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.
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
Capture all the costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT STAFF COSTS</strong></td>
<td>• Overhead multiplier</td>
</tr>
<tr>
<td><strong>AGENCY / CONSULTANTS</strong></td>
<td>• Hours and rates, overhead multiplier</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td>• Travel and subsistence, consumed during the contract</td>
</tr>
<tr>
<td><strong>MATERIALS</strong></td>
<td>• Part of the deliverable</td>
</tr>
<tr>
<td><strong>SUB CONTRACT</strong></td>
<td>• Working to defined scope of work</td>
</tr>
<tr>
<td><strong>GENERAL COST CONTINGENCY</strong></td>
<td>• For identified and unidentified risks</td>
</tr>
<tr>
<td><strong>OTHER COSTS – FINANCIAL</strong></td>
<td>• Bonds, Insurance, Agency (overseas), Currency provision, Finance charges, Inflation, Other costs</td>
</tr>
<tr>
<td><strong>NEGOTIATING MARGIN</strong></td>
<td>• To be agreed before meeting the customer</td>
</tr>
<tr>
<td><strong>PROFIT</strong></td>
<td>• Sufficient to do good business but still win the work</td>
</tr>
</tbody>
</table>
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- An offer can be withdrawn before accepted but not after.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

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 on 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

(Transparency International)
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

- Scope Planning
- Activity Definition
- Activity Sequencing
- Duration Estimating
- Work Breakdown Structure
- Resource Planning
- £ + £ + £ = ££
- Cost Estimating
- Schedule Development
- Risk Analysis
- Project Plan
- Cost Budgeting
Risk Assessment: P-I Grid

Set thresholds

- **HIGH RISK**: urgent attention
- **MEDIUM RISK**: regular review
- **Low Risk**: monitor
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

Plan

Act

Check

Do
Control Changes from the Start

- Identify
- Evaluate impact
- Customer Approval
- Implement

Plan A

Plan B
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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<th>Period</th>
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<td>7</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>20</td>
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</table>
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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