

Benchmarking – The Early Path to Success
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Benchmarking is a structured process to establish fundamental metrics for a new project within the cost and schedule range of other past projects and is a management tool to guide the team to a successful outcome. Too often project scope is developed without a sensitized look at the impact of that scope to overall project cost and schedule. Essential to all successful projects is the need to carefully balance the interactions of Scope, Schedule and Cost and by utilizing the historical metrics from similar projects one can verify if their project is within a reasonable variance of the comparative projects' cost and schedule. When this process is implemented early in the project execution it allows the project stakeholders to make adjustments to the scope to maintain the project in line with its goals, or at least realize where, and possibly why, their project falls outside the norm. This process is very helpful when assessing the viability of a proposed project, preparing for early funding, or planning/implementing a corporate capital budget.

The benchmarking process is one where a project's general scope using key metrics is compared to other similar projects. This general metric/scope includes such items as total gross square feet, net square feet, rentable square feet, net-to-gross ratio, number of occupants, the number of particular spaces (i.e. number of rooms in a hotel), general configuration (footprint and/or number of stories), location of project, and timeframe. If this initial comparison doesn't illuminate a project's cost and/or schedule similarities or peculiarities, then one must delve deeper into the project scope to determine any or all differences. This means the stakeholders must understand the project's detailed scope parameters such as type of structure, assumed number of interior spaces, the level of finishes and specialties, the vertical transportation needs, the requirements of the mechanical and electrical systems, and site specific differences (roads, utilities, parking, etc.). Once this type of comparison is completed, a proposed facility should be fully benchmarked against its peers.

Because of the potential differences in scope and the significant cost impacts of schedule milestones, one should be wary of wholeheartedly utilizing a previous project as the basis of a new project's metrics for cost and/or schedule. Unless the project is exact, and reference can be made for geographical and chronological differences, one should develop their own cost/schedule model for a new project against which benchmarking can be applied.

When benchmarking is performed early on a project, and in an appropriate manner, it can enhance the understanding of the overall scope, validate the project and allow its stakeholders to make management decisions in a timely and cost effective manner.