



PARALLEL

PROJECT TRAINING

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ESSENTIALS OF PROJECT MANAGEMENT FOR CONSULTING ENGINEERS

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How to deliver customer satisfaction and make a profit



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Objectives

- Clearly describe the importance of project managers' role to the profitability and satisfaction of client needs
- Explain why and how to manage consulting project throughout the life cycle. Selling, Starting, Delivering and Closing. Specifically this will include effective implementation of the following project control processes
 - Scope management and planning.
 - Project management planning and scheduling.
 - Risk management.
 - Cost management including planning and forecasting using earned value.
 - Control of changes.
 - Issue management and communications.
 - Manage a contract
- Demonstrate strategies for managing the client relationship and expectations within the constraints of a contract.



A Project Management Framework

Sell the
Work

Plan the
Work

Do the
Work

Lean for
the
future



Sell the Work



1. Customer Needs

2. Review T&C

3. Liabilities
Risk and
Scope

4. Profit



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Capture all the costs

5

DIRECT STAFF COSTS

- Overhead multiplier

AGENCY / CONSULTANTS

- Hours and rates, overhead multiplier

EXPENSES

- Travel and subsistence, consumed during the contract

MATERIALS

- Part of the deliverable

SUB CONTRACT

- Working to defined scope of work

GENERAL COST CONTINGENCY

- For identified and unidentified risks

OTHER COSTS – FINANCIAL

- Bonds, Insurance, Agency (overseas), Currency provision, Finance charges, Inflation, Other costs

NEGOTIATING MARGIN

- To be agreed before meeting the customer

PROFIT

- Sufficient to do good business but still win the work



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What is a Contract?

- In law, a contract is a binding legal agreement that is enforceable in a court of law
- A contract can be verbal or written.
- Essential elements
 - Offer
 - Acceptance
 - Consideration
 - Must have intention to create a legal relationship
 - Offer must be reasonable and legal
- An offer can be withdrawn before accepted but not after.
- An offer is automatically cancelled by a counter-offer
- An acceptance of an offer must be clearly communicated to the person making the offer
- Implied Terms as common in this type of trade
 - Rights to sell
 - Conformity with description
 - Reasonable care
 - Other implied terms

PARALLEL Best way of ensuring compliance is a fully signed agreement



Terms of Payment Types

□ Fixed Price

- Price fixed to agreed set of rates.
- Price can vary depending economic indicators
- Price can be varied on the basis of actual costs and quantities.

□ Firm Price

- Price is not subject to change unless variation agreed.
- Onus on the contractor to control costs.

□ Time and Expenses

- Pay duration and expenses at agreed rates.



Overseas Working

Benefits

- Less saturated market
- Wider range of opportunities
- Supports growth
- Buffers local economic factors
- Develops new skills and capabilities it's global market

