



Dar Al Riyadh Insight #53

Capital Efficiency - Lever #2 - Schedule

Dar Al Riyadh Insights reflect the knowledge and experience of our Board, executives and staff in leading and providing PMC, design and construction management services. Dar Al Riyadh believes in the importance of broadly sharing knowledge with our clients and staff to improve project outcomes for the benefit of the Kingdom of Saudi Arabia.

Lever #2 - Schedule

Schedule represents the second lever to improve capital efficiency.

Schedule improvements improve capital efficiency by lowering the interest costs associated with the construction phase while generating revenue at an earlier point in time. Additionally, schedule certainty is important to owners and is one of their three primary concerns (together with capital certainty and capital efficiency). The owner's PMC can significantly impact schedule in three significant ways.

- Optimizing project work processes to simplify and where possible eliminate steps in the project execution process while incorporating added considerations related to an expanded basis of design (BOD^x), innovation and continuous improvement.
- Modify work processes to reflect construction driven execution needs including work process changes needed to support increased fabrication efforts to better control quality, cost and schedule. Fabrication strategies can drive plant layout for example while shifting labor from a field setting to a more manufacturing like environment.
- Improving measurement and understanding of the root causes of rework during the engineering and construction phases to reduce the time and cost, including disruption, associated with rework. This is facilitated to the extent that owner work process requirements are not driving bespoke project execution processes which are not as easily benchmarked. Included in this effort is an improved understanding of RFI drivers and implementation of a continuous improvement process to reduce RFIs.