



Notes Template for Moderators - 2018 Business Round Tables

Committing to Continuous Improvement

Nashville, Tennessee; Friday, November 2, 2018, 3:20 to 4:45 PM

Table No. (1 to 13): 4 Topic: Continuation of pre-conference workshop: Project Financial Management: Managing Self & Others

Moderators: Lee James and Dan Cassidy

Number of participants at 1st session: 6 Number of participants at 2nd session: 5

Insert an abstract of the topic here.

- Project Life Cycle
- Project Scoping Variations
- Getting the Project Started
- Tracking Project Progress
- Managing Project Changes
- Project Financial/Operational Reporting of Results

Expected Outcomes: Participants will walk away with specific tool and techniques that can be used to improved their project management including:

- Invest time doing the right things to improve efficiency of others
- Reasons project financial management is needed
- Communicating to maximize project success
- Traits of a good Project Manager
- Developing, communicating and assuring well-defined scope is completed
- Pricing and budgeting your services to comply with scope or work
- Assuring contracting & insurance needs are completed prior to work starting
- Managing project setup for successful on time and on budget performance
- How to kick off projects to communicate the 5 “W”s & how to assure success
- Using financial management systems to communicate and manage projects
- Managing invoicing and collecting of accounts receivable process
- Manage, mentor and teach project progress tracking from start to finish
- How to communicate, document and obtain changes
- Planning & reporting financial/operational results with benchmarking metrics

Briefly summarize the ten things from the discussion that were of most interest. This might include points discussed, concerns expressed, lessons learned, advice given, solutions offered, case histories presented, or anything else related to the topic. Expand the boxes as needed.

1	<ul style="list-style-type: none">• We need to focus on the <u>business</u> of engineering and science<ul style="list-style-type: none">◦ Most of us are and have good technical people, but how many focus equally on the business aspects?
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2	<ul style="list-style-type: none"> Remember one number - 10% <ul style="list-style-type: none"> Must have 10% profit before discretionary distributions and income taxes (discretionary distributions include bonuses and other distributions that are discretionary and not required) to assure on-going success and a sustainable internal ownership transition plan.
3	<ul style="list-style-type: none"> A lot of budget problems and write-offs occur because we don't develop and communicate a well-defined Scope of Work <ul style="list-style-type: none"> This is the case at the start of a project and too often at the end of a project Reasons are many including not enough time in budget to develop, I don't know what the scope should be, etc. All are unacceptable. If you cannot do, ask for help We fail to communicate it well, even if has been well developed. This is a must with our clients and our project team members
4	<ul style="list-style-type: none"> Scope creep is a profit killer <ul style="list-style-type: none"> Must have a well-defined scope of work to begin with, but PM must stay on top of the changes as they occur, communicate the change and get change in writing from the client before change work begins. Managing changes occur at the very start of the project and continues throughout until the end. Many times reasons changes are so difficult include not properly managing the start of the project. Managed properly, stronger relationships with clients will result with Service Provider obtaining more of what is deserved and clients obtaining better service/product.
5	<ul style="list-style-type: none"> A change order should be viewed as a way to better serve our client, not as a bad thing <ul style="list-style-type: none"> Think like a contractor, it brings more value and you clients should love you for it It's also a way to make more money The key is communication <ul style="list-style-type: none"> Must know what is occurring on project that can impact our services <ul style="list-style-type: none"> e.g. contractor's schedule changed, which extends project, which adds scope = change
6	<ul style="list-style-type: none"> Always try to create a lump sum price as an alternative <ul style="list-style-type: none"> This keeps service focused on value Must have very clear SOW so PM can know when a change of scope occurs T&M is a false security because clients still view that as a not to exceed It's more difficult for new clients, but works well for long term relationships PSMJ has reported that the firms that do lump sums are the most profitable Of course it doesn't work for some kinds of projects/clients (e.g. prevailing wages)
7	<ul style="list-style-type: none"> Don't sell cost, sell value <ul style="list-style-type: none"> Communicate to clients what value and solutions we will provide to project Don't break out costs, its only for internal use
8	<ul style="list-style-type: none"> It's important for firms to really understand its KPIs and how they work <ul style="list-style-type: none"> e.g. the relationship b/w chargeability and multiplier You must take the time to learn it...just like our technical profession Each firm does it somewhat differently. Irregardless, it's crucial that you understand how your company does it and manage your projects to assure technical quality, on-time and on-budget performance.

	<ul style="list-style-type: none"> ○ If every project manager delivers successfully on their individual projects, every firm will be successful.
9	<ul style="list-style-type: none"> • Lee stressed the importance of recording billable time daily and its impact on profitability <ul style="list-style-type: none"> ○ Most people forget what they did a week or even a few days prior ○ Most people lean toward charging fewer hours than more in situations where they are trying to remember what they did a week prior ○ If your firm does any work for the government, daily reporting time is required.
10	<ul style="list-style-type: none"> • Lee recommends everyone one of us take a course on NEGOTIATION <ul style="list-style-type: none"> ○ All of our clients have done it and routinely negotiate with us whether we know it or not ○ Obtain training on how to negotiate, or at a minimum, read Win-Win Negotiating by William Ury and Roger Fisher. It will benefit you – professionally and personally.

Summarize the three most important items from the discussion that should be shared with GBA members:

1	<ul style="list-style-type: none"> • Scope creep if a profit killer <ul style="list-style-type: none"> ○ Must have a well-defined and communicated SOW at start of project. Then PM must stay on top of the changes as they occur, communicate the change and get change and approval in writing from the client before the work is completed.
2	<ul style="list-style-type: none"> • We need to focus on the <u>business</u> of engineering and science <ul style="list-style-type: none"> ○ Most of us are and have good technical people, but how many focus equally on the business aspects?
3	<ul style="list-style-type: none"> • A change order should be viewed as a way to better serve our client, not as a bad things <ul style="list-style-type: none"> ○ Think like a contractor with changes bringing more value to clients, your clients respecting you for it when done appropriately and your firms making additional profit. ○ The key is communication to client and among your project team. <ul style="list-style-type: none"> • Must know what is occurring on project that can impact our services <ul style="list-style-type: none"> ▪ e.g. contractor's schedule changed, which extends project, which adds scope = change