Management of the projects in FP6

(the non-scientific side of ambitious research)
Management: Key definitions

- **What is “management”?**
  - The act, manner, or practice of managing; handling, supervision, or control.
  - The person or persons who control or direct a business or other enterprise.
  - The skill in managing; executive ability.

- **Is management important in FP6 projects?**
  - Yes! It is an element in all proposals, it is specifically evaluated and, usually, the associated cost is fully reimbursed.

- **…But it concerns coordinators only, doesn’t it?**
  - Not exactly. Management activities and relevant skills are needed by all partners.
Levels of management in FP6 projects

Management

Partner Group or Internally

Technical, Financial or Legal Issues

as Coordinator or as partner
Coordinator: the need for a good manager

Idea -> Consortium building
Proposal synthesis
Submission -> Evaluation & selection
Negotiation
Payments
Consortium agreement
Contract
Real work & consortium running
Final Report & Cost statement

TRIESTE, 15 MAGGIO 2006
Stage I – before submission
The difficult points

- The idea has to match a call topic
- A consortium has to be formed, which:
  - Meets and exceeds the call’s requirements
  - Looks convincing and can efficiently undertake the project
  - Ideally, includes suitable SMEs and partners from ACC/New MS
  - Has no internal conflicts of interest – Each partner has:
    - Clear objectives
    - Clear contribution and benefit
A proposal has to be constructed, which:
- Tailors the idea onto the consortium to cover the call topic
- Gives each partner a suitable role
- Describes how work is done within the consortium
- Allocates adequate budget and resources for all tasks
- Forms (A1, A2, A3) have to be filled-in, in time!

Stage I – before submission
The difficult points
Stage I – Before submission (2/2)
What can go wrong?

- **Typical problems:**
  - Partners do not provide the needed information in time.
  - Some partners are not familiar with the FP6 financial jargon (e.g., “cost model”, “eligible cost”, “audit”).
  - Some partners may initially claim that they can do more than they actually can.
  - Some SME participants may not be real SMEs!

- **...BUT:** Good work in Stage I can greatly help in Stages II and III.
Stage II – During negotiations (1/3)
The main points

- The Technical Annex (i.e., Annex I) has to be finalised.
  - Any recommendations of the evaluators are discussed
  - Slight changes to the work foreseen are possible
    - The structure and content are similar to that of Part B of the proposal

- Contract Preparation Forms (CPF) have to be prepared
  - Details of partners (legal, administrative and financial)
  - Check on partner data (and sometimes additional requests, e.g. bank guarantees)
  - An adjustment of the project’s funding is possible

- A Consortium Agreement (CA) may be discussed

- Some specific contract clauses on the model contract will be negotiated
  - Details on project budget (costs and EU funding), advance payments and audit requirements
Stage II – During negotiations (2/3)
Practical remarks

- The negotiation takes place between the Coordinator and an Officer on behalf of the Commission

- At least 1 vis-à-vis meeting (typically, in Brussels) has to be expected

- The process normally takes 2 negotiation rounds

- Negotiations have to be completed within a fixed time period. The time allocated to negotiations mostly depends on the complexity of the chosen “instrument” (i.e., type of project)

- It may be possible to have the contract signed after the beginning of the project
Stage II – During negotiations (3/3)
What can go wrong?

- Errors in the A forms submitted can delay the process.
- Partners have to provide a negotiation mandate letter and work on the CPF and related documents promptly.
- Consortium changes are possible:
  - Financially “fragile” partners may have to re-adjust their role
  - Partners may decide to leave the consortium
  - Budget changes requested by the Commission may require consortium changes
- The final EU funding level (if changed) may not be acceptable by the consortium.
- ...BUT:
  - Negotiations are very unlikely to fail.
  - Well-prepared negotiations are rather quick and very helpful for Stage III (the project itself).
Stage III – Running a project (1/11)
An initial approach

- How is a typical project structured?
  - The work is split into convenient, interconnected Work Packages.
  - Each Work Package is comprised by Tasks.
  - Usually Tasks lead to Deliverables.
  - The work in each WP is coordinated by the WP Leader and the Coordinator.

