Costco Wholesale, Inc.

More than bulk food.

Early in its existence, Costco experienced significant, rapid growth. To sustain such growth — and not be overwhelmed by it — the company needed the ability to make informed decisions quickly and efficiently. However, the company's Real Estate and Construction program already had numerous challenges ranging from increasing the number of new store openings to continuing an extensive remodel program to developing more and more cost-effective projects. The company understood that efficient tracking and centralization of its Real Estate and Construction program was critical to its decision-making ability and therefore, to its continued growth and success.

We've been working with Costco for more than six years. In that time we've tracked over 350 new buildings and literally thousands of remodeled warehouse projects, distributions centers, stores and gas stations.

Costco: goals and business needs | To get a 150,000 square foot warehouse up and running within 120 days from groundbreaking, the entire team must speak Costco's language, and communicate the company's methodology and vision. Start to finish, expert program management is mandatory to remain on schedule and within such a tight timeline, management of overall project costs is imperative. As before, Costco knew that being well prepared and well informed was the best approach to managing projects at this scale.

Costco's aggressive remodel and ancillary business program meant that collecting historical information regarding the previous building project on the same site could save valuable time on its subsequent remodel or ancillary business installation. Data about the permit process in that jurisdiction, site easements, and obstacles with the original construction or remodel could hold valuable information for the next project.

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Costco's business needs included:

- Implement an effective communication tool to provide real-time information on all aspects of the program and all of its projects over time,

- Operate on a single platform that coordinated the efforts of their consultants, architects and internal teams during real estate development and

- Have the ability to identify what 200 architects, engineers, and consultants were doing on any given project at any given time at any level of detail they needed.

- Report on various functions and details of the program across projects, businesses, or budgets.

- Generate, centralize and provide team access to project status reports, contracts and all required communications at varying levels of detail wherever needed.

- Identify projects within any of Costco's twelve defined regions and report on them holistically.

- Implement a platform from which to drive a national weekly conference call to coordinate all consultants and Project Managers on the architecture program projects.

- Be able to utilize this core platform to manage future ancillary business and service management requirements.

site|folio: solution and steps to success | By analyzing and understanding the inner workings of Costco's culture, business model and long-range goals, **site**|folio developed a comprehensive plan for Program Management that:

- Provides a centralized view of all current and historical information for a site and building.

- Enables document sharing regardless of format.

- Quickly incorporates client request and modifications through a flexible, stable and easily modified software framework.

- Provides a module for weekly site photograph viewing and uploads.

- Provides a standardized system for real-time reporting of region and project status.

- Establishes standardized documentation of project data for easy recovery and common analysis.

- Provides trracking of costs related to project contracts for contractors and consultants through their prospective documents.

- Includes ongaing customized support, training, functionality improvement and maintenance program for all users

- Makes it all easy to use an easy to implement.
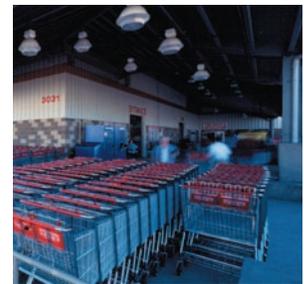
We have developed a strong relationship created from outstanding customer support.

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site|folio partnered with Costco Wholesale throughout the requirements gathering phase. Analyzing processes, reports, and requirements of many project managers and participants in the program gave a very broad scope of what needed to be incorporated and agreed upon.

Standard language and reference lists were run through the departments to align the reporting needs. Assuring that the manager in charge of the real estate and architecture program could count on all of his direct reports and their consultants to call things the same name with common definitions and to utilize the same reports in analyzing

We go beyond the traditional role of software provider for Costco.

Using site|folio, Costco has warehouses up and running in 120 days.

A reporting module which tracked project status from real estate evaluations and entitlements all the way through the store opening date was implemented. This module generates a weekly review report referred to as "The General Report." This component identifies key critical dates in the schedule and weekly update progress comments for all active projects. A Gantt chart can also be generated from these date for a graphic view of the project schedules.

Within **site**|folio, project managers can control all consultant and contractor contracts, invoices and pay applications. The teams are also able to manage project communications via standard methods like RFIs and ASIs sent through email notifications. Within site|folio managers are able to track when an RFI becomes a Change Proposal and when that becomes a Change Order. The site|folio change processes can easily track the origin of the request or issue that required the change, making "lessons learned" easily reviewed at the end of a project. since this is a building program with a repeatable methodology, the cost management group can now evaluate the change orders and make adjustments to the building program processes in order to save money on the next job.

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Because the application was going to be used by many different user groups with their own level of focus, a customizable interface was critical. A navigation bar was implemented with allowed the user to identify the "Projects I'm Watching," a collection of projects within the building program for which the user is responsible. It also allows for an advanced search to create a custom "collection" of projects that he may be associated with. For instance a Project Manager on the Northwest Region team may be working directly on the eight projects, but will still want to monitor all 50 projects his group is working on at any given time. This is especially useful for managers working with several groups at once. The advanced search collection allows the user to identify their workload in a very flexible manner.

Ancillary services were created to monitor utility rebates and roof warranties. **site**|folio contains a system that tracks the rebate programs available by different utility companies across the nation; Costco has regained approximately two million dollars of rebate money in the last two years by utilizing this service. Costco employs a standard steel roof manufacturer for a majority of their buildings. All roof warranties are tracked and the maintenance schedule monitored in order to get regular maintenance scheduled within the warranty and maintenance timeframes, If a warranty is allowed to expire, or if the maintenance work is not performed, a roof leak could become a very costly maintenance expense. **site**|folio's maintenance module saves money by preventing this potential expense from becoming a reality.

Costco utilized a weekly conference call with their internal and external teams to bring everyone up to date on project and program status issues. Initially this could involve over 100 people throughout the call length, pulling in PMs and Mangers on an as needed basis to answer questions and report on their progress. Now, PMs and Managers utilize the **site**|folio to centralize their work and Costco's management is able to access the application over the Internet from all of their locations via a conference call. They review the status dates and comments of the active projects, as well as drawings and the weekly site photographs sent in from the contractors in order to assess the performance of the team. **site**|folio allows Costco to avoid potential issues, and most importantly, meet their opening dates.

Costco has saved millions annually using site|folio to track thier utitliy rebates.

All program or project information is readily available to all costco employees and consultants..

Costco is the market leader in their industry because they know how to do more with less, They understood that efficient tracking and centralization of their building program information in order to make rapid, informed decisions was critical to the success of their architecture program.

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