

Independent  
Cost Benefit

# Report

Post  
Construction  
Analysis

Prepared By:  
Ink Consulting  
2022

Get Your 2%  
Retention Bond  
Returned Faster



**DLP MANAGER**  
SMARTER DEFECTS MANAGEMENT



DLP MANAGER

# Cost Benefit Analysis

## By Ink Consulting





DLP MANAGER

# DLP Manager Boosted Profit Margins 22%

We enlisted an independent auditor, with hands on construction industry CFO experience and knowledge - to conduct a study comparing typical post construction management versus implementing DLP Manager.

The scope of the study included defects management for three key projects in 2020/22.

The study showed that after just the first 5 months of the Defects Liability Period, the process is typically so poorly managed, that **an average of 12% of senior management time was spent overseeing and taking control of customer reported defects issues.**

This had a dramatic effect on profit, reputation and opportunity costs for the business.

DLP Manager dramatically **reduces costs by 80% and boosts profit margin by 22%.**



An independent analysis for CFO's  
By Ink Consulting | Nick Baxter





DLP MANAGER

# DLP Manager Difference: Efficiency & Savings

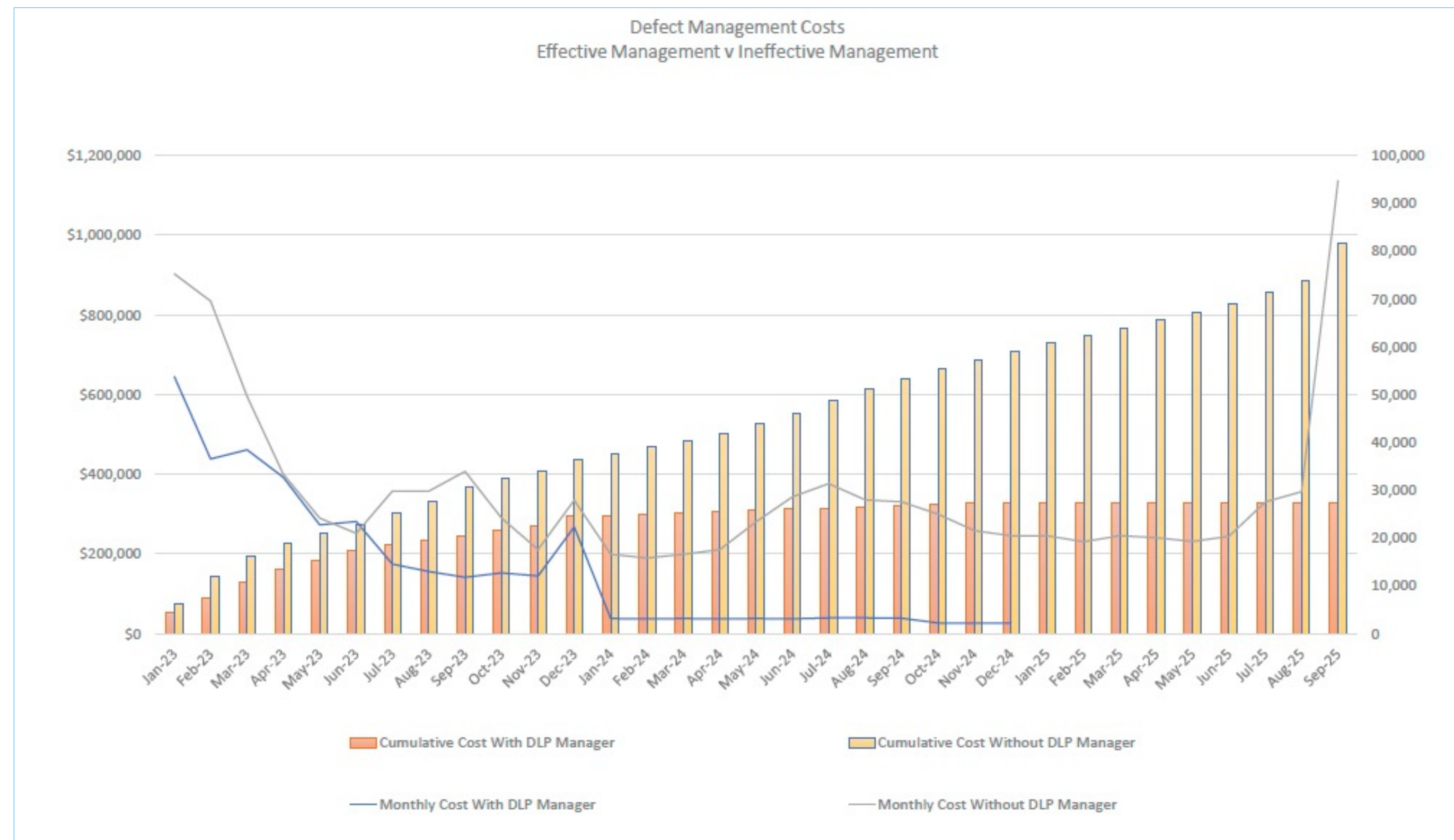
## 150-apartment project

### Savings of \$666k

A typical building savings over  
Just 9 months with DLP  
Manager

### Report Results:

- Reduced costs by 80%
- Improvements in business productivity / opportunity arising from reduced involvement of senior management.
- Avoiding litigation costs through the timely and efficient rectification of defects.
