

The Commercial Manager's Field Guide

How to Run the Commercial Function, Not Merely Review Its Outputs

The Commercial Manager creates a reliable system in which the project can see its position, make decisions and develop people before pressure makes the choices for it.

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Document Status and Use

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Purpose

An operating manual for commercial managers responsible for forecast, risk, approvals, package control, people development, project leadership, ethical discipline and closeout.

Audience

Commercial managers and contracts managers preparing to lead the complete function.

How to Use This Manual

1. Read the relevant chapter before a live conversation, review or decision—not after the consequence has already landed.
2. Apply the method to current project work. The suite is designed to change observable behaviour, not merely increase awareness.
3. Record the decision, action, owner, evidence and review date produced by the exercise.
4. Use the related manuals where the issue crosses career, communication, judgement, leadership or stakeholder boundaries.

Contents

- 5. 1. Define the Commercial Mandate
- 6. 2. Establish Team Rhythm
- 7. 3. Govern the Forecast
- 8. 4. Run Package and Risk Reviews
- 9. 5. Control Approvals and Delegations
- 10. 6. Allocate Work for Delivery and Development
- 11. 7. Coach While Delivering
- 12. 8. Manage Underperformance Cleanly
- 13. 9. Communicate With Project Leadership
- 14. 10. Protect the Team From Noise Without Hiding Reality
- 15. 11. Build Succession and Retain Capability
- 16. 12. Maintain Ethical Discipline Under Pressure
- 17. 13. Prepare for Completion and Claims Resolution

1. Define the Commercial Mandate

The function cannot be controlled until authority, priorities, interfaces and reporting expectations are explicit.

Clarify the role of project commercial, package commercial, finance, legal, procurement, planning, operations and corporate governance. Identify matters reserved for Project Director, Business Unit and executive approval.

The first decisive test for director potential is whether you can produce a reliable whole-project commercial outcome through a team.

This means more than supervising package administration. The leader must understand head-contract position, procurement, subcontract performance, cost to complete, cash, claims, programme interfaces, risk and opportunity, client strategy, governance and team capability as one system.

A Commercial Manager who personally solves every hard matter may keep the project alive while concealing that the commercial function itself is weak. The stronger evidence is a team whose reports, decisions and escalations remain sound when the manager is not in every room.

EXAMPLE — NOTHING DRAMATIC HAPPENED During a Commercial Manager's leave, the team maintained the reporting rhythm, escalated within authority and handled two difficult package decisions without crisis. The quiet month was evidence that the manager had built a function rather than a personal dependency.

Commercial Mandate

Area	Owner / authority	Operating standard
Forecast / cash		
Subcontracts / procurement		
Claims / variations		
Client commercial		
Governance / approvals		
People / development		

2. Establish Team Rhythm

Reliable cadence turns commercial work from episodic firefighting into an operating system.

Set daily exception communication, weekly package and risk review, monthly forecast and cash cycle, and periodic strategy, people and closeout reviews.

Commercial Operating Rhythm

Cadence	Forum / output	Purpose
Daily	Exceptions / urgent decisions	Prevent surprises and missed rights
Weekly	Package and risk review	Close actions and test movement
Monthly	Forecast, cash and client position	State the integrated commercial truth
Quarterly	Capability, succession and strategy	Build the function beyond the current cycle

3. Govern the Forecast

The forecast is a decision system, not a monthly number-collection exercise.

Require owners, evidence, movement explanations, ranges and treatment of opportunity. Reconcile delivery reality, commitments, accruals, client recovery, subcontract exposure and contingency.

A senior commercial professional must understand more than the package or project. They need to read margin, cash, working capital, pipeline, overhead, client quality, subcontractor solvency, guarantees, insurance and the portfolio consequences of decisions.

Use live business questions. What happens if the claim settles at half value? What does a delayed client payment do to the supply chain? Why might the business refuse a role despite strong local need? What risks sit above the project? Business understanding is demonstrated by linking local action to wider consequence.

***PRACTICAL TEST** Can the employee explain how their project makes money, loses money, converts accounting margin into cash and consumes the company's capacity to win the next job?*

Operating Checks

18. Challenge unsupported recovery and optimistic timing.
19. Connect every material movement to a narrative and owner.
20. Distinguish entitlement, assessment, forecast and cash.
21. Record management judgement and approval where the evidence cannot yet produce a single answer.

4. Run Package and Risk Reviews

A review should change control, not merely hear a status report.

Focus on material movement, ageing items, decision bottlenecks, evidence gaps, stakeholder pathways and the next irreversible date.

