Data Integration Throughout the Project Lifecycle

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ARES Software UK, LLC
Agenda

• Common Challenges & Manage Risk
• Your Main Link for Performance Measurement - Control Accounts
• Data Integration throughout the cost management lifecycle Requirements
• Special Focus: Cost & Schedule Integration
• Methods for Transferring Data
• A Little about ARES Software and PRISM$^G_2$
Common Challenges

**Management**

- Surprises and delays occur because our information is 3-4 weeks old by the time we get it
- Lack reliable view of performance across portfolios/enterprise
- We only know when a problem has already occurred ... lack trend, risk information and change process
- Implementing a new system can take over a year and $1M+

**Project Controls**

- Need single point data entry for cost, schedule, and budget development
- Project controls is too busy collecting/validating data and generating reports to manage risk and provide insight
- Limited view into Changes and their impacts at the project and enterprise level
- SAP / Cost Management Integration must be painless and provide quick validation of data

_**Projects that are more than 10% behind cost or schedule, rarely recover the losses ... Key is to catch issues & trends EARLY!**_
“Strategic” Project Controls

Percentage of Time Spent by Project Controls

“Current State”
- Cursory Analysis
- Custom Reports
- Redundant Data Collection & Manual Validation

“Desired State”
- In-depth Insight & Corrective Actions
- Flexible Dashboards/Reports and Predictive Trends Analysis
- Simple, Automated Data Entry & Validation

“50-80% of Project Controls’ time spent manually validating data & producing reports”

“Project Controls Eliminating Surprises & Saving the Company $MM Annually”
Manage Risk

• In spite of best efforts, projects fail
  • Schedule Issues
  • Cost Issues
  • Quality Issues

• To execute projects and programs with confidence
  • Acknowledge risk
  • Plan for risk
  • Assess & analyze the impact of risk
  • Communicate risk
  • Reduce exposure to risk
Project Initiation

*Developing a Performance Measurement Baseline*

- Performance Measurement Baseline
  - $, Hours, Quantities
  - Control Accounts
  - Spend Plan

**Performance Measurement Baseline**

- Estimating
  - $, Hours, Quantities

- ERP/Accounting
  - WBS
  - Contracts
  - Rates

- Scheduling
  - Activities
  - Resources
  - Codes
  - WBS

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Cost / Schedule Integration

Method 1 – Cost Loading a Schedule

- **Estimate**: PRISM Project Estimator, Other Commercial Systems, Excel, Etc.
- **Schedule**: Oracle Primavera P6, MS Project, Excel
- **Control Accounts**
- **Time-Phased Performance Measurement Baseline**
Method 2 – Developing a “Time Phased Budget”
Integrate Cost & Schedule

Estimating
- Budget Detail
- Estimate Integration
  - Excel Spreadsheets
  - Commercial Estimating Software
  - PRISM Project Estimator
  - Combine Estimates from Multiple Sources
- Unit Price Estimating
- Estimate Reporting
Integrate Cost & Schedule

Schedule Integration
- Oracle Primavera P6
- Microsoft Project
- Import
  - Schedule Activities
  - Schedule Resources
  - User-defined Coding
Integrate Cost & Schedule

Financial Integration
- Import
  - Actual Costs
  - Commitments
Integrate Cost & Schedule

Data Integration
- Bi-directional automated interface
  - WBS Elements
  - Estimates/Budgets
  - Actual Costs
  - Commitments

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Project Execution
Automated Data Collection & Validation

Seamless Primavera P6 and MS Project Integration
Progress, Engineering & Field Status, Schedule Changes

Complete Cost Management System

Capital Planning & Time-Phased Budget
Collect Actuals & Measure Progress
Change Management
Calculate Performance & Analyze Variance
Analysis, Reporting, Corrective Actions

- Integrated EVM
- Consolidated Performance
- Forecast/Commitments
- ANSI 748 Compliant
- Dashboards/Reporting
- Engineering, Procurement & Construction Progressing

