



The value of project management

STEPHEN OSUHOR – DIRECTOR, DRIVER TRETT UAE OUTLINES THE KEY ASPECTS AND BENEFITS OF ENGAGING A PROJECT MANAGER, ESPECIALLY IN THE EARLY STAGES OF A PROJECT LIFE CYCLE, AND THE VALUE THIS DELIVERS TO THE CLIENT.

Project management can mean different things to different people, but essentially it is the application of proven and repeatable processes and techniques in order to achieve project success. Project management does also require intuitive skills and experience, given that the processes involve managing and relating to people and all projects will have unique situations.

Prior to my current role, I was a project director for a private sector development company overseeing large mixed-use schemes. I always found that the advice and assistance from my most trusted project management consultants was invaluable, and the relationships we built over time meant that they could often anticipate my requirements, in advance of me giving any specific instructions.

In my experience, the benefits of appointing a project management consultant will come from hiring a good professional at the very start of the project. The project manager (or person leading the project management team) should be the client's right-hand man right from the very beginning, and someone that the particular client has a natural affinity to.

It naturally takes some time to develop a relationship with an external consultant,

and during this bedding-in period the client should try to divest as much of their own knowledge as possible. The project manager needs to benefit from the client's depth of knowledge in their own field of business and understand the traits that are specific to that client organisation. At the same time, the client needs to benefit from the structure and experience that a good project manager will bring to the implementation of their project, right from concept stage.

In the UAE, we tend to find that a lot of disputes have arisen due to lack of adequate planning at the inception stages of the project, and also a lack of appropriate risk management processes being implemented to manage the inevitable issues that arise.

“Plans are worthless. Planning is essential.” - Dwight D. Eisenhower

Some of the main areas of benefit that a project manager can bring to any project are as follows:

PROJECT BRIEF

This is one of the main areas where many major project failures can be traced back to. An incomplete, inadequate or ill-informed project brief can set the project off on a path that gives it little chance of success. Whilst eventually there can be some re-adjustment of the project in order to bring it back into line, invariably such re-adjustment will come at the expense of time, cost and quality which will invariably result in overall dissatisfaction.

The project manager will assist the client in writing a brief that comprehensively covers all aspects of the development process, and is not just confined to the intended building uses, design aspirations, and commercial objectives. If the brief needs to remain flexible initially (for example, can the concept be developed to suit either hotel or residential apartments?), the specific parameters for flexibility will be clearly defined so that time is not wasted in pursuing irrelevant or inappropriate options.

DESIGN DEVELOPMENT AND COST PLANNING

These front-end activities need to be carried out with absolute rigour, so that the results of the project team's efforts are precise and relevant to the project brief. It is very difficult to go back to the drawing board once the design process has reached a certain stage, it is therefore critical to ensure that the work is accurately validated at each key decision stage, right from concept sketches through to tender and beyond.

Quite often, organisations consider that large elements of a project can be addressed later in the project cycle and will make cost allowances by way of provisional sums. Rarely do these provisional sums get expended without significant risk to the overall aims of on-time and on-budget project delivery.

The project manager will instigate a formal process of continuous review to ensure that these activities stay on track.

RISK ANALYSIS AND MANAGEMENT



It is quite often the case that the first in-depth risk analysis is carried out much later in the project delivery phase than it should be. This is mainly due to lack of appreciation of the benefits of recording known and perceived risks at concept stage.

The project manager will set up procedures to assess, record, and manage the risk profile for the project, which typically requires the input from many different sources at various stages. The method of disseminating the risk information is also an important consideration for the project manager; in order to ensure that recipients, with varying perspectives, will be able to digest and act upon the information rather than ignoring it because they do not fully understand the implications.

PROCUREMENT ADVICE



The method of procurement for any project should be selected on the basis of the specific criteria relating to that project. Where the client has an absolute desire to utilise a particular procurement route, the whole project needs to be aligned to

the chosen route. It sounds obvious, but a project should not be procured through a traditional route if there is not enough time, or funding, to produce a very detailed design and specification prior to tender. Similarly, it is not wise to contemplate a design and build route without permitting sufficient scope, within the tendered design and specification, for the contractor to carry out its own design.

The requirements for risk transference in any procurement route and the method of doing so, must be assessed by the project team, agreed with the client, and accurately recorded within the contract documents. Failure to do so will only result in problems somewhere down the line. There are many horror stories that have arisen due to attempts to try and hide risk transference to the contractor, on the basis that this might result in lower tender prices. This is sheer folly, because when such risks are realised the whole project will inevitably suffer – irrespective of where the contractual liability eventually rests.

The project manager will assist the client in reviewing every aspect of the project and the client's key objectives relating to time, cost, and quality. This can then be used to formulate a robust procurement strategy which includes explicit risk transference. The project manager will subsequently ensure that all members of the project team remain focused on delivering in accordance with the strategy approved by the client.

To summarise, professional and disciplined project management can provide very important benefits and ensure that specific project objectives are effectively accomplished.

It is widely accepted that time is money. A dedicated project management resource, which by its nature will introduce structured and managed processes, provides opportunities for time and cost savings

over the lifecycle of any project – whether it is through obtaining timely approvals, ensuring professional validations, or just the ability to bring focus to bear on critical tasks without being distracted by other competing business interruptions.

Organisations that continually develop and improve their project management capabilities are proven to increase their competitive advantage and reduce their

TENDERING AND CONTRACTOR SELECTION



The process of pulling together all of the necessary documentation for tendering purposes is one that requires a high degree of diligence, in order to ensure nothing of relevance will be missed. It should never be limited to just the design, specification and pricing documents. For example, there could be particular aspects of an anchor tenant's requirements that need to be considered within the phasing and handover processes.

The shortlisting of contractors, and their eventual selection, must not only be done by reference to matters such as technical ability and financial stability, but also other 'softer' issues such as affinity to the incumbent project team. For example, if the lead designer and contractor do not appear to be able to relate to each other, or have historic issues between their respective organisations, this can result in major problems further down the line.

The project manager will instigate robust procedures for the selection process, which will seek to ensure that the correct decisions are made, and for the right reasons.

THE PROJECT MANAGEMENT PLAN



Every project should have a specific project management plan (PMP), which sets out the procedures and requirements for managing the project. Some of the procedures might be generic, but most should be tailored to ensure that the structure and processes within the client organisation are accurately reflected. The PMP is an invaluable

tool in communicating the many facets of good project management to the relevant key personnel on the project. It is also something that should be continually monitored and updated where necessary or appropriate.

The project manager will commence preparation of the PMP early in the project cycle, and ensure that it is a robust document prior to the tendering process. The PMP should therefore be included in the tender documentation, so that the tendering contractors can take heed of all the necessary project control procedures and make due allowances within their pricing.

risk. A Project Management Institute (PMI) study shows that projects carried out by organisations that are high performing in project management, meet original goals and business intent two and a half times more often than those in low performing organisations (90% vs 36%). High performing organisations also waste about 13 times less money than low performers [source: PMI 2015 Pulse of the Profes-

sion®: Capturing the Value of Project Management].

The main characteristics of a project will not change regardless of whether project management processes are applied or not. The value of project management is that events within the project will be dealt with proactively, rather than in a haphazard and reactive manner, which in turn increases the chances of success. ■