Package Review Agenda

Question	Required output
What moved?	Quantified change and reason
What is stuck?	Decision pathway and owner
What expires?	Notice, programme, security or payment date
What is weak?	Evidence or relationship gap
What happens next?	Action, owner and review date

5. Control Approvals and Delegations

The project must know who can prepare, review, recommend, endorse and approve each consequence.

Build a visible approval pathway for subcontracts, variations, claims, settlements, forecast changes, write-offs and client commitments. Do not let custom and urgency replace delegation.

A submission can be correct for one reviewer and incomplete for the next.

Material work often travels through several gates: preparer, discipline reviewer, commercial lead, project director, business unit, client or corporate function. Each gate is asking a different question. A common failure is preparing only for the person immediately above you and forcing every later reviewer to rebuild the wider context.

Map the chain before the work is finished. Identify who recommends, who endorses, who approves, who must be consulted and who needs to be informed. Then identify the information each person requires and the sequence that avoids surprise or rework.

22. Who owns the underlying analysis?
23. Who has technical or contractual review responsibility?
24. Who has delegated authority to approve the decision?
25. Whose budget, forecast, client relationship or programme is affected?
26. Who may later challenge or audit the record?
27. Which people should be spoken to before the formal paper arrives?

Good judgement includes knowing when you can decide, when you can recommend and when you must escalate.

Delegated authority is not administrative decoration. It defines who can commit money, accept risk, issue positions, approve settlements, alter forecasts or bind the organisation. A well-prepared submission states the authority required and does not force the approver to discover that the decision belongs somewhere else.

Thinking like the approver also means respecting the boundary of your own role. You can analyse, recommend and prepare without presenting an unapproved position as though it has already been authorised.

EXAMPLE — The position issued before approval A draft subcontract position was technically strong but circulated externally before the delegated approver had reviewed it. The problem was no longer only the merits. The business had to manage an apparent commitment, relationship damage and a governance failure. Correct analysis was undermined by the wrong sequence.

Approval Pathway Register

Decision type	Prepare / verify	Recommend / endorse	Approve / record
Subcontract award			
Variation / claim			
Settlement			
Forecast movement			
Client commitment			

6. Allocate Work for Delivery and Development

The allocation plan should protect today's consequence while building tomorrow's capability.

Match task consequence, employee capability, support and review intensity. Give people enough ownership to create evidence without disguising resource shortage as development.

Managers often tell employees what they need without giving access to the work that would prove it. If the person needs client exposure, a final account, team leadership or a forecast, the plan must identify where that opportunity will come from and who will release or supervise it.

Opportunity allocation is one of the manager's strongest development levers. Use it deliberately and review whether the employee actually received the promised exposure.

KEY TAKEAWAY *A capability gap cannot be closed by feedback alone when the evidence requires work the employee has never been allowed to own.*

A stretch assignment has a defined development purpose, authority, duration, support and review. Exploitation simply adds next-level work indefinitely because the employee is capable and available. The short-term project benefit can create long-term disengagement.

Explain what the assignment is testing, what support remains with the manager and how success affects the readiness assessment. If the employee carries sustained higher-level accountability, address title and remuneration rather than endlessly relabelling the work development.

MANAGER TEST *If the assignment succeeds, what changes for the employee? If the honest answer is "nothing," it is workload, not a pathway.*

Delegation should transfer a clear outcome, sufficient authority and a review rhythm while the manager retains accountability. It is not dropping a vague problem onto a junior or dictating every step so tightly that no judgement is required.

Match the delegation to evidence level. Early exposure needs more structure; near-readiness needs room to decide. Review the reasoning and consequences, not only whether the task was completed.

EXAMPLE - THE FINAL ACCOUNT *The manager gives a CA authority to lead a final-account strategy within agreed settlement parameters. The CA prepares the position, coordinates stakeholders and recommends the landing. The manager attends the final negotiation but does not take the process back.*

7. Coach While Delivering

Development is a sequence of brief, specific interventions around live work.

Set expectations, observe decisions, ask for reasoning, review the consequence, give one or two material comments and provide another practice opportunity.

Good feedback identifies the behaviour, the consequence, the expected standard and the next opportunity to practise. "Be more commercial" or "show more maturity" is not usable. It forces the employee to decode the manager's private meaning.

Give enough examples to establish a pattern, not an indictment. Invite correction where the facts may be incomplete. Then agree on the observable change.

FEEDBACK MODEL "In the last two forecast reviews, you presented the movement but not the decision required. The team spent the meeting reconstructing your recommendation. At Senior CA level I expect the decision, commercial effect and requested authority first. You will lead that section next month using the one-page format."

