

4-6 October, Nationals Park, Washington DC

# Demonstrating Project Controls Relevance to Executives:

*Quantifying the Business Impact of  
Speed and Accuracy*



 **Project Controls**  
**EXPO**  
Washington, DC - USA



**Ryan Kubacki, CEO**

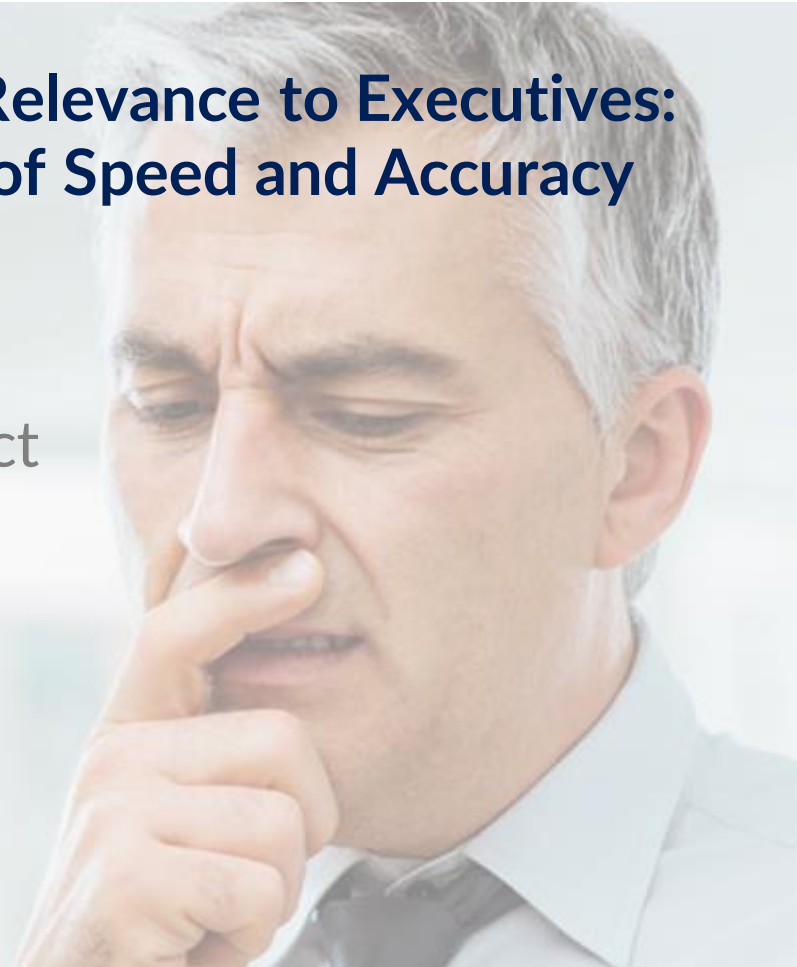


**Karl Vantine, CCO**



## Demonstrating Project Controls Relevance to Executives: Quantifying the Business Impact of Speed and Accuracy

Translate the importance of project controls through **business metrics** that speak to executive priorities



A construction site at sunset. A worker in a hard hat and safety vest stands in the foreground, looking towards a large concrete beam being lifted by a crane. The sky is filled with orange and yellow clouds, and the sun is visible on the horizon. The image is split vertically, with the left side in natural colors and the right side in a blue-tinted overlay.

Problems we all know

**27%**

*Average cost over-run*



**50%**

*Projects are delivered on time and on budget*



**3.8x**

*Projects are more likely to fail without full integration of systems and processes*



**75%**

*Probability of success if utilize project controls!*





What holds

business value?

