

# THE IN-HOUSE TRAINING COMPANY

## Successful contract management

### Overview

An introductory programme for all those involved in contract management, to ensure that all risks are minimised and all profit opportunities are maximised.

### Training objectives

This course will help the participants to:

- Ensure contract compliance
- Manage subcontractors effectively
- Maintain good customer relationships
- Manage project scope
- Maximise contract profitability

### Audience

This programme is intended primarily for contracts / commercial staff, although project teams can also benefit from it.

### Format

An inter-active two-day course with a strong emphasis on practical exercises. The ratio of formal instruction to discussion and practical exercises will depend on the level of experience of the participants.

If required, a one-day version of this programme can be provided instead, although the learning would be significantly diminished without so much emphasis on the exercises.

### Special features

For maximum benefit from the course, we recommend that the trainer be given access to sample contracts and live projects on which to base the case studies and practical exercises.

### The expert trainer

Catherine is an independent consultant and trainer in contract and commercial risk management. She was formerly a Commercial Manager at BAe Systems, following previous contract and commercial roles with GEC and Siemens, and has extensive practical experience of commercial risk management, contract management, contract negotiation and bid management. She is a highly experienced and a very popular trainer, as the following comments from course participants show:

'Excellent – you made contracts sound interesting!' *Co-op Group*

'Good speaker, passionate about subject and good two-way discussions were held throughout the presentation.' *Silvertown UK Ltd*

'Very enjoyable with a lot of interaction.' *Hitachi Data Systems*

'Well prepared and well paced.' *Honeywell*

'Catherine obviously knows and relishes her subject and this enthusiasm came over at all times. Delivery was excellent and kept it from being very dry as it could have been.' *Jungheinrich*

'This was an excellent training course. Totally relevant to what I do and future of the company.'  
*ABB Ltd*

'Great course, very useful and well delivered.' *Complinet*

## Course outline

### 1 Contract kick-off

- Contract reading / communication to all project team
- Name assigned to individual responsible for each obligation or checking it is completed (if customer obligation)
- Cohesive team working and empowering individuals
- Highlight need for recording of non-compliance – evidence collection in event of a claim / counter-claim, eg, FM / breach
- Identify non-standard procedural clauses in contract and fact that need to be followed as laid out in each individual contract, eg, invoicing, notices, shipping instructions, etc

### 2 Proactive contract management

- Responsibility of individual Contract / Project personnel to be proactive in communicating issues internally
- Forward-looking action planning
- Approach contract management from perspective of anticipating short- to medium-length progress and proactively ensure that planned events happen or activate contingency plan to minimise / eliminate risks and consequences
- Monitoring and reviews

### 3 Proactive subcontract management

- Back-to-back flow down of main contract terms and conditions and rights over ability to assign and / or subcontract work
- Vendor selection process – requesting risk registers / schedules, etc
- Ensure right in subcontract to have visibility of progress – avoid nasty surprises on critical path
- Communication with subcontractor

### 4 Communication with customer

- Creating a working relationship and trust
- Managing failure to avoid disputes / hostility
- Demonstrating professionalism and ability to manage and work through risks and problems so as to ensure minimal impact on customer
- Presenting solutions, not problems

### 5 Managing contract changes

- 'No More, No Less' rule
- 'No More' – protecting budget and avoiding gross margin erosion caused by:
  - Poor estimating at pre-contract stage
  - Creeping scope / informal variations
- Reporting and formalising changes: using formal variation / change clause in contract to address and revise incorrect assumptions made when contract signed
- 'No Less': doing absolutely everything that you have agreed to do in the legal contract, so as to avoid being in breach of contract and open to paying compensation / having contract terminated

### 6 Contract completion

- Checking mechanism to ensure all contractual obligations completed and all benefits (ie, payments) received
- Identification of follow-on opportunities
- Lessons learnt

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