

How Can Project Risks Be Measured Effectively During Proposal Reviews?

CH2M HILL uses Risk Assessment Manager to:

- Develop comprehensive, effective risk mitigation strategies for their projects.
- Determine the probability and cost of risks occurring and derive a contingency number for each risk.
- Select from a library of predefined risks, issues, comments, and more to create an initial checklist to work from.
- Organize collaborative group discussions throughout the entire proposal process.
- See discussion items in a threaded format.
- Use predefined views and filters to study risk data.
- Introduce non-estimators to the proposal process by walking through attributes specific to each entry type (risk, issue, etc.).

CH2M HILL thought they knew the answer to this question when they first contacted Eos Group in 2006.

“We needed something that wasn’t part of the estimating process. We needed something that drove the estimating process. The difference between a successful project and a failed project is how risks are managed and it all begins in the proposal phase.”

~ Randy Ballard, Director of Estimating

Previously estimators tracked lists of issues and risks independently in Microsoft Excel. The information would resurface later in a proposal review meeting, projected on the wall and debated to determine mitigation strategies. Although this approach was somewhat effective at generating discussion, the estimators did not often reach clear conclusions or write them down. As a result, it was difficult to verify whether agreed-upon actions took place or were effective.

In talking with others in the industry, Eos has heard similar questions:

- How do we capture critical project issues, risks, assumptions, and clarifications (the good stuff) and evaluate the value of what we capture?
- How can we share the information effectively? Can we re-use the information?
- Is there a way to measure the result of the process?

Managing Issues and Risks

CH2M HILL had a good idea of what they wanted—a web-based portal that the entire proposal team could use to assess risks during the proposal process. Eos listened and delivered Risk Assessment Manager, a custom solution that completely revolutionized how CH2M HILL approaches the proposal process.

Risk Assessment Manager plugs neatly into [Eos Explorer](#), Eos’ popular estimate management platform, and cleanly into the project experience. It provides an intuitive way to identify risks initially and define them in detail as more information becomes available later. Contributors can formally track potential mitigation strategies for each risk, with impacts defined, before they agree on a course of action. Then they can convert the mitigation strategy into a summary report and attach it to the project proposal.

Going Forward at CH2M HILL

After its initial roll-out, Risk Assessment Manager is delivering even more value than CH2M HILL expected.

“It’s amazing to see how people outside the estimating group have begun to appreciate the application; we’re getting to the point now where they’re willing to independently use the application and contribute. With the greater visibility, other business groups are strongly considering adopting the Risk Assessment Manager as their standard for risk and issue management.”

~ Gary Morris, System Administrator

Observing how CH2M HILL implemented this solution, Eos recognizes that:

- Contractors who can respond effectively to client changes during the proposal process are more successful.
- The Risk Assessment Manager model compares favorably to the Eos Advisor model for providing a historical content repository and guiding sound business decisions.
- In the construction industry, profits are driven by a smart contractor's ability to manage risk.

Risk Assessment Manager is one of many solutions that Eos developed for CH2M HILL to help them expand their estimating process beyond detailed estimating. Using Eos Explorer as the centerpiece of the estimating process, CH2M HILL Power is able to build estimates more efficiently and effectively. □

About CH2M HILL, Inc.:

CH2M HILL is recognized as a global leader in consulting, design, design-build, operations, and program management serving the energy and power, environmental, water, facilities and infrastructure, and transportation sectors.

With 30,000 employees operating from more than 170 offices worldwide, CH2M HILL is actively working in more than 80 countries. They have performed work in 149 countries and on all 7 continents. The company has annual gross revenues exceeding \$6 billion and ranks in the top 10 on ENR's lists of program management, design, environmental, and professional services firms, among others.

About Eos Group, Inc.:

Eos Group focuses on enterprise cost estimating and helps engineering and construction firms design, develop, and implement packaged and custom estimating solutions.

For more than a decade, Eos Group has built relationships with trusted names in the industry by focusing on the integration of systems and processes within each organization. With a combination of unique products and some of the top consultants in the industry, Eos Group assists companies with the implementation of enterprise systems that couple historical cost data with a standardized approach to produce accurate, defensible estimates.