



Risks and Countermeasures of Economic Management of Construction Projects in the New Era

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Abstract

In the construction industry, economic management is very critical. This work involves a wide range of areas and there are many risk factors. If there are problems with economic management, it may lead to serious consequences, such as failure to complete the project or huge financial losses. Therefore, we must do this work seriously and responsibly. In order to ensure the safety and reliability of construction projects, we should combine their special environment, adopt scientific analysis techniques, strengthen the execution of economic management, accurately identify and deal with possible risks, and make corresponding predictions and assessments, so as to take effective measures to reduce possible risks and ultimately maximize the benefits of engineering construction.

Keywords

Construction engineering; Economic management risk; Preventive countermeasures

Introduction

The construction industry plays a vital role in the economic growth of our country. It has become the main driving force for the country's economic growth. As the industry grows, the importance of economic management becomes increasingly prominent. With the continuous changes in today's market, the increasingly fierce competition in the industry has brought great challenges to the development of construction companies. Therefore, construction companies must grasp the changes in today's market, actively grasp the various risks that may arise, and take effective measures to ensure the quality. The construction progress can also effectively improve the economic benefits of the project, thereby achieving sustainable development. By taking effective supervision and management measures, it helps to effectively reduce the occurrence of risks and ensure that subsequent work can be completed efficiently and steadily.

1. Overview of Construction Engineering Economic Management

1.1 The concept of economic management of construction projects

Economic management plays an important role in construction projects. It not only involves the financial and budget aspects of the project, but also the overall operation of the project. Therefore, in achieving these goals, appropriate measures must be taken to improve the scientificity and effectiveness of the project. By strengthening the economic management of construction projects, economic risks can be effectively reduced, and the smooth completion of the

project can be promoted, so that the coordination and unification of various links are closer, and the existing resources can be better utilized, and ultimately the expected construction goals can be achieved.

1.2 The importance of strengthening the mechanism for preventing and controlling engineering economic risks

1.2.1 It is conducive to regulating the risks in the engineering construction market

In recent years, with the rapid increase in the number of market players in China's engineering construction, various uneven quality situations have become increasingly prominent, from low-price bidding to violations of the laws of engineering market development, inability to compete fairly, and unfinished projects, which have seriously affected the healthy development of the engineering construction market. In order to better ensure the safety of engineering projects, we should strengthen risk prevention and control mechanisms, improve the ability to identify and manage economic risks, and evaluate the feasibility, profit potential and operational risks of engineering projects in advance, so as to reduce unfair competition and promote the standardization of related economic activities.

1.2.2 Improving the risk prevention and control capabilities and market competitiveness of enterprises

In order to effectively deal with engineering economic risks, we must continuously improve and perfect the risk prevention and control system to make it a reliable and effective means of supervision. In this way, we can not only effectively improve the overall operation level of the enterprise, but also effectively grasp the implementation of the project and ensure the smooth implementation of the project. Adopting effective risk prediction technology can help enterprises prepare before the project starts, thereby reducing investment costs, improving operational efficiency and enhancing market competitiveness. In addition, this will also lay a good internal foundation for the long-term development of the enterprise.

2. Risk Analysis of Construction Project Economic Management

2.1 Risks in the bidding process of construction projects

Failure to take effective economic management measures in a timely manner may lead to serious management risks. These risks may manifest as uncertainties in the bidding process, which will have a significant negative impact on subsequent project construction. Due to the failure of construction companies to fully review the qualification applications for relevant projects, as well as some defects or errors in the documents and materials, the bidding activities have been greatly affected, and even some speculative bidders have emerged. This not only weakens the fairness of the bidding, but also brings adverse consequences to the construction projects, thereby greatly reducing the quality of construction. With the development of the construction industry, the mismatch between the bill of quantities and the measurement plan may lead to serious economic management risks. At this stage, due to the increasingly fierce market competition and the rising demand for construction projects, the phenomenon of low-price bidding has become more common. Due to the lack of sufficient investigation, evaluation and in-depth research, some problems and defects in the decision-making process of construction projects have seriously affected the sustainable development of construction projects and dragged down the improvement of their economic benefits.

