



Automating construction
contract management



The global gap

\$11
Trillion

is the global value
of the construction
industry. **PwC 2017**

\$1.6
Trillion

is the money wasted
due to poor productivity.
McKinsey 2017

Contracts contribute to poor productivity



They are designed to fail from the start

So we're building the first contract automation tool

Formulaic structure

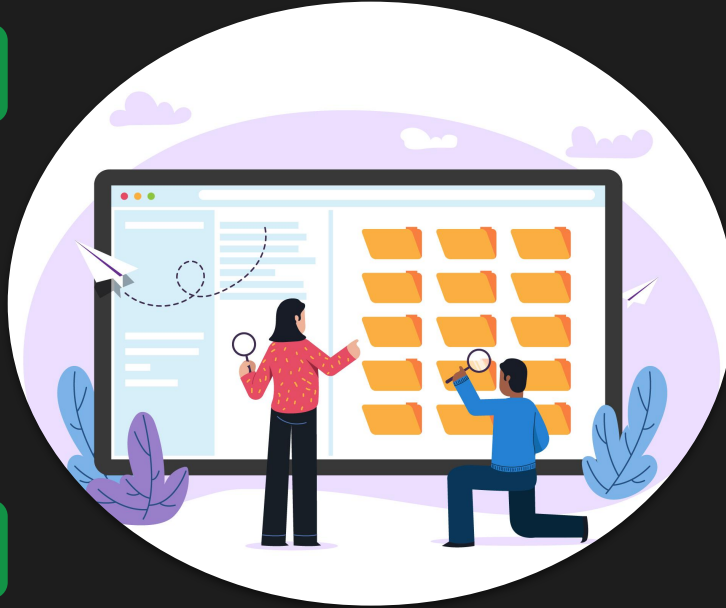
Shared data

Logic gates

**Automated
procedures**

UK law compatible

**Human input at
key moments**



for construction

Our initial focus is on weather disputes

Ubiquitous

All construction sites are affected by weather related contract issues

Increasing importance

The Climate Crisis is making them occur more frequently

Simplest proof point

Although niche, this contract issue is significant and solvable enough to build the credibility we need

How do we know?



We ran some workshops with industry leaders and they told us.

The EHAB Weather Ledger

Collect hyper-localised onsite weather data from off the shelf **IoT devices**

Data fed into our **blockchain** enabled system which ensures information is shared between all the parties

UK Law compatible smart contracts self execute the standard procedures, mimicking the current process

Short Term Benefits

Faster compensation

The system can resolve compensation in a matter of minutes, giving SMEs in particular, much more certainty over how these events will impact cash flow.

Reduced Cost

Project managers and quantity surveyors no longer have to manage this aspect of the contract, so can focus on actually solving problems.

No more disputes

This system formalises the weather delay process and provides objective data which all agree is the 'source of truth', this greatly reduces the likelihood of dispute.

Better relationships

Less dispute means no more fracturing relationships over time and money. No one likes protracted arguments about the weather.

Long Term Benefits

Early warnings

Once the system is widely deployed, a much more granular level of weather data can be shared across companies and sites across the whole country, helping avoid some of the worst disruption.

Predictive planning

Better data means better planning. Our platform can have predictive elements built in to help companies accommodate events into their schedules.

So far...

We have built & tested a prototype

Secured grant with BAM & Ferrovial for £588k (Innovate UK)

Partners interested in POCs:



The POCs



We will be on up to 3 different large infrastructure construction sites testing our technology.

We will have lots of contact time with our main users and customers to provide thorough feedback.

The Grant from the UK gov



Our partners will give us specialist knowledge with which we can build out the enterprise version of the platform.

We will receive £121k in cash & £467k in value adding services.

Clyde & Co are leading in the field of smart contracts.

But we know that weather is just the start...

Contract management is a formulaic process.

It requires a constant level of effective admin.

Disputes arise because these two points aren't followed.

The EHAB Platform

Is a **shared environment** where different contract clauses are automatically monitored with data taken from the site.

It triggers **standard** contract management **procedures** and ensures procedure is followed.

Humans are mostly removed from the process and just sign off the information at key points to validate and ensure an audit trail.

