



Capital Program Management: The New Strategic Imperative

The rapid path to increasing the return
on your capital expenditures

Organizations seem to face new challenges at every turn. Industries such as education, hospitality, retail, and healthcare have encountered unprecedented challenges as recent events have rewritten economic and operational realities almost overnight.

Organizations seek opportunities to optimize resources and operations. Some are emerging from economic downturns, while others are either responding to competitive pressure or are seeking to maximize growth potential. All want to chart a strategic course that puts one eye on the present and one on the future.

Improving capital program management is a critical need, as it helps organizations to bridge today and tomorrow and can yield tremendous operational opportunities, including better cash flow, faster growth, and competitive advantage.

In addition, capital program management is ripe for digitization. For many organizations, planning and managing capital project portfolios remains a largely manual realm, supported by disparate systems and tools that inhibit efficiency, visibility, and control. Companies can jumpstart transformation—and savings—by moving from disconnected processes, teams, and data to a cohesive approach.

Project owners know that they need to digitize and standardize capital program management, but in many cases, barriers appear steep in terms of cost and the time needed to realize meaningful improvements. It doesn't have to be this way.

Eye on the prize: higher return on investment (ROI), lower risk

Owners ultimately assume the greatest risk when it comes to any capital project or program. So, it's logical for owners to seek greater visibility and control over budget, compliance, and project completion. As an owner, you want to reduce the risk of time-consuming and costly disputes and litigation—and ensure a smooth, timely, and complete asset handover for efficient operation and better return on investment.

To achieve extended visibility and control, owners need proven processes and systems to manage data and communications. You need a consolidated view across cost, schedule, and scope. Lastly, they need consistent data across all of their projects to support them throughout the life of the assets.

Room for improvement

- 69% of construction projects come in more than 10% over budget
- 75% miss original delivery deadlines by more than 10%

Source: KPMG

Dilemma: A hospitality firm is evaluating four separate hotel project proposals. Which should they prioritize?

Solution: To determine with confidence, they need historical schedule, market, and budget data...all in a single view for instant clarity and informed decision-making by all relevant stakeholders.



The lens is slightly different for public and private organizations.

For private organizations, the ability to modernize capital program management can yield higher margins and shareholder returns—including an improved ROI, a better competitive position, and lower risk.

The public sector landscape is shaped by an accountability to constituents, rigorous compliance processes, and strict funding and budget requirements. Project owners need the ability to direct and account for multiple funding streams from various sources, each with their own restrictions and requirements.

Many organizations still use the familiarity of email and spreadsheets to manage their workload. This comfort zone comes at a steep price. Email and spreadsheets do not provide complete data from historical, current, and forecasted projects across cost, schedule, and risk. This data is needed to standardize processes and make informed decisions, to optimize the use of available capital, and achieve better project outcomes.

Value across the capital program lifecycle

Let's consider the benefits of capital program transformation through automation in both the planning and project execution lifecycle phases.

Planning phase

The planning phase is all about selecting and prioritizing the right projects. Re-imagining capital program planning processes through digitization and standardization can empower owners to:

- **Achieve cross-portfolio visibility to enable integrated project selection and adjustment.** Owners need dashboards with cross-project views and consistent data across projects to compare those projects, share learnings, adjust resources, manage funding sources, and make informed decisions.

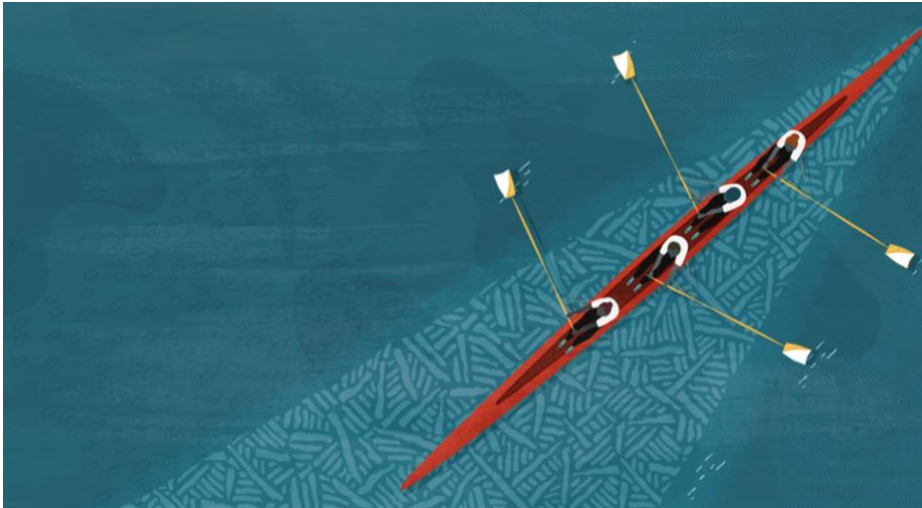
Goals of capital program management transformation

- Maintain transparency and control over project scope to limit the impact of change on project cost and duration
- Standardize key processes across internal and external teams
- Minimize risk via a risk register with integrated scoring, centralized document control, and records management
- Increase process efficiency for change management to minimize surprises
- Ensure governance/ compliance, data security, and access control across projects and portfolios
- Increase assurance of on-time delivery and accelerate ROI with more efficient execution processes

For example, such visibility can give program managers the confidence needed to reduce funds held for contingency, freeing a larger percent of capital to fund additional projects.