Risks

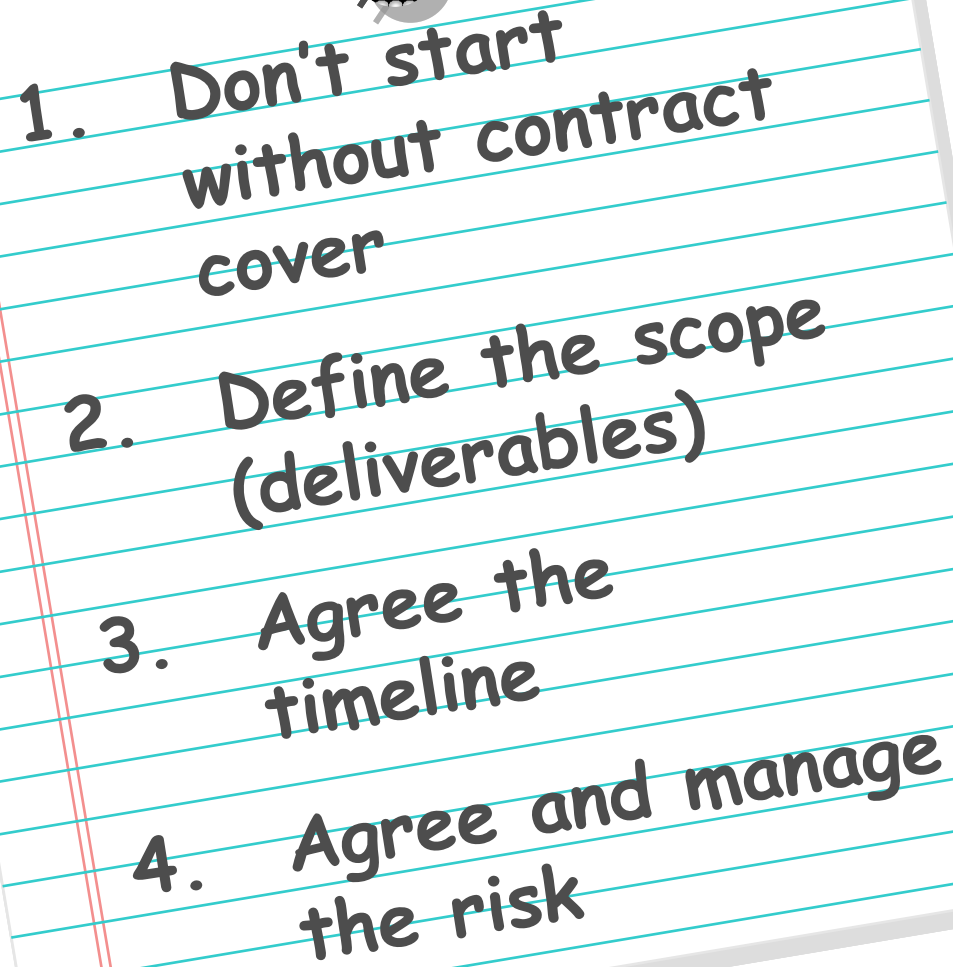
- Customer Risk
 - Credit worthiness
 - Payment terms
 - Trading history
- Country Risk
 - Sovereign
 - Private
 - Natural
 - Fashion and Finance
- Foreign Exchange Risk
- H&S
- Corruption Perception Index

8-9.9
6-7.9
4-5.9
3-3.9
2-2.9
1-1.9
NA



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Plan the Work

- 
1. Don't start without contract cover
 2. Define the scope (deliverables)
 3. Agree the timeline
 4. Agree and manage the risk



Don't start without contract cover!