## Executive Business Drivers:

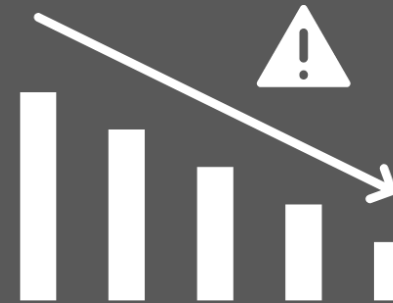
Grow Revenue



Reduce Cost



Reduce Risk



Empower  
Mission/Strategy  
Priority



## Optimize Project Spend & Performance

Reduce annual spending due to better forecasting & fewer overruns

Average annual reduction in project spending

**2%**

Ex. \$20M Per \$1 Billion in Annual Project Spend

## Account for Change & Maximize Efficiency

Reduce contract overspending due to improper change management

Average annual reduction in contract overspend

**4%**

Ex. \$4M Per \$100 Million in Annual Contract Overspend

## Improve Visibility to Make Informed Decisions

Reduce time spent on data collection, entry, and validation

Average annual reduction in FTE labor hours

**80%**

Ex. \$952K Per 10 Project Controls FTEs

## Managing Contracts & Getting Progress From Vendors

Reduce time spent on contract administration

% reduction in time spent on contract administration

**50%**

Ex. \$178K Per \$1 Billion in Annual Project Spend



A construction site at sunset. A worker in a hard hat and safety vest stands in the foreground, looking towards a large concrete slab being lifted by a crane. The sky is filled with orange and yellow clouds. The image is split vertically, with the left side showing the worker and the right side showing a blue-tinted view of the crane and slab.

What role does  
project controls  
play though?

# Challenge:

## Evaluating project spend and performance accurately to take corrective action when issues surface

- ✘ Missing full picture of performance across business units
- ✘ Lack of data validation and reliable SPI/CPI performance measures
- ✘ Unable to forecast and measure progress objectively

# Optimize Project Spend & Performance

Visualize project status, health indicators, data trends and forecasts

One step drilldown to identify the poorly performing project

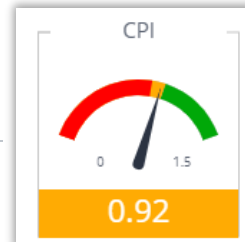
Reduce annual spending due to better forecasting & fewer overruns

Average annual reduction in project spending

# 2%

Ex. \$20M Per \$1 Billion in Annual Project Spend

Track your cost efficiency



Project Cost

Group	Project	Budget Period	Earned Period	Actual Period	Budget To Date	Earned To Date	Actual To Date	SV	CV	SPI	CPI
Australia	Sample Project E	104.8K	108.7K	108.6K	107.9K	110.9K	110.9K	2.98K	-4.48	1.03	1.00
	Sample Project F	0	0	0	0	0	0	0	0		
Australia Total		104.8K	108.7K	108.6K	107.9K	110.9K	110.9K	2.98K	-4.48	1.03	1.00
Canada	Sample Project C	163.0K	155K	155.1K	464.4K	416.9K	428.7K	-47.54K	-11.88K	0.90	0.97
	Sample Project D	269K	288.1K	453.5K	421.2K	428.3K	591.8K	7.06K	-163.5K	1.02	0.72
	Sample Project Z	374.3K	372.8K	453.7K	526.4K	513.0K	592.0K	-13.48K	-78.99K	0.97	0.87
Canada Total		806.4K	815.9K	1.06M	1.41M	1.36M	1.61M	-53.97K	-254.3K	0.96	0.84
United States	Sample Project A	347.2K	303.7K	282.9K	977.7K	833.3K	829.7K	-144.5K	3.54K	0.85	1
	Sample Project B	293.6K	261.5K	264K	963.2K	868.7K	878.9K	-94.43K	-10.19K	0.9	0.99
United States Total		640.7K	565.2K	546.9K	1.94M	1.7M	1.7M	-238.9K	-6.64K	0.88	1.00
Grand Total		1.55M	1.49M	1.72M	3.46M	3.17M	3.43M	-289.9K	-261.0K	0.92	0.92

Sample Project D > Navigation Level (All)

