

eBook



# BUILDING A RETAIL BRAND WITH CONSTRUCTION SOFTWARE



**PROCORE®**

## BUILDING A RETAIL BRAND WITH CONSTRUCTION SOFTWARE

A well-built store—one that is consistent with others under a retailer's umbrella—is a powerful tool for communicating a brand. In fact, arguably nothing (beyond the product itself) is a more tangible signifier of the brand than the store environment. This puts the store planning team in the position of acting as brand managers and means that for the construction manager, whether he/she is employed in house by the retail company or as a contractor specializing in retail construction, understanding the brand (the retailer's goals, visions, and marketing strategies) is a cornerstone of day-to-day work.

Even though brand-oriented goals reside outside the scope of the traditional architecture/engineering/construction professional, retail project management job descriptions regularly include such tasks as performing store surveys and market analyses, strategic sourcing and procurement, the development of environmental graphics, and more.

Adding what amounts to a second job description to a project manager's busy schedule can end up detracting from his/her key responsibilities: to manage construction from the design phase through store opening. Stretching project managers too thin can lead to inefficiencies during the construction phase which negatively affect the built product... and because construction details can make or break store performance, ironically, project management shortfalls become harmful to the brand.



Furthermore, while retail construction involves a cross-disciplinary, big-picture focus, it is also more detailed and nuanced than many other types of construction. Design program requirements are never vaguely defined or composed of simple, general guidelines. They are extraordinarily specific, being determined by teams of designers and branding specialists, and must achieve consistency with other store locations worldwide. Quality standards, too, are extremely stringent.



## BACK TO THE CORE TASKS

As is the case in so many industries, the key to taking on an escalating number of tasks is to harness the power of technology. Every retail construction project manager knows the value of using IT or software strategies to manage his or her work. In today's construction environment, forsaking the use of software is not an option. Outdated pen and paper methods simply cannot scale up to meet the timelines, budgetary constraints, and other demands of the retail job site. Most companies have a suite of computer programs that they have come to rely on, with Microsoft Project and Excel being two of the most commonly used.

Retail-specific software applications are also popular. After all, with duties that spill over into other areas of management, construction professionals may believe that having a dedicated construction project software is too narrow; the comprehensive range of a retail software application may seem to be a clear fit. However, given the critical nature of the construction project execution phase, a wiser approach is to make a robust project management tool the cornerstone of a store building effort. Glossing over day-to-day details of the job site in favor of focusing on high-level milestones can allow errors and inefficiencies to mount and ultimately undermine the entire project. The “devil is in the details,” as the saying goes.

Recent developments in software as a service (SaaS) are bringing countless improvements to the construction management workflow, and allow project managers to more effectively communicate with all project stakeholders. The mobile, cloud-based applications that are intrinsic to SaaS permit project managers to integrate a broad range of project information with their own core systems and data sets. For retail construction projects, mobile apps can be used to create synergies across the entire project effort.



Increasingly, software companies are expanding the range of tools they offer their customers by becoming platform as a service (PaaS) providers. By forging partnerships with other software vendors in the industry—covering accounting, scheduling, storage, reporting, and more—they make it easy for project owners to integrate construction information with other systems. Furthermore, some software providers are making open application programming interfaces (APIs) available. By providing creative developers with the computer coding necessary to invent new add-ons and applications, the number of valuable tools available to the entire construction team can grow exponentially.

*The case for using this kind of project management system becomes strong when one considers that without it, retailers are more likely to experience project delays, budget increases, lack of proper documentation and higher risk. The costs add up when these problems occur on multiple projects within a retailer's portfolio.*

To understand how project execution contributes to both brand perception and a retailer's bottom line, it is helpful to examine the construction process from its inception.





## PRECONSTRUCTION

Branding considerations overlap with construction considerations from the very first stages of store planning. A particular challenge for retail construction project managers is the aggressive timeline that is typical in the industry. Not only are quick rollouts of individual locations desirable—since a closed store is a store with no revenue-generating ability—but retailers need to constantly update their image in order to stay competitive and keep up with their market. An image update can take the form of a brand refresh, in which branding strategies are tweaked in a way that leverages the brand's historic image and value proposition.

