

White Paper

Project Management using simPRO Enterprise

Project Management: An Overview

The world of project management is complex and the details vary greatly from industry to industry but, ultimately, project managers have to be on top of the same issues regardless of the sector in which they operate.

Over the last 10 years, technology has greatly enhanced the ability of project managers to manage those issues and it has substantially changed the role.

Where traditionally project managers used an eclectic mix of software, whiteboards and spreadsheets, today they have at their disposal software tools to manage every aspect of a project.

Why we have project managers

As with business, every project carries potential risk and reward. Navigating the rapids and roadblocks that a project throws up is the project manager's art.

The best project managers cut through obstacles to bring their jobs in on time and on budget.

Beyond resolving problems, a project manager will also ensure that the business gets the outcome it wants from a project. That may mean putting more emphasis on managing one part of the project or another.

Common problems

Project managers face a wide variety of challenges which vary from project to project.

Bought projects

One common challenge is where a project has been "bought", or estimated knowing it will make a loss, in order to pick up the maintenance contract at the end.

In this scenario, the project manager will be forced to manage costs much more strictly than they otherwise would, sometimes at the expense of another part of the project.

Thankfully, this function of the project manager has been made easier by technology which allows them to get a helicopter view of the project, then do a deep dive into areas that need specific attention.

Variations

Every team that has been involved in projects knows the rollercoaster ride of winning a project and cracking the champagne only to be seized by panic later as someone asks the question "oh no, what have we forgotten".

When the project folder lands on the project manager's desk from the estimators, the first thing lots of project managers do is start looking for alternative ways to execute the project in order to reduce a key risk, bring it in earlier or save costs.

This is a very common step, especially in design and construct jobs or projects that involve technology that is being continually updated such as lighting, AV or electronic security.

Tracking the revised costings and project plan against the original estimate is vital to ensure that even if the project has over-runs it still comes in on budget or better than budget. If there is a variance in this for the project, what is it and what impact is that going to have on the project outcomes?

Timelines

Managing timelines and deadlines is also a complex task, as is juggling the dependencies of what needs to be done before the next phase can be started. Relying on specialist tradespeople to deliver to the project on time without holding up the rest of the job is a common source of sleepless nights for project managers.

Being let down by those specialists or not managing this effectively can cause huge time and cost blowouts on the project. Modern technology really helps with this as these deadlines and tasks can be managed and time-lined. Many enterprise systems will even give the project manager a reminder that certain tasks need to be completed in time to ensure smooth management of the job.

Cost control

Of course, executive sponsors and financial controllers tend to give most scrutiny to the management of the costs and resources on a project.

Making sure jobs are brought in on budget is paramount to success in the project management world so the business can meet its fiscal objectives.

Creating more profit than anticipated on a job generally equals success. Serious project management software allows project managers to control the costing situation across the entire job, forecast what they believe will occur as the job is rolling and manage the cost-to-billing ratios.

This type of system allows users to view where cost anomalies are occurring and adjust to suit.



Cost
Estimating

Cost
Budgeting

Cost
Control

Stakeholder management

Managing stakeholders is also an important part of any project. A project manager needs to have effective communication skills to keep management, staff, contractors and, most importantly, customers in the loop with what's happening, what's expected of them and what they need to know.

If a project is run with an effective communication system, task management system, stakeholder management system and customer relationship management system, it will all come together to provide transparency so everyone knows where they stand and where the project is up to.

Even the best laid battle plans never survive contact with the enemy and variations can also play havoc on a project. But are they an opportunity or a risk? Often the management of variations on a project can make the difference between a profit or a loss.

The world of simPRO project management

On top of our own experience in the field, working with thousands of organisations across 17 countries has taught us a thing or two about project management and what busy trade contractors need to manage their jobs effectively.

simPRO provides the tools required by project managers to bring their jobs in on time and on budget, while providing effective communication and keeping all the risks associated at bay.

simPRO Enterprise is a complete business management system for trade service and contracting companies which manages the workflow right through from the initial lead tracking to estimating, project management, scheduling, stock allocation and ordering, task management and invoicing.

simPRO then leverages off third party accounting software to manage the fiscal reporting for the business by interfacing and posting all the relevant information from the operational tool across to the general ledger.

