

Research on the Whole Team Cost Management Based on Sustainable Development

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Abstract. With the influence of the project on the society and environment increasing, and with the world development strategic position of sustainable development more significant, on project cost management we should stand in the project's own angle considering its own financial benefits, and all the time pay attention to the project's impacts on society and environment to realize the total optimum profits of economy, society and environment standing on a higher layer, on the whole society and economy layer and based on the guiding ideology of sustainable development. The whole team cost management, as the core of cost management, is no exception. Taking the sustainable development as the basic guiding philosophy, the owner and the other parties act with united strength and coordination on the basis of mutual trust and shared resources, to form a whole team of new partnership and achieve "win-win". The whole team cost management based on sustainable development is a kind of green cost management method, and the extension and sublimation of the concept and connotation of traditional cost management. Researching on the theory and method of the whole team cost management based on sustainable development has important theoretical and practical meaning to sustainable development of project itself and even the whole world.

Introduction

The realization process of the project is a unique production technical activities process, which not only can provide living conditions for the human and promote the human economic development, also has a certain impact on the sustainable development of human living environment and society; at the same time, this process involves a number of different stakeholders, including the project owner, contractor, suppliers, design units, supervision units and intermediary advisory units and so on. The whole process is completed by their mutual cooperation. Therefore, in the project cost management, taking the sustainable development [1] as the basic idea, always concerning about the project's impact on society and the environment, and considering the project's economic, social and environmental benefits, at the same time, through the establishment of partnership between all the project team members, all team members as partners actively participate in cost management to achieve "win-win" [2]. Thus, the whole team cost management based on sustainable development emerged as the times require.

The whole team cost management based on sustainable development is the fundamental guarantee and the core of cost management work, and is a kind organization method of cost management. It requires the cooperative facilitator organize all team members to follow the principle of sustainable development, to minimize the adverse environmental impacts of the project the society, to realize project cost management objectives, to ensure good economic, environmental and social benefits..

The basic concept of the whole team cost management based on sustainable development

The whole team cost management based on sustainable development, is that under the guidance of the sustainable development, through the establishment of a new partnership between all the members,

taking into account the interests of all parties, coordinating action, eliminating the conflicts between the parties, and strengthening the information communication, so as to achieve win-win situation.

The management organization is all team members of the project, mutually forming a cooperative group, and finally achieving “win-win” purpose through the strengthening of cooperation and exchange of information. In this kind of cost management method it can reflect that the cooperation spirit and comprehensive management benefit between the cost management subjects. The prerequisite condition is to change the concept and behavior of all participants, making them more consideration of the public interest, and to undertake corresponding social responsibility, seeking common development of society and the balance for the mission; in line with the principle of sustainable development, to management project standing on a higher level of the entire social economy, so as to achieve the overall goal of the project economy, environment and society, and solve the problem of environment and development. It can be understood from the following:

The management object is the project which is natural-social-economic complex. It needs to be considered the project and the whole region, and the adverse impact of the project on the society and environment.

The higher angle and level. Standing in the angle of the whole society we will pay attention to the adverse impact of project on society and the environment and consider the project’s economic, social and environmental benefits.

Sustainable development is the guiding ideology. As an important pillar industry and having important influence on society and the environment, in the construction industry the sustainable development should be taken as the guiding ideology and reflected in the entire team cost management process.

The ultimate goal is to maximize the economic, social and environmental benefits, while to a minimum the adverse impact on the environment and society. We must focus on the overall balance and harmony, pursuit the overall system optimization, and achieve sustainable development.

The significance and influence

The public interest and the social and environmental benefits are more considered, which will be conducive to the improvement of relations between the project and the government and residents, to promote the construction of the project, and to achieve a virtuous cycle of project construction.

A good image of the project in the protection of the environment and resources can be helped to establish, which can bring long-term economic benefits while social benefits.

The public’s environmental awareness and the attention degree of the environmental effects generally rise, and then put into action that conscious maintenance the surrounding environment, to realize the overall effectiveness and sustainable development.

To realize the sustainable development of project cost management has become an inevitable trend. On the concept of sustainable development in the whole team cost management, giving full consideration to the whole life cycle cost management, considering the influence of sustainable development strategy to project cost, we use the green cost management techniques and methods, not only realizing project economic benefits, but also ensuring good environmental and social benefits, to achieve the sustainable development of the whole human society.

The cost management methods

In the implementation process of project, a number of different stakeholders are involved, including the project legal person or the owners, design units, supervision units, contractors, suppliers and subcontractors and so on. These different interest subjects, on one hand work together to achieve the same project, on the other hand, according to the different division complete different tasks, so as to obtain their own interests. In the construction process of the project these interests sometimes clash, which requires comprehensive coordination various interests and relationships between each benefit subjects in the cost management, together constituting a cooperation team [3], and through the joint efforts of the team to realize the cost management.

