

DATASHEET

BIW: Financial Control is a ground-breaking "on-demand" software tool that allows project managers to actively supervise the financial outcome of complex projects - in real-time. By connecting key change control processes directly to a project's financial reporting systems, the financial impacts of any changes are simultaneously reflected in the cost plan. BIW: Financial Control gives key team members immediate visibility of any issues that may have a financial impact - in time to take action.

The financial control challenge

Financial control is the process of planning, estimating, coordinating, controlling and reporting of all financial aspects of a complex project. The heart of the process is the project's cost plan - which often starts life as a spreadsheet produced by a quantity surveyor. The cost plan details anticipated project expenditure, and is usually prepared on the basis of drawings and specifications produced by the design team, plus inputs from the client and, where appointed, the contractor and/or project manager.

In terms of structure, the cost plan is usually broken down into key elements or work packages relating to the built asset (eg: structure, envelope, fit-out, services, site works, etc). Each element or work package is then sub-divided (eg: a structure might include: frame, upper floors, stairs, roof structure, etc). The cost plan would also give costs or allowances associated with design and management expenses, risk provisions, etc.

Responsibility for overall management of project finances normally rests with the project manager; the key objectives are to deliver the project at the appropriate capital cost, and to ensure that, throughout the project, full and proper accounts of all transactions, payments and changes are maintained.

However, the customer and every member of the supply chain will also want to be kept fully informed of the impact of any changes. Traditionally, this resulted in every organisation maintaining versions of the cost plan covering their own inputs to the overall project (an exception, of course, would be on projects employing 'open book' accounting). The logical outcome would therefore be a solution that presented:

- **one central cost plan** - a single, up-to-date version of the truth to which every team member could refer
- **secure areas** only accessible by individual firms
- **change management** - backed by a full audit trail
- **integration with back-office systems** such as COINS

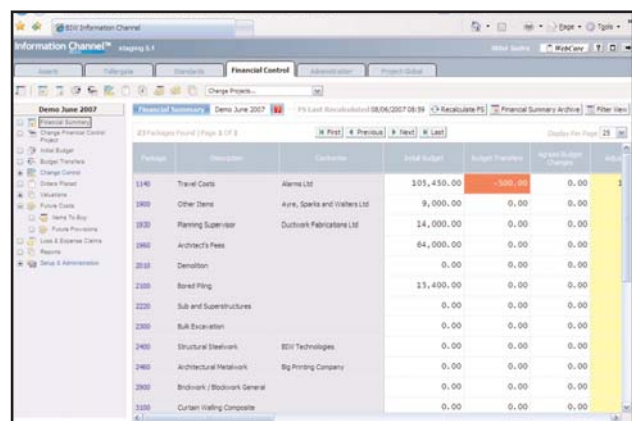
Change management

BIW is the UK's most popular web-based collaboration platform. It is used to:

- create and maintain a central repository of information about the built asset
- allow users to access and exchange information tailored to their needs
- facilitate and support collaboration throughout the team - including the management of change processes



Since 2000, BIW has worked with its customers and their supply chains to develop rich functionality to support key business processes. Foremost among these has been BIW's collaborative process management (CPM), a toolset used to create and manage team processes such as requests for information (RFIs), instructions, compensation events, change orders, etc. BIW can meet the change management needs of team members working to particular standard forms of contract (eg: NEC 3rd Edition) or bespoke forms; the next logical step was the development of a complementary platform to help team members monitor the financial implications of such change processes.



Package	Description	Contractor	Total Budget	Current Budget	Change Budget
1140	Travel Costs	Alarms Ltd	105,450.00	-100.00	0.00
1800	Other Costs	Arns, Sparks and Walkers Ltd	9,000.00	0.00	0.00
2000	Planning Supervisor	Dutbank Fabricators Ltd	14,000.00	0.00	0.00
2060	Architect's Fees		64,000.00	0.00	0.00
2020	Demolition		0.00	0.00	0.00
2200	Steel Piling		15,400.00	0.00	0.00
2220	Sub and Superstructures		0.00	0.00	0.00
2300	BA Excavation		0.00	0.00	0.00
2400	Structural Steelwork	BIW Technologies	0.00	0.00	0.00
2460	Architectural Steelwork	Big Printing Company	0.00	0.00	0.00
2600	Brickwork / Blockwork General		0.00	0.00	0.00
3100	Current Walling Composite		0.00	0.00	0.00