Quoting

Sales teams and Business Development Managers can use leads to track opportunities through the pipeline then pass them across to the estimators to put together the costings. When estimators are building their quotes, they have tools at their disposal to break the job down into sections.

Cost centres then build their budgets up with different pre-built libraries of templates, assemblies and supplier catalogues. During the negotiation phase with the customer, the estimators have access to be able to adjust mark-ups and costings at the itemised level, pull in a supplier's specific project pricing or just adjust at an overview what the margins on the jobs should be.

If the form templates are also built into the system so the quote can be set to the customer looking the same each time. This gives the business peace of mind, knowing that nothing is being missed and that everything is going out with a consistent brand image.

Quotes / Project Quote #1486

Details Cost Centre List Project Overview Cancel Save Finish

Materials Quote Materials Resources Quote Resources Adjustments Quote Adjustments

Customer: abc Site: stane street pulborough west sussex r20 1dj Quote Total: £9,624.84 More Detail

Adjustments

Materials

Total Material Cost £ 1,007.86 Adjust Material Sell £ 3,259.84 Adjust Material Markup % 223.441747

Resources

Total Adjustable Hours 118 Global Adjust Hours Will Adjust Hours by % Adjust Labour Markup % 92.8787878

Fee or Discount

Adjustment Type Down (Discount) Up (Fee) Value £ Percentage %

Update Quote

Summary

Item	Estimated
Materials Cost	£1,007.86
Resources Cost	£3,300.00
Materials Markup	£2,251.98
Resources Markup	£3,065.00
Sub Total	£9,624.84
VAT	£962.48
Total	£10,587.32
Gross P/L	£8,286.98
Gross Margin	86.10%
Nett P/L	£5,316.98
Nett Margin	55.24%

When the project is handed across to the project manager it is an open book in simPRO Enterprise. They can make adjustments to some of the allowances without changing the contract price and can see the effect their changes are having on the original budgets.

Jobs / Project Job #26947

Details Cost Centre List Project Overview Cancel Save Finish

Summary Job Summary Info Description & Notes Settings Job Settings Forms Print & Email Tasks Job To Do's Attachments Job Attachments Logs Job History

Customer: AA Fire and Training [Change] Site: Head Office [Change] Job Total: £360,734.02 More Detail

Summary

Item	Actual	Estimate	Revised
Materials Cost	£0.00 [£123,409.67]	£141,243.49	£141,243.49
Resources Cost	£15,925.00	£87,662.47	£87,662.47
Materials Markup	£60,209.11	£42,376.29	£42,376.29
Resources Markup	£161,190.25	£89,452.78	£89,452.78
Adjusted	£0.00	£-0.01	£0.00
Sub Total	£360,734.02	£360,734.02	£360,734.02
VAT	£72,146.81	£72,146.81	£72,146.81
Total	£432,880.83	£432,880.83	£432,880.83
Gross P/L	£223,674.35	£210,724.28	£210,724.28
Gross Margin	62.01%	58.42%	58.42%
Nett P/L	£221,399.35	£131,828.06	£131,828.06
Nett Margin	61.37%	36.54%	36.54%
Invoiced Value	£0.00	£0.00	£0.00
Invoice Percentage	0.00%	0.00%	0.00%