Example — coaching inside a package review

EXAMPLE A CA presents an ageing variation as 'still with the client'. The Commercial Manager asks who owns the decision, what evidence is missing and what happens if it remains unresolved at month end. The CA leaves with a decision map and a call to make—not a vague instruction to chase harder.

8. Manage Underperformance Cleanly

Support, clarity and consequence should increase together when the required standard is not being met.

Define the observable gap, evidence, required standard, support, timeframe and consequence. Coordinate formal performance processes with the employer's policy and HR function; do not run a shadow process.

Operating Checks

28. Separate capability, capacity, conduct and unclear expectations.
29. Use examples and impact rather than labels.
30. Provide access to practice and support where improvement is genuinely expected.
31. Escalate safety, misconduct, discrimination and serious wellbeing matters through formal channels.

9. Communicate With Project Leadership

Project leaders need the integrated consequence and recommended decision, not a tour of every package detail.

Translate commercial information into forecast, cash, programme, client, risk and resource consequence. Pre-brief material movements and give a stable update rhythm.

The first page should carry the decision; the attachment should carry the proof.

Senior reviewers often have minutes, not hours, to understand an issue before deciding where to focus. A concise front end respects that reality. It should state the ask, recommendation, reason, consequence, main risk and location of supporting detail.

Concise does not mean simplistic. It means the hierarchy is visible. The reader can stop after the first page if the issue is routine, or descend into calculations, correspondence, clauses and records if the consequence requires it.

32. Decision required.
33. Recommendation and value.
34. Why this position is reasonable.
35. Material alternatives and consequences.
36. Weakest point or uncertainty.
37. Required approval date.
38. Supporting attachments and record location.

10. Protect the Team From Noise Without Hiding Reality

A manager absorbs unnecessary churn but does not conceal material pressure or decisions.

Filter conflicting requests, clarify priorities and protect focused work. At the same time, expose enough client, delivery and executive context for the team to build judgement.

Operating Checks

39. Challenge low-value reporting and duplicate forums.
40. Give the team the reason behind changed priorities.
41. Do not use 'protection' to hoard stakeholder access or credit.
42. Escalate structural resource shortages instead of normalising permanent firefighting.

11. Build Succession and Retain Capability

A strong function becomes less dependent on the Commercial Manager as the team grows.

Map contribution, readiness, critical knowledge, retention risk and credible successors. Create project moves and sponsorship before the current project ends.

Managers need a portfolio view of the team. Record current performance, next-role readiness, ambition, critical skills, development gaps, project mobility, retention risk and succession coverage. Keep it current and separate fact from speculation.

The map is not a secret ranking of human worth. It is an allocation tool. It helps the manager match work to development, identify single points of failure and avoid discovering at review time that several people were promised the same role.

***PRACTICAL ACTION** For each person, complete one sentence: "They create most value through..., they want..., the next evidence required is..., and the main retention risk is..."*

An employee whose career depends on one manager is vulnerable to project changes, politics and turnover. Give capable people useful exposure to leaders and stakeholders who can independently assess their work. Let visibility follow contribution rather than theatre.

Managers sometimes hoard talent because strong people make the project easier. That protects the local result while limiting the employee and weakening the organisation's broader succession system.

***PRACTICAL ACTION** Identify two credible people outside the reporting line who should experience the employee's next-level work during the next six months. EMPLOYEE GUIDE ROUTE Refer to Employee Guide Chapters 45-52. Recommended activity: Career Network and Opportunity Map.*

Commercial Team Map

Person / role	Critical contribution	Next evidence	Retention / succession action

12. Maintain Ethical Discipline Under Pressure

Commercial pressure increases the need for a straight record; it does not suspend it.

Refuse unsupported recovery, backdating, concealed assumptions and informal commitments outside authority. Create safe channels for challenge and specialist advice.

Commercial authority grows only while people trust what you will do with information, money, power and pressure.

Commercial roles create access to sensitive forecasts, tender information, claims strategy, subcontractor positions, employee information and delegated authority. A person can be technically excellent and permanently disqualify themselves from senior trust through one serious lapse in integrity.

Ethics is not limited to obvious dishonesty. It appears in whether you manipulate a forecast to postpone bad news, use confidential information for advantage, misrepresent another person's position, approve work outside authority, or allow commercial pressure to become unfair treatment.

The most promotable response to pressure is not moral theatre. It is a calm willingness to name the issue, protect the record, seek appropriate advice and hold the line even when the short-term result becomes uncomfortable.

