



## Interview with BAM: View data and indices as important indicators

John van der Born is financial project controller at BAM Construction and Engineering – Large Projects. He is responsible for the financial project monitoring of projects in excess of 40 million euros, where construction and engineering are integrated. To give an outline: the last project that he worked on, was the renovation project in The Hague for the ministries of Foreign Affairs, of Infrastructure and the Environment and the COA (Central Agency for the Reception of Asylum Seekers).

‘These are often long-term and complex projects, involving huge financial interests. Consequently, one has to view things in a different way from work with a shorter lead time. It is my job to monitor developments closely, to focus permanently on the project's final objective. As soon as we start up a project, we not only calculate a real case scenario, but also a best-case and a worst-case scenario. We ask ourselves what we can expect and what management measures we should implement. Large projects run for several years, so you will want to make a risk inventory.’

‘People often have some idea themselves, but sometimes that differs depending on whether that person is a purchaser or a tender manager. To be able to take well-founded decisions, we always look at several indicators. Each branch has some kind of index and building consultancy firms also have their ideas. However, you cannot apply them all. BDB is an authority in that area. It is clear and practical. We would sell ourselves short with an inferior index.’

‘There is a significant amount of movement in the market at the moment: you can see that the market is picking up. This also has an

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BAM Construction and Engineering realises housing solutions that are flexible in function, space and use. They offer a total range, from planning processes and construction to long-term exploitation and maintenance. BAM Construction and Engineering is a partner for a building's entire life cycle.

effect on projects. One is confronted with shortages. It can be difficult to recruit professionals and it could well be that soon for instance, no more door or window frames will be available. With large projects, there is often two to three years between the time when a client defines his budget and the time that a project actually comes onto the market. The old price level is now no longer known. That has become a completely different picture. With an earlier project, we chose to create a project-specific index. Then you always have the most representative index available, because that is a weighted index of your budget.’

‘We do a lot of different things with the BDB data. In the tendering phase, we use the information to make arrangements with customers about the risk scheme. Once the project is up and running, we take intermediate measurements to the remaining residual risks. The figures are consulted for purchasing. This is also dealt with in collaboration with our subcontractors and other permanent partners. If you start in the present market without an index, you have a big problem.’

‘At the moment, BDB has recently been serving us with a Risk Indication Model. This modal predicts developments over several years. Standard indexes only say something about average price developments, but you do not get a real insight into where a possible opportunity or threat is. We use this model to take a deeper look at a project. It gives us a glimpse into possible future developments. ‘The BDB data is not an exact science of course. However, it does give direction. I see BDB as an important indicator, a sort of plumb line. You have to discover its benefits yourself.’ •