

CASE STUDY



The Crucial Role of the Estimate: SES's Success with ACCE

"We have been able to build a business based on cost estimating efficiency, accuracy, and consistency thanks to Aspen Capital Cost Estimator. Starting from a staff of one in 2005, we've built our reputation as the go-to estimating group for the most challenging and time-constrained capital investment projects in the world, and now we've grown to a team of twenty in 2015."

- Mike Monteith, Founder, Strategic Estimating Systems



Mike Monteith founded Strategic Estimating Systems (SES) with a vision of overcoming what he saw as an inflexible approach across the process industry landscape: keeping estimating groups from taking full advantage of the newest technology. He knew there was a better way than the traditional estimating methods. Over the past ten years, Monteith parlayed this opportunity into a business solution and built an organization that had led the process industry to take advantage of the best available estimating technology. Since embarking on his journey to realize this vision, Mike Monteith and his company, SES, have arguably had a substantial impact on capital project estimating across the process industries. From the world's largest SADARA project in the Middle East to mega projects in oil-sands regions and developments in Canada, to smaller technology licensor players, and organizations driving new projects in biofuels and mining, SES has played a major role in dozens of groundbreaking process industry greenfield and brownfield projects worldwide.

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CUSTOMER PROFILE - Strategic Estimating Systems - Process Plant Engineering & Construction

CHALLENGE

Organizations are hamstrung by traditional estimating methods. The challenge is to move to the model-based Aspen Capital Cost Estimator (ACCE) approach while smoothly and simultaneously improving consistency and accuracy of ongoing cost estimates, bid responses, and lump sum proposal development.

SOLUTION

- Aspen Capital Cost Estimator
- SES' six step ACCE implementation process

BENEFITS

- Three to five times less estimating effort than estimators using spreadsheets or other traditional estimating techniques.
- SES, and the clients who they have set up to use ACCE, can achieve a given level of accuracy earlier in the project lifecycle, and can also achieve greater estimating consistency.

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THE CRUCIAL ROLE OF THE ESTIMATE

The typical client comes to SES with a daunting business challenge. “An accurate estimate is an absolute requirement, but often when an EPC or owner engages our services, it is also because they lack enough experienced estimators internally, or are facing very tight project funding deadlines. By completely standardizing our business on the use of Aspen Capital Cost Estimator, SES can be extremely reactive, productive, and flexible in addressing almost any estimating need,” says Ajahni Perrin, Marketing Director of SES.

Because estimators are so taxed, they are paradoxically often hesitant about making the jump to the ACCE approach that will greatly increase the productivity of their estimating team. Early on, Monteith realized that his emerging company was in a unique position to transform and make an impact on these large global organizations. What was needed was a repeatable, efficient methodology for moving an estimating team’s work processes into the ACCE model.

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THE CHALLENGE OF MOVING BEYOND THE STATUS QUO

Most business leaders, project directors, and bid managers know that they are hamstrung by traditional estimating methods. The challenge is to move to the model-based Aspen Capital Cost Estimator (ACCE) approach while smoothly and simultaneously improving on the consistency and accuracy of the ongoing estimates. SES takes advantage of that opportunity with a six step ACCE implementation process, developed during the course of their first few consulting engagements. These implementations are virtually always successful and result in a better application of the ACCE tool within an existing cost estimating environment and work process.

COMPETITIVE ADVANTAGE GAINED BY SES

How has SES has been able to successfully meet challenging and complex estimating projects and continue to grow and flourish? Mike Monteith attributes their success to having standardized their business around Aspen Capital Cost Estimator from the outset. But in addition to the use of the software system, it is the standardized methods that SES has established for every member of their team on every project that has enabled them to achieve consistent and exceptional results over the past ten years.

BUSINESS BENEFITS

SES consistently expends three to five times less estimating effort than estimators using spreadsheets or other estimating techniques. SES has documented this via benchmarking data that they have captured during their work with E&C and owner clients. This enables them to efficiently produce estimates and to meet challenging deadlines.

SES, and the clients who they have set up to use ACCE, can achieve a desired level of accuracy earlier in the project lifecycle and can also obtain greater estimating speed. For instance, given a certain amount of time and specific information to prepare an AACEI Class IV, they are generally able to produce a more accurate cost estimate using a model-based approach vs. factored estimating methods and spreadsheets. This allows senior management to better forecast and make appropriate project decisions. For example, approval decisions for more engineering or project funding can be made earlier than normal in the overall sequence of the project’s lifecycle.

The net result of improved productivity, accuracy, and consistency imparts strong business benefits for any capital project. Ultimately, these result in better bid and proposal results, faster execution of estimates, better capital decision-making and use of capital, and better control, downstream, on project costs.

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In sum, the value represented by Aspen Capital Cost Estimator leverages the experienced SES estimating team to achieve more consistent and more accurate early estimates for clients. By increasing estimator productivity by 3 to 5 percent, SES is able to take on more projects, increasing their revenues and profitability. By enabling more accurate estimates during the FEED stage, ACCE and SES provide unique value to owners in providing neutral (“cold-look”) estimates. And by providing so much engineering knowledge and cost information within the tool, ACCE enables SES’ clients to achieve better estimating results with less experienced estimating teams.

AspenTech is a leading supplier of software that optimizes process manufacturing—for energy, chemicals, engineering and construction, and other industries that manufacture and produce products from a chemical process. With integrated aspenONE® solutions, process manufacturers can implement best practices for optimizing their engineering, manufacturing, and supply chain operations. As a result, AspenTech customers are better able to increase capacity, improve margins, reduce costs, and become more energy efficient. To see how the world’s leading process manufacturers rely on AspenTech to achieve their operational excellence goals, visit www.aspentech.com.

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