

Articles from our bimonthly newsletter

CosTrackConnection

A publication of CosTrack Project Controls



Cost control simplified:

A summary of how we add value to the client

Cost control is an essential component of every project in every type of business. There is a great need within the manufacturing and refining industries for information. This is the key to our existence – the ability to provide information.

The work we do, broken down to each essential task, appears to be a simple process. But, in its simplicity, it is a complex and often overwhelming subject for most, with the exception of a small niche of skilled individuals who enjoy sitting at a desk and working with data – voluminous, overwhelming, meaningless data in its raw and unorganized form.

The Cost Analysts import timesheets, audit the data against the gate information and print cost reports for the contractors and clients. There appear to be just four easy steps for the Cost Analysts. What the receiver of the service and data does not understand is the amount of time and effort it takes to make this process seem easy.

Utilizing the relational database of information as we do, we need to enter every employee, their craft, their craft rates, their shift, the work orders they charge, the purchase orders they get paid against, plus numerous other fields designed to make the data as meaningful and minute as possible. Information imports from the data sources make some of these processes easier, but the large majority of relational data in the system is entered manually and with a planned design.

The information processed and audited by the Cost Analysts is the summation of all the contractor work occurring on the job. Material purchase orders are imported into Costracker from the client accounting system and committed as actuals in our tables.

Rental equipment purchase orders are also imported into our system from the client accounting system and staged commitments are entered into our system to reflect usage over time.

The experience and insight of a seasoned Project Lead allows them to note when essential information is not in the system and needs to be included to provide accurate data.

They need to estimate missing timesheet, equipment and materials data daily, though the costs may not be billed until the end of the job. The cumulative effect of this information is a complete picture of the total costs incurred on the job through the current point in time.

There are a number of ways to make meaningful use of the information assembled within our

system. Depending on the amount of identifying data provided by the client, we can slice and dice the information in a number of ways.

Generally, the highest level of reporting occurs at the approval for expenditure (AFE) level. The AFE is most usually a budgeted amount on a specific project or piece of equipment. So, when sorting data by AFE, it is possible to show an overall cost at the project level as compared against the budget.

If work order, purchase order and WBS information is provided, we can identify the costs, hours and division of expenses to the lowest level of work detail throughout any job.

Though we talk a lot about how much things cost, there is a more essential component of information that our clients are looking for as the work progresses in the project window – this is the cost at completion, or the forecast.

Another valuable piece of information which can be collected from the client or client representatives is the schedule progress. Our Project Leads will make an ODBC connection to the Primavera Schedule and bring a daily export of schedule progress into Costracker.

From this progress data, as calculated against the processed and committed Labor, Material and Equipment data at the AFE, company and work-order levels of detail, we can produce forecast information, productivity values, costs against budget variances, and we can identify those specific tasks that are causing budgeted and forecast overruns or underruns.

We are able to provide essential management information to our clients, who then can make midstream project decisions which might affect project duration, final costs, limits to financial exposure, workforce staffing and work package isolation of overruns by time and cost. We are able to help our clients identify where they might have made mistakes or oversights in their budget and schedule plans.

Cost control really is quite simple in its overview and explanation. Our services have high value within our client industries – and they are in short supply.

We do not have many competitors providing the services and tools we provide; those who are out there do not have the experience or the technical edge to provide the wealth of information we have made available in so many ways.

Our effective cost control and cost management services explain why we have had such great success through the years.

A brief video explaining the earned value of a project is available online at

http://www.youtube.com/watch?v=366eKJw1y_Y

It proves that cost control really is simple.

Our reputation for quality and service garners industry respect

By Phil Haltom
Marketing Director

Busy! That's the most appropriate description of the year so far. Chaotic, eventful, educational and successful are also adequate descriptors.

During the past few months, I have covered the country from the Gulf Coast in the south to the windswept hills of the north and the fog-shrouded hills of the West Coast. The trips have put me in front of key decision makers at the HollyFrontier Corporation in Dallas, Flint Hills Resources in Minnesota and the Valero Benicia Refinery near San Francisco.

