

For building industry players who are engaged in multiple construction claims (builders, general contractors, larger trade contractors, material manufacturers, insurance companies, attorneys) each case can be considered a single battle in a larger war. Deciding how much to spend on each claim – each battle – is hard. How do these expensive decisions get evaluated? Although it should not be guesswork, it often is. PFCS has created a structured process for making these complicated, difficult, strategically important, return-on-investment (ROI) decisions.

PFCS will show you a method for managing your portfolio of construction claims, helping you develop a process for evaluating the costs of various scenarios in construction claim handling. At any point in any case, whether you've spent \$1.00 or \$3 million, you can ask and answer, or at least estimate, these key questions: How much has been spent so far? How much will it cost to get out now? What is a small fight worth? A big fight? What might trial costs look like, and is it worth the risk? As anyone familiar with litigation knows, each of these questions is likely to have best-likely-worst case answers.

The cheapest option is sometimes to get out of the case early, after only the most preliminary analysis. But claims run the gamut, so sometimes a long, expensive fight is the cheapest, best solution, especially if a good outcome will influence other cases.

Key System Components

1. Claims Management Plan: Brief strategy and tactical document including written objective, executive summary, litigation budget, written agreements with attorney and other vendors, a timeline, and a Claims Plan Manager job description.
2. Company Level Analysis: Worksheet that is a master list of all cases with best-likely-worst case scenario figures and a strategy summary for each. This includes a summary of all the individual Project Level Analysis worksheets.
3. Project Level Analysis: Worksheets for each case including best-likely-worst case figures for Attorneys, Experts, Other and Settlement/Judgment costs at various levels of litigation including immediate settlement, a small fight, a big fight and through trial. This includes a summary of the Vendor Scope-Budget Matrix worksheets, plus a settlement hypothesis.
4. Vendor Scope-Budget Matrix: This is an individual budget from each vendor on each project broken down to conform with the Project Level and Company Level Analysis worksheets.
5. Meeting Agenda / Minutes: Structure for preparing for, reviewing and updating the analysis periodically.

Construction Contractor Company Level Analysis

#	Claim	Demand	Best Case Scenario	Likely Scenario	Worst Case Scenario	Strategy Summary
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						

Construction Contractor

Project Level Analysis

Line	Scenario	Level				
		L1: Spent	L2: Now/ASAP	L3: Small Fight	L4: Big Fight	L5: Trial
1	Attorney Fees					
2	Best Case					
3	Likely Case					
4	Worst Case					
5						
6	Expert Fees					
7	Best Case					
8	Likely Case					
9	Worst Case					
10						
11	Other					
12	Best Case					
13	Likely Case					
14	Worst Case					
15						
16	Settlement/Judgment					
17	Best Case					
18	Likely Case					
19	Worst Case					
20						
21	Total					
22	Best Case	\$ -	\$ -	\$ -	\$ -	\$ -
23	Likely Case	\$ -	\$ -	\$ -	\$ -	\$ -
24	Worst Case	\$ -	\$ -	\$ -	\$ -	\$ -

Construction Contractor

Scope-Budget Matrix

Line	Scope of Work/Deliverables	Status*	Plan Estimate		Billed to Date	Cost to Complete
			Hours	Costs		
1	Level 1: Preparatory Work		0	-		
2	A. Images & Information Memo	TBC				-
3	B. Document Index	TBC				-
4	C. Issues List	TBC				-
5	D. Unit Matrix	TBC				-
6	E. Site Plan/Map	TBC				-
7	F. Meetings, Teleconferences & Correspondence	TBC				-
8						
9	Level 2: Preliminary Investigation		0	-		
10	A. Investigation Recommendations	TBC				-
11	B. Inspection Request with Random Selection	TBC				-
12	C. Inspection Documentation	TBC				-
13	D. Players List	TBC				-
14	E. Scope of Work Matrix	TBC				-
15	F. Plaintiff Estimate Summary	TBC				-
16	G. Project Summary Memo	TBC				-
17	H. Plan Review Memo	TBC				-
18	I. Cost Estimate - Order of Magnitude	TBC				-
19	J. Meetings, Teleconferences & Correspondence	TBC				-
20						
21	Level 3: Analysis		0	-		
22	A. Issues-Discussion Matrix	TBC				-
23	B. Testing Request with Random Selection	TBC				-
24	C. Testing Summary	TBC				-
25	D. Testing Maps	TBC				-
26	E. Damage Maps	TBC				-
27	F. Issues-Locations Matrix	TBC				-
28	G. Scope of Repair	TBC				-
29	H. Opinion Letter	TBC				-
30	I. Research Memo	TBC				-
31	J. Meetings, Teleconferences & Correspondence	TBC				-
32						
33	Level 4: Detailed Analysis		0	-		
34	A. Request for Proposal	TBC				-
35	B. Issues-Summary Report	TBC				-
36	C. Allocations	TBC				-
37	D. Meetings, Teleconferences & Correspondence	TBC				-
38						
39	Level 5: Final Analysis		0	-		
40	A. Deposition Questions	TBD				-
41	B. Deposition Summaries	TBD				-
42	C. Presentation Outline	TBD				-
43	D. Presentation (PowerPoint)	TBD				-
44	E. Exhibit List	TBD				-
45	F. Expert Designation	TBD				-
46	G. Meetings, Teleconferences & Correspondence	TBD				-
47	Totals		0	\$ -	\$ -	\$ -
48	*D=Done, IP=In Progress, TBC=To Be Completed, TBD=To Be Determined					