EXAMPLE — THE FORECAST THAT HAD TO MOVE A project team wanted to defer recognition of a likely loss until a claim position improved. The commercial lead refused to present hope as evidence. They recorded the claim separately, forecast the current probable outcome and explained what would need to occur before recovery could be recognised. The meeting was difficult; their future authority increased because the numbers could be trusted.

Build the strongest defensible position—not the largest number somebody can manufacture

Commercial construction operates in legitimate areas of interpretation. Scope can be ambiguous. Definitions overlap. Causation is contested. Program impacts require judgement. Valuation is rarely a perfect science. Your job is to understand that grey properly and use it well.

A strong commercial position is built through the contract and its defined terms, contemporaneous records, clear scope analysis, evidence of cause and effect, proper valuation, program analysis, consistent assumptions and an interpretation that can survive scrutiny. That is commercial advocacy. It is not fraud.

The line is crossed when value is created through fabrication, concealment or deliberate misrepresentation: changing dates, manufacturing records, knowingly presenting false quantities, hiding material facts, manipulating forecasts or stating certainty where the evidence does not support it.

Short-Term Benefit, Uncontrolled Risk

You may occasionally be pressured to recover a position or produce an outcome that has already been promised above you. The pressure can be subtle: find a way to make the number work; do not put that in writing; carry it this month and fix it later; the other party will never challenge it.

It can feel as though supporting the requested result demonstrates loyalty. Usually, it creates an uncontrolled risk the organisation fears far more than an honestly reported problem.

43. Cost-to-complete forecasts, margin and revenue recognition
44. Cash-flow planning and payment decisions

45. Management, board and governance reporting
46. Client, lender, insurer or auditor decisions
47. Settlement strategy and the organisation's understanding of its actual financial position

Time Marches On

Conduct that begins in a private conversation rarely remains there forever. Projects deteriorate. Directors change. Employees leave. Subcontractors become insolvent. Claims reach lawyers. Emails are discovered. Forecasts are compared with the underlying records. People who appeared aligned under pressure later protect their own position.

The conversation in the dark corner disappears. Your document, assessment or approval remains.

A VERBAL INSTRUCTION DOES NOT TRANSFER OWNERSHIP A verbal instruction does not transfer ownership of your professional judgement. Nor does recording an improper direction make the resulting conduct acceptable.

What Playing a Straight Bat Looks Like

48. Clarify the requested outcome. Ask what position is being sought and why.
49. Return to the source material. Identify the relevant clause, scope, record, program or valuation basis.
50. Separate fact, assumption and judgement. Do not present one as another.
51. State the strongest defensible position. Use the available grey, but explain its limits.
52. Identify the range and risk. A position can be commercially strong without being certain.
53. Keep claims, forecasts and accounting treatment distinct. An amount claimed is not necessarily an amount recoverable or earned.
54. Do not create or approve a record you know is false.
55. Escalate calmly when necessary. Serious concerns may require legal, governance, ethics or protected-disclosure channels.

Commercial Strength Is Not the Same as Aggression

Playing a straight bat does not mean being passive, generous with somebody else's money or frightened of taking a difficult position. It means being able to explain what you are claiming, why you are entitled to it, what evidence supports it, what assumptions remain, what could defeat the position and what the likely range of outcomes is.

A carefully developed position can be firm, creative and commercially advantageous. Its value comes from surviving scrutiny.

USE THE GREY; NEVER MANUFACTURE THE FACTS The best commercial operators do not avoid the grey. They understand it better than everyone else—and they never need to manufacture the facts beneath it.

13. Prepare for Completion and Claims Resolution

Closeout begins before practical completion and should leave no issue dependent on memory.

Plan final accounts, defects, security, warranties, records, claims, demobilisation, retention, latent obligations and knowledge transfer. Identify who carries relationships and evidence after the project team disperses.

Commercial Closeout Control

Workstream	Status / exposure	Owner / final date
Client final account / claims		
Subcontract final accounts		
Security / retention		
Defects / warranties		
Records / evidence		
People / handover		

Commitments and Review

Use this page to convert the manual into a small number of observable commitments. A manual has no value if the reader cannot identify what will be done differently, where it will be practised and what evidence will prove the change.

Commitment	Practice ground	Evidence / reviewer	Review date

Related Buildit Manuals

- 56. 06 — From Doer to Reviewer
- 57. 08 — Commercial Judgement
- 58. 10 — Recovering a Difficult Package
- 59. 12 — The Path to Commercial Director
- 60. 13 — Developing People While Delivering the Project

Closing Position

The Commercial Manager creates a reliable system in which the project can see its position, make decisions and develop people before pressure makes the choices for it.

Notes
