KPMG

Technology-Driven Sustainability Transformation at InfraCan

EPM and Sustainability Goals

Sheldon Lewis

October 2024

Key Challenges at InfraCan

Operational, Technological, and Sustainability Challenges

Operational Inefficiencies

Outdated Machinery

- Increased project costs
- Delays in construction
- Negative environmental impact

Dispersed and Unreliable Data

Siloed Systems | Decision Quality

- Reports are labor-intensive
- Difficult to assess and coordinate across teams

Sustainability Gaps and Market Pressure

Reputation | Sustainability

- Emissions management
- Waste disposal
- Public-facing competitive inadequacy

Lack of Technological Adaptation

Understanding | Opportunity

- Lack of expertise
- Functional inadequacy in the public eye

Impact on Key Stakeholders

Consumers

Sustainability Awareness:

Consumers are increasingly focused on environmental responsibility. InfraCan’s current lack of clear sustainability practices and poor transparency are hurting public trust.

Reputational Risk:

InfraCan’s failure to meet modern sustainability expectations creates a negative public image, limiting potential growth and partnerships.

VC Firm

Growth Concerns:

The VC firm is worried about InfraCan's ability to compete with industry peers that are embracing sustainability and modern technology.

Financial Accountability:

The lack of integrated data and transparent reporting makes it difficult for the VC to assess performance, increasing pressure on leadership to provide clear paths to ROI and growth.

Employees

Operational Inefficiencies:

Employees are frustrated by outdated tools and processes. Poor coordination across departments (e.g., Finance, HR, Operations) leads to delays and unnecessary workload.

Low Morale:

The lack of streamlined systems and data-driven decision-making creates confusion, impacting employee morale and productivity.

Competitors

Sustainability Leadership:

Competitors like Marble Construction and Cracker Construction are already leading in sustainability efforts. They’re capitalizing on sustainability as a market advantage, positioning themselves as forward-thinking companies.

Technological Edge:

InfraCan’s competitors are adopting cutting-edge technologies that improve operational efficiency, reduce environmental impact, and enhance reporting, making it harder for InfraCan to catch up.

Financial and Operational Data Insights

Profit Margin: ⬇️ 11% YoY
13.5% to **12%**

ARR: ⬇️ 8% YoY
$130M to **$120M**

Net Profit: ⬇️ 18% YoY
$17.5M to **$14.4M**

Three-Day Setback Cost:
$18,000

Carbon Reduction Goal:
⬇️ **20%** in **5 years**

EPM as the Optimal Solution for InfraCan

Addressing Operational Inefficiencies

EPM:

EPM provides **robust budgeting**, **forecasting**, and **project planning** that will streamline operations and optimize resource allocation. This includes ensuring that departments like Finance and Operations have integrated data to avoid delays and miscommunications.

AI:

- Minimize Downtime
- Cost Savings

Improving Data Integrating and Reporting

EPM:

EPM provides **real-time data visualization** and **automated reporting**, allowing InfraCan to consolidate data across departments. This will improve forecasting and give leaders a unified view of the organization's performance.

AI:

- What-If Scenarios
- Advanced Automation

Sustainability and ESG Reporting

EPM:

- Track Sustainability Metrics
- Set ESG Goals

IoT:

- Track Emissions in Real-Time
- Data Feeds into EPM

Budget Constraints and Scalability

EPM:

EPM is a **cost-effective solution** that can be rolled out within the $250,000 budget. Immediate gains in data consolidation and operational efficiency will provide quick wins.

Phased AI/IOT:

After implementing EPM, InfraCan can phase in **AI for predictive maintenance** and **IoT for emissions monitoring** over time as the budget and infrastructure grow. This approach ensures that InfraCan doesn't overextend its resources.

Competitor and Market Pressures

EPM:

EPM will allow InfraCan to **quickly catch up** with competitors by standardizing internal processes, improving project efficiency, and providing clear sustainability reporting.

AI for Long-Term:

AI can provide a competitive advantage through **predictive analytics** in project planning, **automated decision-making**, and **supply chain optimization**.

Implementation Roadmap

Immediate Gains

3-6 months

Action: Roll out **EPM for Finance and Operations** to unify data, streamline project planning, and improve reporting.

Focus: Budgeting, forecasting, and real-time data visualization for immediate efficiency gains.

Cost: Utilizes the majority of the budget.

Strategic Outcome: Quick wins in operational coordination and data consolidation, enhancing internal visibility.

Data-Driven Expansion

6-12 Months

Action: Extend EPM to **HR and Supply Chain** for workforce management and supply chain optimization. Integrate **AI for predictive maintenance** on key machinery.

Focus: Integrating operational, HR, and logistics data into a single system. Reduce downtime and repair costs by predicting failures.

Strategic Outcome: Full internal alignment, better resource allocation, and increased employee productivity. Enhanced operational efficiency with cost savings in maintenance.

Sustainability and Innovation

12-18 Months

Action: Deploy **IoT sensors** to monitor emissions and energy consumption in real time. Leverage AI for **what-if scenario analysis** and operational forecasting.

Focus: Feed data into EPM for automated sustainability tracking and compliance reporting. Improve decision-making, optimize supply chain operations, and reduce environmental impact.

Strategic Outcome: Meet sustainability goals and gain transparency in ESG metrics, boosting public image. Data-driven innovation and long-term competitive edge.

Risk and Mitigation Plan

Budget Overrun

Mitigation:

Phased Rollout:

Prioritize EPM implementation first for immediate value, then incrementally integrate AI and IoT.

Cost Monitoring:

Continuous tracking of project costs to avoid overruns.

Employee Resistance to New Systems

Mitigation:

Training Programs:

Comprehensive user training and phased adoption to minimize resistance.

Early Wins:

Demonstrate quick efficiency gains with EPM to build buy-in from employees.

Data Integration Challenges

Mitigation:

Pilot Testing:

Run EPM pilots in key departments (Finance, Operations) before full deployment.

Consulting Support:

Use experienced tech consultants to handle complex integrations.

Sustainability Goals Not Met

Mitigation:

Adjust Goals Realistically:

Set phased sustainability targets that are achievable within the project timeline.

Continuous Monitoring:

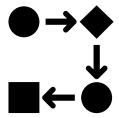
Use IoT data to adjust operations in real time, ensuring emissions goals are being tracked and met.

Path Forward for InfraCan

Phase 1 Rollout: Start with EPM implementation in Finance and Operations, focusing on quick wins in efficiency and reporting.

Training and Buy-In: Launch employee training sessions to ensure smooth adoption of new technologies.

Phase 2 Planning: Prepare for AI and IoT integration, starting with predicting maintenance and sustainability tracking after evaluating initial gains from EPM.



Monitor and Adjust: Continuously track the progress of EPM and advanced tech adoption, adjusting the plan as needed based on data and results.

Key Takeaways:

- **EPM** provides immediate gains in **data consolidation, operational efficiency**, and **reporting**.
- **AI and IoT** will enhance **predictive maintenance**, **real-time sustainability tracking**, and **advanced analytics**, driving long-term innovation.
- A **phased, cost-effective approach** ensures InfraCan can scale up gradually while staying within budget and avoiding overwhelming the organization.

Thank You