2.2 Construction project funding risks

With the continuous deepening of engineering construction, fund management has become more and more important. Therefore, when implementing the project, special attention should be paid to the security of funds to avoid financial risks and ensure the smooth completion of the project. In construction projects, financial risks are not only an important challenge, but may also have a serious impact on the progress of the project. In order to ensure the smooth completion of the project, sufficient funds must be raised in advance to purchase the necessary construction materials and construction equipment to ensure the smooth implementation of the project. In addition, in the middle of the construction project, the company will decide whether to provide financial support based on the progress and quality of the project. The construction unit should make full use of funds to solve the problem of early construction debts, and fully consider the uncertainties that may exist in engineering construction to ensure the effective management of funds. In addition, after the implementation of the project, funds should be reserved in time according to the actual situation to effectively avoid the loss and waste of funds. However, due to the neglect of the importance of cost

control and management, some economic risks have emerged in the actual fund management, which seriously affected the efficiency and quality of the construction project.

2.3 Construction project quality risks

The construction quality of construction projects has always been the core content of engineering projects and the key way to improve the economic and social benefits of construction projects. If the construction quality of construction projects cannot be controlled in a timely manner, it will lead to a series of problems and even economic management risks. First of all, in construction projects, if there is a lack of supervision and management of construction management, the construction content and quality will not meet the construction standards of the construction project, thus affecting the smooth progress of the construction process. On the other hand, if the construction project is difficult to construct, or the construction technology requirements are high, or the construction personnel do not strictly follow the construction standards for construction, or the construction personnel themselves have low construction skills, this will lead to quality problems in the construction project and affect the construction benefits of the construction project.

2.4 Lack of strict construction management model

With the development of science and technology, the risks in engineering construction are also increasing. These risks mainly come from two aspects: one is natural factors, such as climate change, geological disasters, environmental pollution, safety hazards, etc. These factors will hinder the implementation of engineering projects and may cause economic losses and bankruptcy of enterprises. The second is that there are problems in the internal management of construction companies, which may affect the smooth implementation of the project and may cause financial difficulties for the company. This risk is usually caused by human factors. In order to effectively control it, scientific management measures must be taken to reduce the adverse effects of human factors on the project.

2.5 Risks of contract signing

Generally speaking, the cooperative relationship between enterprises needs to be carefully reviewed, and the signed contracts must comply with the requirements of laws and regulations to ensure that the rights and interests of both parties are protected. However, there are still some enterprises that set unfair terms for the purpose of seeking personal gain, which has caused great losses to both parties. For example, some companies will go through the acceptance procedures with the contracting company before the construction starts or before it is completely completed, which leads to conflicts and disputes during the construction process, and leads to serious delays in the construction period, increases unnecessary construction costs, and also damages the rights and interests of construction workers. In addition to the defects in some contract contents, many enterprises also have deficiencies in formulating contract standards, which is caused by many factors. Therefore, enterprises should strengthen the improvement of contract formulation standards to ensure that both parties can be treated fairly and justly.

3. Risk prevention measures for construction project economic management

3.1 Effectively manage bidding and tendering

In the bidding process of construction projects, effective measures should be taken in light of the actual situation to ensure that the bidding is fair, just and reasonable. To this end, units with corresponding qualifications should be carefully selected to ensure the fairness of quotations, and to strengthen review and supervision to minimize the risks of economic management of construction projects. In order to better complete construction projects, we should strengthen the analysis and investigation of their conditions, and formulate clear construction requirements and standards in a timely manner. These measures include engineering measurement and planning to improve fair competition in construction projects.

3.2 Strengthening the awareness of risks in economic management of construction projects

In order to better complete the economic management of construction projects, we must attach great importance to and conscientiously implement the corresponding measures. In addition, we should also cultivate a good sense of risk in order to better cope with the ever-changing market environment. To this end, we should strengthen our

understanding of cost control to ensure the efficiency and perfection of economic management. Before starting a construction project, we must make full use of our economic management experience and professional skills, and strengthen the prediction and analysis of financial risks. Through these efforts, we can better identify and prevent economic risks, and formulate corresponding measures and plans. In order to ensure the smooth completion of the construction project, we must strengthen cost management and strictly control the flow of funds. On this basis, we can provide strong support for the next step of economic management, thereby improving the overall quality of the construction project.

3.3 Reduce the risk of advance payment during construction

In order to reduce the risks caused by advance payment, construction companies should take effective measures. During the project construction process, material costs usually account for a large part of the entire project cost. Therefore, when signing a construction contract, both parties must ensure that the source of all funds is transparent, and it must be clearly stipulated in the contract whether advance payment is allowed. If the owner needs to spend funds during the construction period, both parties must sign an agreement that complies with the legal terms. In addition, before starting construction, construction companies should also actively communicate with investors to reduce economic risks and minimize losses caused by advance payment.