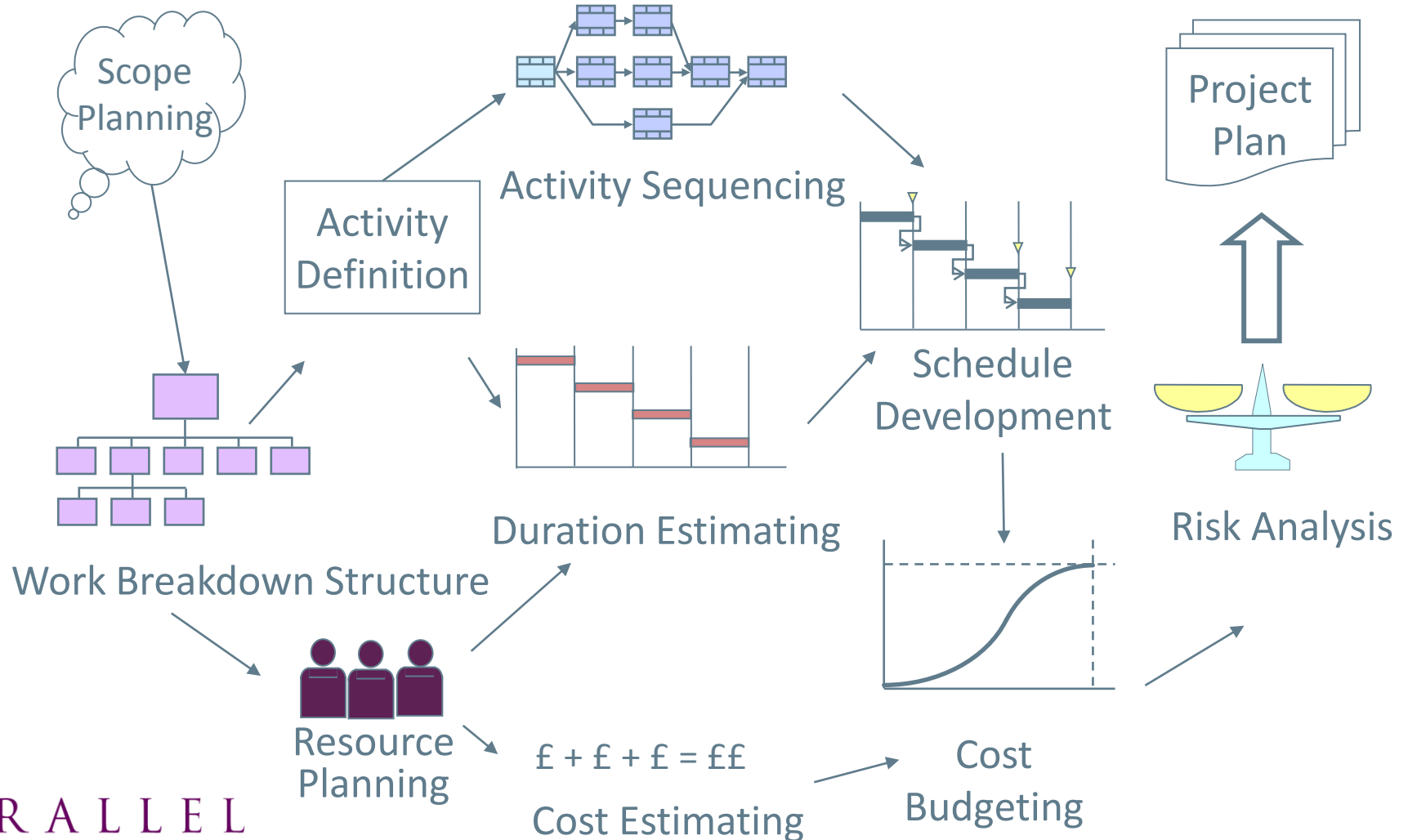


Review the objectives post contract





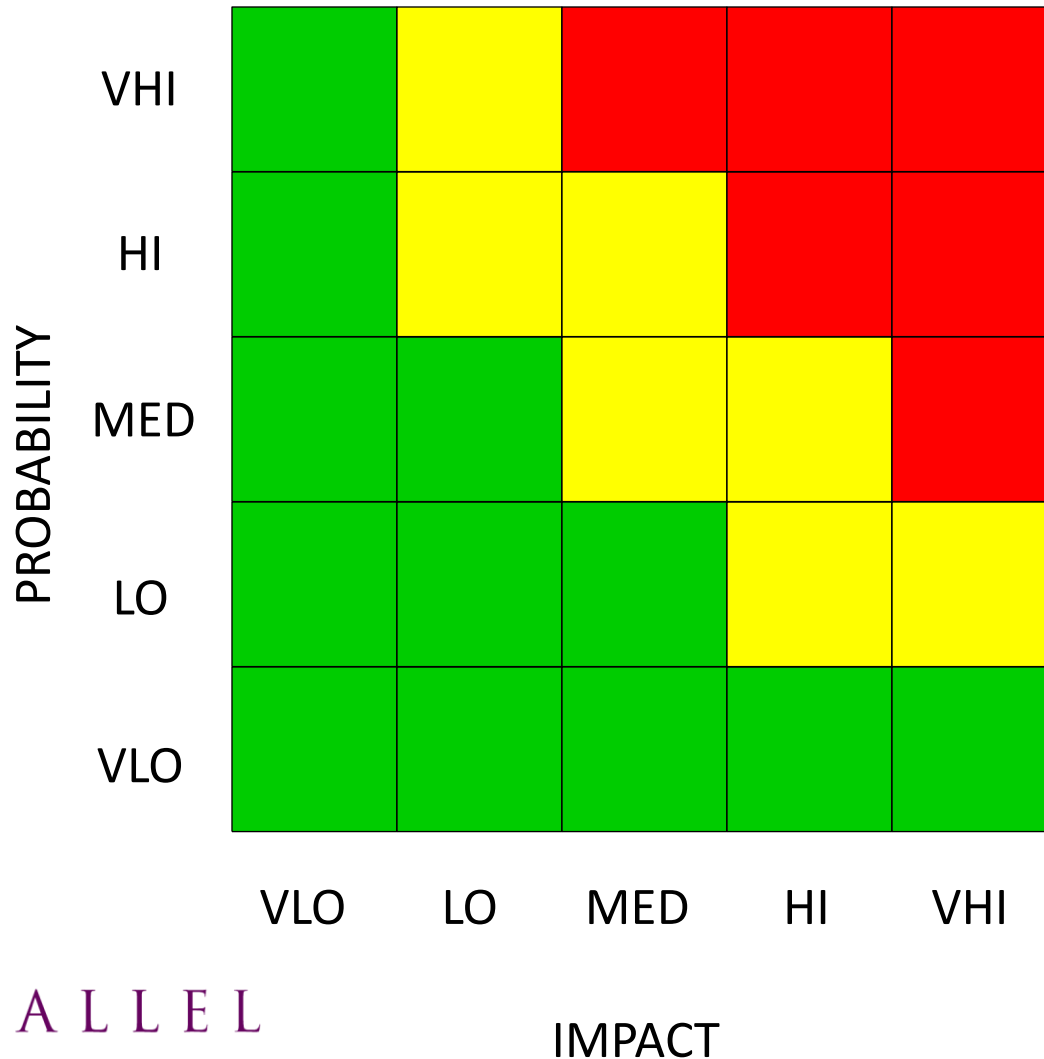
Agree a Plan of Work