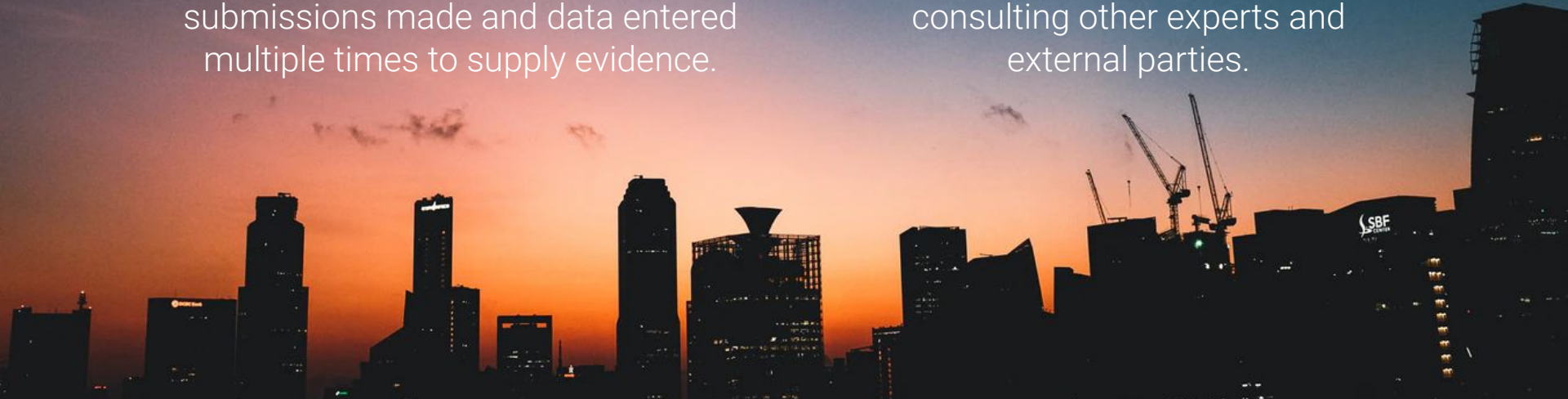
These are pain points that we solve

Admin

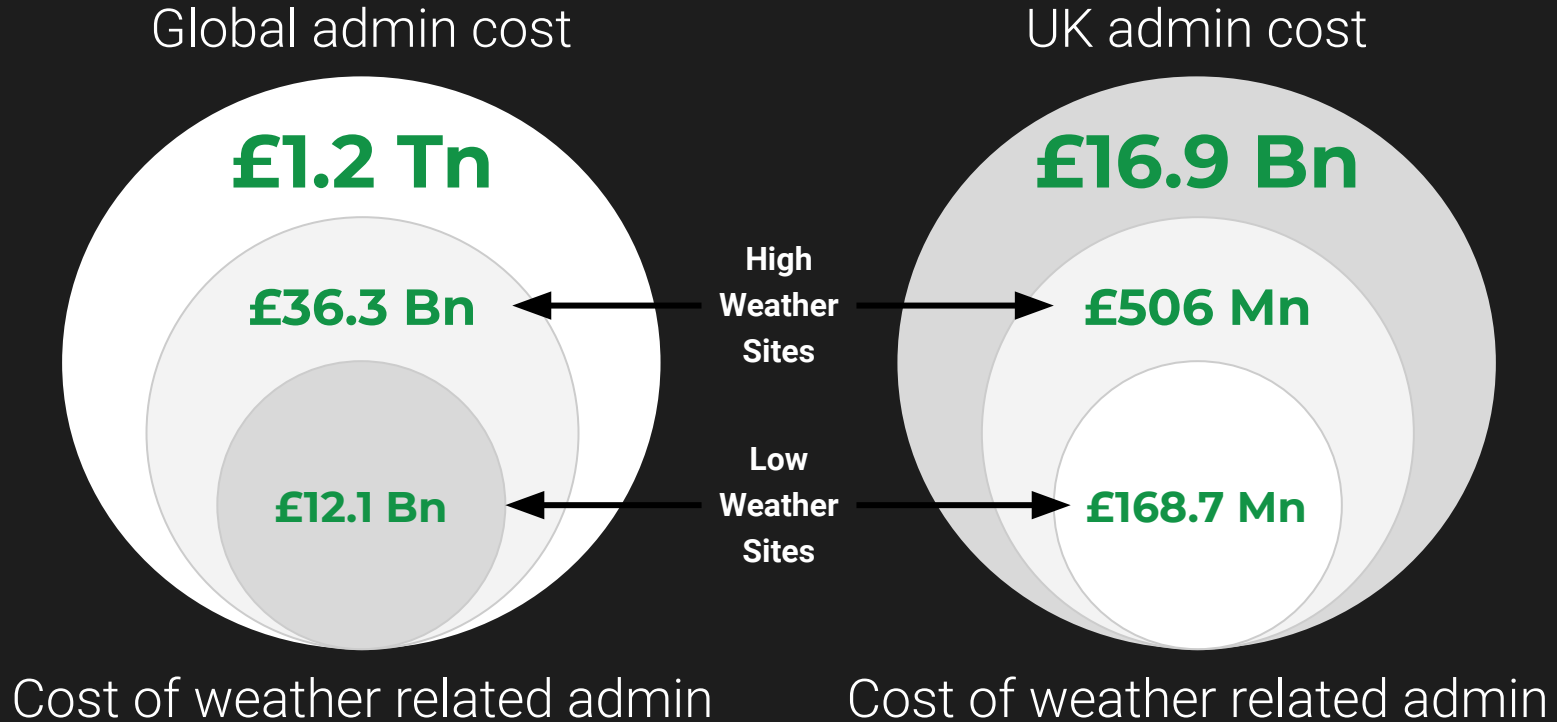
On site conditions must be constantly recorded, calculations made to see if the contract is breached or to understand how it will effect the schedule, claim submissions made and data entered multiple times to supply evidence.

