

A close-up, slightly blurred image of a hand gripping a steering wheel, set against a light, hazy background. The steering wheel is dark, and the hand is light-skinned. The overall tone is professional and focused.

# Driving Business Success:

## *Are We in Control of Project Controls?*

**These days we're all under pressure to deliver more with less. Mix in a rapidly changing global environment, unpredictable economic factors and complex stakeholder and regulatory requirements and the challenge of successful delivery becomes more significant than ever before. So where do project controls fit into this picture? Our Editor, Amy Hatton, caught up with Javier Sloninsky, Managing Director and CEO of project control specialists EcoSys, to explore today's project delivery landscape.**

### **Achieving the Big Three: Transparency, Technology and Automation**

A glance at the EcoSys portfolio reveals an impressive global clientele spanning numerous major project sectors – from oil and gas to engineering, construction, transport and government. Presumably each of these sectors faces its own unique challenges? “On the surface that may seem to be the case, but in fact we can cut across all of these sectors and draw out common themes that are fundamental to understanding project controls

as a core competency” Sloninsky tells me. “The first is transparency. We have to recognise the importance of sharing information between different types of stakeholders, customers and suppliers right along the supply chain. The most successful projects are able to integrate all of the available data and moving parts, track them and make good use of new technology to bring everything together into a meaningful picture.”

Alongside transparency and technology, automation is the third component of what Sloninsky champions as the “Big Three” of project success. “The potential of automation to impact at every stage is huge - from project ideation and managing portfolio opportunities right through to mechanisms like budget approval, change management, monitoring and reporting. Historically project managers have spent far too much time gathering the information – bean counting, if you like. In fact, a lot of that isn't really necessary with the systems and technology that we have available today. They enable us to spend less time sourcing and inputting the data and more time analysing it to make those really important business decisions.”

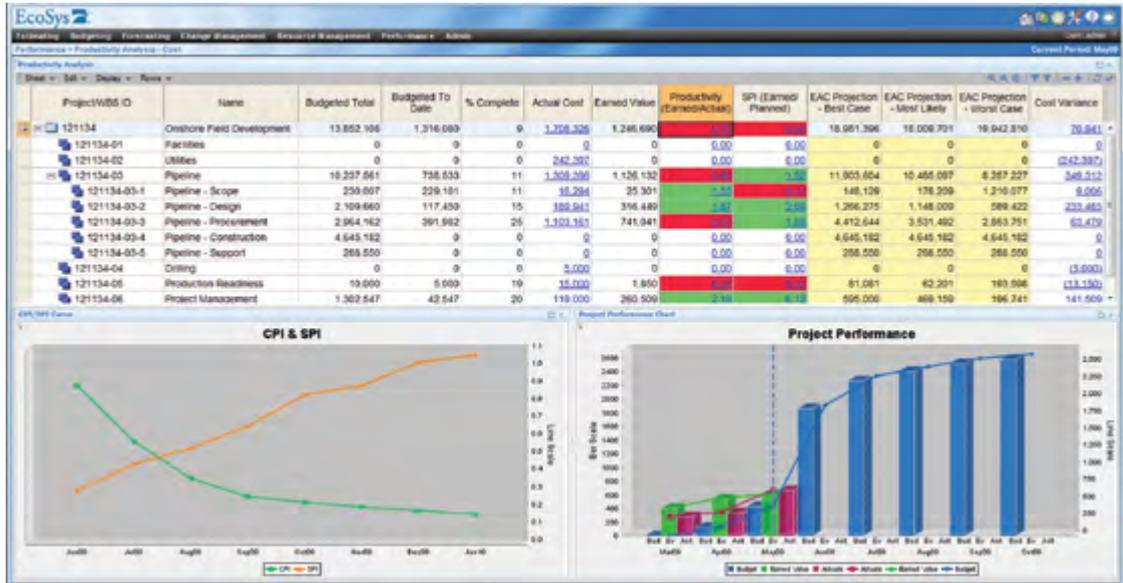
### **A Changing Picture: The Challenge of Success in a Global Economy**

Of course, globalisation is changing the way we do business, and I wonder to what extent that has changed the face of the project controls discipline? “Without doubt it's one of the most critical drivers behind a major push to standardise project processes, both within organisations and between organisations.” Sloninsky explains. “In the past, projects were performed on a local basis, where a common understanding could be reached fairly easily within the organisation. Everyone

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talked to each other in the same time zone and language and project teams would tend to share the same implicit knowledge and cultural values. Today, large scale projects are typically executed by numerous delivery teams in different parts of the world. Our customers are always looking for better ways to identify where the right skills and resources can be found to fulfil different delivery functions. What glues everything together is that need for standardisation. That's where our Enterprise Planning and Controls (EPC) system comes in. It helps us to look at how to standardise terminology, project approval processes, measurement of progress on deliverables and many other processes. We can also tackle issues like pricing and estimation across different currencies and understand the benefits and drawbacks of those decisions. Standardisation is becoming mandatory in executing best practice projects on a global scale, and that's driving better execution and accountability, improving margins and achieving shorter times to revenue and better profitability."