Group	Navigation Level	Budget Period	Earned Period	Actual Period	Budget To Date	Earned To Date	Actual To Date
Canada	Common Process Materials and Methods	0	0	0	0	0	0
	Concrete	0	0	0	0	0	0
	Electrical	0	0	0	0	0	0
	Existing Conditions and Site Construction	0	0	0	0	0	0
	Gas and Liquid Handling /Purification and Storage Equipment	0	0	124.7K	0	0	-124.7K
	General Requirements	0	0	0	0	0	0
	Owner Requirements	269K	288.1K	328.3K	421.2K	428.3K	467K
Canada Total		269K	288.1K	453.5K	421.2K	428.3K	591.8K
Grand Total		269K	288.1K	453.5K	421.2K	428.3K	591.8K

Accurately account for cost across projects

# Challenge:

## Controlling Project Changes and Preventing Overspend

- ✘ No Audit trail of project changes
- ✘ Unable to trace root cause of change
- ✘ Manual review and disconnected approval processes
- ✘ Cannot quickly evaluate the impact of changes

# Account for Change & Maximize Efficiency

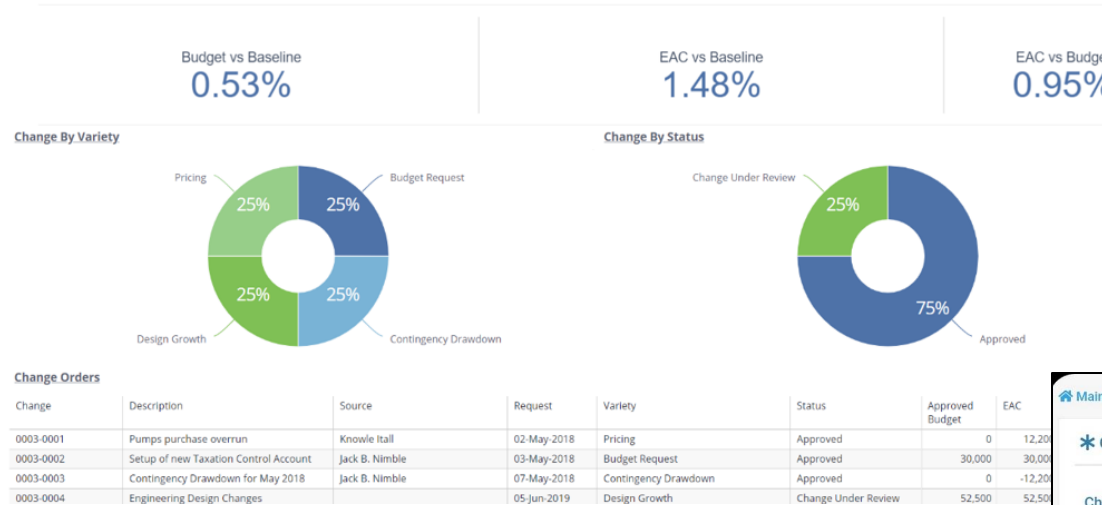
Proactively manage contract spending with a robust change management engine

Reduce contract overspending due to improper change management

Average annual reduction in contract overspend

4%

Ex. \$4M Per \$100 Million in Annual Contract Overspend



Advanced change management with workflows for an in-program user notification, action items, review and approval

Auto-generate the list of approvers based on PRE-configured delegation of authority policies

Main Menu / Approvals / Change Summary / 0005-0005

**\* Change Order Summary - 0005-0005** Approved Rejected

**Change Information**

Project ID: PROJECT A - Sample  
 Change ID: 0005-0005  
 Description: scope update  
 Details: This change is regarding a scope update in the concrete pouring volume. The revised amounts have been reflected in this change order

