

Post-implementation review of a major switching station project

the challenge

As a matter of good practice, our client regularly conducts post-implementation reviews of major projects to ensure adherence to its documented project management procedures, to assess commercial and technical decision-making, and to identify any systematic deficiencies or opportunities for improvement.

A particular project that ran for over a year was selected for review as it suffered variations beyond normal expectations in scope, cost and duration.

Marchment Hill Consulting was engaged to independently assess the drivers and consequences of those variations and provide recommendations for improvement. Our client was particularly keen to find ways of mitigating delays beyond the direct control of the Project Manager.

what Marchment Hill did

In a short time frame, Marchment Hill conducted a thorough and detailed documentation review as well as a number of interviews across a wide range of stakeholders. From these initial data sources, we developed hypotheses regarding the underlying causes of the observed problems, and then sourced the data for a targeted root cause analysis.

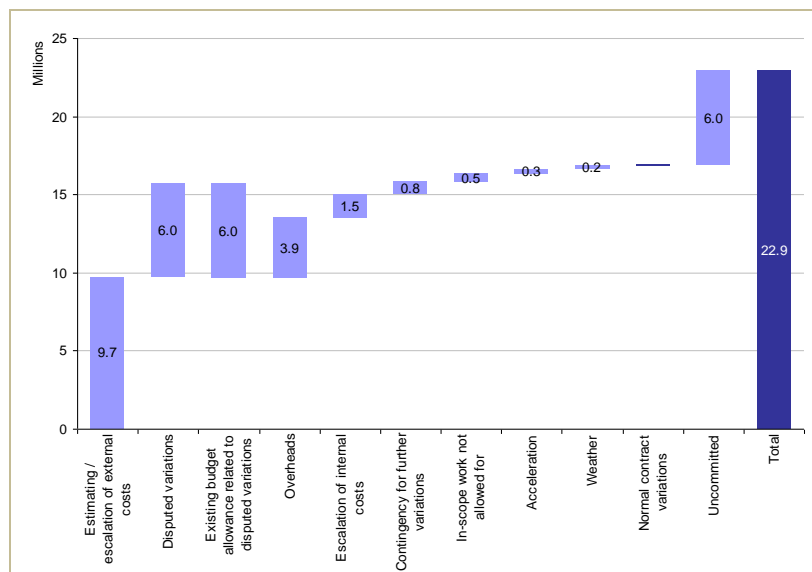


Figure 1: Sources of costs due to variations

Marchment Hill's analysis of the root causes of variations to budget revealed that were largely attributable to four specific causes.

Our final recommendations identified four major root causes of variations:

1. There was no system that could consistently produce accurate strategic estimates of prices tendered by contractors and materials suppliers.
2. There was too little front-end planning and engineering work on major projects, done too late, to provide a sound basis for estimating, project planning and land acquisition.
3. Project initiation and land acquisition occurred too late relative to the network required-by date.
4. Project controls, including planning, reporting and risk management, were weak.

the benefit

Our client was able to present a concise, well-supported and independently verified explanation to their Board as to the reasons for issues of time, cost and scope.

Marchment Hill's recommendations resulted in several changes to the responsibilities and accountabilities of various design and construction. As well as this, there were several changes to procedures in order to address the root causes identified.

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