THREE TIPS FOR ATTAINING PROJECT FINANCIAL CONTROL IN THE CONSTRUCTION INDUSTRY

Project financial control involves more than summing historic values, it needs the controller to map the consequences of potential events and adjust the sliders to influence the outcomes. Like a DJ dropping the next track, the controller should drive the cadence and be ahead of the crowd. Here are three tips for getting into that space in the construction industry.

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1. EMPLOY EXPERIENCE, ENTHUSIASM AND ENERGY As a former project financial controller myself, I know the tools and mindset required to attain control. Which is why recruiting the right person is essential. In order to understand the correlation and potential outcomes of events, you must be actively involved in them. In order to affect the outcomes of those events, you must be part of the team that can make the necessary changes. In short, successful project financial control requires an equal share of desk-based and site based work. Influencing site and office-based workers and boards alike requires a large commitment involving persuasion and negotiation, only made possible by experience, enthusiasm and energy. “If the controller’s boots are clean then chances are they are not in control.”

2. UTILIZE THE CONTROLLER’S TOOLKIT Supporting the controller is the toolkit. A suite of essential auditable information. It is a series of components that present the project commercials and enable the fine-tuning of outcomes, comprising:Reports

Cost and income statements, project cash and revenue and margin trading incorporating actual, forecast and budget and allowing the outcomes of scenarios. Projections Subcontractor performance and management, procurement schedules, cost curves, and billing, revenue and margin trading schedules. Registers Managed risks and opportunities, insurances, guarantees, liquidated damages, letters of credit and currency based treasury management.

At IFS, We Understand Construction Industry Requirements. Our Project Software Is Delivered With An Integrated Controller’s Toolkit And Seamless Integration Throughout Our ERP.

3. SYNERGIZE THROUGH INTEGRATION The toolkit in its own right is useful, but when the components are digitized and integrated, it forms a control system capable of incorporating chosen salient information from within a singular ERP solution. The benefits of this are speed, accuracy and security, but they also enable the controller to connect information to perform scenario play and gain insight into the outcomes from changes made from within some of the components of the toolkit. At the heart of the system is the risk and opportunity register, which is fed by the projections and operations planning and in turn, feeds the performance outcomes in reports. It is here that the scenario bases are laid out for testing either individual scenario injection or Monte Carlo analysis. The resulting outcomes of the scenario play lead to risk management/mitigation strategies which ultimately de-risk the project. None of this is plausible without an integrated solution. At IFS, we understand construction industry requirements. Our project software is delivered with an integrated controller’s toolkit and seamless integration throughout our ERP.