**Status Details**

Status: SUBMITTED -  
 Status Date: -  
 X Not Final

Comments

Change Orders - Approvals

1 of 6

Tools Generate Submit

User ID	Name / Description	Team	Authority ID	Sort Code	Approved Budget Change Cost	Control Budget Cost	Financial Budget Cost	EAC Cost
HOWARD			PURCHASE	1-A	1,000.00	0.00	0.00	1,000.00
OTTO			ESTIMATE	1-B	1,000.00	0.00	0.00	1,000.00
JUSTIN			COST ENG	1-C	2,000.00	0.00	0.00	2,000.00
BEN			SCHEDULE	1-D	2,000.00	0.00	0.00	2,000.00
EARL			CONSTRUCT	2-A	1,000.00	0.00	0.00	1,000.00
DONW			CONTROLS	2-B	2,000.00	0.00	0.00	2,000.00

Detailed Description Control Accounts Budget Details Approvals Documents Events Action Items Time Phased Data Setup Activities Links Revision History

Approvers receive email notifications and can utilize mobile devices to make decisions

# Challenge:

## Effective Reporting

*Can't Measure It - Can't Manage It!*

- ✗ Lack of data accuracy and consistency
- ✗ Reporting formats that don't engage executives or support decision-making
- ✗ Inability to get a quick understanding of what is going well and what's not
- ✗ No integration of data coding structures to support reporting across multiple projects

# Improve Visibility to Make Informed Decisions

Increase project deliverability and cost-efficiency to stay within budget

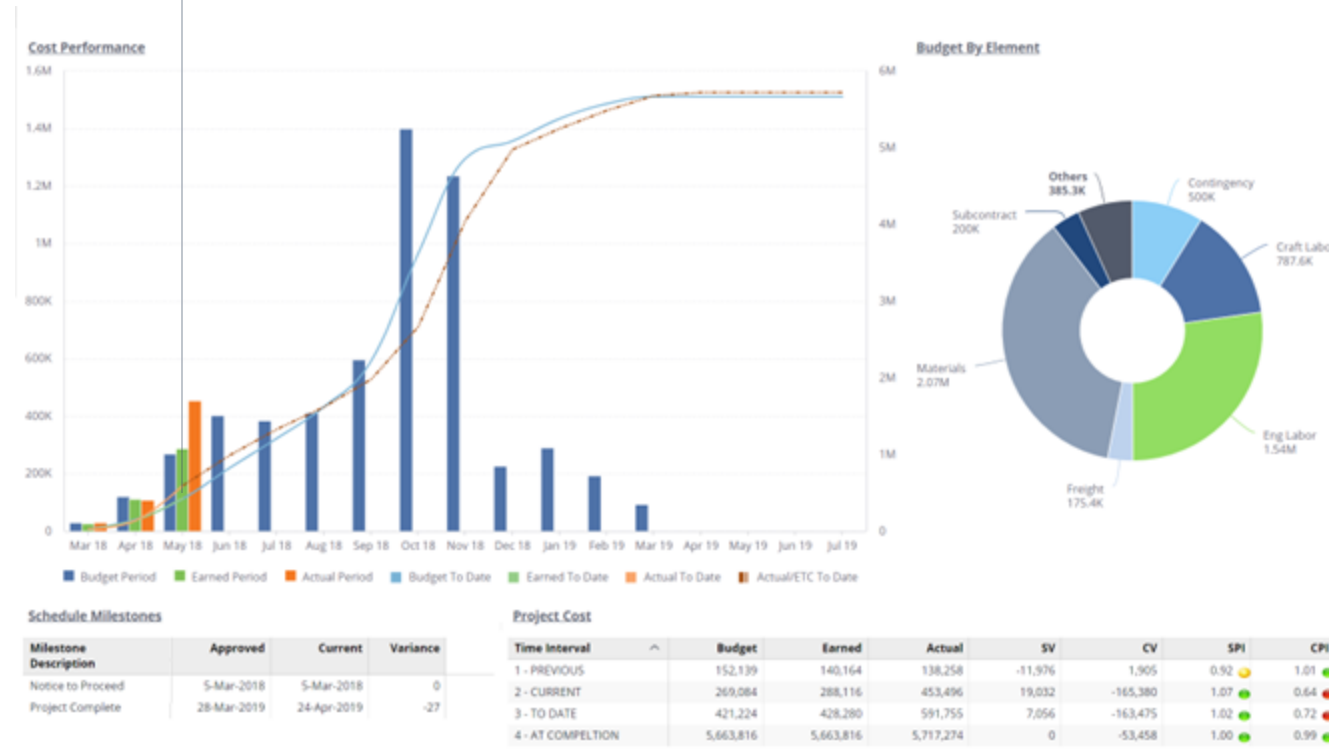
Reduce time spent on data collection, entry, and validation

