
Commercial Cash Flow, Payments and Variations Leadership Course

10 – 14 May 2027
Milan





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Programme Summary

Commercial cash flow, payments and variations leadership is a one-week training course for senior commercial, contract and finance leaders at strategic level, culminating in a contract financial control plan for a live contract in their own portfolio. Major contracts are often profitable on paper yet short of cash, because payment terms, retentions and unpriced change sit outside the forecast. The approach links pricing, payment, variation valuation and cost reporting into one commercial view. Mars Training Centre UK delivers this programme in commercial cash flow, payments and variations leadership.

The Business Case

When payment applications are late and variations sit unvalued, an organisation funds its contracts from its own balance sheet and loses strength at close-out. Leaders who govern the money cycle of a contract protect working capital, recover their entitlement and close final accounts without prolonged dispute.

- Working Capital Tied Up in Contracts: Falls as payment cycles and retention release are actively managed.
- Recovery of Changed Work: Improves as variations are valued while evidence is fresh.
- Time to Agree Final Accounts: Shortens as records are kept ready for close-out from the first valuation.

Principles and Evidence Base

- FIDIC 2017 Rainbow Suite, Clause 14 Contract Price and Payment: Frames advance payments, interim payment applications, retention and final payment in Session 2.
- FIDIC 2017 Clause 13 Variations and Adjustments and Clause 20 Claims: Structure the valuation and agreement of changed work examined in Session 3.
- NEC4 Pricing Options and Compensation Events: Provide a contrasting model of price and change used in Sessions 1 and 3.
- Earned Value Management: Links cost, progress and forecast through performance indices in Session 4.

Intended Participants

- Leaders accountable for the financial outcome of major contracts.
- Senior managers who approve payment certificates, variations and claim settlements.
- Heads of function who set commercial policy on securities, retention and payment terms.
- Finance leads who forecast contract cash and report margin to boards.



The programme serves construction and infrastructure, energy and utilities, defence and government capital programmes, and facilities and outsourced services contracts.

Learning Outcomes

1. Participants will be able to evaluate how a pricing mechanism distributes cost and cash risk.
2. Participants will be able to construct a contract cash flow forecast reflecting payment terms and retention.
3. Participants will be able to diagnose weaknesses in payment application, certification and security arrangements.
4. Participants will be able to justify the valuation of variations and claims from contract rates and records.
5. Participants will be able to prioritise corrective action from earned value and contract cost reports.
6. Participants will be able to construct a contract financial control plan through to final account.

Programme Structure

Day 1: Contract Pricing and Commercial Cash Flow Risk

How does the chosen pricing mechanism shape cost risk and cash exposure?

- Lump Sum, Remeasurement and Cost-Reimbursable Pricing
- Target Cost and Pain-Gain Share Mechanisms
- NEC4 Main Option Structures
- Bills of Quantities and Activity Schedules as Payment Bases
- Commercial Risk Register for Pricing Exposure

Day 2: Payments, Securities and Cash Flow Forecasting

How are payment terms turned into a reliable contract cash forecast?

- FIDIC 2017 Clause 14 Payment Cycle
- Advance Payment, Recovery and Advance Payment Guarantees
- Retention Money, Release Points and Retention Bonds
- Performance Securities and Their Expiry Control
- S-Curve Cash Flow Forecast Construction

Day 3: Valuation of Variations and Claims

How is changed work valued, evidenced and agreed?

- Variation Instruction and Change Control Procedure
- Valuation Using Contract Rates, Star Rates and Daywork
- NEC4 Compensation Event Assessment
- Claim Quantum for Delay and Disruption Costs
- Contemporary Records and Evidence Standards



Day 4: Contract Cost Reporting and Performance Control

How do cost reports reveal margin erosion before it is irreversible?

- Earned Value Indices and Estimate at Completion
- Cost Value Reconciliation
- Accruals, Provisions and Unagreed Change Reporting
- Contract Margin Dashboard for Executive Boards
- Commercial Review Meeting Agenda and Escalation

Day 5: Applying Commercial Cash Flow Control to a Live Contract

How are pricing, payment, change and reporting combined into one control plan?

- Cash Flow and Payment Diagnosis of a Participant Contract
- Variation and Claim Recovery Priorities
- Final Account Preparation and Financial Close-Out
- Peer Challenge of Cash Improvement Actions
- Contract Financial Control Plan Presentation

Methodology

The programme relies on case analysis supported by data exercises. Participants work with payment certificates, forecasts, variation registers and cost reports from infrastructure, energy and services contracts, and argue the value of disputed change in structured negotiation.

- Suggested activity: Rebuilding a cash forecast after a change in retention terms.
- Suggested activity: Valuing a set of variations from contract rates and contemporary records.
- Suggested activity: Reading an earned value report to flag contracts needing attention.

Capstone Output

Each participant completes a contract financial control plan for a live or recent contract. It covers the pricing risk profile, cash forecast, security calendar, change recovery list and final account steps, ready to present to the contract sponsor.

Frequently Asked Questions

Is commercial cash flow, payments and variations leadership suitable for finance leaders without a contracts background?

Yes. It suits finance, commercial and procurement leaders who govern contract outcomes, and assumes experience of major contracts but no legal training.



Which contract forms underpin commercial cash flow, payments and variations leadership?

It draws on the FIDIC 2017 Rainbow Suite payment, variation and claims clauses, NEC4 pricing options and compensation events, and earned value management.

How is the contract financial control plan from the commercial cash flow programme used at work?

You return with a plan your sponsor can adopt, setting out cash, change recovery and final account actions for a contract you manage.

How does commercial cash flow, payments and variations leadership differ from project cost and budgeting courses?

It covers the money cycle between the contracting parties rather than internal project budgeting and cost estimating.