



BUILDING TRUST THROUGH EFFECTIVE COMMUNICATION AND SOCIALIZATION OF ESTIMATES

Enhancing Stakeholder Confidence with Transparent and Engaging Estimation Processes

Effective communication is essential for building and maintaining trust in cost estimates. By socializing estimates and engaging stakeholders throughout the process, you can ensure that your estimates are understood, accepted, and trusted. This guide highlights key steps and best practices for fostering effective communication and socializing estimates within your organization.

Key Steps to Effective Communication and Socialization

1 Engage Stakeholders Early and Often:

- **Initial Discussions:** Begin conversations about the estimate early in the project planning phase.
- **Regular Updates:** Provide regular updates on the estimation process and any changes in assumptions or key drivers.
- **One-on-One Conversations:** Have individual discussions with key stakeholders to address specific concerns and gather feedback.

2 Explain the Process and Assumptions:

- **Technical Baseline:** Discuss the technical baseline and the assumptions used to create the estimate.
- **Key Drivers:** Identify and explain the key drivers that influence the estimate, such as size, weight, materials, and components.

3 Communicate Ranges and Confidence Levels:

- **Range Communication:** Clearly communicate potential cost ranges to account for uncertainties and risks.
- **Confidence Levels:** Assign confidence levels to different estimates and explain the basis for these levels.

4 Tailor Communication to the Audience:

- **Executive Summary:** Provide a high-level summary for executives, focusing on overall costs, risks, and strategic implications.
- **Technical Details:** Offer detailed technical information to project managers, engineers, and technical stakeholders.
- **Resource Allocation:** Highlight resource needs and allocations for planners and team leads.

5 Socializing the Estimate:

- **Pre-Meeting Briefings:** Share estimates with stakeholders before formal meetings to allow time for review and questions.
- **Feedback Loops:** Create mechanisms for stakeholders to provide feedback and ask questions about the estimate.
- **Transparency:** Be transparent about the limitations and potential weaknesses of the estimate.

6 Use Visual Aids and Reports:

- **Visualizations:** Utilize charts, graphs, and other visual aids to illustrate key points and make the data more accessible.
- **Customized Reports:** Generate reports tailored to the specific needs of different stakeholders (e.g., Gantt charts for planners, cost breakdowns for pricing teams).

7 Address Concerns and Adjust as Needed:

- **Listen Actively:** Pay attention to stakeholder concerns and address them promptly.
- **Adjust Estimates:** Be willing to adjust estimates based on valid feedback and new information.
- **Document Changes:** Document any changes made to the estimate and the reasons behind them.

Effective communication of estimates relies on a well-designed process that captures essential data and knowledge. Estimators can significantly influence business decisions when equipped with the right tools, quantifying trade-offs between features, performance, and quality regarding cost and schedule. Trusting and valuing their contributions is crucial. Clear communication builds trust among stakeholders, ensuring cost estimates are reliable decision-making tools. Implementing these best practices enhances the transparency and credibility of your estimation process.

Learn more about SEER's cost estimation features at www.galorath.com.



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