3.4 Building a dynamic economic cost control management system

By establishing a sound dynamic system control management, we can effectively deal with complex construction projects and other related economic activities. In order to achieve this goal, it is necessary to carefully study, analyze, and improve various dynamic economic cost control measures, as well as take effective adjustment and optimization measures to ensure the smooth completion of the project. In order to better manage construction projects, we need to take some measures. First of all, we need to determine different responsibilities according to the specific situation, so that we can better motivate the enthusiasm of employees. In addition, we also need to establish a strict reward and punishment system to promote the smooth completion of the project. In addition, we also need to effectively supervise and manage every step of the project, especially in terms of quality control, raw material supply and equipment operation, so as to ensure the smooth completion of the project. In order to improve the dynamic economic cost management capabilities of the whole process, supervision needs to be strengthened. A flexible approach should be adopted to evaluate the results of the construction phase, highlighting their quality, legality, fairness and independence. If any deviation from expectations is found, it should be analyzed and corrected in a timely manner to ensure that the supervision mechanism can effectively play its role.

3.5 Strengthening construction project quality management

For the construction of construction projects, we should continuously improve the construction technology level according to the relevant construction standards and requirements to ensure the scientific and reasonable construction process. At the same time, we should ensure that each construction worker can comply with the relevant construction specifications, and strengthen the supervision and control of their behavior, so as to achieve the best construction effect. In order to ensure the smooth completion of the construction project, we must strictly control the use of construction materials, equipment, technology and other links to ensure that each material can meet the requirements of the construction project, and strictly control to ensure that there will be no quality problems. In the construction project, we need to pay attention to the construction quality, so we need to formulate reasonable material procurement plans and standards to improve the efficiency of material use and ensure sufficient supply of materials, so as to help the smooth completion of the project and reduce the cost of the project. In order to ensure the smooth completion of the construction project, we must increase the supervision of its quality, clearly define the scope of responsibilities of all parties, improve and optimize the quality responsibility system of the construction project, and assign all responsibilities to each participant, so as to speed up the progress of construction, ensure the quality of construction, and effectively reduce the risks of economic management.

3.6 Comprehensively improve the overall quality of personnel

In order to effectively promote the economic management of construction projects, we should strengthen the comprehensive training of relevant practitioners and continuously improve their comprehensive quality and professional

skills to ensure the effectiveness and quality of economic management. In addition, an economic management team with professional knowledge should be formed according to the characteristics of different construction projects to ensure its sustainable development. In order to meet the needs of construction projects and meet relevant standards, we should continuously improve the professional level of construction personnel and improve their construction quality through continuous improvement and perfection to minimize the financial risks caused by improper operation. In order to better complete construction projects, economic managers need to cultivate a good sense of responsibility and actively learn and master the latest business management techniques. In addition, they also need to enhance their awareness of risks, understand the various uncertainties that may exist, and take appropriate precautions to minimize business risks.

3.7 Establish and improve the economic management system of construction projects

During the construction process, economic management and supervision measures must be implemented conscientiously, and the work of internal personnel must be strictly controlled. The norms of construction personnel should be strengthened to promote the smooth completion of construction. All links, including project allocation, financial flow, etc., should also be carefully analyzed and clearly planned to ensure the smooth completion of economic management. By optimizing the resource allocation and financial management of construction projects, the smooth completion of projects can be ensured, and the quality of projects can be continuously improved. In addition, by implementing a scientific economic management system, the risks of projects can be effectively reduced. In order to better adapt to the changes in the construction market, the economic management system of construction projects must be improved. This requires the adoption of scientific and standardized management measures and the formulation of corresponding management plans. Only in this way can we maximize our role, improve economic and social benefits, and contribute to the sustainable development of the industry.

4. Conclusion

In summary, with the development of the construction industry, the number of construction projects is increasing. In order to ensure the smooth progress of the project, we should take effective measures to prevent the economic risks of the project, and at the same time, we should pay attention to improving the quality of the project. The successful implementation of the project is inseparable from good project management, which is crucial for the project. In order to ensure the high quality and high efficiency of the construction project, we must seriously consider how to effectively carry out economic management. Supervision of economic management should be strengthened, and existing problems should be discovered and solved in a timely manner to ensure the smooth completion of the project and achieve the best results. In order to ensure the sustainable development of the construction industry, we must conscientiously implement economic management risk prevention measures, carefully examine each work, and effectively avoid and reduce risks.

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