- **Incorporate historical data to influence project selection.** Historical data, which can be as diverse as plan-to-actual-budget comparisons and revenue per square foot, is a powerful driver for smarter project selection moving forward. A digital capital program management environment puts this data, and other valuable information, at the user's fingertips for instant insight.
- **Tie prospective projects to funding sources.** This is particularly important in the public sector. Multiple funding sources combined with specific requirements can create a complex web that prevents organizations from making the most of their capital. Organizations must be able to identify which funds are tied to which projects, and when they expire, to prioritize planning. Today, many private organizations require similar capabilities when dealing with public-private partnerships as well as special programs, such as economic stimulus funds.
- **Streamline and improve decision-making and drive alignment with the organization's strategy.** When operations, sales, finance, and compliance are all looking at the same data, there is greater opportunity for collaboration, clarity, and consensus around creating the capital program strategy and aligning it to the overall strategic direction.
- **Forecast confidently and fine tune capital deployment with full visibility.** Capital deployment and optimization are more precise and accurate due to the visibility into current and future costs and resources—including increased confidence in forecasts at the project and portfolio levels.
- **Tracking ROI with full visibility across a portfolio and individual projects.** Organizations must be able to track ROI across the asset lifecycle, especially when planning a portfolio or capital program budget. Organizations can also utilize ROI calculations in post-completion reviews to understand how each investment performed against expectations and improve future results.





Project management phase

During the project management phase, capital program management automation can:

- **Standardize processes and introduce workflows to deliver better quality projects faster and on budget.** Owners must be able to manage time, cost, scope, and schedule in one location and integrate and unify documents and project information into a single workspace. Early visibility into progress, issues, and changes can minimize the impacts on project outcomes.
- **Impose more consistent and thorough governance on the entire project team.** Owners need more control and assurance without added effort and complexity. You can reduce risk through streamlined and standardized processes, consistent data format, and visibility into compliance.
- **Ensure seamless handover of a complete project record to operations for more efficient maintenance and renovation.** At the end of a project, owners often receive data in various forms—from drawings to warranties, equipment models, and as-builts. You need complete data in a consistent format to effectively maintain and operate an asset.

As important, owners also need insight into why specific decisions were made. For example, a healthcare facility can reference back to why specific equipment brands or models were selected and use this information to inform future decision making.



Art of the possible—today

Historically, using technology to automate and standardize capital program management could entail a lengthy implementation process, which often limited adoption to larger owners. Organizations asked themselves whether the investment was truly worth the time and effort. They've succeeded in the past with tried-and-true spreadsheets and email. The world has changed, however, and so have the possibilities.

There is an easier path to automation and better capital management program outcomes with solutions that are accessible, provide rapid impact, and can grow with your needs over time. You can get assurance, standardization, consistency, and visibility without the cost and burden of a years-long deployment and investment cycle.

Valuable capabilities that have historically been reserved for large complex, organizations are now available to all owners.

What to look for in a partner and solution:

- Purpose-made solutions with DNA in project controls built for owners—experience matters
- Pre-built, proven business processes and workflows that span project planning and execution and are designed specifically with owners' needs in mind
- Secure and reliable cloud-based infrastructure
- Scalable to meet your needs—today and tomorrow
- Multi-level hierarchy to reflect a typical organization, from campuses through sites down to buildings and projects
- Expansive library of pre-built user-defined reports that enable a quick start and valuable insights
- Nimble dashboards at various levels of the hierarchy for real-time, drillable information across the entire portfolio and various roles—from C-suite to cost-control manager
- Flexible and easy-to-use reporting tools
- Rapid set up and ease of use so you can achieve results quickly
- Trusted support and a commitment to continued innovation

University of Connecticut graduates to smarter capital program management with Primavera Unifier:

- Cuts turnaround for quarterly reporting from **two weeks** to **30 minutes**
- Tracks purchase requests rapidly and with **zero risk** of lost requisitions
- **Automates** invoicing and eliminates the risk of a lost invoice
- Incorporates funding changes and completes new project proposals in **15 minutes** instead of **three days**

Zero to 60 in no time

Oracle's Primavera Unifier Essentials helps owners go for the quick win. The cloud-based platform helps ensure you are making the most of your capital, from selection and construction through handover to operations.

Get up and running in just a few weeks with proven business processes personalized for your organization. Mitigate risk through data and visibility, improve communication and collaboration by bringing the project team together on a single solution, and provide management with clear, comprehensive project and program-level graphical reporting.

[Learn more](#) about how Primavera Unifier Essentials can put you on the fast track to better capital program management.

Primavera Unifier Essentials

- Achieve rapid improvement and ROI with preconfigured core processes personalized for your organization
- Access one cohesive solution for all your processes across planning, design, procurement, and construction
- Boost efficiency, limit risk, and improve decision-making across capital project and program teams with out-of-the-box reporting and dashboards
- Future-proof your investment with a growth path to Primavera Unifier


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