Chapter 4

Analysis & Interpretation

1 Analysis

In the above evaluation and selection method, it has been observed that a lot of issues have been raised at the time of execution of the services due to advertent nature adopted by the consultant and client PSU for the cost and quality and conflict of interest between the two.

Cost is one dimension which consultant interesting in, while Quality is another dimension for which PSU looks for. The shrinking and stretching of Q and C by both the PSU client and consultant develop the certain constraints which act as a catalyst and also become the prominent for the loss of goodwill, productivity strained relation are detailed below:

1. Change in Scope of Work

Scope of work detailed in the contracts usually get changed due to client PSU request, client PSU usually want to have the enhancement in work without increasing the cost, while consultant desires to be paid for the same.

2. Change in availability of the Resources

Resource availability as committed in the contract by the consultant usually gets changed due to frequent unavailability of the human resources and non availability of raw materials and equipments due to logistics problems. Unavailability of these resources makes loss of client PSU’s productivity and time.

3. Change in Scheduling

Change in scheduling due to unforeseen circumstances, or due to improper
scheduling device, either by the consultant or client PSU. Delay in start of a certain phase or part of the service generally increases the cost of the project due to economic factors.

4. Budget Issues

Figure – 4.1, illustrates that the cost of change increases towards the completion of the project, and do require strict monitoring from the client PSU side. Issues discussed in Para [1] to [3] become the catalyst for increase change of cost and hence give birth to the budget problem from the client PSU’s side.

![Cost of Changes vs. Project Time](image)

Figure – 4.1

5. Unsatisfactory Quality

Dissatisfaction express by the client PSU in terms of quality set, may create the dispute between him and consultant. Quality is the centre entity around which client PSU and consultant activities rotate around and any deficiency related to the quality may leads to contract closure and payment problems.
Unsatisfactory Quality due to dissatisfaction expressed by the PSU customer may delay in contract closure and finally sign off. This leads to delay in related output to realize into the market.

6. Communication Problems

Sometimes consultants do face problems in identifying the real client PSU, as regard to their consulting activities. When multiple owners exist from the client PSU’s side, it creates multiple faces of the client PSU confusing the consultant, as to whom amongst the multiple owners has obligation for the payment and authority on requesting the consultant for the change in scope of work, and signing off.

In some situation even the real customer or EIC (Engineer in Charge), who is the decision making authority for project execution, planning and payment unable to take the decision and wants more time and lot of documentation before it.

7. Conflict of Interest

It has been observed that a lot of issues have been raised at the time of execution of the services due to advertent nature adopted by the consultant and client PSU for the cost and quality and conflict of interest between the two. Cost is one dimension which consultant interesting in, while Quality is another dimension for which PSU looks for.

Conflict of Interest, both from the consultant’s side and client PSU’s side, affects the productivity of the services. Both consultant and customer hide their self in their domains and unable to break the ice in tough situation.

8. Payment Issues

Payments issues arise between client PSU and consultant due to disputes as
discussed. This may lead to affect the services offered by the consultant. Consultant thinks he has performed as per satisfaction of the client PSU and has the right to get the payment, but the client PSU thinks otherwise.

2 Interpretations:

Both the client PSU and consultant are advertant into their domain; where client PSU have to receive the quality and make the payment for that, hence his domain is to achieve as much as quality from the consultant before making payment, while consultant have to receive the payment in lieu of delivering the quality to the PSU client, hence his domain is to receive payment as quick as possible from the PSU client after delivering quality.

Figure – 1.17 illustrates the two component QC (Quality & Cost) model, where the selection and evaluation of the consultant is based on only two parameters i.e. Cost and Quality.

In this model client PSU and consultant have their own obligations and benefits, in such a fashion that the obligation of one’s becomes the benefit of other. Obligation of the consultant which is quality becomes the benefit of the client PSU and obligation of the client PSU i.e. cost becomes the benefit to the consultant. This can be illustrating in Figure – 4.2.
So by looking at figure-11, we also see that, both consultant and client PSU perform only to fulfill their obligations, and advertently look for their benefits. In this scenario it is also being observed that there is neither the joint obligation for cost and quality nor mutual benefit from the same in the project.

In the present Cost and Quality model, client PSU who is hiring the services of a consultant can only put these Q and C parameters which serve the purpose for the selection and evaluation. This present model usually creates the tussle between client PSU and consultants for stretching and shrinking of Q and C until the project ends.

From the interpretation, it is seen that present model usually creates the tussle between client PSU and consultants for stretching and shrinking of Q and C until the project ends.

Need is felt of this research work is to develop an efficient method for the selection of consultant in Indian PSUs scenario.

The research meant to move ahead of cost based selection QBS and quality and cost based selection QCBS, also the new model other than cost and quality, will introduce other parameter, which will proved to be the necessary ingredient of the project.