Average annual reduction in FTE labor hours

80%

Ex. \$952K Per 10 Project Controls FTEs

Determine if project / contract is ahead or behind



Visibility into progress and performance indicators

# Challenge:

## Managing Contracts & Getting Progress From Vendors

- ✘ Contract progress comes in multiple formats
- ✘ No automation once contract is received
- ✘ Not receiving timely updates from contractors
- ✘ No ability to provide secure access to vendors



# Manage Contracts & Contractor Activity

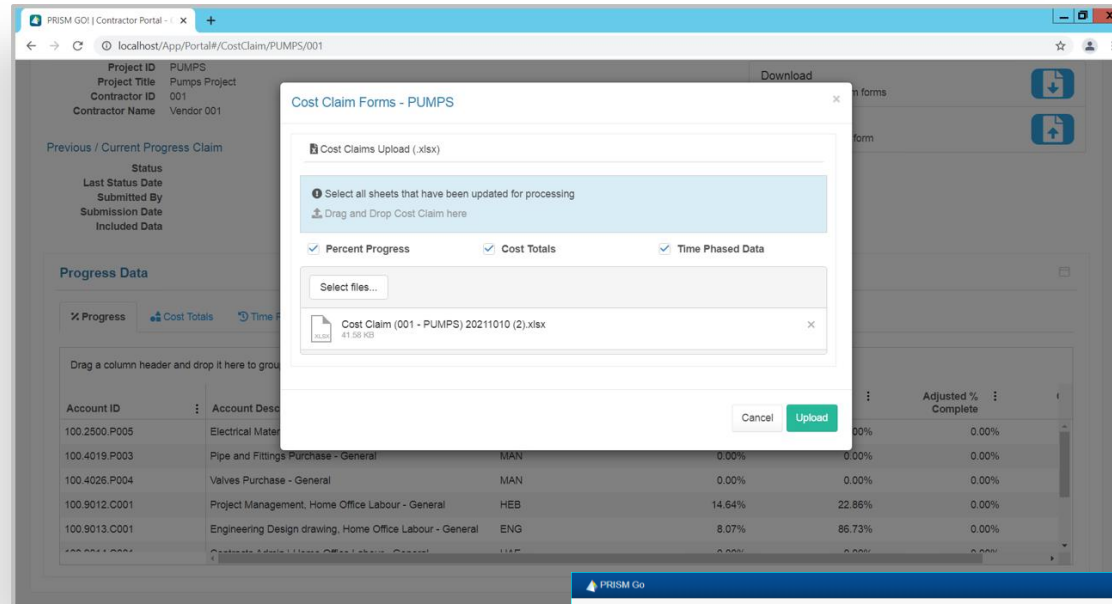
Organize contract milestones, utilize pre-built reports and track contract-level progress

Reduce time spent on contract administration

% reduction in time spent on contract administration

50%

Ex. \$178K Per \$1 Billion in Annual Project Spend



Gated contractor access for data viewing, template downloads and uploads

Contractor Portal provides visibility into the progression of contractor claims, allowing you to track progress