Dispute

If the claim isn't settled then internal and external lawyers get involved, time is spent having meetings, compiling evidence and consulting other experts and external parties.



The value of the admin problem



The dispute problem is pretty big too.

Global dispute value



Global weather
dispute value

European dispute value



European weather
dispute value

UK dispute value



UK weather
dispute value

Big vision

The EHAB platform will automate the entire construction contract, removing the need for it's administration and improving outcomes to the extent that disputes are almost totally avoided globally.

So where do we go from here?

2020

In 2020 we prove the system with weather disputes & build an enterprise grade platform with our first 2 partners who will become our first clients

8%

Our network reaches 8% of the UK construction market so we'll look to expand here

i3P

This group is made up of leading firms who work with the UK gov. BAM are role models in this group so we will look to get referrals to the rest of the membership

Report

Digital Catapult will co-author the grant impact report with us adding huge credibility, as the information will be coming from a Quasi-gov agency. They will also help us promote this, both online and through talks/presentations.

The business model

£1000 /weather station

a setup cost for the IoT infrastructure.



This replaces or supplements the Met office fee.

0.05% of contract value paid
monthly over length of contract

a per project
subscription for the
service.



This replaces the admin cost.

1% of compensation event

a utilisation fee.



This replaces the dispute cost.

P&L

	2020	2021	2022	TOTAL
REVENUE				
Deployment	£0.00	£220,000.00	£60,000.00	£280,000.00
Contract Value	£0.00	£91,666.67	£862,162.36	£953,829.03
Utilisation Fee	£0.00	£105,000.00	£644,000.00	£749,000.00
OUTGOINGS				
Cost of Labour	£171,333.32	£196,500.00	£643,500.00	£1,011,333.32
Cost of Sales	£0.00	£71,500.00	£472,000.00	£543,500.00
General/Admin	£31,470.00	£48,240.00	£324,270.00	£403,980.00
TOTAL Costs	£206,303.32	£316,240.00	£1,439,770.00	£1,962,313.32
TOTAL Income	£0.00	£311,666.67	£922,162.36	£1,233,829.03
Gross Profit	£0.00	£240,166.67	£450,162.36	£690,329.03
Net Profit	-£206,303.32	-£4,573.33	-£517,607.64	-£728,484.30
Grant	£121,000.00	£0.00	£0.00	£121,000.00
Investment	£250,000.00	£0.00	£750,000.00	£1,000,000.00

Ask

£250,000 seed

Support £121,000 Innovate UK grant funding

To reach first sales with gov / corporate clients

TEAM



Filipe Moura - CTO, CoFounder
20 years exp. Writing software,
leading teams & building
products.



Josh Graham - CEO, Founder
5 years exp. Running charities
and startups. Known speaker in
construction tech space.



Josh Graham - CEO

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