



Case Studies

*e-Business Sectoral Impact Assessment for
General Building Contracting within the UK
Construction Industry*

September 2003

dti
Department of Trade and Industry



Case Studies

This document details the case studies to support the Strategem Report “e-Business Sectoral Impact Assessment for General Building Contracting within the UK Construction Industry”.



Brandwells Construction

www.brandwells.co.uk

Background.

Brandwells Construction was formed in 1973 by its present Managing Director, Andy Dowden, and has a 150-strong workforce. It has grown steadily as its reputation for quality, efficiency and reliability has spread around its catchment area, which extends across the West Country and into South Wales.

The company is focused on civil engineering and groundworks for Housing and Commercial developments as well as highway and bridge works for Local Authorities.

Business has developed through negotiation rather than tender, and through longstanding relationships with clients. This permits involvement in the earliest stages of project development, helping to improve draft projects through “value engineering”.

Brandwells has developed software that is used to appraise initial groundwork plans and suggest fully costed alternatives, often within 24 hours. This combination of experience and rapid, accurate responses/suggested solutions has given the company a leading edge with key clients and a strong sense of mutual trust.

It is no coincidence that turnover has accelerated by around 20% to over £20 million in the past year, because client mergers have resulted in Brandwells winning an increased share of contracts, due to their technical expertise, factual “no frills” analysis and preparation, and strong management team. They have successfully combined this with intelligent and pragmatic use of modern technology.

The Business Opportunity.

Brandwells aims to deliver best value to a relatively small client base through negotiated contracts in which personal contact and trust are critical.

E-business is an increasingly vital tool. It has little visibility but is highly effective, enabling the expanding company to remain true to its founding principles of honesty and openness because it exploits “smart” e-technology to suit its purposes, not as some form of “electronic cure-all”.

The company believes that this is the ideal platform for sustainable growth and controlled investment.

The Solution and the Successes.

This has evolved out of Brandwells’ early development of in-house software that enables rapid analysis of plans assessed against pre-programmed minimum specifications with sufficient detail to convert into a Bill of Quantities and accurate costings. For roadworks, this can give detail right down, say, to the likely level of excavation or the estimated area of tarmac. Similar information can be delivered for housing projects, making early project meetings far more productive and eliminating most downstream operational problems. It also creates a well-informed climate for contract negotiations and “value engineering”.



Brandwells Construction

www.brandwells.co.uk

With key clients, this internal process has been extended and improved with e-technology. CAD drawings can be exchanged by email and suggested amendments documented. Brandwells possesses electronic CAD drawing capability. Such information is also fed down the line to the company's consultant engineer, who converts it into information that can be downloaded to the Electronic Distance Measuring Devices" (or "Total Stations") used by on-site surveyors. Whilst further data links via the company's new website are possible, Brandwells sees no present need for it, especially as it may be very costly and technically complex. The company is currently well ahead of most of its clients and suppliers, which in itself places a restriction on the pace of e-development. Current IT investment is in the £50,000-£100,000 pa range.

The Future.

These developments have been operations-led and will be extended where operationally justifiable. For example, Brandwells is considering EDI for Inland Revenue communications. Also, one building materials supplier is planning to open up its stock information to a limited number of users and is already using electronic consolidated invoicing. Brandwells will develop its Intranet/Extranet capabilities if/when it sees the benefit and will sustain current IT investment for the foreseeable future.

EDMS will also follow, but only when the company judges that there is sufficient cultural momentum amongst clients to justify the investment and the disruption to existing, well-performing routine procedures.

Critical Issues.

Managing Director, Andy Dowden, summarises these as follows:

- 1.Keep all systems development simple, user-friendly and synchronised as far as possible with the supply chain.
- 2.The big advantages of e-business "can only be maximised when clients recognise the potentials and stop worrying about a possible loss of project control, which should not happen if the relationship is right" says Dowden. "Right now, they tend to be so focused on control issues and profitability that there is no standing back and taking an overview on how they do things".
- 3.For his type of business, EDI is the way forward but it needs thought and commitment to be effective. "It doesn't have to be expensive. The main investment should be in e-thinking first. Trust and partnerships are essential pre-requisites to successful and focused e-business development".