Contract Information

Project ID: PROJECT Z  
Project Title: Sample Project Z  
Contract ID: C002  
Description: Surveying Services  
Contractor ID: SMRT001  
Contractor Name: Smith & Sons Surveying Limited

Previous / Current Progress Claim

Status:  Accept  
Last Status Date: 6/28/2022  
Submitted By: ADMINISTRATOR  
Submission Date: 6/28/2022  
Claimed Hours:   
Claimed Costs:   
Invoiced  
Approved Invoices:   
Latest Invoice Date: 5/13/2022  
Invoice ID:   
Status:   
Reject Submissions:   
Reject the current submission

Contract Pay Items

Item	Description	Price Unit	Unit Price	Quantity Unit	Original Quantity	Change Quantity	Approved Quantity	Proposed Quantity Installed To Date	Adjusted Quantity Installed To Date	Quantity Installed Previous	Quantity Installed This Period	Quantity Remain...	Original Hours	Approved Change Hours	Approved Hours	Proposed Hours Worked To Date	Adjusted Hours Worked To Date	Hours Worked Previous	Hours Worked This Period	H	Rema
001	Surveying Work - Potable Water Area	LOT		1.00	1.00		1.00						65.00		65.00						
002	Surveying Work - Fuel Storage Area	H	219.00	1.00	1.00		1.00						90.00		90.00	50.00	50.00				



But how do



you prove it?



Find a sponsor that cares about your project

Know the company's overall business goals

Identify the high impact projects within the org

Drive internal alignment for your project

Accelerate, integrate, and automate the process



## Find Executive Sponsorship

- ✓ Invested in the project
- ✓ Has decision-making authority
- ✓ Understands the mechanics of the organization to influence movement

Find Executive  
Sponsorship

## Understand Corporate Initiatives

- What are the overall business initiatives, mission and strategy?
- Why is the company prioritizing this?
- Who is making it a priority?
- When does this timeline need to be met?



Understand  
Corporate Initiatives

# Determine Important Metrics

## Sample Questions to Ask:

- Number of new projects per year?
- Time required to setup new project?
- Time spent on data collection, entry and validation per month?
- Time spent on ad hoc reporting?
- Number of team members involved in reporting?
- Number of days needed per period close out?
- Time spent per month of change management?
- Number of audits/oversight issues per year?

Select Industry	<input checked="" type="checkbox"/> EPC	<input type="checkbox"/> Owner/Operator
Average number of new projects per year	<input type="text" value="10"/>	
Average annual value per added project	<input type="text" value="\$ 2,500,000"/>	
Average annual project spending across all projects	<input type="text" value="\$ 5,000,000"/>	
Average percent by which contract budgets are overspent due to improper change management	<input type="text" value="5"/> %	
Average annual budgeted contract spend across all contracts/projects	<input type="text" value="\$ 5,000,000"/>	



## Consolidate & Share with Sponsor

- Sharing should be a collaborative process and not just informative.
- Provides an opportunity for the sponsor to contribute to and invest in the initiative.



Share with Sponsor



## Accelerate Process

- Accelerate, integrate, automate the process
- Remember, don't wait... START!





A nighttime cityscape with a multi-lane highway in the foreground. The highway shows long-exposure light trails from cars, with white and yellow streaks on the left side and orange and red streaks on the right side. In the background, several tall skyscrapers are illuminated with lights, and the sky is dark blue. The overall scene is a vibrant, modern urban environment.

