

Project Auditing and Performance Assurance

Projects are approved and funded on the basis of (1) their anticipated and promised Benefits and (2) expectations of the Cost and Time required to execute the project and obtain its benefits.

Two concerns confront Owners and Investors throughout the project process – will the Project be *successful* and is the Project being *successfully executed*?

Successful Project? - Typically, there is a significant lapse between project approval and commencement – and more time yet until its completion. In a fast changing financial or technological world there is value in revalidating the project's purpose and to confirm that its Benefits will provide value comparable to its Business Case justification.

Successful Project Execution? – Project Execution may or may not be meeting Key Performance Indicators or success criteria for cost, schedule, quality, and/or safety. Performance shortfalls or trended outcomes that are unsatisfactory or marginal may not be recognized and/or correctly or promptly reported to management.

The **Project Auditing/Performance Assurance** process provides assurances or recommended responses to one or both concerns – at different project phases. Saybrook Associates provides project and corporate management with an unbiased review and assessment of Performance and alignment with defined Success Measures as well as revalidation of project Purpose and Value.

Revalidate Project Purpose, Value, and Foundation

- > Compare current Market, Technological, or Economic conditions or assumptions with those used to develop Business Case need or Value of Benefits
- > Assess Accuracy and Adequacy of Budget Estimate and Schedule for Deliverables at Business Case cost and timing
- > Ensure that decisions and strategies deployed to ensure project success align with Program and Corporate goals

Assess Project Performance and Compliance

- > Assess methods utilized to determine Progress
- > Assess methods utilized to determine Performance
- > Benchmark analysis against industry standards and corporate history
- > Validate that Project reporting to management is accurate and timely
- > Confirm that the Cost To or At Completion is accurately forecast
- > Confirm that the Time To or At Completion is accurately forecast
- > Identify 'root causes' for performance failures
- > Identify Risks to success that have not been identified and for which no Risk Management Strategy exists

CASE STUDY >

A concerned owner of a large research facility project engaged us to (1) validate the Project Schedule and its forecasted Completion, (2) identify and quantify unrecorded Risks to the project, (3) validate the Indirect Costs contained in the Project Estimate, and (4) review the accuracy of Project Performance reporting.

Our Estimate analysis reviewed industry benchmarks, assumptions, quantity projections, and pricing for commodities and services. We modeled site-specific productivity and cost adjustment factors.

We analyzed the Project Execution Plan for inclusion of all Project scope and Deliverables, Logical sequencing of Work, and Reasonableness of Task durations.

We implemented a Risk Identification and Assessment process utilizing Industry and collective Team experience. We reviewed Progress and Performance Measurement and Reporting processes and techniques for Trending Cost/Schedule 'At-Completion' results.

Result? Recommended cost reductions were acted upon, industry standard protocols for measurement of Progress and Earned Value Performance were implemented providing an 'early warning/rapid response' capability to issues and problems.