

Contract management vital for success in construction

By Larry Ralon

KOTA KINABALU: The construction industry today is experiencing significant pressures that affect the way they look at their business, according to IFCA Consulting (Sabah) Sdn Bhd.

Its General Manager, Beh Soo Lang, said fixed price contracting combined with changing conditions drive the risk factors in meeting financial targets for a project.

"The engineering industry is also highly fragmented. So competition is fierce, driving down margins you can capture for a project," she said, adding there is data input in multiple areas, jeopardising the integrity and real time status of the projects.

Beh was speaking at the opening of a seminar on "IFCA Contract Accounting" organised by IFCA Consulting

(Sabah) Sdn Bhd at Shangri-la's Tanjung Aru Resort (STAR) here.

It was officiated by Science and Technology Adviser to the Chief Minister, Datuk Tham Nyip Shen. Also present were IFCA MSC Berhad's Executive Director, Ian Jeremy Jone, and representative from IBM Global Financing, Boon Pan, among others.

The mission of a company today is not just to complete every project on time and within budget but should be to maximise the benefit at each stage of a project with proactive tools to monitor and control each activity with timely and accurate information, said Beh.

"Not forgetting the most important part of a project, that is cash-flow," she added. These are the challenges faced by the construction industry, she con-

tinued, stating that the IFCA Contracting Accounting is designed to address their concerns.

"Contract Management aims to ensure that you are always in control of the job from conception through completion. Real-time job status functionality provides complete visibility, while integration with the financial accounting systems constantly delivers up-to-date cost and budget details," she said.

It enables the setting up of all contract master information including client information, the date of completion, original contract, retention rates and other prime contract information, besides the establishment of an activity-based project budget, she added.

Other than that, she said it also provides cash management functions such as cash flow



IFCA Consulting Sabah's GM Beh Soo Lang

projections and comparisons against actual cash movements, tracking progress claims and contract variation orders, whilst retention amounts are automatically computed based on contract specifications and

are kept in a Retention Ledger.

Beh said the IFCA Sub-Contract Management module is also an important tool for tracking and monitoring all third party contract relationships. "This module manages the original sub-contract as well as all variation orders, claims, retention and payment history," she added.

IFCA Consulting group was established in Kuala Lumpur in 1987 as an Enterprise Software Developer providing business solutions to various industries, namely, property, construction, hospitality, finance and manufacturing.

The group's Research and Development (R&D) company, IFCA MSC Berhad which is listed on the MESDAQ board of Bursa Malaysia, was granted Multimedia Super Corridor status in February 1998 for its contribution to the IT industry.

IFCA today has a presence in four continents including Asia, Australia, Africa and Europe, with more than a thousand customers and a workforce of no less than 300 professionals.

Beh said IFCA would continue to focus and nurture its home base in Sabah to provide better support and services to its existing and new customers.

"In the product front, we will continue to adopt new IT technologies such as migrating our existing suites of solutions to the web-based platform and incorporating wireless devices and technology," she said.

After 18 years in the business, she said they are well positioned to introduce new and complementary solutions to the larger community of customers to provide them with better and more efficient tools

to manage their businesses.

"In the global front, we will extend our market reach into the four continents we are already in. Outsourcing of IT services is a growing cost-reduction trend and we are embarking in providing such services," she added.

Its other new businesses will include the IFCA Web-hosting services for property management company, IFCA Contract Accounting to small and medium entrepreneurs and industries and project engineering based companies which are its present focus as well as customised IT projects and e-business developments covering areas such as logistic and procurement, CRM and portal projects.

"Our goal is to build a strong customer base with IFCA's core strength in its products and people," she said.