White Paper 2016-15

How to Properly Setup Project Control on a Large, Complex Project

The Setting up Project Control on a Large, Complex Project is an essential endeavour that requires a lot of focus and effort in the first few months of the Project. It is an essential investment and the Project Control team needs to be highly involved from the first day of the Project to make it successful. This White Paper details what this setup process entails – it complements White Paper 2016-13 on the wider issue of Project Start-Up.

Main Objectives of the Project Control Setup Phase

The main objectives of the setup phase for Project Control include:
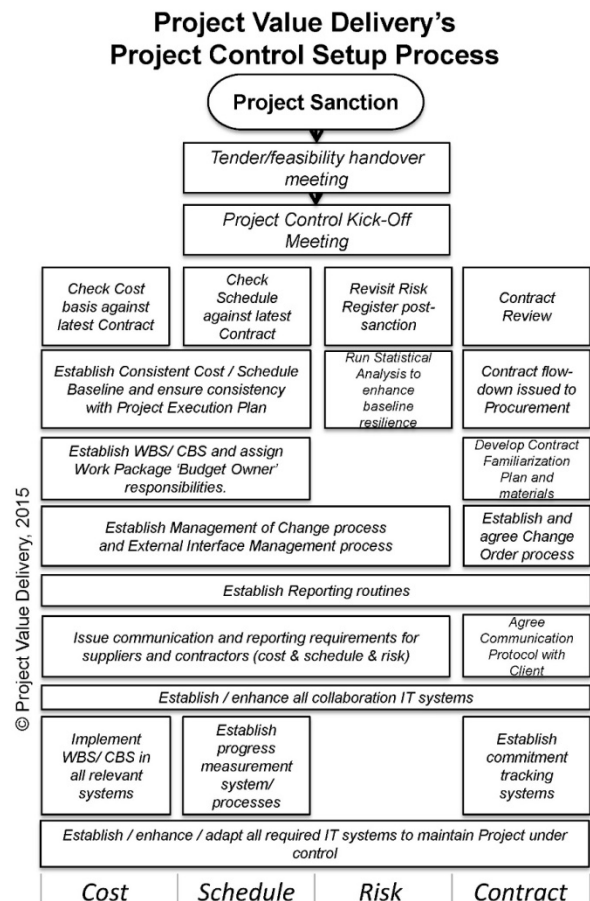
1. Recover all relevant data from the tender/ proposal stage and check it against the actual Contract to provide a proper reference to the Project,
2. Establish a proper Project execution baseline consistent with the Project execution strategy, associated with a relevant level of resilience as assessed by statistical analysis. This includes the design of suitable data breakdown structures,
3. Establish appropriate baseline change control processes,
4. Assign accountability for cost and schedule throughout the team in a comprehensive manner (to 'Scope Owners') through a formal endorsement process,
5. Establish contractual consistency and necessary requirements for suppliers / vendors and contractors.
6. Establish relevant processes for updating and reporting on the actual situation (Actual Costs, physical progress etc.) and forecasts from external stakeholders with the aim to obtain accuracy while

> **The Project Control Manager must educate the various Project functions about the importance of their contribution and the need to keep their processes aligned with Project needs.**

minimizing cumbersome information gathering work, so as to leave more space for analysis,

7. Implement collaboration systems to enhance communication and collaboration within the team, as well as the gathering of important progress and status information,
8. Implement the breakdown structure and data gathering requirements in all relevant systems throughout all Functions,
9. Establish / enhance / adapt the relevant Information Technology systems to ensure that key processes will remain under control.

The Project Control specific start-up activities are detailed in the following figure.

Project Value Delivery's Project Control Setup Process

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| Cost | Schedule | Risk | Contract |

Project Control Setup Highlights

The following sections highlight some aspects of Project Control Setup. For the detailed explanations, refer to our Practical Project Control Manager Handbook.

Assignment of Accountability and Endorsement of Budget and Schedule

This process is particularly important (but often overlooked) because it will identify responsibilities for forecasting across the entire Project scope, in a comprehensive manner. It involves:

- Assigning accountability for all sections of the scope in terms of Cost, Schedule and Risk to 'Scope Owners', after having consolidated the scope breakdown (WBS/CBS); practically this happens through the systematic assignment of each Work Package in the WBS/CBS to a single accountable person within the Project organization,

- Getting endorsement of individual budgets and schedules at the Work Package level by the 'Scope Owner',
- Developing and implementing a thorough Contract awareness program, including for each Project position, a mandatory knowledge level of certain sections of the Contract.

Establishment of Requirements for Suppliers and Contractors

The requirements for suppliers and contractors need to be prepared early in the Project, before critical purchase orders or contracts for services are proposed for bid. Their preparation needs to be coordinated by Project Control in close relation with Procurement.

The following describes in general what those requirements should cover. It is important however to scale those requirements to the size and criticality of the supply or service and taking into account the type of contract (lump-sum or reimbursable). In particular, the full requirements will generally only be needed for a limited number of key suppliers and contractors. The full set of requirements is unfortunately too often used across the board which is very onerous, in addition to creating many non-conformances that need to be managed.

Finally, some of those requirements might be negotiated by the suppliers or contractors. In that case, it is necessary for Project Control to be involved in the review of the deviations requested, in particular on the following two aspects:

- Assess the deviation from the Project risk profile standpoint,
- Assess whether the deviation jeopardizes the overall control of the Project.

The requirements to suppliers and contractors should include (in addition to the standard contractual clauses of the organization):

- Relevant Contract flow-down from the main contract, or general requirements applicable to all suppliers and contractors.
- Clarity on the relevant technical specifications and documents that are applicable for each contract or purchase order, and how any update will be transmitted,
- Relevant progress measurement standards to be used consistently by all suppliers and contractors.
- Contractual administration requirements
- Relevant interface management system between suppliers, contractors and the Project
- Clear as-built documentation requirements (format and timing). Associate the final payment to the as-built documentation delivery.

These requirements are generally brought together in a document called "special terms & conditions" that complement the "standard terms & conditions" of the organization.

The Educational Role of Project Control at Project Start-Up

The Project Control Manager must also ensure that relevant data is properly and timely recorded, and that individual functions do not implement changes in their systems that might jeopardize the overall data streams. In a large measure he needs to educate the entire team about their fundamental contribution to Project Control. This generally happens at two levels:

- to the entire Project Team,
- and to the Project Management Team.

The Project Control Manager must intervene regularly in town-hall meetings, and in particular during the first overall kick-off meeting with the entire Project team, to emphasize the importance of timely data recording.

In addition to general communication it is useful to remind function heads in the Project Management Team that should they intend to review and amend their processes, they should liaise with Project Control to check that they don't jeopardize the overall data recording and management architecture. It often happens that when individual functions try to optimize their processes they discard activities that do not add value to themselves but are extremely valuable for the entire Project.
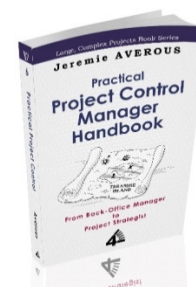
A thorough and early Project Control setup is essential for Project success

Conclusion

The Project Control setup is absolutely essential and needs to be performed urgently at Project Start-Up. A roadmap has been given that will ensure comprehensiveness and success.

Find all these principles of Project Control Management exposed in a comprehensive manner in our new Handbook,
Practical Project Control Manager Handbook
(now published, available in Paperback and Kindle versions!)

[all links to Amazon.com]