FORECASTING & COMPETITION IN THE BUILT ENVIRONMENT

Subject Aim:

This subject is intended to:

1. Help students acquire the knowledge and skills to forecast and compete for work in the built environment.

Learning Outcomes:

Students will demonstrate their ability to:-

1. Select and employ appropriate techniques in price forecasting and strategies for improving survival and profitability.
2. Recognise the usefulness and limitations of competition and forecasting models.
3. Integrate risk management techniques with competition and forecasting models.
4. Analyse competitive performance and forecasting accuracy.
5. Draw conclusions and make recommendations on improving competitive performance and forecasting accuracy.

Brief Syllabus Content:

Competition
Auction theory: relationship between construction contract bidding, competitive fee bidding and land auctions.
Strategic management and competitive advantage: diversification; international contracting.
The competitive environment competition processes: level of competition; market conditions: survival and profitability; competitor analysis, decision to compete; pricing policy; competition strategy; risk in competing.
Monitoring competition performance: competitiveness and consistency in competing for construction contracts; market share and competitiveness.
Strategies for improving competitive advantage; subcontractor selection strategies.
Client objectives: negotiation; competitor prequalification, competition assessment, and award of contract.
Strategies for improving competitor prequalification.

Forecasting
Relationship between competition, bidding and forecasting
Designers’ and contractors’ approaches to forecasting; resume of forecasting techniques; deterministic and non-deterministic approaches to forecasting; risk in forecasting.
Accuracy and reliability of forecasts: factors affecting accuracy of forecasts; feedback in forecasting.

Teaching activities: Lecture (LT)/Tutorial (TU)/Seminar (SM)/Drawing (DW)/Laboratory or Practical (LB)/Studio (ST)/Workshop (WS)/Project (PJ)/Field Study (FS)/Guided Study (GS)/Visit (VS)
**Learning and Teaching Approach** *(tasks and activities designed to achieve learning outcomes):*

Lectures introduce the key issues followed by discussion on background reading and/or problem-solving sessions in the seminar. The problem-solving sessions will, in the main, consist of the analysis of data taken from construction projects, making decisions, drawing conclusions and making recommendations through the medium of report writing.

**Assessment strategy** *(assessment of student performance resulting from learning tasks):*

Examination and coursework will each constitute 40% and 60% of the overall mark for the subject respectively.

The coursework grade will comprise two assignments. One coursework will be more practical in nature. The students will be given background information relating to a particular construction project and/or construction firm. They will be required to produce a forecast and/or bid price, justifying how they arrived at the forecast/bid price.

The other coursework will be more theoretical whereby students will be given an open ended question to discuss. An important part of this coursework will be that the students undertake the necessary background reading relating to the question and use the literature to support their argument.

The first piece of coursework may be undertaken on a group or individual basis. The second piece of coursework will be undertaken on an individual basis.

**Reading List:**

**Recommended:**