#KPMG Ignite

Join the conversation
Aligning finance and major projects perspectives in capital project delivery

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Welcome and Introductions

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Agenda

– Setting the stage: a day in the life
– Introductions: Helen and Aman
– These situations do happen: case studies
– The crux of the matter: different perspectives
– It doesn’t have to be difficult: obtaining alignment
– In summary: best practices for success
We know it happens: case studies

Case study # 1 – integrated O&G company

– Complex invoicing requirements and systems set-up did not support streamlined supplier payment and cash call processes

– Workflows for key finance approvals (e.g. change orders, personnel approvals, invoice coding) did not run smoothly

– Misunderstanding and delays in providing critical finance information (forecasts, accruals)

Case study # 2 – energy company

– Different terminology between projects and finance

– Long lag time between assets operationally ready vs. financially unitized

– Increased cost of borrowing as forecasted spend did not reflect actual spend

– Operating in silos and duplication of processes
Different perspectives, same objectives

Scope, schedule and cost management vs Budget / financial management
Project tracking and reporting vs Month-end
Incurred costs vs Accruals
Earned value analysis vs Financial forecast
Physical assets vs Financial assets
Making it easier: achieving alignment

Case study – energy infrastructure company

– Workshops to create common understanding
– Alignment on terminology and documentation of these definitions
– Creation of workflow maps that align project controls activities and needs with finance requirements and processes
– Clarification of responsibilities between finance and projects/operations
– Common understanding that project controls and finance are equal participants
Best practices for alignment

- Establish common terminology
- Integrate finance & PM processes
- Communicate regularly & constructively
- Consider business partnering
- Understand roles and resp.
- Reach early alignment on expectations
Contact us

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Thank you

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