

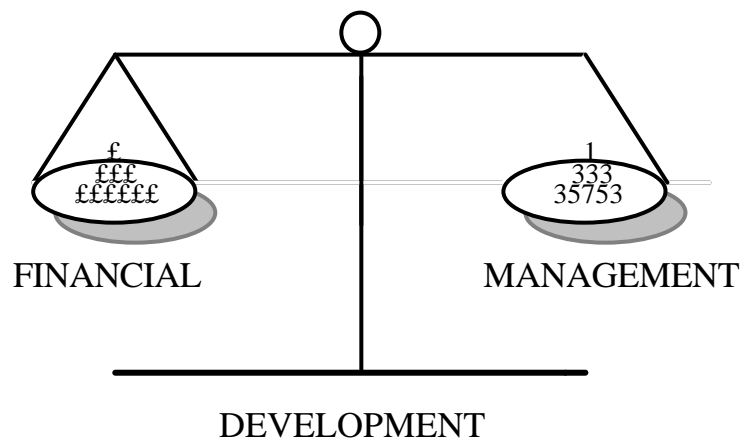
FINANCIAL MANAGEMENT DEVELOPMENT

Decision Making

Capital Expenditure

NO 334

POST IMPLEMENTATION REVIEW



ONE OF A SERIES OF GUIDES FOR
FINANCIAL MANAGEMENT DEVELOPMENT
FROM

www.FinancialManagementDevelopment.com

This is one of a series of documents produced by David A Palmer as a guide for managers on specific financial topics to assist informed discussion. Readers should take appropriate advice before acting upon any of the issues raised.

POST IMPLEMENTATION REVIEW

OVERVIEW

The only objective is to help future decisions

1. Was the project defined?
2. What alternatives were considered?
3. (a) What objectives were set?
 - Financial
 - Non-financial
 - Chronological

(b) Were they achieved? If not why not and could the reasons have been forecasted or insured against?
4. Was the procedure clearly documented?
5. Was there evidence of:
 - (a) Drawing on experience elsewhere?
 - (b) Passing on the experience to other sites?
6. How was the project managed?
 - By whom?
 - How often?
 - Evidenced by which decisions
7. Has the project ended?
8. What lessons can be drawn and what will you do about them?

POST IMPLEMENTATION REVIEW

OBJECTIVES

1. Improve Planning and Appraisal process.
2. Encourage greater realism in estimating.
3. Improve Project management.
NOT Management Appraisal *LEARNING NOT LAYING BLAME*

CONTENT

1. Two pages of commentary, i.e. Board Paper level.
2. Non Financial Performance Indicator(s). Target set in the Application.
3. Revised cost of project with some breakdown by item together with reasons for large over/under spends.
4. Operating Costs etc., in coming years.
5. Forecast costs etc., in coming years.
6. Revised DCF.
7. Lessons to be learnt

TIMING

- APPROVED
- CONTRACT(S) SIGNED
- ON SITE OFF SITE
- INITIAL PRODUCTION
- FULL PRODUCTION
- JOB CLOSED
- JOB CAPITALISED

INVESTMENT AND OPERATING COSTS AND STATISTICS

- BY ITEM AND OVERALL
- CHANGES OF SPECIFICATION
- ESCALATION

PROBLEMS ENCOUNTERED AND UNFORESEEN BENEFITS

- CONSTRUCTION
- ENVIRONMENTAL
HEALTH

INDEPENDENT CHANGES AFFECTING THE PROJECT

- PRODUCTION
- MARKETING
- PERSONNEL
- FINANCE

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David is an experienced financial professional who has devoted his skills to management training in practical understanding and utilisation of financial information. A Graduate, Chartered Accountant, and Associate of the Institute of Taxation, he is also a Member of the Chartered Institute of Personnel and Development.

He has worked as a Financial Controller and Company Secretary in the Finance Industry and as a Director of Finance and Administration in the Computer Services industry. Since 1990 he has conducted management development programmes for over thirty major organisations including Blue Circle, BP, CSC Computer Sciences, Conoco, Ernst & Young, Lloyds Bowmaker, The Post Office, Rothmans and Zeneca. International training experience includes work in Denmark, Kenya and the Czech Republic for Unilever, in Dubai for Al Atheer, in Holland and the U.S. for Avecia and Zeneca and in Bahrain and Saudi Arabia for Cable & Wireless.

He specialises in programmes in financial management for both tactical and strategic decision making. A key output from the training is demonstrable use of the knowledge and skills acquired to enhance corporate profitability. In addition he has run courses in acquisition evaluation (The Economist, Blue Circle and Hays Chemicals) and in post-acquisition management (Unilever). He has also developed material for delivery by in house personnel (Royal Mail, Lloyds Bowmaker and Conoco) and computer based training packages (The Post Office, Unilever and BP).

He is a prolific writer of case studies, role plays and course material, he has also published articles on the financial justification of training, financial evaluation of IT investment proposals, the use of Activity Based Costing and Customer Profitability statements, commercial considerations for consultants and the need for taxation awareness training for general managers.

He is married with one grown up daughter and his outside interests include being The Treasurer of the Hospice of St. Francis (Berkhamsted), and a member of the Catholic Alpha Training Team (Promoting the Alpha course on Basic Christianity). He was a Governor of Luton University for nine years and a school Governor for four years.

This series of papers is designed to help managers by providing a basic understanding of key financial concepts to assist them in their work. It is provided at no cost since this knowledge is a Gift from God and thus to be shared (Matthew 10:8).