

1 INTRODUCTION AND OVERVIEW

1.1 Introduction

HVAC and sheet metal contractors continue to be faced with the challenge of improving productivity to remain successful in an increasingly competitive industry. As a result, many contractors are searching for new ways to increase their productivity and decrease their costs in order to gain or maintain market share.

While there may not be a single measure of productivity, it is generally acknowledged that increased project and company efficiency are key components of enhanced productivity and profitability. The competitive nature of the construction industry has motivated many contractors to search for ways to improve efficiency by increasing their quality and decreasing their costs in order to strengthen their market share. As a result, contractors are turning to “better planning” as a method for improving their efficiency and, subsequently, increasing their profitability. In fact, a consensus exists in the construction industry that more formalized preconstruction planning is necessary to remain successful. Accordingly, contractors are turning to preconstruction planning as one approach to improving their competitive edge.

This research proves that companies that have a formal preconstruction planning process experience higher profit margins and increased numbers of successful projects. The benefits of having a preplanning process are quantifiable and concrete, yet these benefits have not been fully recognized by the HVAC

and sheet metal industry. In 2004, the New Horizons Foundation addressed the issue of preconstruction planning by sponsoring a research project that assists contractors of various sizes to develop a formal preconstruction planning process.