

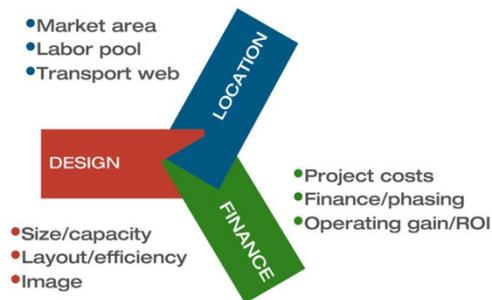
The terminology for major capital projects is confusing. How is a “feasibility study” different from “due diligence” or a “master plan”? How do these differ from a “strategic master plan” or a “strategic facility plan”? Is a campus plan part of a master plan?

There is no standard and the professionals seem to use these interchangeably. This article helps leaders get at the core question: *What buildings do we need to support our long-term goals?*

The core concepts

A good plan integrates *all* the issues of design, location, and finance (diagram) and follows this basic order:

1. A clear and complete statement of objectives
2. Summary analyses of the situation and needs
3. A reasonable set of alternatives
4. A cost/benefit summary
5. A process of evaluation



A plan can be for a single project or for a long-term series of projects. Plans can have very different levels of detail, but should include some or all of these:

- Market maps: demographics, competition, etc.
- A map or maps of the relevant labor pools
- A map of the relevant transportation web
- Site selection criteria: traffic, visibility, etc.
- Description of space standards / benchmarks
- Summary pie charts of space use optimization
- High-level workflow and processes diagram
- Block, fit and stacking plans
- Concept site plan or campus plan
- Architectural image concepts
- Project capital expense budgets
- Financing scheme summary (e.g., lease/own)
- ROA and/or ROI summary

While this might seem overwhelming, senior executives and directors should be helped to see the deep management implications of this kind.

Specialty studies

Organizations often need to study specific issues like those listed below, some or all of which would be included in a comprehensive, long-term plan.

- Lease vs. own analysis
- Consolidation study
- Decentralization study
- Merger/acquisition facility study
- Analysis of highest and best use
- Space optimization
- Stay/go analysis (also buy/build/renovate)

The big picture

The plan—whatever it’s called—has to clearly support your organization’s long-term goals in each management discipline:

- Management structures and collaborations
- Marketing and sales (business development)
- Operations and logistics
- IT and other technologies
- Human resources
- Corporate finance

These decisions often raise critical questions about the business plan. It’s important to decide who’s included in the planning and to be able to communicate the emerging ideas and plan.

The scorecard

Planners should provide senior decision-makers with a one-page summary of how each alternative fits to the prioritized set of objectives. It should summarize their best—and most objective—thinking about how alternatives compare to the current situation; it should summarize key financial, performance and risk metrics.

The scorecard is a way to record the chief executive’s recommendation as well as a point of control for assessment of project performance.

Fiduciary responsibilities

The project plan must help directors meet their critical fiduciary responsibilities:

- Fiscal oversight
- Review of operational performance
- Risk management
- Organization continuity
- Goodwill

These projects are profound acts of leadership. Planned right, the execution goes smoothly and creates lasting opportunities for growth and service.