

Customer Case Study

Design Built Management



Prolog® Software Helps Design Built Management Reduce Risk on International Projects while Increasing Profit Margins by Up to 10%

Design Built Management (DBM), named recent builder of the year by Mexican National Organizations, was founded in 2000 by three partners who came from the second largest construction company in Latin America. The partners have over 80 years of combined construction and construction management experience. Therefore, DBM's core business is focused on construction and construction management, with a good portion of its business concentrating on preconstruction services.

DBM has both international and national presences. The international division, which accounts for about 65 percent of business by revenue, concentrates on hospitality projects, including vacation resorts and condominiums in Los Cabos, Puerto Vallarta, and Acapulco. Its national division concentrates mainly on gaming institutions such as casinos and bingo venues. In 2007, DBM generated approximately \$70M in annual revenue on more than 20 completed projects. Although the company is located in Mexico, due to its international presence, DBM prides itself on its uniqueness by following American construction and preconstruction standards and using a combination of the latest management techniques with proven construction methods.

With just two years of business under its belt, DBM's international division was growing quickly. Because of this, the company needed to replace its collage of software applications with a single solution that would offer better project control and tools for clearer communication with U.S., Canada and Spain-based clients. "We had to find a system that would allow us to use the same language as our international clients, and provide them with very concise and professional reports," explains Julio Sepulveda, DBM's International Projects Director.

Spanish Prolog Increases User Base

After extensive research, in 2002 DBM purchased Prolog Manager from Meridian Systems. "There was no question that Prolog was the best solution on the market to fulfill both our internal and external requirements," Sepulveda says. Prolog's market share among project management systems in the U.S. would provide assurance to DBM's international clients and prospects that they had the project controls in place to get the job done.

DBM chose Intuitive Systems, a Meridian Value Added Reseller (VAR) based in Miami, Florida, to implement its Prolog system. Although Prolog was rolled out on a large, high-end resort project in Los Cabos, the program's merits were quickly proven and it was soon being used to manage all international projects.

"Prolog has increased our profit margins on projects by at least five to seven percent – if not 10 percent. That's a great return on investment."

*Julio Sepulveda
International Projects Director
Design Built Management*

Two years ago, DBM expanded its Prolog use to its national division. Intuitive, who has continuously provided consulting and technical support services to DBM since 2002, implemented Spanish Prolog to seamlessly interface with the English version and put together an extensive training program, in both English and Spanish, to ensure proper use of Prolog and increase user adoption. To address various needs, training was targeted by usage level and department. "From the beginning, Intuitive has been very professional," Sepulveda says. "Their knowledge of Prolog has translated into five-star service for us."

Today, DBM has as many as 25 employees that use Prolog on a daily basis – from directors and operations staff to upper management – and that number will increase as project demand warrants. "Everyone uses Prolog a little differently," says Sepulveda, "but they all use it as a tool to maintain project control and plan ahead for potential issues on the job."

Prolog Increases Productivity to 110%

When moving from multiple disconnected systems to a single, database-driven project management solution, greater efficiency is expected. But for DBM, Prolog has taken efficiency to a whole new level. Sepulveda uses a standard employee working eight to 10 hours a day to illustrate how.

"Before Prolog," he explains, "this person was only producing in the 75 percent range of his capability. Not because he didn't want to be more productive, but because he didn't have the tools to produce at 100 percent. With Prolog, production increases to 110 percent or more." Standardization of documents, processes and communications automate previously time-intensive tasks. "Instead of sitting at the computer for hours trying to create the weekly report for cost control, for example, he hits a button in Prolog and that's it."

This efficiency increase has been measurable, especially for paperwork-intensive roles such as the document control and cost control managers. "By capturing information once in Prolog, what used to take eight hours now takes four. Completing work in half the time means that people can spend more time doing things like putting together proposals and presentations to secure additional work."

Documenting Changes Eliminates Disputes

Prolog reporting has provided significant insight for external parties (such as the client, subcontractor and architect) and internal control around budgeting, costs, buy-out and document management. Information for the owner, such as project costs-to-date, is available on demand. Internally, tracking items such as potential change orders ensures that money is never left on the table.

In fact, change order documentation and control in Prolog

has actually helped DBM avoid negotiations and disputes when it's time to collect additional monies from project owners for changes. "If you maintain your data in Prolog," says Sepulveda, "information becomes organized in such a way that you create all kinds of backup support for change orders. In one case, we had finished a large project that had a number of change orders for the various trades. We were able to sit down with the owner and go through each change in Prolog, division by division, and demonstrate our supporting documentation. Without argument, we ended up getting 100 percent approval by the owner."

Prolog WebSite Unites the Extended Project Team

DBM recently added Prolog WebSite to its system so that the extended project team can securely access project details in Prolog from any Internet connection. This is a huge asset when dealing with customers in other countries. "Prolog WebSite adds so much value to our service deliverables," says Sepulveda. "Imagine how much benefit we receive by being able to expedite communications like RFIs on a project where, for example, the customer is in California, the architect is in Texas and the consultant is in Mexico City."

Initial feedback about Prolog WebSite has been very positive. "Prolog WebSite unites the project team using a Web-based interface that is very user friendly," Sepulveda concludes.

Reducing Risk While Increasing Profit

Reducing risk is a significant concern when more than half your business comes from foreign sources. Utilizing a project management system that incorporates American standards, systems and procedures with its proven construction methods has not only reduced DBM's risk, it has translated to greater profitability.

"Money wise, the best resource we have is Prolog. Not only does it help us maintain cost control during the project, but it also helps us negotiate profitable contracts with subcontractors, suppliers and even project owners by preparing for contract negotiations before they even start," states Sepulveda. "The bottom line is this: Prolog has increased our profit margins on projects by at least five to seven percent – if not 10 percent. That's a great return on investment."

DBM Project Profile

Fairmont Heritage Place, Phase III, in Acapulco, Mexico

Fairmont Heritage Place Acapulco offers fractional ownership of luxurious vacation homes in an exclusive, private community. DBM was contracted to build Fairmont Heritage Place, Phase III, included the ground-up construction of 14 two-story houses – 4,100 sq. ft. each – all with private swimming pools. In addition, a 4,900 sq. ft. main swimming pool was constructed, along with a service building, paths and circulations. Other project elements included all site utilities, plazas, the parking lot and landscaping. Fairmont Heritage Place is just one of the projects that DBM has proudly built since it was founded in 2000.

One of the main tools used by DBM to help ensure success of the project was Prolog. Prolog was implemented at the beginning of the project to control costs, documents, contracts, pay applications, change orders and so forth. The various reports delivered to the project owner and owner representatives using Prolog's many templates were invaluable aspects of the daily construction and construction management operations.

Results: This project represented a challenge for DBM because the design documents were not completed when construction started. However, DBM helped the design team complete outstanding construction documents so that the construction schedule was not adversely affected. In fact, the project was finished below budget and before its due date – with superior quality.

Once the project was completed, DBM received a commendation letter signed by the Corporate Executive Director – Design and Construction of Fairmont Hotels & Resorts.

Key Project Elements

- › 14 two-story, 4,100 sq. ft. homes with private swimming pools
- › A 4,900 sq. ft. main swimming pool
- › Service building, paths and circulations
- › All site utilities
- › Plazas, parking lot and landscaping

Project Owner: Fairmont Hotels & Resorts

Estimated Cost: \$14M USD

Year Completed: 2007



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