Risk Assessment: P- I Grid

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Set thresholds



**HIGH
RISK**

urgent
attention



**MEDIUM
RISK**

regular
review



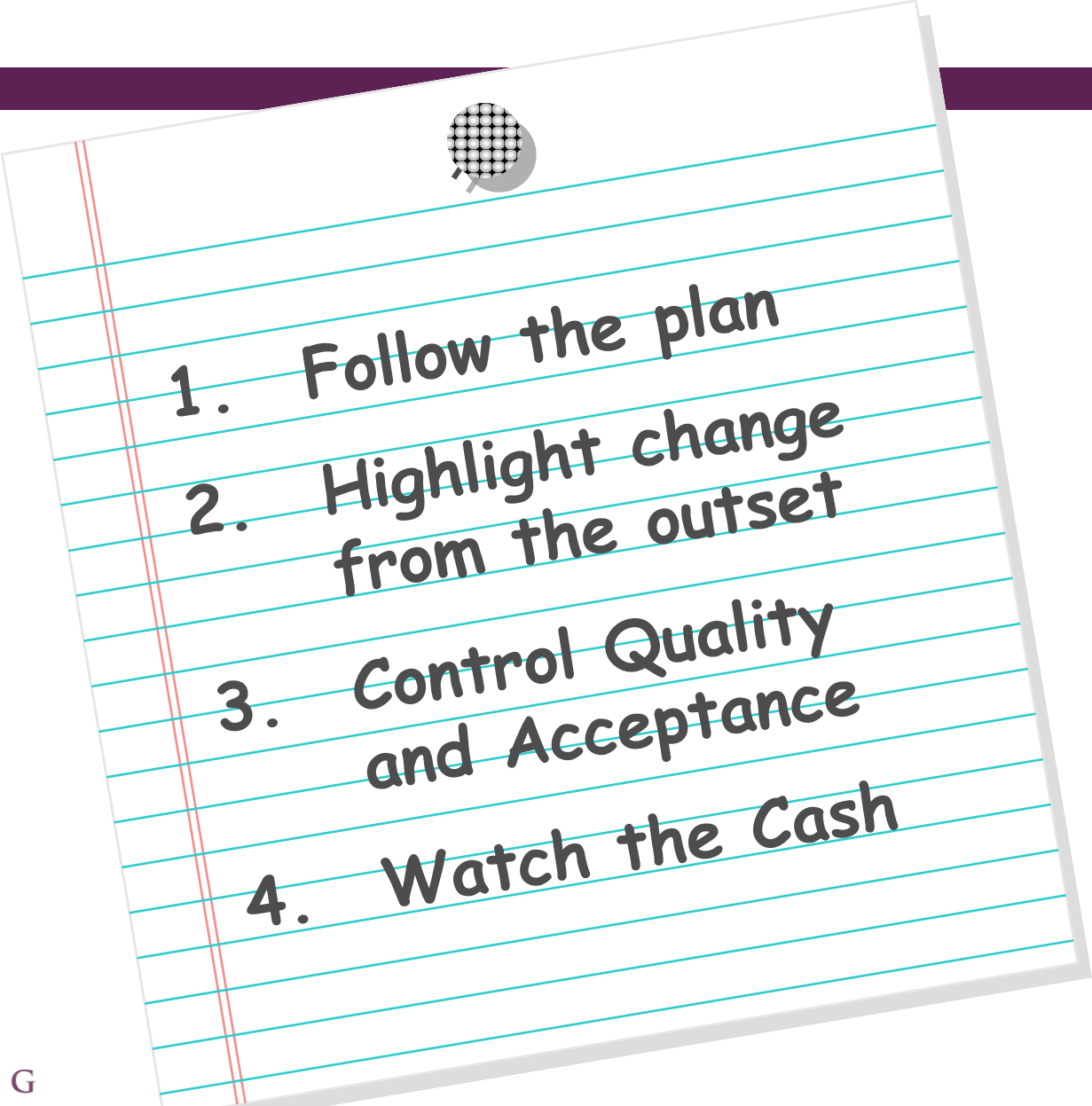
**Low
Risk**

monitor



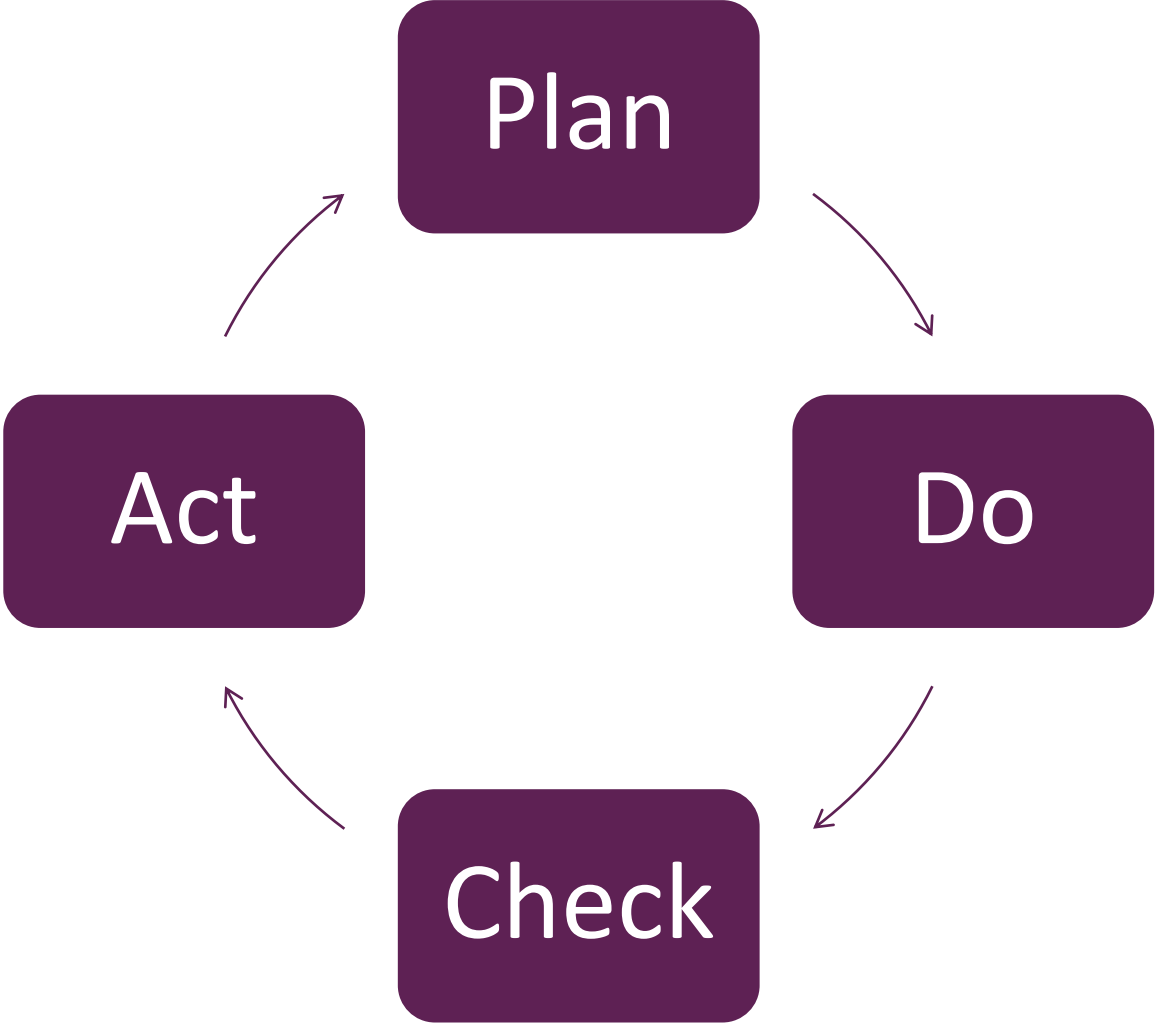
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Do the Work

