

Project Management Update from Cairo



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Project financial control with uncertain conditions

Interview with **Miriam Amin**,
Financial Controller and Consultant

Interviewer: Almahdy Eltonsy, IPMA - B

First I would like to introduce you, could you tell us about yourself?

My name is Mariam. I worked as a Senior Financial controller in Siemens Egypt. During my career journey, which for the last 15 years is with Siemens, I have touched the Healthcare industry and Energy Transmission sector.

Now I am a consultant financial controller and trainer.

Healthcare and energy transmission!!! , it looks as a big gap isn't it?

Financial control remains the same; sure projects are different but the financial controlling and project controlling remains the same.

When we deal with projects controlling we put in place tools that we use to “See” – “Measure” – “ Compare / benchmark “ – “ Raise Flag”.

As I told you the concepts are the same but as you notice they are not typically the same.

Even within the same industry, each project has its own “DNA” and its own “Genetics”, parents are the same but children are different.

What do you mean by projects “DNA” and “Genetics”?

Oh I mean by that when the project is born or even if the project is in the formulation phase, a lot of circumstances and effects influence how the project will look like.

Based on that, we put the controls in place; each project has its own criteria and own challenge, as I told you typically like your children.

How do the children look now, I mean projects?

Well thanks for this question. As you can see now the whole world is under a huge uncertainty, the most stable places became un-stable and you may notice fluid situations in many places that we considered as solid earlier.

The Middle East, Africa and Latin America, considered as the most growing countries and with high growth rates, in the same time the situations there are not stable and mature, and guess what that makes the business more challenging and more attractive.

You could see a lot of opportunities but with high risks, which means higher mitigation plans to hedge each risk. And that will lead to a much higher base cost. Not just that, but there is no confirmation that you put the right mitigation plan in place!

So, as a consultant what do you see? What should the project manager do?

Actually it is more than a project manager role; it is a business management role. The business manager must involve the project manager and commercial project manager in the earliest phase possible. When I say earliest phase, I mean the Go/No Go decision. Project manager or the head of projects management is usually aware of the actual risks; the commercial knows exactly where the pitfalls exist.

Could you elaborate more?

Ok, the business management decides which kind of investment they need to make and they establish the master plan with respect to the strategy and tactics. When a project

arises, the business management decides if it is a Go / No GO based on the criteria; this is a major part of Go / No Go but it is not the only part.

Now the project enters normal assessment processes, which are well known and well established. With the abnormal circumstances, which become the baseline now, new tools must be put in place.

First is the project financial model, how to go lean and go fast in implementation. This is a major critical point in the projects now. We must go as slim as possible, cutting all fats, focus on what matters.

Example, when you deal with projects you need to structure the project into phases. With each phase you must have a clear POC (percentage of completion) scheme and not just that the reduction of the LGs.

This model will enable the project manager to “Slice” the project into phases or “sub projects”. This pattern must be clear in the contract, which is hard especially with governmental tenders, but is worth hard tries, especially with the LGs.

The frequency of controlling and monitoring the cash flow and margin is a real important factor. It must be at least on a bi-weekly base (POC – Planned cost) to assure the health of cost.

Sure, with high risk you have nothing to do but putting accruals.

The contracts structure - you need to make sure which legal entities should sign. Is it a FIDIC contract? Is it a contract with local or international company? All these factors have impacts on the accruals, accordingly on the project.

Cash position, you have to be sure to align with your backward market (your suppliers). You must make sure that the contracts with suppliers are back-to-back contracts (supplier gets money as soon as you get the money).

Thanks, could you give us the golden words to remember?

Simply: “CASH” and “Gross Profit” nothing more.

Thanks, Mariam, anything to add?

No, it is a real honor to meet you and to be interviewed in PMWJ.

Thanks and best of luck

About the Author



Almahdy Eltonsy

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Almahdy Eltonsy, IPMA – B is a Senior Project Manager in the HealthCare industry, and the first healthcare PM granted the IPMA-B certification in Egypt. Starting with Siemens in 1993, Almahdy has extensive technical and managerial experiences, gaining the ability to work cross-functionally in a time-intensive environment. One of the most important milestones in Almahdy's project management career is Children's Cancer Hospital in Egypt (57357) (www.57357.com), a 30 Million Euro Project. As a GPM for this strategic pivotal project, the scope was not only project management but also the service management, in addition to work with accreditation bodies.

In 2012 Almahdy moved to GE HealthCare to work as a product service manager for Surgery – X-Ray – Intervention – Ultrasound – Life Care solutions, using his experience in leading the service team with project management methodology. Almahdy's motive to change is to take a new challenge and exposure to new cultures and discipline, taking advantage of his technical and managerial skills and using the project management tool box in general management aspects.

In addition to his work in healthcare, Almahdy worked as an IT project developer with one of the largest media and advertising groups in Egypt. Almahdy was able to realize a new methodology and software for Media planning and advertising campaign planning. Almahdy holds a B.Sc. in Systems and Biomedical Engineering from Cairo University - Faculty of Engineering, and passed many specialized courses in Siemens, GE and Microsoft. LinkedIn: Almahdy Eltonsy. Email: Almahdy_eltonsy@yahoo.com

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