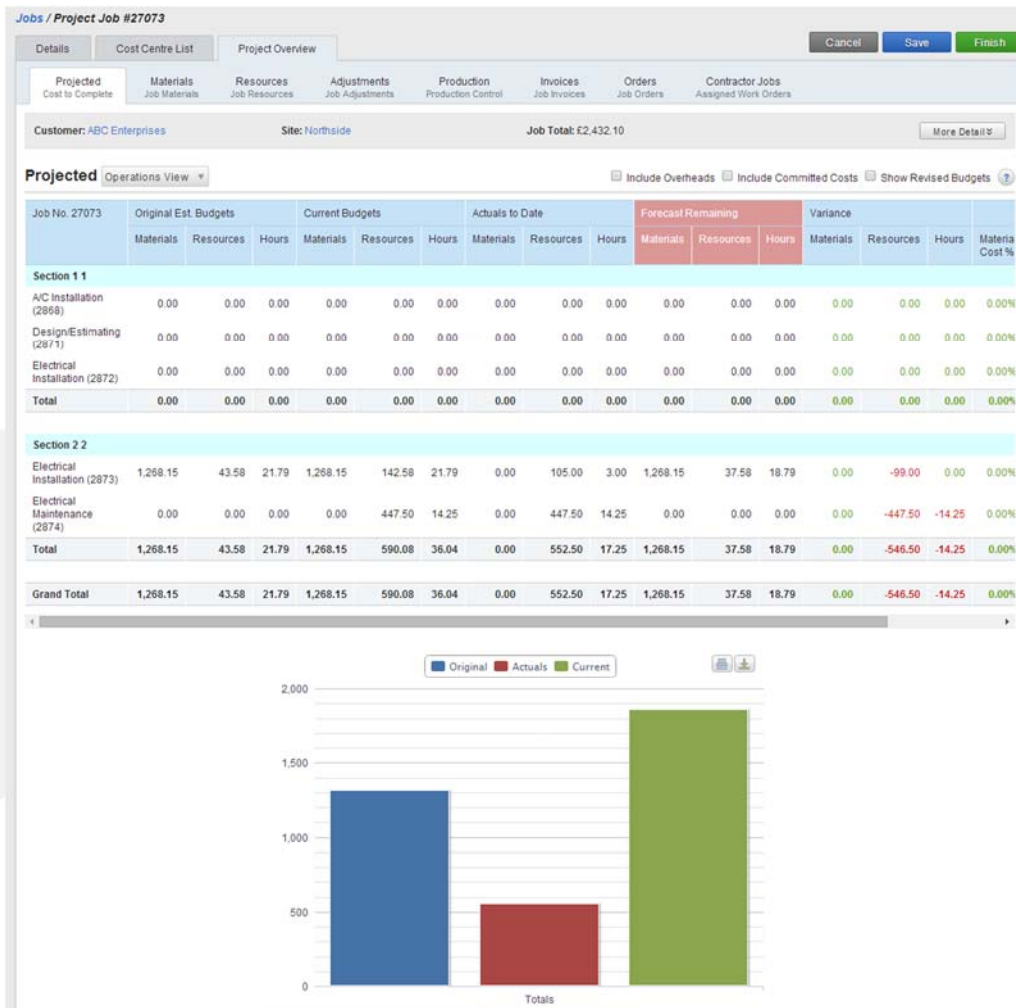
Costs

Managing

Projects in simPRO have an overview level that allows the project manager to have a helicopter view of the job and then drill down into the sections to get to help them get to the root cause of any problem.

Based on what has been occurring on the job, project managers can continually revise their forecasts for labour and materials across sections, cost centers, commitments and variations. This allows them to see what effect the ebb and flow of the project is having on the bottom line, well before it has actually occurred. It also gives the project manager the ability to adjust or compensate as needed using comprehensive operational and financially-oriented live costs to complete reporting.

Using tasks and task templates, project managers can ensure that all the dependencies, To Do lists and communications with stakeholders are completed on time.



Communicating

Whenever there are updates to any tasks all stakeholders and watchers of that task are automatically notified via email. This includes customers, who can also have tasks assigned to them which can be managed and responded to through the client portal or simply managed by the project manager.

Production Control

Managing the productivity of the guys on site can often be a bit difficult when it comes to running projects. simPRO gives project managers a production control system which allows them to manage what happens and when.

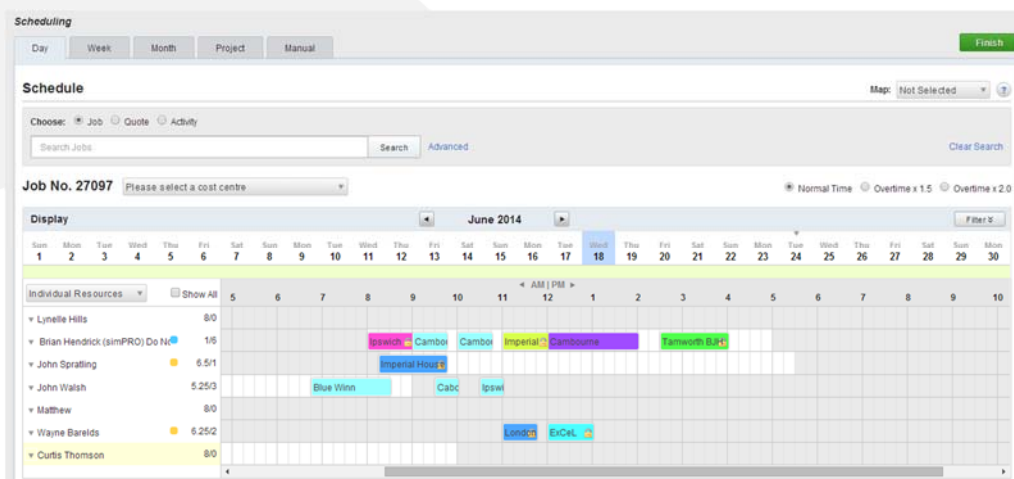
The project can record when the expected date of practical completion moves forward and compare this with the dates the project has claims raised on it or when labour, contractor and material costs are assigned to it.

