**Case Study: Clarity on Scope Drives Change Order Profitability**

**Client Profile**

A $250 million life safety contractor specializing in fire protection and sprinkler systems, operating across multiple regions with both large hub offices and smaller satellite branches.

**Challenge**

Despite sizable revenue and solid client relationships, project margins were being eroded by unbilled work. Foremen and project teams were frequently performing extra tasks without realizing they were out of scope, such as relocating materials, adjusting layouts, or assisting other trades.

The problem wasn't effort. It was clarity. The company lacked consistent definitions of what was in scope and what justified a change order. As a result, field teams were not confident in identifying or communicating change order opportunities.

**Initiative**

A sprinkler project manager from a small satellite office took the lead on a focused process improvement initiative around change order management. With Profitability Works guidance using the *Building Excellence Blueprint*™, the team collaborated across project management, field operations, and accounting to redesign their approach.

Key steps included:

- Creating transparent, standardized scope sheets for all field teams.
- Training foremen on how to identify and communicate out-of-scope work.
- Establishing clear roles and responsibilities for initiating, approving, and tracking change orders.
- Implementing a standardized process for logging and reporting status, ensuring all change orders were visible and accountable from field request to billing.
- Developing a simple, field-friendly Change Order Capture Log tied directly to daily reports.
- Engaging project managers and foremen together in weekly change order reviews.

**Example in Action**

On one project, the general contractor asked the sprinkler team to move materials to a new location mid-project. In the past, they would have done it without question. But now, the foreman checked the scope sheet—material placement in the laydown area had already been approved. The foreman explained that moving materials would require a change order.

The GC quickly replied, “Never mind.”

The result? The team stayed productive and on task, and the project margin stayed intact.

**Results**

Within six months:

- Change order capture rate increased by 22% resulting in $4.4M additional revenue
- Project margins improved 11% due to a reduction in unbilled work, reduced rework, and improved productivity
- Field teams gained confidence and ownership of the process.

**The Lesson**

When field teams understand the scope and are empowered to defend it, they protect profitability on every job. Clarity turns order management from a reactive paperwork process into a proactive margin protection system.

If your teams are leaving money on the table through unclear scopes or inconsistent change order processes, it’s time to fix the foundation.

**Profitability Works helps trade contractors build systems that turn field clarity into consistent profit. Let’s talk about improving your change order process.**