- 
1. Follow the plan
 2. Highlight change from the outset
 3. Control Quality and Acceptance
 4. Watch the Cash

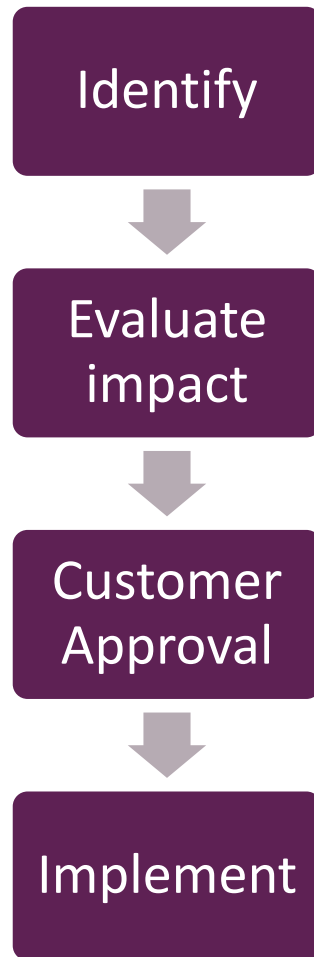


Control the Project





Control Changes from the Start





Control Quality and Rework

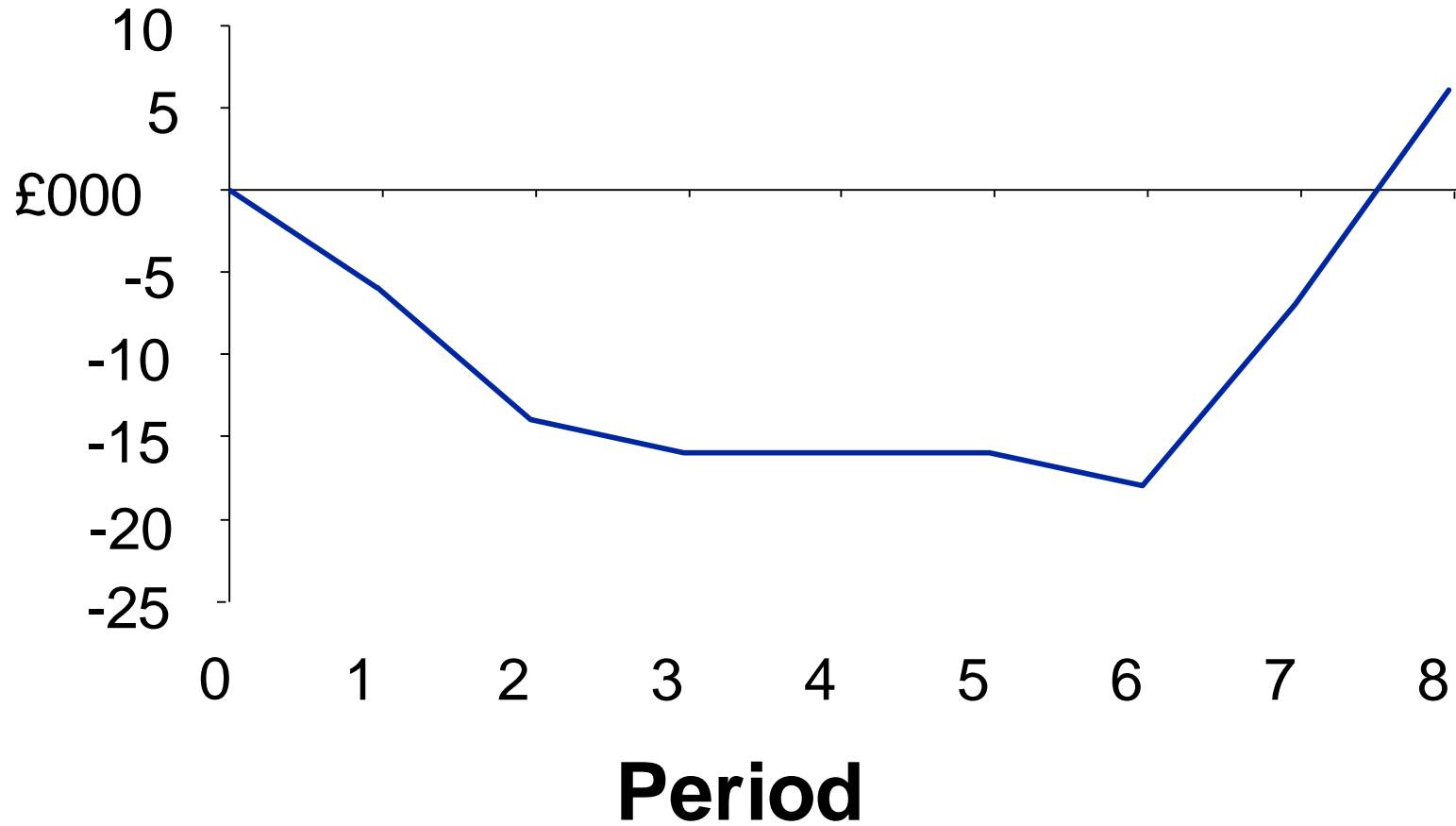