In the process of project construction, the owners hope the project cost as low as possible under the premise of obtaining satisfactory building services and achieving established goal, that is to say as the buyer the owners always want to minimum or lower prices to buy all kinds of required building services. Due to fierce competition in the current construction industry, in many cases, the owners always use their haggle advantage by reducing the purchase price of building services, and strive for greater profits for themselves, so as to reduce or sacrifice the benefits of service provider. Thus in order to protect their own interests service sellers will reduce their own service costs by reducing the quality or the delay in the schedule and other means, which in turn harm the fundamental interests of the owners This will create a interest conflict between the two sides. The existing of interest conflict and self protection behavior would damage the bilateral comprehensive cooperation in the project cost management, at the same time brings many obstacles in information communication. That not only hinders both on the project cost management, also causes many unnecessary wastes, so that the actual project cost greatly increases. This rise is not good for both sides, and is the pure waste damaging the common interests of both sides. On the contrary, if the parties cooperate with each other to carry out project cost management, which can achieve “win-win”. Through consultations and cooperation both sides eliminate unnecessary resources waste, reduce the project cost, and then share the cost saving benefits. If based on mutual cooperation, through effective, open and comprehensive cost management cooperative and information communication, through the joint efforts of the whole team members, the overall project cost can be reduced, so that all parties benefit.

Of course, the whole team partners should keep sustainable development as guiding ideology. Under the guidance of sustainable development, in the premise of not affecting the environment and social conditions, they minimize the consumption or use of project resources, reduce unnecessary waste, so that the owners can achieve schedule, quality goals, at the same time reduce the project cost; contractors and other service providers reduce the actual service cost, at the same time receive additional reward and good reputation, honor, so as to get more building service opportunities, truly realizing the “win-win”. For example, during the design phase of the project, the owners, design units, the contractor and so on mutually cooperate, under the premise of meeting national relevant design regulations, building use function, through the design idea and technical strategy of sustainable development, and carry out the construction design and value analysis activities of the design scheme, which will reduce the cost, so that the entire project team members benefit from it.

On the whole team cost management based on sustainable development all interests subject involved in the project form a team, under the guidance of the sustainable development, and participate in the management and control of project cost, so as to reduce the impact on the environment and the society, and achieve the project’s environmental, social and economic goals. Its advantage is to mobilize the enthusiasm of all parties in the process of implementation, make everyone together struggle for the cost management and obtaining the overall optimal efficiency. The goal of project cost management will be achieved through establishing a new partnership between the different interest subjects, constituting a comprehensive cooperation team, considering the interests of both parties in the cost management, coordinating action, eliminating the conflict between the parties, and strengthening information communication. The core of the partnership cost management mode is that the team member work together to reduce the cost of building services, then share the income. In the process of cooperation, through the joint efforts of all team members, a comprehensive and effective information communication and cost management are achieved, adverse effects of project on the external environment and society are considered, the project’s economic, social and environmental benefits are considered, the influence of the project on the society and the environment and the change of the total cost are always paid attention to, then the cost is managed and controlled.

All participants shall strengthen the crisis consciousness of sustainable development and actively participate in cost management based on sustainable development, which provides organizational guarantee for the cost management based on sustainable development, and this is the idea of the whole team cost management under the guidance of sustainable development. Its guiding ideology is sustainable development, and the core is to establish a new partnership, and to constitute a

comprehensive cooperation team between the various stakeholders, such as the owners, prospecting and design units, contractors, supervision units, materials and equipment suppliers and users.

Under the condition of sustainable development, all participants implement the project itself cost management not only for their own interests but also for a common social objectives, namely in the entire life cycle of project, all participants with different economic and legal relations and social status reorganize, adjust the corresponding responsibilities, participation time and means of communication with one another, to change the traditional management organization which management objectives is not unified, lacking of information communication and cooperation, to realize the cost management objectives of sustainable development.

Different from the traditional way of contract management, partner management mode can not only guarantee the efficiency of labor division, but also obtain the benefits of cooperation. With partner management, the average actual duration is shorter than scheduled; the project change, project disputes and claims costs are lower than traditional contract management; the quality will be greatly improved, and quality satisfaction of owners is improved; the information communication, decision-making, dispute settlement, team cooperation and other aspects are greatly improved.

The key to the whole team cost management method based on the theory of partnership is to determine the whole team cooperative facilitator. In all the members of the team, cooperative facilitator is found in third independent identity, in the central of cooperation. They are relatively independent from other members of the team in the economic interests, and provide services for the whole team. The rest of the team members: owners, contractors, design units, supervision or consultants and vendors, are partners which have a status of full equality in the partnership agreement. Through establishing the whole team cost management method of the partnership all the team members can comprehensively benefit from it, not only to achieve the project's economic, social and environmental benefits, but also to ensure the win-win goal of team parties.

All team members of the project should take the cooperation facilitator for the center, adhere to the principles of sustainable development, and basis of mutual conventions and protocols, to ensure sustainable development of the project, the cost management object, and their own interests.

Conclusions

Different from the traditional cost management the whole team cost management based on sustainable development is a kind of green cost management methods, the extension and sublimation of traditional cost management connotation, complied with the development of the new idea of cost management in the information society and the era of knowledge economy, and the inevitable trend of cost management development. Standing in the whole social level, combined with the strategy of sustainable development, considering the adverse impact on the society and the environment, through the green building means and methods throughout the life cycle, the goal of the project's economic, social and environmental benefits will be achieved. Its application will strengthen the investment control, optimize the resources, and realize the economic, social and environmental benefits.

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