- E.g.: EPIST

WP1: Project management
WP2: Survey of eHealth and eInclusion...
WP3: EPIST pilot portal
WP4: Promotion of..opportunities
WP5: Participation of NMS and ACC...
WP6: Assessment of progress...
WP7: Dissemination
Stage III – Running a project (2/11)
How is the management structured?

- The management structure of the consortium is described in the Technical Annex (Annex I)
  - The overall coordination is done by the Coordinator
  - All communication with the Commission goes through the Coordinator
  - Typically, the supreme decision-making body of a consortium is the Steering Committee, i.e., the group of all partner representatives
  - Usually, a Coordinator is assisted by other groups, e.g., the group of WP leaders, or a “Scientific Committee”, etc

**Note:** There is no “recommended” management structure. It should always fit the consortium and the work foreseen in the proposal.
Stage III – Running a project (3/11)
What does management facilitates?

- Scientific Work
- Other (Training, Integration, Demonstration, Etc.)
- Dissemination and publicity
- IPR
- Reporting
- Funding distribution and finances

Coordinator (and partners)
Stage III – Running a project (4/11)
Highlights of what management covers

- Drafting, discussing and finalising a Consortium Agreement. CA builds on the contract, defining or clarifying things like:
  - Partner responsibilities
  - Technical management
  - Sharing of Intellectual Property rights and exploitation
  - Settling of disputes, etc.
- Regular technical and financial reporting
  - internally, or
  - informally, to the Project Officer, and
  - formally to the Commission
- Instrument-specific forms (e.g., in STREPs, Plan for using and disseminating knowledge)
- Project meetings, where the work progress is discussed and any new plans are presented
- Additional meetings, as needed, e.g., meetings of the Work Package leaders group
- Day-to-day work monitoring and coordination
Stage III – Running a project (5/11)
Useful tools: The Gantt & Pert charts

- **WP 1: System specification**
  - Task 1.1
  - Task 1.2

- **WP 2: Laboratory development**
  - Task 2.1
  - Task 2.2

- **WP 3: Process integration**
  - Task 3.1
  - Task 3.2

- **WP 4: Project management**
  - Task 1

Month

D1, D2, D3, D4 → M01

D1, D2, D3, D4 → D5

D6, D7, D8 → M2

D9, D10 → M3, M4

D15 → M

D15, D16 → D11

D12, D13, D14 → D15
### Stage III – Running a project (6/11)

#### Useful tools: The effort form

<table>
<thead>
<tr>
<th>Partners:</th>
<th>ACCW</th>
<th>LUVS</th>
<th>GRAS</th>
<th>...</th>
<th>TOTAL per WP</th>
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<td><strong>Activities</strong></td>
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<td>1</td>
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<td>9,8</td>
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<td>WP5 Training</td>
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<td>3</td>
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<td>WP6 Dissemination</td>
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<td>1</td>
<td>...</td>
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<td>WP7 Management</td>
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<td>4</td>
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<td>7</td>
<td>9,7</td>
<td>7,7</td>
<td>...</td>
<td>58,1</td>
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Stage III – Running a project (7/11)

Time sheets

- There is no predefined form.
- Usual personnel time-recording practices should suffice, provided they can show actual personnel involvement in the project.
- When no time-recording practices exist, a suitable time-sheet system should be chosen and applied.

E.g., a project-specific time sheet:
Stage III – Running a project (8/11)

Reporting issues

- Periodic reports have to be sent in time.
  - **Activity report**: it describes the work progress achieved in relation to the project objectives
  - **Management report**: it shows resources used and costs incurred per contractor. It includes financial statements (Form C) and a summary report.
  - Depending on the contract, an **Audit Certificate** per contractor may be needed. *Partners provide at least 1 Audit Certificate per project.*
  - Depending on the instrument, additional documents may be needed (e.g., for IP/NoE, a draft planning for the next 18-month period)
  - A report format is provided.