- Long term data collection that facilitates improved building practices and cost planning.
- Improved relationships with customers, authorities and sub contractors.



Report by Nick Baxter, Ink Consulting

**“There are incredible financial outcomes and benefits to having DLP Manager running your defects management.”**

— Nick Baxter, Ink Consulting



DLP MANAGER

# Cost Benefit Analysis Detail

DLP Manager Cost Benefit Analysis Summary	Very Large Project - 500 apts		Large Project - 250 apts		Medium Project - 150 apts		Small Project - 75 apts	
	With DLP Manager	Without DLP Manager	With DLP Manager	Without DLP Manager	With DLP Manager	Without DLP Manager	With DLP Manager	Without DLP Manager
DLP & HBA Warranty Period Cost	\$ 459,967.15	\$ 2,132,768.09	\$ 381,847.23	\$ 1,438,748.19	\$ 299,059.61	\$ 979,933.48	\$ 182,579.04	\$ 579,937.97
DLP Manager Total Cost	\$ 48,000.00	\$ -	\$ 24,000.00	\$ -	\$ 14,400.00	\$ -	\$ 7,200.00	\$ -
Total DLP Cost	\$ 507,967.15	\$ 2,132,768.09	\$ 405,847.23	\$ 1,438,748.19	\$ 313,459.61	\$ 979,933.48	\$ 189,779.04	\$ 579,937.97
Cost Per Apartment	\$ 1,015.93	\$ 4,265.54	\$ 1,623.39	\$ 5,754.99	\$ 2,089.73	\$ 6,532.89	\$ 2,530.39	\$ 7,732.51
Cost Saving	-\$ 1,624,800.94	\$ -	-\$ 1,032,900.96	\$ -	-\$ 666,473.87	\$ -	-\$ 390,158.93	\$ -
Possible Saving per Apartment	\$ 3,249.60	\$ -	\$ 4,131.60	\$ -	\$ 4,443.16	\$ -	\$ 5,202.12	\$ -
Defect Cost as a % of Margin (assume 4%)	5.08%	21.33%	8.12%	28.77%	10.45%	32.66%	12.65%	38.66%
Defect Cost as a % of Job Cost	0.20%	0.85%	0.32%	1.15%	0.42%	1.31%	0.51%	1.55%

For a Medium Sized 150-apartment Project:  
Savings of \$666k  
Profit Margin of 4% (average) is Boosted by 22%:



# Before DLP Manager – Overheads

Title:	Name :		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	FFC	Months	AVG Monthly Rate	
Financial Year			2023												2024												2025												
Month Length			4.43	4.00	4.43	4.29	4.43	4.29	4.43	4.43	4.29	4.43	4.29	4.43	4.43	4.14	4.43	4.29	4.43	4.29	4.43	4.43	4.29	4.43	4.29	4.43	4.43	4.00	4.43	4.29	4.43	4.29	4.43	4.43	4.29				
Escalation			1.00	1.00	1.00	1.00	1.00	1.00	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10				
Staff Costs		Weekly Rate (80% of Baseline)																																					
	State Manager	\$ 8,701							10%	10%	25%	25%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	20%	25%	10%	\$ 132,959	27	\$ 4,924	
	Construction Manager	\$ 7,910					10%	10%	25%	25%	25%	10%	10%	10%	10%	10%	10%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	\$ 89,761	29	\$ 3,095	
	Commercial Manager	\$ 5,172					10%	10%	25%	25%	25%	10%	10%	25%	10%	10%	10%	10%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	30%	30%	30%	\$ 133,893	29	\$ 4,617	
	Project Manager	\$ 4,313		50%	50%	25%	10%	10%																												\$ 26,712	5	\$ 5,342	
	Contracts Manager	\$ 4,313		100%	100%	50%	25%	10%	10%	5%	5%																										\$ 56,292	8	\$ 7,037
	Project Coordinator	\$ 2,403		100%	100%	50%	25%																														\$ 28,153	4	\$ 7,038
	Supervisor/Foreman	\$ 4,046		100%	100%	50%	25%	10%																													\$ 49,190	5	\$ 9,838
	Defect Labour - CW5	\$ 3,840		100%	100%	100%	100%	50%	50%	25%	25%	25%	25%	50%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	\$ 151,643	33	\$ 4,595	
	Services Manager	\$ 4,640																15%	15%	15%	15%															\$ 12,899	4	\$ 3,225	
Total Staff Costs				\$ 74,221	\$ 67,038	\$ 45,613	\$ 29,837	\$ 19,909	\$ 15,684	\$ 24,721	\$ 24,721	\$ 28,826	\$ 20,662	\$ 14,122	\$ 22,664	11,915	11,146	11,915	12,883	15,717	15,210	16,503	13,105	12,682	13,105	12,682	13,105	13,105	11,836	13,105	12,682	13,105	12,682	19,878	22,002	15,126	\$681,502	34	\$ 20,044

For a Medium Sized 150-apartment Project:  
Required 8 Staff Allocation Including 12% Management Time - Bond Returned Late In 33 Months





