



THE COMMERCIAL ARCHITECT

NEWS

Union Square bought by Deltek

Union Square the owners' of Workspace Project and Document Management have been acquired by American giant Deltek. There is speculation as to whether this was to add a document management system to their portfolio, or to improve their Project Costing solution.

Richard Vincent MD of Union Square says:

"We look forward to working closely with Deltek in the days ahead."

VI - formally Project Minder

The latest update to their new budgeting module has been tested by ASC. It is not inspiring!!

Business Intelligence Tool

Hidden in the depths of Microsoft Office 365 is the powerful and free "Power BI", its function rich but, as with all things Microsoft - complicated.

Any Practice LLP Job List

	Sales	Costs	Profits	Losses	Profit %
Job 1	£100,000	£80,000	£20,000		10%
Job 2	£0	£5,000		(£5,000)	0
Job 3	£50,000	£40,000	£10,000		20%
Job 4	£0	£4,500		(£4,500)	0
Job 5	£0	£3,500		(£3,500)	0
Job 6	£0	£5,000		(£5,000)	0
TOTAL	£150,000	£138,000	£30,000	(£18,000)	8%

Reporting on Lost Projects

We all tend to concentrate on analysing projects that are won, did they make a loss? Did they make a profit? Can extra fees be claimed? Should we work for that client again? Etc etc. But of equal interest are projects that never become projects, the bids and competitions that are lost and the proposals that go nowhere.

For a Practice making 15% profit on jobs, a £7,500 bid cost is equal to the profit from winning a £50,000 Project - and doing it right!

Many systems allow for a "reasons for loss report", and often send an email to the appropriate senior staff. This should be analysed closely. Are budgets for enquirers being set correctly and are they being adhered to?

CMAP - Added Functionality

The popular Project Costing and Management solution for AEC companies CMAP, continues to expand its functionality. Currently in its 2nd public beta is "Report Builder" a simple drag and drop report generator. While in testing, reporting will be limited to creating and publishing, future developments will include access to custom created graphs which can be pushed straight to your mobile.

Do your Cost Rates need updating?

Cost rates allow a Practice to apportion its overhead into its project costs. If cost rates are too low, the overhead may not be fully recovered, so you may make a "profit" on all your projects but the Practice may make a loss.

Checklist

- Does your overhead come from the future years expected budget.
- Do you reconcile the hours actually spent on Project time to your overhead apportioned hours on a quarterly or monthly basis.



Click on the link below to obtain a sample cost rate spreadsheet

[ASC Website](#)

Brexit has not happened!



Lets face it, the slowdown in activity felt by some Practices in some sectors is not because of Brexit, it is the uncertainty of Brexit. We are not back to the roof leaping doom of 2008, the banks have not closed shop, with record low interest rates money is still available for investment, weak sterling even makes the UK more attractive for inward foreign investment.

The sectors most affected are the inevitable High-end Resi and Commercial sectors. However, we all knew that the High-end Resi market was overheating, there was no space for actual news in some publications, 80% was given over to advertising riverside apartments with private gyms, and building-spanning glass pools.

Practices that remain focused on project profitability, know their core costs and cash flow will be best placed to ride out this uncertainty. Quick, effective and decisive action is the key, but based upon solid information.

- ☛ Know how your sectors perform.
- ☛ look at client profitability - including lost projects,
- ☛ know your resource requirement in 6 months,
- ☛ commercially review projects on a regular basis and take action. If you don't know your anticipated profitability on a project - find out.

Also, we have all read the surveys pointing to impending doom, but lets remember, most of these were carried out in the normally slow summer months in comparison to the previous year of ultra high activity.