

Case Study

Establishment of a Project Management Infrastructure





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Background

The management team for a 3,000-person Engineering organization was increasingly dissatisfied with escalating costs and low productivity levels associated with its Engineering projects. Labor costs resulting from excessive overtime and the inability to have key material components on-site in a timely fashion were driving costs to an unacceptable level. Management was committed to completely overhauling its Project Management practices to address the problem, with a goal of improving on-time delivery of key material components by 25% and decreasing overtime costs by 5%.

Approach

Over a two-year period, **TekBank** worked closely with the client to establish:

-  **The implementation of a project estimating system that leveraged historical data as well as current information to provide consistent and increasingly accurate project estimates.**
-  **The implementation of a sophisticated Project Planning, Scheduling, and Tracking system, interfacing with the new estimating system and the client's financial systems.**
-  **The development of a standard set of project management and control procedures specifically designed to function within the client's operating environment.**
-  **The definition and establishment of a Project Control Office, whose role was to build plans and schedules, review progress with project managers, maintain schedule updates, ensure that project management standards and practices were being applied, and provide reports to the client's management team.**

Results

Initially, the process faced resistance from the user community, which feared that jobs would be lost and that new skills would be required. Over time, however, as the client instituted a comprehensive training program and the new software systems were gradually implemented, the process began to gain acceptance, and are now an integral part of the organization.