It can also take the form of a rebrand, in which the company image is completely reworked. In either case, tremendous pressure is brought to bear on construction activities, as changes to physical store locations are often part of the process. Furthermore, rebrand/refresh efforts must take place across all store locations nearly simultaneously, kicking off a construction boom. This increases pressure on the construction timeline.

The preconstruction phase is appropriate for establishing overall project objectives, getting a grip on the project schedule, and the time in which detailed plans and estimates can be assembled. The right software platform can begin capturing data during the preconstruction phase, and carry it through the entire project.

## MATERIALS AND SUPPLY CHAIN

Improving data capture and the flow of communication is key during material review and supply chain planning. Accurate, specific information helps pin down costs as well as enable value engineering. In addition to identifying actual market costs, the construction team can use a detailed planning platform to discover which items require long lead times.



## BIDDING

In retail construction, design documents don't simply go out to bid directly to general contractors and trades. They must loop in landlords, property owners and developers, and perhaps international store planners. It is therefore immensely helpful to have bidding documents and contracts that have been well organized during the preconstruction phase, and to have them easily accessible, as they are when using construction project management software. With most SaaS solutions, bid documents can be any format, including PDFs and file types from other construction software packages such as CAD applications or spreadsheets.

Using SaaS, subcontractors can download bid packages and provide bids that quantify their contributions to the project in terms of material quantities, productivity rates, worker hours, wage rates, material dollars, overheads, and indirect costs—and this information is integrated into the overall project database as well.



During the bidding process, SaaS allows owners and project managers to:

- Filter vendors by location proximity
- Track vendor bidding status
- Attach plans, specs, PDFs and other file types to create bid packages
- Set due dates

When bids are in, SaaS facilitates quick evaluation of the key factors used to derive the best price for a specific subcontract. By creating a bid history, users are able to consider bids based on the total number of bidders on a project, the backlog of individual bidders, the bidding history of individual vendors, the physical location of specific bidders, and the speed with which a bidder is able to both respond to a bid and amend the bid based upon additional information.

Project management software automatically maintains comprehensive bidding history for every project and bid packet. Emails—both sent and received—are attached to vendor records and changes are tracked. For retailers, who have many stores in their portfolio, this is particularly valuable.



## PROJECT EXECUTION

The primary goal for any construction project is on-schedule delivery, and in the retail sector this is particularly true since store open dates are critical. It is also vital to stay within the project budget. And retail construction projects involve a third key factor: quality assurance/quality control measures...because the final, built store must be an asset to the brand.

In order to be on schedule and on budget, as well as end up with a high-quality deliverable, a host of discrete tasks need to be managed. Project management—enabled in no small part by technology—is the glue that holds these tasks together and allows the end product to support the brand.



## COMMUNICATION

In general, when construction projects are managed using isolated or “point,” applications (such as Excel), information cannot be standardized across the various programs in which it is housed. Data remains siloed instead of being consolidated, organized, and correlated, making it difficult for various team members to gain project insight. Having siloed information also necessitates repetitive manual data entry, or the copying and pasting of data from program to program, and this opens the door for mistakes to be made and spread throughout the system. In contrast, data that syncs automatically between programs not only reduces the workload for all team members, but maintains a high level of accuracy.

With dedicated project management software, all project information is stored in one place. Tasks that would involve multiple email communications for team members working without the benefit of collaborative software can be completed in minutes using cloud-based apps. For example, requests for information (RFIs) can be created and assigned directly from the job site. Product specs attached to submittals can be accessed in seconds. All communication is tracked, ensuring that team members are automatically notified when RFIs, project changes, and updates are made. This comprehensive process gives owners visibility into the complete body of project activity.

Having information isolated in various computer programs can also adversely affect the project schedule, because without transparency and visibility between teams—especially teams in the field—bottlenecks form. Cloud based, mobile software solutions display and link relevant project data together to help teams access information when they need it. iOS and Android apps deliver information to builders via mobile devices in the field, ensuring they are up-to-speed on the current plans. Changes can be made in the field even without an Internet connection, and then synced as soon as a connection is restored. Work becomes truly collaborative, with different team members able to mark up, distribute, approve, and comment on a “live” set of plans. This has the added efficiency gain of reducing dependencies on managers.