After many months, and often years, of initiating contacts, networking within the industry and meeting with these well-placed individuals, I have found the need for our competent services to be at an all-time high. The need within the industrial manufacturing world for both controls solution software and highly specialized individuals has never been greater. In fact, I have found there to be a need far greater than I had imagined when I started this position with CosTrack.

Some of the key things I have learned this year include:

- Our competitors' software is not the best! They are often the most expensive and highly marketed, but have limitations that are exposed under pressure;
- Other touted controls organizations do not have a verified and proven process to gather, analyze and disseminate information to industry managers;
- All cost analysts/engineers are not equal. There is a tremendous vacuum that exists between the great cost professionals and the not so great; and
- The need for our services and software has never been as high as it is right now.

The CosTrack Project Controls organization, along with the accompanying Costracker software

and industry proven processes, has one of the best and certainly most competitive controls packages in the marketplace. In order to help fill some of the industry need that has been presented to us in recent months, I have done a number of things a bit outside of my comfort zone, but which are proving to be of value.

For example, I have delved into my list of historical contacts collected through my years of networking to come up with some potential, highly-specialized and skilled employees that would be ready for immediate placement, and I have scheduled presentations without any idea of whether or not someone would be alongside me to present the finer points of the software and process.

These are the gambles I hope will turn into productive and rewarding work for our company.

As the year proceeds, I am seeing opportunities to work for companies that we have never worked with, companies such as Honeywell, Shell and the newly merged HollyFrontier Corporation. We are also continuing to expand into additional refineries within umbrella organizations where we already have established work: BASF, Valero and Phillips 66. Additionally, we have opportunities to revisit places we have been before, and we are finding that we are the best at what we do.

Let me sum up the value of our company to the industry by pointing out a comment in a recent connection I had with Ord Limbrick of LHR, who has the distinction of being the most demanding and challenging manager with whom we have had the duty of working as a result of my efforts. Mr. Limbrick indicated that we "scored the highest in performance of any project controls group he has witnessed."

That affirmation alone makes the challenging work we do well worth all the effort it takes to be successful.

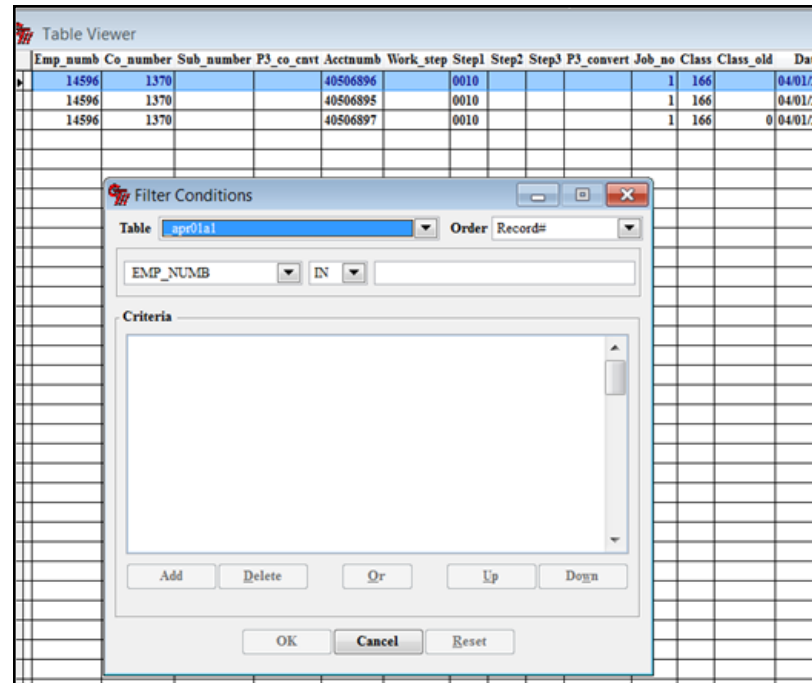
Another new database filtering trick

Even though we are moving full steam ahead on the development of the Costracker 3 software, we do find time to make improvements to the existing CT2 functionality. In actuality, as we work to develop new and robust features for an improved cost tracking software in CT3, we find “tricks” that can additionally be incorporated into the existing CT2 code to make it more functional for users.

