



Clevor Schedule Optimizer for Contractors

Contractors

Contractors include firms who undertake contracts such as electrical, mechanical, instrumentation, information technology, steel fabrication, concrete, road building, earth works, etc.

Their scheduling needs

Contractors are companies who bid for multiple projects, each with given start and completion dates and use crews with different skills that may work on these projects at the same time. Generally, several contractors are hired for each of the projects and there is a general contractor who is responsible for coordinating the work of the different contractors. Contractors need a scheduling system that not only builds a “feasible schedule” that can be implemented given the various constraints but can also be optimized to maximize their profitability taking into account all the costs. In addition, the process must be efficient so that the schedules can be updated quickly to take into account the changes that may take place.

Clevor Schedule Optimizer for Contractors

The Clevor Schedule Optimizer for Contractors is designed to fulfill the above needs. Some of the highlights of our solution are:

The value proposition

Clevor Schedule Optimizer for contractors tells the contractors precisely what resources and when should be deployed for the projects being scheduled. Our customers have reported reduction in their variable costs of up to 15% and increase in profits of up to 100%.

Objective of the schedule

Clevor Schedule Optimizer can handle most business objectives. However, the most common business objective in scheduling of multiple projects being undertaken by contractors is to come up with a schedule that will “minimize the total cost of the all the projects” while meeting all constraints, including meeting the required completion dates

of the different projects and the resources that may be available or could be procured. For the users of our solution, the emphasis moves from the completion dates to the total cost including the cost of delay.

The schedules are feasible

The schedules built by Clevor are “feasible”. This means that they can be implemented successfully.

Cost elements included in the total cost objective

The following cost elements are included in the total cost objective at this time:

1. Cost of undertaking each of the tasks using the right resource in the right quantity. The resource can be human resource or equipment. It also takes into account the hiring cost, cost during the time for which the resources is hired.
2. Cost of materials and other fixed costs related to the various tasks
3. Moving cost. This is the cost (and time) involved in moving a resource from one project to another project.
4. Overhead cost for each project
5. Interest cost
6. Lateness cost and opportunity cost for each of the projects being scheduled

Benefits of Clevor Schedule Optimizer for Contractors

a. Cost savings

Based on the tests carried out by Clevor and the experience of Clevor’s customers, we estimate that our customers can obtain up to 25% savings in their variable costs over time. The bigger and more complex is the project, the greater is the savings. This is specially important for contractors, who cannot differentiate their service and whose prices are determined by direct competition.

b. Improved customer service

Our customers find that they can provide a much better customer service to their customers by tracking all the milestones that would impact their work and thus have much better communication with their general contractors.

c. Risk management

It is commonly known in the contracting business that the last 10% of the project takes 20% of the man hours, reducing the profits. Our customers track the progress of each of their projects at least once a week. This gives them a much better measurement of the progress of these projects and the cost incurred. This allows them to take corrective

actions when necessary. This is how they control their risk of cost overruns as well as manage the change orders better.

d. Focus on best practices and methods

Once the schedules are being managed better, our customers focus on identifying best practices and methods. These efforts yield still more cost savings. These best practices yield further ongoing benefits.

e. Use of Clevor Schedule Optimizer for making strategic decisions

Clevor Schedule Optimizer is also used for making strategic decisions such as: what would be the impact on the cost and completion date if the crews worked longer hours and were paid the overtime premium; if more crews were hired, etc.

How do the contractors use Clevor Schedule Optimizer?

Once the contractor wins a job, the information from their estimates is put into the project management software working with Clevor, such as MS Project, Primavera P3 or Suretrack. This information includes work breakdown structure, alternative resources, resource calendars, start dates, planned completion dates, any related milestones and costs. Clevor Schedule Optimizer is used to come up with a schedule that minimizes the total cost of all the projects being undertaken by the contractor at that time served by the same resources.

Updates and re-scheduling

In spite of all the best planning and scheduling, things will change. When they do, reschedule. Clevor's automatic scheduling capability makes the process much easier.

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