



# THE IPA INSTITUTE

Advancing Project Knowledge

# Contracting Strategy WORKSHOP

Develop the Right Contract Strategy to Achieve Your Project's Goals

Independent Project Analysis (IPA) data show that problems with contracting strategies are often the root cause of project failure, resulting in months to years of schedule delays and millions in cost overruns. Owner project teams often lack the unbiased data and clear processes needed to guide contract strategy selection. The **Contracting Strategy Workshop** brings both IPA's data and experience to assist your project team in designing a fit-for-purpose contracting strategy and implementation plan to set your project up for success.

## Key Benefits

- Develop a detailed contract strategy and an implementation plan designed specifically to help achieve your project's goals
- Optimize resources and risk mitigation to best support the contracting strategy
- Learn from IPA's extensive research on contracting strategy development and selection

## What Is a Contracting Strategy?

When a manufacturer or resource development company decides to build a new facility or refurbish an existing facility, these organizations typically outsource the engineering and construction work to contractor firms. The contracting strategy is the process of determining how the contractors and vendors will be selected, how they will be paid, how much work any one contractor will do on the project, and the terms and conditions under which the work will be done. This is one of the most difficult elements of project management, even for mature project systems.

## Workshop Topics

- Clarify the business and project objectives
- Establish the context of the proposed projects
- Summarize the key elements of a contracting strategy and build inventory of both common and unusual strategies for consideration
- Review IPA's findings concerning the relationship between contracting project outcomes advantages and disadvantages
- Facilitated Working Session:
  - Breakout groups consider available options considering the project objectives and context
  - Compare proposed strategies
  - Reconcile and arrive at consensus support with detailed justification
- Design a path forward and assign responsibilities

Duration: Half day to 2 days—dependent on the complexity of the proposed project.

## Develop Your Contract Strategy With IPA's Data and Expertise

The **Contracting Strategy Workshop** is a facilitated working session that leads the core project team through the process to develop and select the most optimal contract strategy for a specific capital project. The workshop lessons and materials are based on IPA's extensive research and observations from over 35 years of capital project benchmarking.

### When to Conduct the Workshop

The **Contracting Strategy Workshop** is most effective when conducted in early Front-End Loading (FEL) before the project scope and execution strategy has been defined.

### Who Should Participate?

Owner project managers and team members, engineers, supply chain executives, the project sponsor, and other business leaders involved in capital projects should plan to participate in the workshop.

### Industrial Sectors

The **Contracting Strategy Workshop** is available to owner firms across industrial sectors. Key sectors include, but are not limited to:

- Chemicals
- Energy  
(Oil, Gas, Power, & Renewables)
- Food & Consumer Products
- Hydrocarbon Processing & Transportation
- Infrastructure
- Life Sciences
- Mining, Minerals, & Metals
- Power Generation & Transmission
- Pulp & Paper



### Request Info

Andrew Griffith, Director, IPA Institute  
[agriffith@ipaglobal.com](mailto:agriffith@ipaglobal.com)  
[www.ipaglobal.com](http://www.ipaglobal.com)



### Why IPA?

Founded in 1987, IPA is the world's leading advisory firm on capital projects. We are a benchmarking, research, and consulting organization devoted to the empirical research of capital projects and project systems. Our work is continuously validated by our clients who routinely compare our predictions with actual results and verify that our recommendations yield business value.

Australia  
+61 3 9458 7300

Singapore  
+65 6223 5038

Brazil  
+55 41 3028 9028

United Kingdom  
+44 118 920 7800

Netherlands  
+31 70 335 0707

United States  
+1 703 729 8300