Recently, a new sort feature has been incorporated into the CT2 database, adding logic and efficiency. Traditionally, when you open a database and choose the filter options, the column sort default is the EMP_NUMB. If you want a different column of data, you would drop down the box and select the column of choice organized by its location in the table.

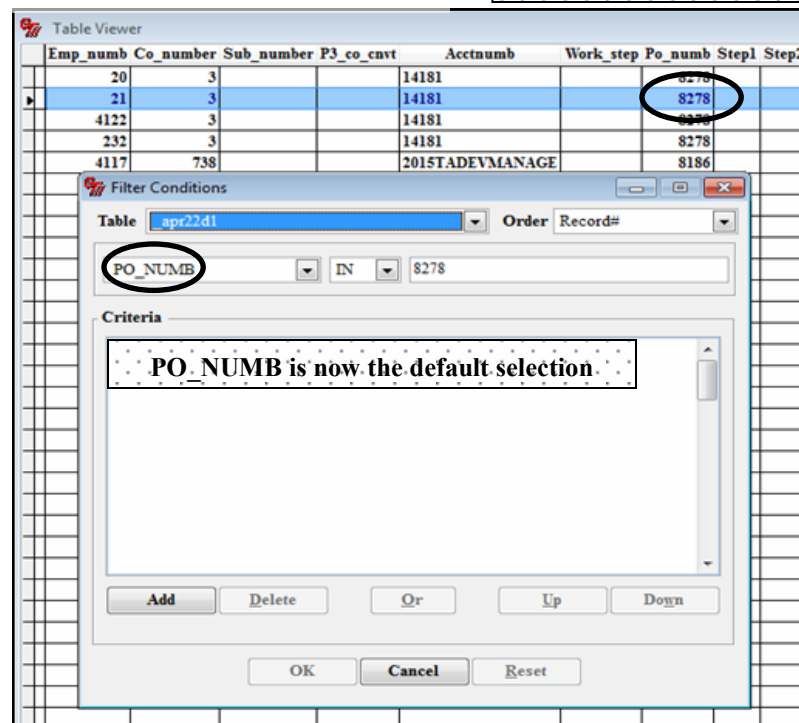
Upon release of the new executable, and many of you already have this version, the sort criteria will default to the column in which you have data selected. For example, if you open the labor data table and select a piece of data in PO_NUMB, then select Filter, the default for the sort criteria will be PO_NUMB. You no longer have to search the list of criteria for the title of the column you want.

Old Default Filter Select



New Filter Selection

Select Data in PO_NUMB



A critical investment in our future

Last year, we made the decision to reignite the emphasis on investing in the technological future of our company. The viability of our software and the focus of our services rely on our maintaining the technological edge we have had for the past 18 years. We are redoubling our efforts to push forward with the programming and production of an end-user quality Costracker III.

This SQL-based database is already being utilized at Citgo, Sinclair-Rawlins, Sinclair-Casper, and on our own reports server. The data housed in these databases is much more robust and greatly enhances the speed and variety of reports that can be produced and modified for our clients.

We formed a team of dedicated programmers and

technicians who compartmentalized the ongoing support services for CT2 and distributed the workload of the day-to-day server and synchronization processes. They are making progress toward the goal of full CT3 production in 2014.

We have regained the momentum we had established when the economy slowed in 2009 and are driving this project forward to completion.

Our team in Casper collaborates with our associates in the field who know the work and provides their input and expertise to the next generation of our most important project controls tool.

This process is rapidly moving forward and we are looking to make strides toward the full production of CT3 soon!