major challenge. Initial high hopes for their project information management client/server product for the architecture/engineering/construction sector proved seriously misaligned with the market. Sales were dismal. The tradition-oriented and disparate A/E/C sector was slow to see the benefits of this technology. He has been instructed by the president to propose a new strategy for the product. What should he propose?

Background

Davis and Walton Inc. is a large-scale civil construction company established in 1955 in Lexington, Kentucky. In the absence of a commercially available contract administration system, in 1996, they developed in-house client/server software to manage contract administration of its national and international design/construction projects. The in-house success of this system prompted the reorganization of Davis and Walton's Information Services department into a separate corporation in 1999. This new corporation remained as the IS support group for the parent company and marketed the program to other consulting firms as a proven "off-the-shelf" solution to the A/E/C industrial sector. The software package, proBUILD, was marketed as a client/server solution that provided procurement management for contracts and subcontracts, comprehensive communications and documentation management, configuration (change) management and resource management.

The marketing claims of iBUILD about the software included:

“Welcome to proBUILD, the new heart of construction project management. With proBUILD automating and standardizing project administration, you'll benefit from unprecedented efficiencies. The positive effects of proBUILD will touch every aspect of your operations – including the bottom line.”

and ...

“When you add proBUILD to your project team, it quickly becomes the communication hub: routing information, monitoring projects, creating and tracking action items.”

proBUILD was first developed as a Microsoft NT server, Lotus Domino relational database and a Lotus Notes client group communication system. The “Workgroup/Collaborative communications environment” developed by Lotus was seen as an ideal architecture for Web-based construction project management. The increasing use of the Internet in the late nineties enabled multi-organization connectivity and accessibility to the project data repository on the host server. proBUILD reworked the program to become web-centric rather than exclusively Notes based. Contractors, subcontractors, clients and consultants now had access to project information, organized

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into a single information system. However, there was a significant develop cost to do this.

Of all of the features, such as security, centralized knowledge, proactive management, portability, it was increased accountability and profitability that were considered the greatest benefits. As well, less time is spent in communication management and lost or misplaced information was avoided.

Sales and Implementation

The challenges experienced by iBUILD in marketing the proBUILD product included:

- The long learning curve of prospective customers in understanding the nature and benefits of the product and the long decision curves of organizations to implement these systems.
- Design/construction customers each had their own policies and procedures for contract administration. At the outset of marketing, customization of the application for each customer became an issue.

The first customer system was installed in 1999, followed by twelve more through that year into 2000. Of the thirteen original systems, five are known to be in operation. The remaining eight did not complete organizational implementation. The greatest challenges experienced by the customers in implementing the systems were:

- The need for staff training on the new technology.
- Staff resistance to policy and procedural changes resulting from the standardized approach to contract administration developed by the software developers.
- Organization resistance to the changed systems brought on by the apparent accessibility of information by outside organizations.

The Decision

To this point, no one information system was considered an industry standard. Numerous competitive “portal-based” information management subscriptions services were popping up, each with it’s own approach to managing A/E/C/ projects. David’s research indicated that these services were not succeeding as anticipated. Those who had purchased the system were using the simple features such as file transfer, product information searches and little else.

The ongoing use of the proBUILD by the parent company would sustain iBUILD for the short term, however Davis and Walton Inc. wanted to recoup its investment or drastically downsize iBUILD back to become an in-house IS department of only two people. David’s challenge was to succeed where other system’s had failed.

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In analyzing this case, and responding to the assigned questions, consider the following:

3. What are the issues that this case addresses? Consider the immediate issues that David must deal with as well as the broader issues that reflect the business context and/or educational value of this case.

- a. Immediate issues

- b. Broader Issues

4. Analyze the problems this case presents. For example, you may think that “iBUILD” does not understand its clients’ needs” That may be true but that is opinion, not analysis. Why don’t they understand their clients’ needs? What are the causes of this lack of understanding? (Remember, there may be more than one problem and these problems may interrelate.)