This gives some visibility across the timeline of the job and assists with measuring the profitability and productivity throughout the job. This information can be invaluable when dissecting the job at different points to work out what is making your team more productive and what blockers are having the largest impact on the project.

Subcontractors

Managing specialist labour and sub-contractors so they come in and out of the job when required is also a breeze with simPRO. simPRO Enterprise will track which sub-contractors are able to provide different skills on the jobs, schedule them in and dispatch work orders. These can either be pushed to your sub-contractor's simPRO system, managed through the contractor portal built into simPRO or sent via email.

Subcontractors allow the organisation to scale its workforce up and down as needed to help hit deadlines and keep on track. They also allow it to employ specialist labour from time to time that the organisation doesn't need in-house. Using simPRO Enterprise, all aspects of contractor management are built in to allow for the original quotes, management and invoicing of the jobs from the sub-contractors.



Variations

Variations can be linked to the job and run externally as separate jobs with their own workflow and invoice and profit and loss. They will remain linked to the original job and report back into the original job when needed.

Alternatively, they can be embedded in the job as a specialist variation section with its own stages and be invoiced with the rest of the project. Both types of variations can be included or excluded in the cost-to-complete and the overview profitability of the job so project managers can see how the base contract is performing with and without the variations.

Invoicing

It all comes down to getting paid at the end of the day and simPRO has a plethora of different invoicing options to help manage the invoicing process with your customers. Claims can go out initially as applications or a Request For Claim which then needs to be approved by the customer before being converted into an actual claim. Each line can be invoiced separately or entire sections and embedded variations of the job can be claimed as a percentage of work complete.

Retentions being held on the job are automatically taken off, based on the retention rules for the job, and then alerts to relevant staff are created when they are due. All claims can also go through an approval process before they are accepted by the business to be sent to the customer. It all boils down to a much more streamlined invoicing process to keep the wheels turning and the business profitable.

Invoices / Invoice #175668 - Final Claim

Details Forms Payments Log Notes Cancel Finish

Invoice #175668 - Final Claim Invoice Values: Ex Tax Invoice Type: Progress Claim

Company: ABC Enterprises

Contact: Steve Shelder Phone: 02082222222222222222 Address: 103 Stoke Quey Ipswich Suffolk IP2 8SN

Invoice #: 175668 Date Issued: 16/05/2014 Period: 07/05/2014 Payment Due: 7 Days Days from invoice date Days after EOM

Claim No.: 1 Claim Status: Approved Claim Per Item: No Order No.: CIS Deduction Rate: Not Selected

Invoice Comment:
fire alarm is sounding

Site: Northside

Job No.: 27034 Salesperson: Quote No.: Not applicable

Electrical Service
Attend site and determine power outage and rectify

Part No.	Item	Quantity	Unit Price	Total
C2025WE	COMB TWIN 10A 240V WHITE COVER & GRID	500.00	£7.31	£3,655.00
6467407200	HIGHWAY FMK RJ45 WHITE C5E	7.00	£7.45	£52.15
2025WE	COMBINATION TWIN 10A WHITE	13.00	£7.00	£91.00
	Electrician	2.50 hrs	£40.00	£100.00
Sub-Total:				£3,898.15

Previously Claimed (0.00%): £0.00 Claim Amount: OR %: 100 OR £: 3,898.15 Claim Amount: £3,898.15

Claim Remaining (0.00%): £0.00

Sub-Total: £3,898.15
VAT: £779.63
Total: £4,677.78