ARES PRISM Software is

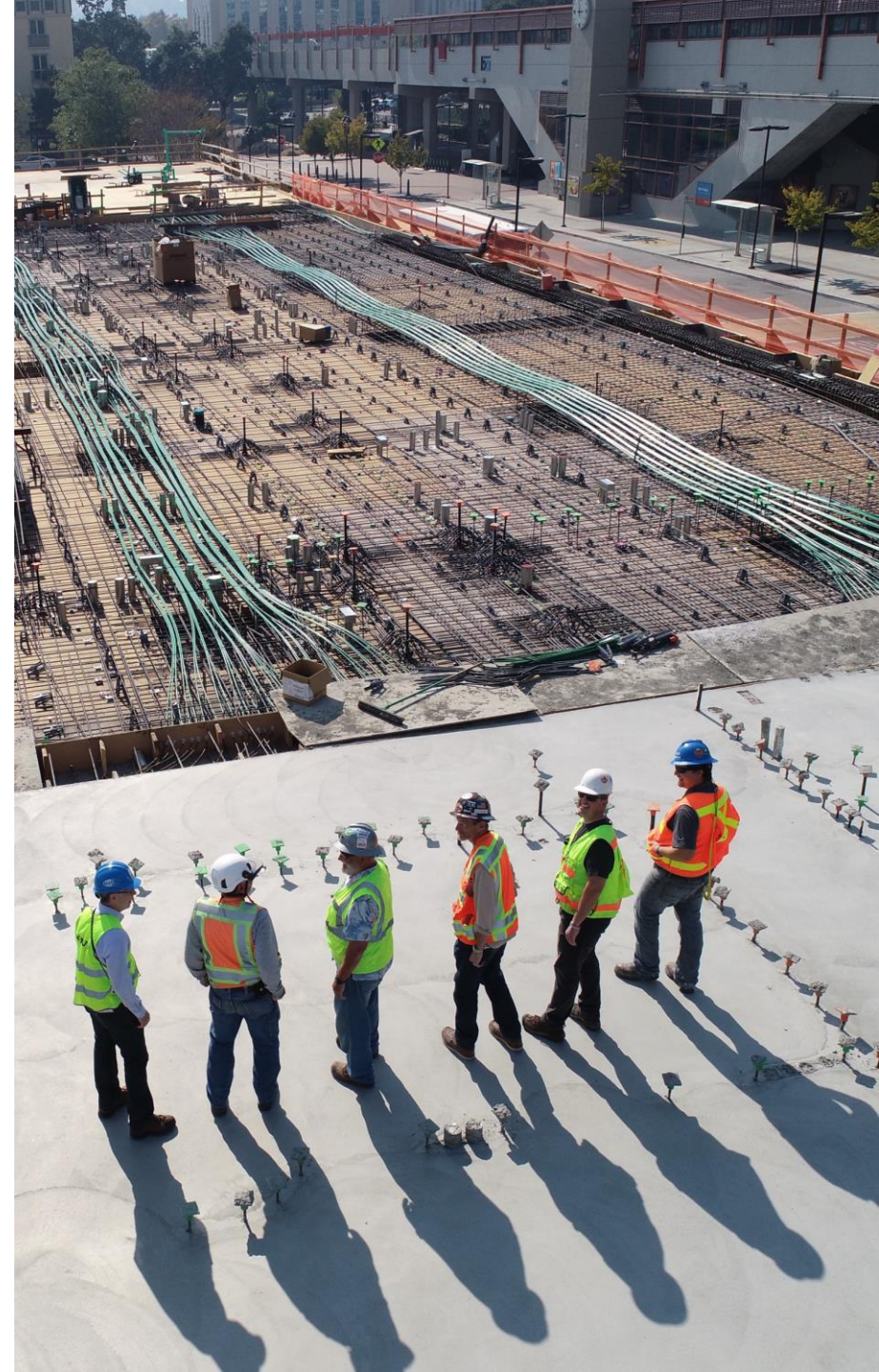
# Faster to Deliver

- ✓ Accuracy
- ✓ Implementation
- ✓ Integration
- ✓ Compliance
- ✓ ROI

# Hobson & Co. Sample Case Study:

Imagine building a largest rail project:

- Annual spend of **\$1 billion** across all projects
- An average of **10 new projects** per year
- **8 days** needed for the period close-out
- Average budget overspend of **10%**



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**See your ROI  
in real life at  
ARES PRISM  
Booth #34**



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# THANK YOU