

CASE STUDY: Project management blueprint for capital works



OXYGEN'S PROJECT SYSTEMS IMPLEMENTATION HELPS IMPROVE TRANSFIELD SERVICES' CAPITAL WORKS DELIVERY

An implementation of SAP project systems software by Oxygen Business Solutions has given leading operations and maintenance firm Transfield Services Limited a robust means of managing its capital works projects, improving cost controls and providing more accurate forecasting.

Handed the task of implementing a capital works solution that would run across all Transfield Services' business divisions, Oxygen created a blueprint for project management policies and procedures that was aligned with the day-to-day financial management necessary to run large construction projects.

Stuart Miles, Transfield Services' Project Services Manager says his team worked closely with Oxygen consultants to define the exact business capability the solution needed to meet.

"Oxygen helped us identify our business need and introduced the necessary technical framework. We recognised we could win more downstream services work by engaging with customers at the initial construction phase and so it was fundamental that we had adequate capital works controls to run build projects cost effectively."

Carl McGowan, Oxygen Solution Architect says that the standard SAP project management module didn't provide all of the necessary tools to tackle capital works.

"After rewriting the blueprint we partnered with third-party capital project software supplier Dassian in order to provide the necessary forecasting and contract variation management functionality and then integrated it into the core SAP R3 product."

Initiated in September 2006, Oxygen delivered the project under budget and executed the design and build phases ahead of schedule. Transfield Services went live with an initial implementation in April 2007.

Says Miles: "We piloted the implementation at two sites – a water pipeline in Brisbane and another program of works for the West Australian Water Corporation. In each instance, the solution has given us improved control of budgeting, forecasting and planning.

"We have moved away from complicated spreadsheets, consolidating all the necessary data in one place. This has given us increased confidence in the credibility of our data, which in turn allows us to handle any contract variation which may occur during the lifetime of the project."

"Oxygen's experience in capital works project management substantiate that our processes were sound and appropriate to the market."

Stuart Miles, Project Services Manager,
Transfield Services Limited

“The whole Oxygen experience over the last six months has been exceptional. They delivered on time and within budget and we are very happy with the product.”

Stuart Miles, Project Services Manager, Transfield Services Limited

THE BUSINESS CHALLENGE

- Define a blueprint of project management policies and procedures that would provide all of Transfield Services' business units with a robust means of managing their capital works projects
- Help select appropriate third party software to enable extended functionality of SAP Project Systems software and deliver a new capital works solution with core budgeting, forecasting and variation functionality
- Pilot the new SAP Project Systems capital works template at two Transfield Services sites in order to track costs, improve planning procedures and improve forecasting and contract variation control

THE OXYGEN SOLUTION

- Define strategy and key business capability required from the project systems software
- Future-proofed the appropriateness of all business processes governing the project systems software implementation by working in close consultation with Transfield Services personnel and using its own deep capital works sector experience

- Help select and partner with US-based Dassian, a specialist in capital project software for SAP. Customise Dassian solution to provide for necessary variation management controls and integrate project systems solution with Transfield Services' core SAP R3 software
- Roll-out solution at two pilot sites with standard functionality including Budgeting, Cost and Revenue Planning, Forecasting, Project Billing, Results Analysis, Variation Management and Project Management reporting
- Create roadmap for future improvement to project systems solution including earn-value analysis and sub-contractor manager functionality

RETURN ON INVESTMENT

- Improved control of the budgeting, forecasting and planning process
- Flexibility to manage contract variations during the project lifecycle
- Increased confidence in the credibility of the data

CUSTOMER PROFILE

BUSINESS PROFILE: Transfield Services is a leading international provider of operations, maintenance, asset management and project management services. It operates in Australia, New Zealand, the United States, the United Arab Emirates, Qatar, South East Asia, India and Canada across diverse industries, including mining and process, hydrocarbons, roads, rail and public transport, water, power, telecommunications, facilities management and defence. Clients of Transfield Services include major national and international companies, as well as all levels of government.

Transfield Services has long been considered a pioneer in the provision of operations and maintenance services. Its experience and expertise has resulted in a company that is structured to meet the specific needs of clients effectively and innovatively. A proactive partnership approach to business means it is able to make a real difference for its clients.