## Project Controls and the Healthy Portfolio

Portfolio management has come to the fore as crucial to achieving business success – but how do project controls influence portfolio decisions? "From our perspective, project controls and portfolio management are two sides of the same coin" Sloninsky says. "You can't do one without the other. Project controls provide a common framework to ensure you're comparing apples to apples. That applies to things like common standards of completion, how you classify resources and even how you define standard terms like a contract commitment or a change order. If you're comparing on inconsistent metrics, you can't possibly be sure that what's feeding in from the ground is accurately informing the project assessment. Our clients are keen to address areas like managing the portfolio life cycle, identifying opportunities, prioritising, selecting - but

## The EcoSys Portfolio

EcoSys provides a full lifecycle project controls software system which, within a single platform, supports companies in addressing and improving:

- Project Budgeting & Forecasting**
- Project Cost Management**
- Project Portfolio Management**
- Capital Programme Management**
- Estimating**
- Funds Management**
- Performance & Earned Value Management**
- Progress Measurement**
- Workforce Planning**
- Contract Management**

ultimately, unless the right standardised data is feeding in, those decisions won't be well informed. Plus, an accurate picture of existing projects is vital when you're estimating what you're going to do next. If you're constantly over or under estimating then you may not even realise that you've already over-committed your organisation's resources for at least the next two years. I can't emphasise enough that project controls are the life blood of healthy portfolio management."

## Bridging the Gap: The Importance of the Life Cycle

Also vital to successful execution, Sloninsky tells me, is the ability to bring planning and execution together seamlessly. "Too often, we see planning processes and a capital plan happening in one area of the organisation before decisions get handed off to different departments where execution is tracked completely differently. The

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result is that everyone struggles to understand how and why the project went over time, over budget or failed to deliver the objectives. But if you can follow the life cycle all the way through then you can start to catch those deviations and do something about them. That's really what we mean at EcoSys when we talk about bridging the gap. It's about having total visibility across all of the control points where the project transfers from one stage to the other, so that the activities can evolve in a way that's realistic and they don't just happen in a vacuum."

## When Projects Go Sour: Key Mistakes to Recognise and Avoid

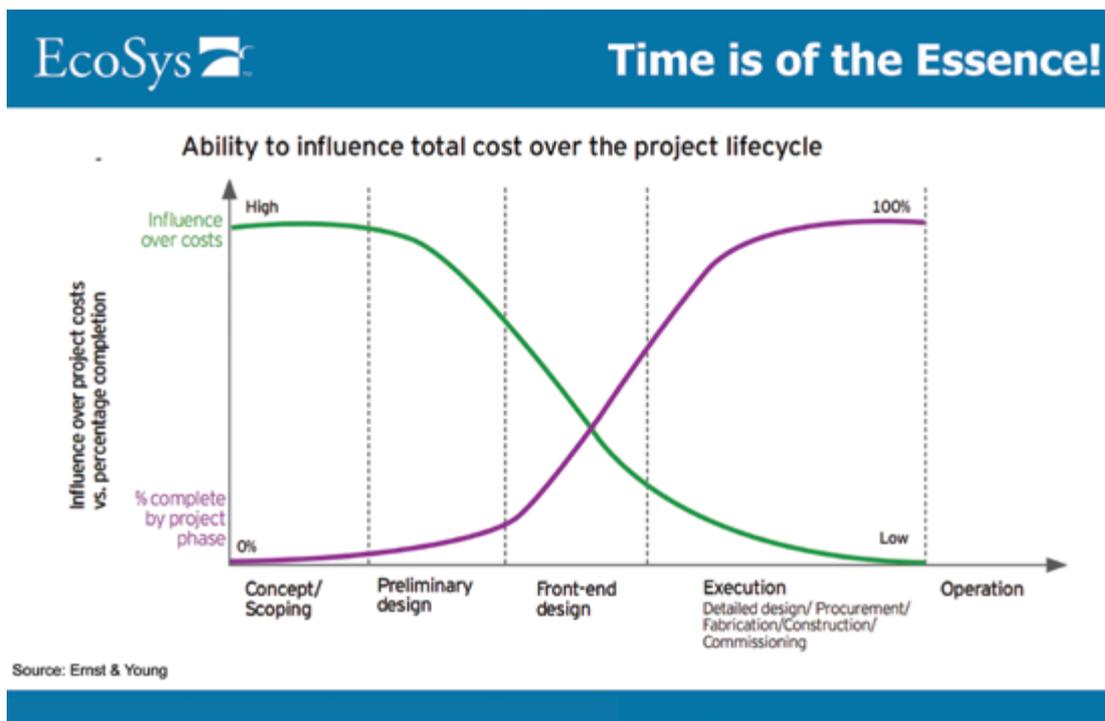
Sloninsky paints a powerful picture of how to drive project success – but what are the typical errors that interfere with sound project control processes? Given the stubborn project failure rates that still plague our profession, I'm not surprised to hear that, in his view, "It's quite a laundry list! The most basic risk is a lack of process behind establishing inventories and budgets. Many organisations still don't have a clear set of defined projects supported by controlled budgets. In this scenario you don't even have a baseline to compare against. That makes any form of project controls basically impossible. Then there's inconsistent terminology. That may seem inconsequential, but in fact it has a huge impact on achieving a common understanding around where the project is and how it's progressing. Not to mention the risk of manual errors