- Capture acceptance criteria early
- Check quality of products against criteria
- Ensure client reviews are addressed
- Limit the number of client reviews in scope





Control Cash

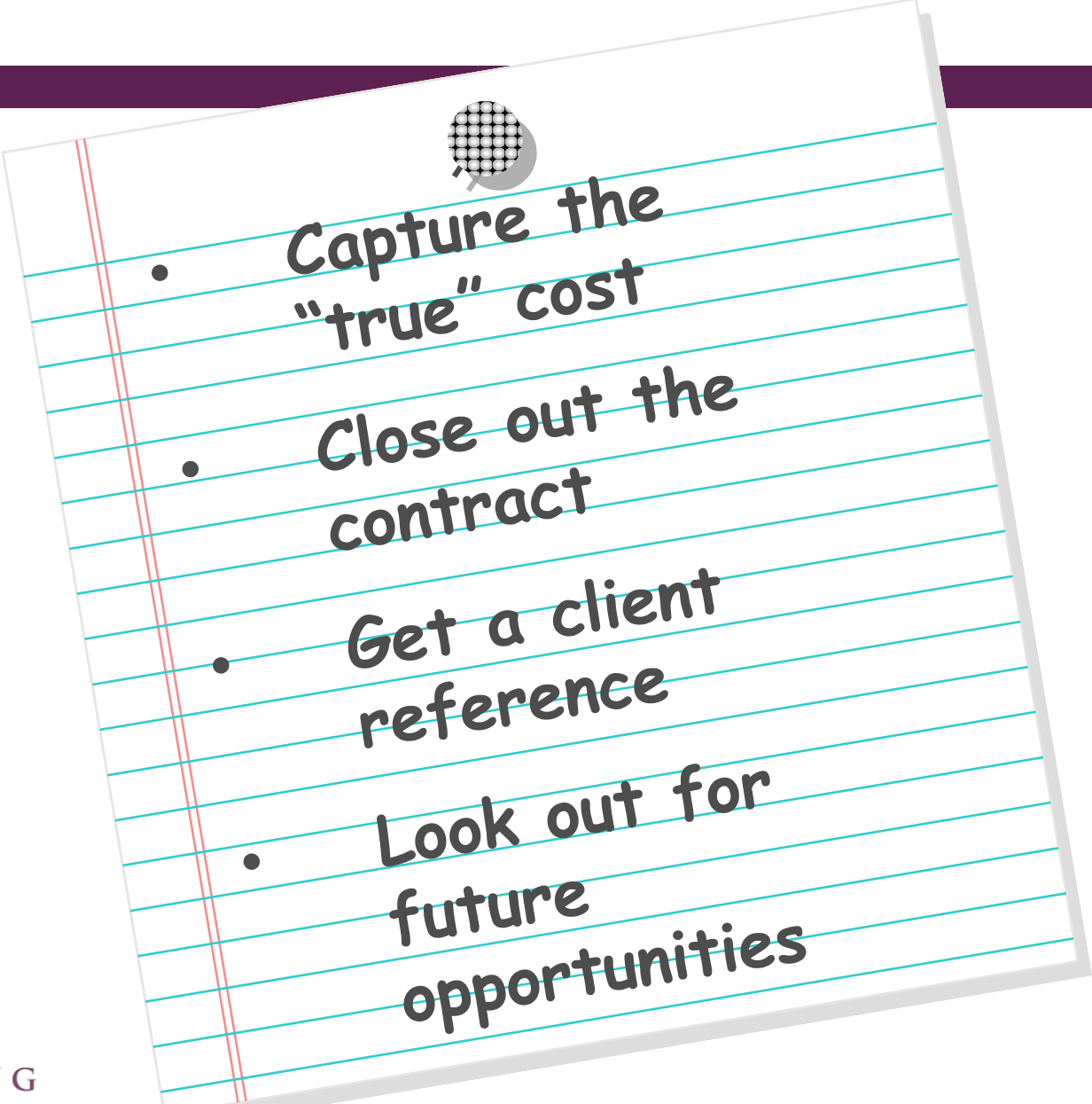
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Learn for the Future