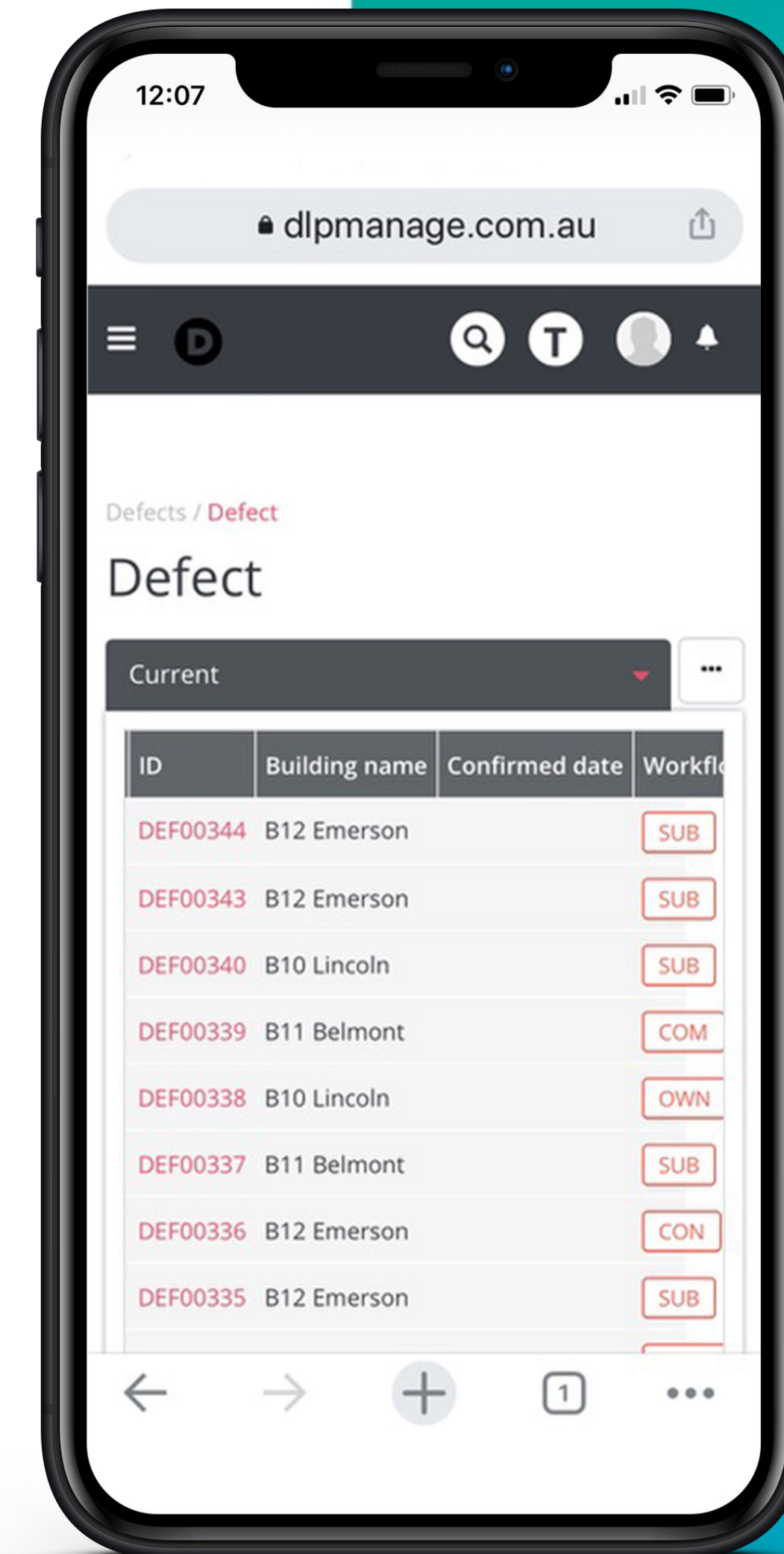
# After DLP Manager – Overheads

Title:		Name :	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	FFC	Months	AVG Monthly Rate
Financial Year			2023												2024														
Month Length			4.43	4.00	4.43	4.29	4.43	4.29	4.43	4.43	4.29	4.43	4.29	4.43	4.43	4.14	4.43	4.29	4.43	4.29	4.43	4.43	4.29	4.43	4.29	4.43			
Escalation			1.00	1.00	1.00	1.00	1.00	1.00	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.10	1.10	1.10	1.10	1.10	1.10			
Staff Costs		Weekly Rate (80% of Baseline)																											
	State Manager	\$ 8,701																											
	Construction Manager	\$ 7,910																											
	Commercial Manager	\$ 5,172												2%													\$ 481	1	\$ 481
	Project Manager	\$ 4,313	10%																								\$ 1,910	1	\$ 1,910
	Contracts Manager	\$ 4,313																											
	Project Coordinator	\$ 2,403																											
	Supervisor/Foreman	\$ 4,046																											
	Customer Care Manager	\$ 3,347	100%	75%	75%	50%	50%	50%	25%	25%	25%	25%	25%	40%	10%	10%	10%	10%	10%	10%	10%	10%	10%	5%	5%	5%	\$ 99,562	24	\$ 4,148
	Defect Labour - CW5	\$ 3,840	100%	100%	100%	100%	50%	50%	25%	25%	25%	25%	25%	40%													\$ 111,734	12	\$ 9,311
Total Staff Costs			42,170	\$ 31,749	\$ 35,151	\$ 29,535	\$ 19,891	\$ 19,250	\$ 10,443	\$ 10,443	\$ 10,106	\$ 10,443	\$ 10,106	\$ 17,310	1,945	1,820	1,945	1,882	1,945	1,882	2,042	2,042	1,977	1,021	988	1,021	\$267,110	24	\$ 11,130

For a Medium Sized 150-apartment Project:  
Only 3 Staff Allocation - Bond Returned in 24 Months

# DLP Manager Benefits: Profitable Growth

- ✓ Greatly reduce overhead costs by 80% / redeploy resources.
- ✓ Improve business productivity and growth opportunity through reducing senior management involvement.
- ✓ Avoid litigation costs through timely and efficient rectification of defects.
- ✓ Long term data collection for improved business practices and cost planning.
- ✓ Secure timely return of bond retentions and allocation for future growth.
- ✓ Efficient defect resolution means customer, contractor and employee satisfaction, and a positive effect on future tendering.
- ✓ Build an industry-leading reputation.



Join our growing list of clients:







# **DLP MANAGER**

**SMARTER DEFECTS MANAGEMENT**

To discuss further or  
to get the usable  
Financial Model,  
please contact us.

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