

---

**CONDUCTING BUSINESS** (cont'd):

***Finalizing the Contract Award:*** (cont'd)

Finally, when negotiations are complete, you or a representative from your company will be required to sign contract documents. Generally speaking the clock for the project schedule will also start at this time.

***Executing the Project:***

In executing any project it is very important to get off on the right foot. Experience indicates that most projects succeed by having a well planned and executed start. The customer expects to see effective action early on in the project schedule. This means that, rapid mobilization takes place, proper guarantees, financing and insurance are in place, project logistics are under control and project management staff acquire a speedy familiarization with the project. Stumbling at this stage can leave the client with concerns that will plague the project throughout the entire schedule as well as putting your company in potential penalty position.

In addition, the client should be kept informed on planned schedules. Progress reports, documents requiring customer approval and project drawings should be passed on to the client in a timely and professional manner. Early identification of any potential roadblocks should be reported to the client accompanied by requests for assistance or guidance in rectifying the problem.

Proper financial controls on the project are imperative. Many attractive projects have become financial losers by ineffective cash management. The project manager should implement effective cash management controls to ensure the project budget is not overspent in the early stages.

Payment schedules do not usually follow the pattern laid out in the project specifications. This can occur for a variety of reasons: the approving party is "out of town"; your payment documentation is incomplete (although you may think it is complete); additional approvals are required; pre-acceptance testing is incomplete or unacceptable; etc. This usually means that your project manager has fallen down on the job or that the client or clients representatives are placing intentional roadblocks in order to acquire something extra. The staffs in ministries are often unofficially organized into groups or camps. That is, they are allied with someone in the organization in a powerful position who may have been promoting one of your competitors who did not get the contract. They are usually operating under the idea that by making life miserable for you they can obtain something for their group. Of course the revenue stream and payment schedule are critical to your cash flow and profit targets therefore, these are cases where your commission agent or sales agent should get involved to sort out any difficulties.