Scalable & Proven ERP/Accounting Integration
SAP, Oracle, JDE, Spreadsheets
Actuals/Commitments (Hrs, $, Quantities)

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Management throughout the Project Lifecycle

Engineering
- Engineering Deliverable
- Budgeting & Tracking
- Progress Measurement
- Engineering Performance
- Forecasting
- Reporting
Management throughout the Project Lifecycle

Procurement
- Purchase Requisitions
- RFQ’s and Purchase Orders
- Change Management
- Shipment Expediting
- Auto Populate Commitment in Cost
- Invoice Management

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Management throughout the Project Lifecycle

Contracts
- RFQ’s and Contracts
- Change Management
- Progress Measurement
- Auto Populate Commitment in Cost
- Invoice Management
Management throughout the Project Lifecycle

- Construction
  - Rules of Credit
  - Remote Access
  - Progress Measurement

- Control Account Management
- Estimating
- Engineering
- Procurement
- Contracts

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Schedule Integration
Get the project team on the same page at the same time
Total Cost Management

- Time-phased baseline budget
  - Estimate Integration
  - Resource Planning
  - Schedule Integration
- Progress Measurement
  - % Complete Calculations
  - Accounting Integration
  - Commitments
- Performance Measurement
  - Earned Value Analysis
  - Variance Analysis

- Change Management
  - Trends
  - Risk Identification
  - Change Control
- Funding Management
- Forecasting
- Reporting
PRISM\textsuperscript{G2} Complete Cost Management Solution
Sample Enterprise Dashboard With Graphing and spreadsheet format (download to Excel)
Sample Project Dashboard With Key Performance & Project Narratives
Executive Summary

Pumps Replacement Project
Project No: 1234-56
XYZ Corporation
Cost in USD

SCOPE OF WORK
Project for the design and installation of new (2) new pumps respectively in the Portable Water (area 150) and Fuel Storage (area 173) areas in order to provide better service to the existing tools in those areas. The existing pumps in the areas have been previously removed and are not part of the scope of work. The project includes the design, procurement and construction of new foundations, piping, electrical work and instrumentation for the pumps.

SCHEDULE PERFORMANCE
Currently 4 weeks behind approved schedule. Forecasted total project completion on schedule.

COST PERFORMANCE
Work accomplished to date is 80% more than the budget earned. Forecasting a $1,000,000 overrun at project completion.

Cost in USD

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MILESTONES
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## Time Phased Performance

### Pacific Northwest Refinery Refurb

**Reporting Period 8: Ending 8/31/11**

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## Manage Performance

### Performance

Pacific Northwest Refinery Refurb

Reporting Period 8: Ending 8/31/11

Cost In: $

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Total Cost Management with ARES PRISM

Eliminate Surprises That Lead To Delay Or Cost Overrun

- Eliminate risk with real-time integration by aligning budget, scheduling and incurred costs
- Enterprise dashboards, project reports, graphics and KPIs that deliver early warning to problems
- Remote accessibility for executives and/or contractors for timely information

Single Record of the Truth

- Cost & schedule forecasting across the project, portfolio, or enterprise
- Measure performance and productivity using cost, hour and quantity controls
- Simplified month-end reporting to reduce FTEs
- Analyze data versus reporting history

Low-Risk Configured “Out-of-the-box” Solution

- Standard solution with enterprise structures, configurable metrics required to meet business processes with NO custom programming required
- Role-based interfaces to streamline processes and consistency
- Rapid implementation with immediate ROI
Benefits: Empower Project Controls

• Timely, accurate information on actuals and trends can eliminated $100K to 1M+ in surprises and significant delays

• Save up to 50% in Project Controls effort in data collection, validation and reporting... enables predictive analysis and insight on trends via dashboards and reports

• Configurable Solution allows for implementation in months vs. years and saves up to $1M in integration, implementation, and custom reports

• “Single version of the Truth” via a trusted source for Project Information, KPIs, and trends
Questions?

Thank you,
Nick Brown
nbrown@arescorporation.com

www.arescorporation.com/prism