BIW: Financial Control - key principles

The starting point of BIW: Financial Control is the initial cost plan (ICP). This is based on the off-line plan used to apportion values to the various elements (work packages) of the project, with each element being broken down into groups of line items to form a work breakdown structure against which payments can be made. The ICP can be entered into the BIW system manually or imported from an Excel spreadsheet, and forms a baseline for monitoring costs during procurement and construction.

As work package orders are placed, their values are recorded and compared to the project baseline. Approved Instructions or Change Orders (changes) are recorded as commitments. Valuations, applications for payment and work certified for payment are also recorded within the system, allowing contractors to maintain an accurate view of their project inputs.

To show the project's current financial status (ie: the latest forecast), BIW: Financial Control produces a financial summary report (FSR) in either summary or package detail form. A client, for example, may simply monitor the summary report, while the project manager may look at the detailed financial performance of individual, some or all subcontractors and/or work packages. The FSR provides a snapshot view of the project arranged as a matrix in which the rows show project work packages, while the columns are grouped to present:

- **current cost plan** - gives the package cost from the ICP along with any changes arising from any approved scope changes or package cost plan transfers
- **current commitment** - details the values of orders placed to date plus the cost impacts of any instructions, and set-off arrangements
- **future cost** - this gives the costs of packages, etc yet to be placed, plus the costs of any pending instructions or change orders, and the values of any claims
- **summary data** - estimated out-turn cost, plus the variance between this and the adjusted cost plan (ie: the anticipated profit/loss on the package)
- **valuations** - certified costs of packages

Package Number	Package Name	Budget	Actuals	Forecast
1140	Travel Costs	104,750	98,500	500
1900	Other Items	7,500	6,750	0
	Total	112,250	105,250	500

Features

- **role-based security** - configurable to allow confidential views of cost plan specific to each supply chain member
- **full audit trail** - as with the core BIW system, all user transactions are time- and date-stamped, retaining a full record of who changed what and when
- **historical snapshot** - users can review the status of the project at any point in time from initial entry to date
- **two-way integration between processes and costs** - any drawings, documents, forms, etc associated with a cost item are immediately accessible; all process items impacting on the cost model are automatically recorded
- **flexible access** - being web-based, authorised users can access data any time from any internet-connected computer
- **secure and fully backed-up** - all data is hosted on secure servers, monitored 24x7, with regular system and data back-ups to ensure constant availability of the latest data
- **easy import/export** - ICP can be imported direct into BIW system, saving re-keying; data can also be exported to Excel spreadsheets or third-party accounting systems (eg: COINS) to allow offline analysis or reporting
- **wizards and query builder** - easy input/extraction of data
- **support for multiple currencies** - can report financial data in sterling, dollars, Euros and other currencies
- **support for different procurement routes** - eg: construction management, management contracting, design and build, single-stage and two-stage lump sum contracting
- **multi-project views** - authorised users can view financial data across multiple projects, allowing them to aggregate financial data, do trend analysis, etc

Benefits

BIW: Financial Control helps teams to assess and confirm changes and to authorise and commit relevant expenditure.

- **faster change management** - early capture and rapid analysis of the time, cost, operational and performance impacts of potential changes
- **greater clarity** - change proposals clearly identified so that authorised team members can review the right information at the right time
- **clear audit trail** of all changes to project cost plan
- **increased productivity** - faster production of company- or work package-specific sub-sets of data
- **single repository of financial data** - every team member works to same cost plan structure and data, with bank-level security guaranteeing company confidentiality

BIW Technologies Limited

21-25 Church Street West, Woking, Surrey GU21 6DJ

T 0845 1300 800 Int +44 (0)1483 712620

F 0845 1300 900 Int +44 (0)1483 756325

E info@biwtech.com

www.biwtech.com