



## Service: Financial Framework for control and predictability in delivery

Framework of finance fundamentals to improve forecasting, monitoring and payment

### Typical Benefits

- Costs and delivery controlled without compromising quality, so projects fit for purpose, on time and on budget
- Improved credibility with and confidence from the business and Finance function
- Increased transparency of effort and costs, improved financial control and predictability in delivery
- Increased planning and forecasting efficiency and effectiveness, having the right capabilities and capacity to deliver
- Increased quality of oversight, governance, control and delivery performance through effective PMO controls

Pains typically relieved include:

- Suppliers dissatisfied due to extensive delays obtaining payment
- Finance function dissatisfied due to poor expenditure forecasting

### Overview and typical delivery approach

- Gather information on approved project budgets and actual costs recorded on the client's finance system.
- Gather information about the Client's purchase order tool, quotes received, orders raised, work undertaken and therefore money owed to each supplier.
- Build a spreadsheet model to track budgets, forecasts, orders raised, expenses incurred against each purchase order, and therefore committed amount remaining on each purchase order.
- Ascertain *who* is interested in *what*, and identify each stakeholder's monitoring 'envelope' (for example the Sponsor is probably interested in the entire business case, Procurement is probably interested in contract sums with key suppliers, Finance is probably interested in the net spend for each financial year, etc.).
- (Optionally) increase transparency of costs composition by creating a Venn diagram showing the budget pots in each monitoring envelope, with live figures for budget and forecast at completion fed from the cost tracker.
- Update the cost tracker with actual incurred expenditure, revised forecasts, enabling us to report Actuals to date, Estimate to complete, and Estimate at completion.
- Approve invoices for payment, and monitor progress through Accounts Payable to ensure that suppliers get paid.

Timelines depend on priorities, and any other services being delivered concurrently for the same client.

### Deliverables

A Microsoft® Excel® file containing:

- Tables summarising cost data by metadata tags (e.g. actual and forecast monthly programme spend against budget tabulated by project, actual and forecast monthly spend against budget tabulated by supplier, etc.)
- Charts showing all of this visually, and (optionally) a Venn diagram showing the budget pots included in each monitoring envelope, labelled with live figures for budget and forecast at completion, all fed from the cost tracker.

### Client testimonial

*"When Pragmatic PMO was engaged, **some of the suppliers had no purchase orders** in place and had been working on (steadily diminishing!) good faith for months. Pragmatic PMO raised purchase orders and made sure that suppliers were paid up to date (including one who had been owed more than £300k for more than 8 months). They designed and built a **programme cost tracker** that gives me an overview of how >£85m was being spent against budgets across >200 suppliers and >50 projects, and identified a looming >£1m cash flow crisis that we resolved through a change of approach.*

***Pragmatic PMO implemented just enough project management fundamentals and discipline to enable the programme to robustly deliver some fantastic outcomes for the client. If you are looking for strategic programme delivery support services that you can actually lean on, Pragmatic PMO should be at the top of your list."***

**Mark Ferguson, Programme Director**