- 
- Capture the "true" cost
 - Close out the contract
 - Get a client reference
 - Look out for future opportunities



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e-learning



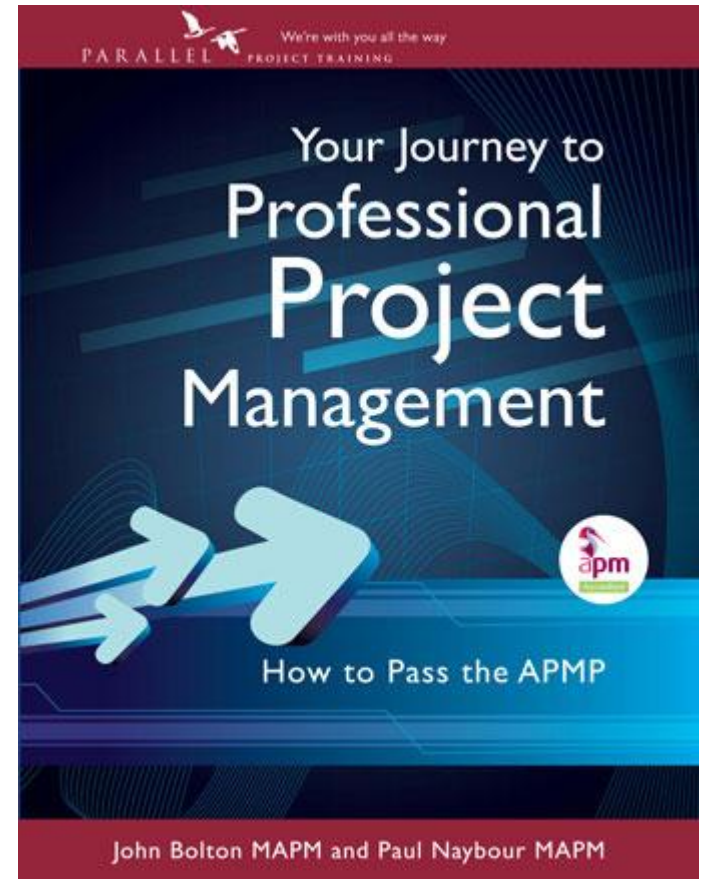
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Slides at

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