

# ABBOTT

## ABBOTT LABORATORIES' COST MANAGEMENT SUCCESS FOR NEW FACILITIES WITH CLEOPATRA



Abbott Laboratories, founded in 1888 by Chicago physician Wallace Calvin Abbott, is an American healthcare company with worldwide activities. It has 73,000 employees and operates in more than 150 countries. The company headquarters are in Lake Bluff, Illinois.

Abbott has a broad range of branded generic pharmaceuticals, medical devices, diagnostics, nutrition products, and meal replacement shakes. The company's in-vitro diagnostics business performs immunoassays and blood screening. Its medical tests and diagnostic instrument systems are used worldwide by hospitals, laboratories, blood banks, and physician offices to diagnose and monitor diseases such as HIV, hepatitis, cancer, heart failure, and metabolic disorders, as well as assess other indicators of health. In 1985, the company developed the first HIV blood screening test.

Abbott Laboratories was ranked 134th on the 2015 Fortune 500 list of largest U.S.-based corporations.



*Abbott's core businesses focus on pharmaceuticals, medical devices, and nutritional products.*

### Introduction to Abbott's Plan for Two New Factories and a Laboratory

Having plans to build two factories and a laboratory in The Netherlands, the Dutch branch of pharmaceutical company Abbott needed a service company, an independent party to check on the engineering documents as the main engineering firm developed them. Although Cleopatra Enterprise's main track record was in oil & gas, they had already proven their abilities beyond that industry. Reason enough for Abbott to use their services to see if the documents for their plant were up to scratch.

Two years later, the factories and laboratory were built and fully operational. Although the original agreement covered the engineering drawings and documentation only, eventually Cleopatra Enterprise has also been responsible for all cost management activities during the project execution phase.

### How Cleopatra was Implemented at Abbott

#### Estimating

Going over the engineering documents, Cleopatra Enterprise came across some elements that could have implications for cost estimating the plant. For example, because several risks of the project were not taken into account, project circumstances would inevitably lead to higher costs. The arguments they put forward resulted in their services for Abbott to expand to a full estimate validation and eventually a rigorous revision of the estimate itself.



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Since 1996, Cleopatra Enterprise has empowered over 500 industry-leading companies across 75 countries to deliver complex projects and turnarounds with confidence.

Cleopatra offers a Total Project and Turnaround Management Software that supports the entire project lifecycle through an integrated project cost management solution. It is the only tool that combines cost estimating, work package management, BIM, scheduling, cost control, form tracking, benchmarking, and more—helping you build robust project controls capabilities to stay on schedule and within budget.

With cutting-edge technology and a team of experienced professionals, Cleopatra enables companies to streamline processes, improve project performance, and achieve their goals with confidence.

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## Tender management

The project included a significant amount of special equipment and materials as a result of the planned clean areas and labs in the plant. Since the standard tendering procedures that were normally used did not sufficiently appreciate those circumstances, the procedures were improved with the help of Cleopatra Enterprise's [tendering solution](#). They also organized a kick-off for all subcontractors to get them aligned and to ensure they fully understood the project and its requirements. This approach also helped to realize successful cost control from the early phases of the project.

## The result of Cleopatra's Support

During the two years that followed, Cleopatra Enterprise was responsible for all cost control activities for the various disciplines involved in the project. Aside from monitoring all costs related aspects, keeping track of scope changes, and forecasting the total costs based on progress using [cost management software](#), Cleopatra Enterprise also proved its value through thinking and construction.

## Key Benefits for Abbott:

- The project was delivered within time and budget
- Increased estimate accuracy helped to make sound management decisions
- Contract validation and tender management resulted in proper financial management
- Thinking along prior to and during the construction phase, lead to significantly lower future maintenance costs

**“Very impressed that the project was delivered within budget.  
That’s the exception rather than the rule.”**

*- Abbott Laboratories*

**“Cleopatra Enterprise has proven its ability to understand every aspect of a project. They suggested changes that had a significant positive impact on future maintenance costs. Upon completion, the project was delivered within time and budget.”**

*- Abbott Laboratories*

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