

Rovetex AG and Project Management

1) What is Project Management?

On average, every fifth or sixth year, a company needs to build a new shed or to restructure an existing shed due to extension or reorganization purposes.

Often, the Management of the company thinks that realizing this project is routine work and therefore it can be carried out easily by the usual internal resources of their company.

But this is not always true, because for this Project Management (which is a very specific type of work) and involves a considerable amount of investment and requires specialized and experienced people to be performed in a correct and economical manner.

In fact Project Management is a coordination of all the necessary operations for constructing or restructuring a shed, from designing, to purchasing of material, execution of civil works, erection of machinery and equipment, training of people, testing and start-up of the plant.

Project Management's task is optimization of all the resources of the project, that is:

- men
- material
- know-how
- financial resources, etc.

Therefore is convenient for Company's Management to appoint an outsourcing Project Management to carry out the Project.

Rovetex A.G. of Baar (CH) is an international consulting company, which has specialized knowledge of the textile industry, and has for more than 30 years performed Project Management for the most important textile companies all over the world.

Rovetex for its Project Management performance charges the Client of about 4-5% of project investment, but gives to the Client saving of money of about 20% or more.

2) How it works?

Rovetex A.G. supplies the Client, the PROJECT MANAGER, who will be responsible for the whole project.

The Project Manager will be supported by a PROJECT TEAM, which dependent upon the contract will be supplied by the Client or by Rovetex or partially by both of them.

Project Team will include the following skills:

- the responsible Company Manager as a counterpart of Project Manager
- technicians for designing, purchasing, planning, expediting, erection, training, and start-up.
- specialists for economic and financial control: project budget, budget control, payments to suppliers.

Most of these technicians will work for Project Team only on a part-time basis.

The Project Manager will control periodically work progress and will report to the Company Manager weekly or every second week.

3) Basic concepts

Rovetex's basic concepts for designing of the new plant are as follows:

- checking of industrial process
- designing correct material flow
- checking number and qualification of personnel
- checking of raw material and utilities consumption (electricity, steam, gas, water, etc.)
- designing connection to external utilities supply
- designing internal utilities networks (steam, compressed air, water, etc.)
- designing electric systems (energy, lighting, telephone, EDP, fire fighting, etc.)
- designing proper organization of storing systems
- checking internal physical conditions: air temperature and humidity, smokes, condense, noise, vibrations, etc.
- designing proper external areas (material loading and unloading, car parking, green areas, etc.)
- making possible future extension of the plant.

4) Project Management by objectives

Rovetex's Project Management works by objectives.

This is a big advantage for the Client, because **ROVETEX** guarantees:

- quality of the new plant according to the scope of the Project
- time of completion of the plant according to initial planning
- cost of works according to budget
- cash flow according to budget

The achievement of the above important goals is possible, because **Rovetex** is fully dedicated and responsible for the Project.

5) Rentability of an investment

The most common procedures to calculate in advance rentability of an investment are Pay-Back Period or ROI (Return On Investment).

But using internal resources for Project Management, very often the forecast rentability doesn't become true due to:

- wrong initial forecast
- delayed work progress
- cost increasing
- not achieving expected increase of efficiency of the new plant, etc.

Rovetex calculates Pay-Back Period or ROI of the investment, according to wishes of the Client and is responsible for achieving the targets.

6) Advantages for the Client

-quality of the new plant: the new plant will reach exactly the scope of the investment and will fulfil perfectly the requirements of the Client

-timing of execution: the new plant will be completed within the planned time, so no delay of starting of production and no additional financial costs

-cost of works: a proper negotiation with suppliers and a constant cost control will allow considerable saving of money

-cash flow: a careful balancing between in and out cash flow according to initial budget will avoid expensive and delaying go and stop works.