The hidden costs of using point solutions instead of integrated platforms can be greater for retail than other project types, because there are so many layers of coordination unique to the market sector. Tenant coordinators and mall managers, for example, in addition to being involved in contracting, may also have a hands-on role in the construction process. The internal teams, whether regional or worldwide, who commonly handle retail store planning represent a large number of players who need to be kept “in the loop.” And it is not uncommon for those teams to have to work closely with cross functional departments (sales, visual merchandising, licensing, etc.), as well as various consultants.





## DRAWINGS

Projects begin and end with drawings. As the interactive center of project management, drawing development, along with subsequent reviewing and redlining, is at the heart of the construction management process. A dedicated, cloud based project management software reduces the amount of steps required to perform tasks and automates the process of uploading and naming files, marking up documents, distributing and accessing files, and responding to requests.

Historically, keeping track of paper drawings in the field has not only been a tedious task, but paper drawing sets have been the source of most job site errors. Despite everyone's best efforts, teams end up working off of outdated plans, causing delays and/or rework. However, as more mobile devices enter the job site, project managers are finding that they no longer have to waste valuable time running back and forth from the site to the office to the trailer to repeatedly update, print, and distribute plans and documents that are vital to a project's success. Managing the project, and all of the paperwork that comes along with it, can be done on a mobile device. Using a cloud-based application, which updates in real time, drawings can be marked up and attached to related documentation such as submittals and RFIs.



## MATERIAL PROCUREMENT

Custom finishes and fixtures, especially millwork and lighting, are among the most important decisions in retail design, and this isn't simply because so many retail stores are tenants rather than owners. These design elements happen to be the ones that engage consumers most directly. As such, it is critical to not only ensure high quality, but to have consistency between these components from one store location to another. Often, therefore, in order to maintain this level of brand consistency, a retail company will have a preferred or exclusive vendor.

Owner supplied materials can add in a layer of complexity on the job site, from procurement through delivery scheduling and installation. This means that having a streamlined process for tracking, communicating, and auditing is critical. Mobile, cloud-based software solutions support the level of coordination necessary.

## ACCOUNTING

The accuracy that is achieved by having data entries update across multiple platforms, in real time, is particularly valuable when it comes to project accounting. Having a project management software that incorporates a strong accounting program offers the following advantages:

- Greater efficiency in labor tracking and the payroll process improves accuracy and reduces overhead for the company.
- Tracking of subcontractor contracts and payments are improved and aggregated into a single location. It is easy to see details such as when invoiced amounts exceed commitment amounts, and whether or not payment was actually sent or received.
- Easy access to real time cost information can alert personnel to possible problem areas. For example, costs that are unexpected or don't match the original estimate may be a red flag for an issue that can be proactively addressed.
- Historical data can be used to improve database accuracy and enhance a company's performance on future tasks as diverse as forecasting and estimating to equipment maintenance and replacement.
- Automatic checks and balances within the software can alert users to coding and billing errors, or entirely prevent them.
- RFQs to vendors can be automated and tracked, and contracts and change orders can flow seamlessly between systems.
- Takes forecasting out of Excel and into an integrated system that eliminates double entry and the risk of a formula error.





## PROJECT CLOSE-OUT

In an ideal scenario, punch lists aren't an afterthought, but follow checkpoints set forth in the original contract. Achieving this kind of efficiency is facilitated when items are tracked using SaaS as the project progresses. When project managers have visibility into project details on demand, many mistakes are caught early and problems are solved quickly, thereby reducing the number of change orders throughout the project and the number of punch list items at the project's conclusion. Using the complete data set created by SaaS also provides automatic tracking of key performance indicators and project milestones.

Staying on top of a project and offering store owners a complete, turnkey solution is a necessity. But even beyond that, the owners may require an extensive package of deliverables that can support lease management and facility maintenance. The expected quality and quantity of as-built documentation is changing. Record drawings are expected in CAD format and dimensions are expected to be exact. Many owners are asking for documents such as submittals and operating and maintenance (O&M) manuals to be hyperlinked to the drawings, and sometimes fully digital documentation is required.