- Reports, in general, have to be delivered within 45 days after the end of the reporting period. Exception: final report.
Stage III – Running a project (9/11)
Financial follow-up

- In periodic reports, costs have to be compared to the figures defined during negotiations.

### Cost Budget Follow-up Table

<table>
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<tr>
<th>Contract N°:</th>
<th>Acronym:</th>
<th>Part. 1</th>
<th>Total Person-month</th>
<th>Personnel costs</th>
<th>Major cost item ‘x’</th>
<th>Major cost item ‘y’</th>
<th>Other costs (‘the rest’)</th>
<th>Total Costs</th>
<th>Part. 2</th>
<th>Total Person-month</th>
<th>Personnel costs</th>
<th>Major cost item ‘x’</th>
<th>Major cost item ‘y’</th>
<th>Other costs (‘the rest’)</th>
<th>Total Costs</th>
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</tbody>
</table>

* Total budget figures - not EC funding
<table>
<thead>
<tr>
<th>Problem</th>
<th>Possible reactions</th>
</tr>
</thead>
</table>
| Work progress is unsatisfactory                                        | - Identify and document the problem,  
|                                                                        | - Decide on alternative approaches. |
| Assisting all partners proves to be extremely demanding task            | - Management structures are described in the Technical Annex, however their function can be determined in the course of the project. It may be possible to receive help from other partners, e.g. WP leaders.  
|                                                                        | - Use flexible and efficient means of communication. |
| Some partners perform less than expected                                | - Try to resolve the issue amicably  
|                                                                        | - Use the provisions of the CA. |
| There are disputes over IPR                                             | - Try to resolve the issues amicably  
|                                                                        | - Use the provisions of the CA. |
## Stage III – Running a project
What can go wrong?

<table>
<thead>
<tr>
<th>Problem</th>
<th>Possible reactions</th>
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</thead>
<tbody>
<tr>
<td>The project cost escalates quickly</td>
<td>• Identify the cause for the elevated cost.</td>
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<td>• Seek viable alternatives without skipping deliverables.</td>
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<td></td>
<td>• Ensure the consortium is aware of the issue.</td>
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<td></td>
<td>• If the cost is necessary and the consortium chose to maintain a funds reserve then this can be used to meet the extra cost.</td>
</tr>
<tr>
<td>It seems necessary the change the actual workflow/ budget distribution/ etc.</td>
<td>In FP6 consortia have flexibility. However, it is best to seek advice from the Project Officer.</td>
</tr>
<tr>
<td></td>
<td>If needed, request a contract amendment.</td>
</tr>
</tbody>
</table>
10 Tips for success

1. Choose your partners carefully, having the project in mind.
2. Discuss the proposal ensuring it is feasible for your organisation. Ensure you get the resources you need.
3. Clarify the main budget issues at the stage of the proposal.
4. Propose a flexible and sufficient management structure.
5. Conclude on a clear Consortium Agreement.
6. Organise brief but productive project meetings and maintain an efficient internal communication policy.
7. Opt for frequent informal reporting and do a good time management.
8. Build a good cooperation relationship among partners and with the Project Officer.
9. Ensure a quick funding distribution mechanism.
10. Never delay regular reports.
Concluding remarks

- A project consortium works as a team. Management skills are essential for a coordinator but also very important for all the members of the group.

- A team of management-capable partners can work more efficiently and deliver results at a lower total “cost”.

- It pays off foreseeing the allocation of sufficient resources in order to have a good management structure.

- Key managerial tasks are documented. If needed, extra help may be available (e.g. NCPs, EPIST).

- Good management also builds on common sense.
Grazie per l’attenzione