where projects are still relying on the consolidation of data from different systems. I could quote you examples where human mistakes have cost the organisation \$100 million across the portfolio, so this is by no means a small issue. Many organisations also struggle with managing the link between schedule and cost: by which I mean understanding how additional spending might drive the schedule, or how budget cuts or changes might affect productivity. Actually, it's not that difficult to map the two together, but you need a good process and system to avoid overspends and surprises. Then we see projects where there's a lack of forecasting and organisations are relying on simply agreeing to the budget and running with it until it runs out. That's where disaster lies. You can't predict where a project will end up just by looking at what you've spent already – it's imperative to get a grip on the future view as well as the current status."

Sloninsky also points to management of change and forecasting processes as areas demanding attention. "Achieving visibility over how changes get proposed, assessed and approved can make a tremendous difference to understanding project performance and meeting the scope of the project. Similarly, when you're forecasting results you need that overview of past productivity and performance. When things aren't working out, the most important thing is to be able to understand the underlying reasons. If you can understand and audit not just what happened but why it happened, then that will undoubtedly facilitate better forecasting, estimating, budgeting and delivery in the future."

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### The Project Life Cycle: How the Ability to Influence Costs Decreases over Time



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## Best Practice and Knowledge Transfer: Breaking the Culture of Specialisation

We should be moving towards a picture where project control skills are transferrable from one project and sector to another. That better equips us to respond to volatile external factors and change effectively.

So, in the face of this somewhat daunting list of project control pitfalls, what can be done to improve practice? "It starts with strong leadership and sponsorship for a standardised approach, process and systems" says Sloninsky. "Improvement initiatives live or die by how well the sponsor can mandate a group commitment to those activities. And actually, the system itself can facilitate that. It can be used as a point of communication for change and best practice. Leaders and sponsors can put the message out that activities won't be approved unless they're in that system and that's a real motivator for user adoption – which in turn drives better standardised data. A central system can also facilitate knowledge transfer. That's really important as time goes on and we see more mature experience moving out and fresh new talent moving in. A standardised process and system can function as a building block to educate new staff. It provides a framework to show them how to build a good budget, perform better forecasts and the like. It gives them the method within a relevant live context."

In addition, Sloninsky is keen to emphasise the importance of accessing support for continuous professional development. "There are some fantastic professional associations involved in project controls and they offer really comprehensive learning and resources. Organisations should encourage their staff to

participate in this type of learning. But it's also important to facilitate internal learning and a defined career path which motivates people to pro-actively develop their own skills. Then we must be aware of the importance of breaking down barriers between specialisations. Especially in larger companies, there tends to be a key body of people who know everything there is to know about running a particular type of project – and of course that level of expertise can be immensely valuable. The problem is that once those people retire there's no way to distil that very particular knowledge. We should be moving towards a picture where project control skills are transferrable from one project and sector to another. That better equips us to respond to volatile external factors and change effectively. And, of course, I always come back to that Big Three: Transparency, Technology and Automation. If you can get a grip on that, then you'll achieve predictability as a first outcome. We live in an unpredictable world and no amount of project controls or processes will change that. But they will help us to better address those macro-economic and market changes as they occur. Once predictability has been established, you're in a situation where you can take a meaningful look at how to achieve better execution and harness new opportunities. That's when you'll start to benefit from higher ROIs, increased speed to market and faster, better revenue generation. And if we can achieve that on a large scale, we'll start to see more economic investment, better results and a significant increase in the role of projects in driving the economy not just locally, but globally."

### About the Contributor

Javier is CEO and Managing Director of EcoSys, provider of powerful, easy to use enterprise project controls software. Through EcoSys' flagship software solution, EPC, Javier has helped Global 1000 companies and government agencies address some of the fundamental challenges facing project-driven organisations: how to measure, forecast, and improve project performance. Javier has over 18 years of leadership and hands-on experience in the commercial software industry, and has advised organisations on project management and cost controls best practices in industries including engineering and construction, energy, utilities, government and IT. Before co-founding EcoSys in 2000, Javier served as a product manager at Eagle Ray Software Systems where he helped develop the project scheduling software now known as Primavera P6.

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