

Andrade Gutierrez (AG)

Ensuring World Cup success

Andrade Gutierrez (AG) is one of the largest construction companies in Latin America. Founded in 1948, AG is recognised as a market leader and an expert in large construction projects. Renoir was engaged, specifically in relation to AG's project at Beira Rio Football Stadium (Porto Alegre – Brazil) which will be used to host the 2014 World Cup. The objective was to assist with overcoming a significant construction delay.

ANALYSIS

Renoir was asked to conduct a 2 week Analysis followed by an 18 week improvement program involving: Materials management, risk management, process optimization, resource utilization, contractor management, cost avoidance and delivery to schedule.

PROJECT APPROACH

The following focus areas were established through the validation of the initial Analysis findings, within the context of the actual completion status of the construction project against the very real deadline of the World Cup matches.

Key deliverables included:

- Plan & schedule all production activities on a daily basis
- Establish an effective data gathering and information management process
- Implement effective productivity measures and reviews
- Setup a critical path analysis and corrective action process
- Define the 'optimum' production teams to execute the activities within the allocated timeframes, including roles and responsibilities, standards and targets
- Install supervisory routines along with appropriate short interval controls
- Develop a risk management process with alarm system incorporated, geared towards improving material ordering and delivery
- Design and install a third party and supplier contract management program
- Setup a continuous improvement structure based on key performance indicators, enabling improvement opportunities to be identified, best practices to be qualified and new standards to be set
- Integrate the management control system with effective meetings and decision making processes

Renoir's project approach embraced the participation and collaboration of all parties in the pursuit of new opportunities, the development of solutions and their subsequent implementation.

Key Results

Productivity Improvement
28.4% (51.1% to 65.2%)

Planned Attainment
Improvement 19.0%
(58.2% to 68.4%)

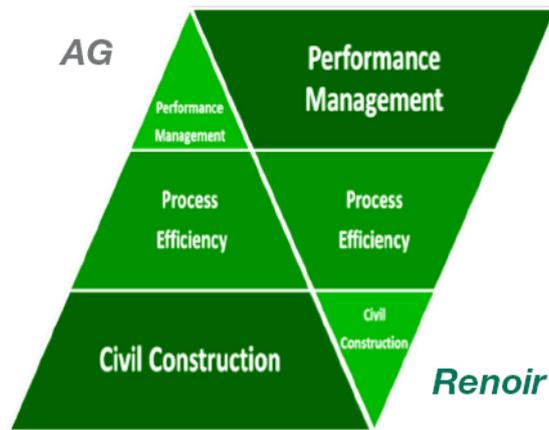
Site Progression
Improvement 53.7%
(3.9% to 7.0% per month)

Project Delay Avoidance
Improvement 82.1%
(From 134 days to 24 days
project delay)

Cost Avoided R\$ 3.945.873
(Direct Labor: R\$2.813.614
&
Indirect Labor: R\$
1.132.259)

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The objective was to maximise potential results by integrating the expertise of both companies, build upon the existing structures, manage the continuous improvement process and maximise the opportunity to develop new ideas concurrently and collectively.

INSTALLED MANAGEMENT CONTROL SYSTEM (MCS) AND ELEMENTS

Each individual element for the MCS was designed and developed in collaboration with the client's staff, critiquing existing systems and processes and modifying these to make them more relevant and effective to the business needs. This phase was immediately followed by an implementation phase, due to the limited time that was available.

The tools and routines that were created, enabled additional control over the processes, which were supported with specific KPI's, enabling management to make swift decisions based on facts.

With the systems and indicators installed, focus was turned toward effective running of key meetings with the objective of establishing appropriate forums to discuss results and define root causes and corrective actions on a daily basis.

PROJECT DELIVERABLES

During the course of the project the following system deliverables were met:

- Implementation of a management control system with appropriate key performance indicators; and systems with desired behavioral changes across the operational teams;
- Well defined roles and responsibilities for all the operational functions and support services;
- Improved management capability and confidence in meeting established objectives and project milestones;
- Management training and rollout of all developed systems, processes and practices;
- Transfer of all systems and processes related to activity planning, control and reporting, within the integrated management control system.
- Transfer of knowledge, toolbox

OVERALL BENEFITS

The project initiatives were qualified and quantified in collaboration with the established management action teams (MATs) in accordance with Renoir's approach and methodology. This ensured that the project's key objectives were clearly defined and aligned with the management teams' current concerns and expectations. Importantly, too, this enabled a sense of ownership within the project team from the outset.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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