Many of these deliverables are generated as a by-product of project management software's data collection. Digitally created, real time as-builts capture the exact scope of work performed and provide a "paper trail" of versions that have been electronically recorded and verified. This makes them more reliable for legal and liability purposes. They can be used as a reference for financial or billing disputes, or as supporting documentation to troubleshooting, investigations, or rework that is done after a building is completed. Drawing accuracy and provability is an obvious benefit in the event of litigation.



## RISK MITIGATION

“Risks” are potential obstacles that must be recognized and continually addressed throughout a project. Risk management, therefore, is an essential part of maintaining project stability and effectiveness throughout its life cycle. “Project risk” is defined as anything that threatens or limits the goals, objectives, or deliverables of a project, and it is a project manager’s job to constantly track and report the status of all identified risks as a project progresses. It is important, therefore, that the manager have the ability to extensively document project occurrences, as well as have access to real time data.

Benefits of SaaS that contribute directly to risk management include:

- Maintenance of historical records.
- Tracking of all activities on documents including approvals, comments, and emails opened.
- Dispute resolution with documentation that is not created and owned solely by a general contractor or other third-party contractor.
- Elimination of hard copy files, which are vulnerable to manipulation and forgery.
- SaaS prompts all users to complete forms and other documents, and captures pertinent information like date and time, photos, etc., circumventing the problems presented by conflict resolution with incomplete documentation.
- Simply knowing that cloud-based applications are tracking and documenting activities on the job site can increase contractor accountability.





# ROI

Justifying the cash outlay for new software is always a sticking point. But a quick return on investment lessens the impact of that outlay. Companies incur hidden costs as a result of continuing with their existing software applications, which are familiar and comfortable, but most likely outdated.

Those hidden costs can add up in the form of:

- Workers having to take multiple steps to complete their tasks.
- The lack of mobile tools slowing project progress.
- Introduction of errors resulting from repetitive data entry.
- Maintenance fees associated with existing applications (user licenses, training and support fees, and implementation and maintenance fees).



Making the simple switch to a software platform that allows unlimited users— that means all of your project teams, including subcontractors and third-party consultants—can save you thousands of dollars. Add in the value of unlimited support and training as well as unlimited file storage, and a company's accounting sheets begin to come back into balance immediately.

Choosing a software solution that has recently come to market has another cost benefit: it captures the most recent advances made by software development teams. Recently released computer devices and services are not as disruptive as were earlier waves of technology. Early computers required users to operate using computer logic. But newer offerings have been designed to fit a more human frame of reference, and are much more intuitive. Furthermore, some software providers are constantly interacting with their clients and user base to collaborate on the software's design; this means every new feature that is rolled out responds to the needs specifically identified by contractors and other AEC professionals. A responsive, intuitive software is one that allows for quick implementation, widespread adoption, and ultimately a high ROI.

## IN RETAIL, NO STORE IS A ONE-OFF

Efficiencies achieved by using a dedicated, cloud-based project management solution don't end with a project's close out and the store opening. Linked data sets, a solid paper trail and a detailed cost summary—which will be generated automatically—provide the basis for planning upcoming building projects. When implemented across construction teams, the software can also be used to gain transparency across a retailer's entire portfolio and track the progress of each storefront by monitoring open items of responsible parties, approving or rejecting change orders, alleviating bottlenecks, and reporting on performance metrics.

Project managers can be responsible for assisting store planners and cost controllers with multi-project budgeting and capital expenditure forecasting. The same is true for multi-project scheduling. In this way, value achieved on one project carries over into others. Once information has been captured through the use of a dedicated project management software, the preconstruction phase for projects moving forward will never be the same: data will be linked across categories and provide historical data.



## CONCLUSION

Because of the broad scope retail construction project managers are asked to address—moving beyond construction tasks and into brand management—and because of the many parties involved in the construction effort, the actual project execution phase often gets downplayed. This can be particularly apparent when it comes to IT efforts and construction project management software solutions.

But for retail construction projects, decisions ranging from the initial site selection to the final finishes and fixtures will determine the financial success of the venture perhaps more than in any other business. And best-in-class software applications, which offer user-friendly solutions that quickly get the most up-to-date information into the hands of those who need it, result in efficiency gains every step of the way...an outcome that should never be downplayed.



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