

Concept Selection Into Execution

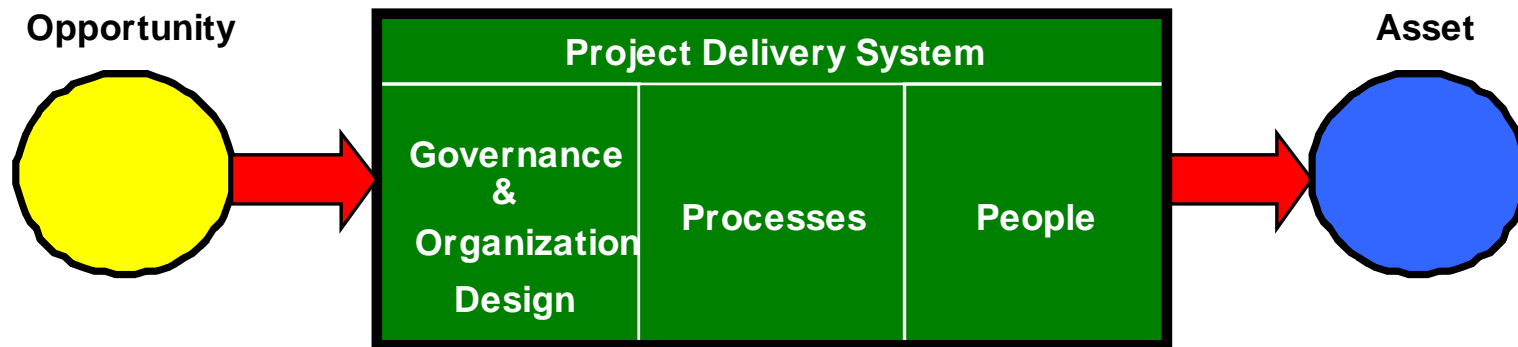
**“How Much Project Management
Is
Enough?”**

Primary Areas of Discussion

- **Measuring Project Management Capability** -
 - **Avoiding Common PM Pitfalls** -

Measuring Project Management Capability

Project Delivery System Concept



The Project Delivery System is everything that is required for project success:

- **Organization Design & Governance Model**
- **Work Processes, Methods, Systems and Procedures**
- **People: their Knowledge & skills, availability, ability to be effective**

An Effective Project Delivery System Provides These Critical Owner Competencies

- Strategic Management

- Partner Relationship Mgmt.
- Country Issues Mgmt.
- Program & Project Execution Planning
- Front End Loading
- Technology Selection
- Field Development Planning
- Scope Management
- Value Improving Practices
- Risk Management
- Organization, Contracting & Procurement Strategy
- Team Alignment
- Issues & Interface Mgmt.
- Continuous Improvement
- Peer Reviews

- Tactical Management

- Technology Transfer
- Design Mgmt.
- Procurement Mgmt.
- Fabrication / Construction Mgt.
- Transport, Installation, Hookup Mgt.
- Commissioning & Startup Mgmt.

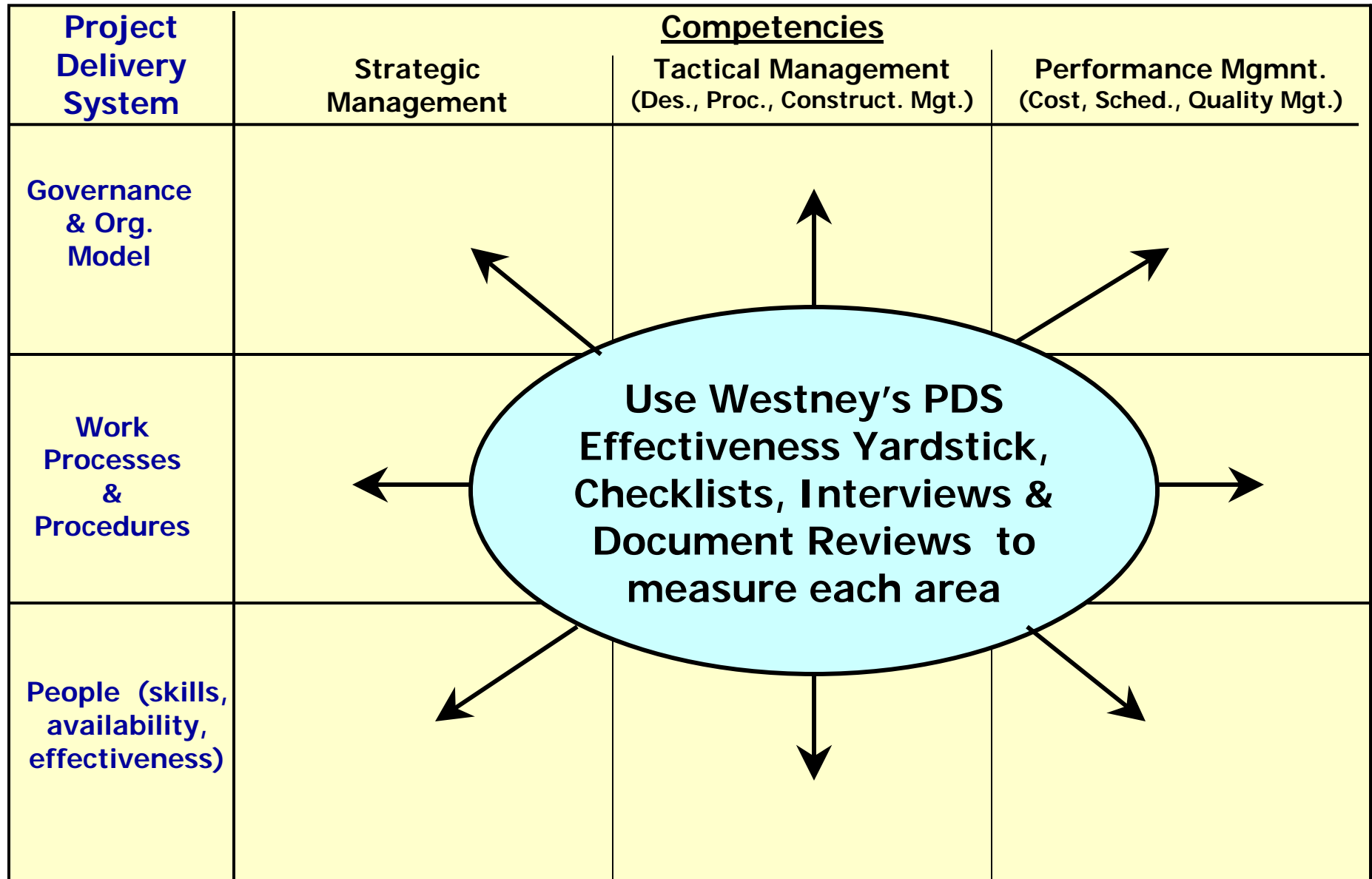
- Performance Management

- Safety/Health/Enviro. Mgmt.
- Cost Mgmt.
- Schedule Mgmt.
- Quality Mgmt.
- Operational Predictability

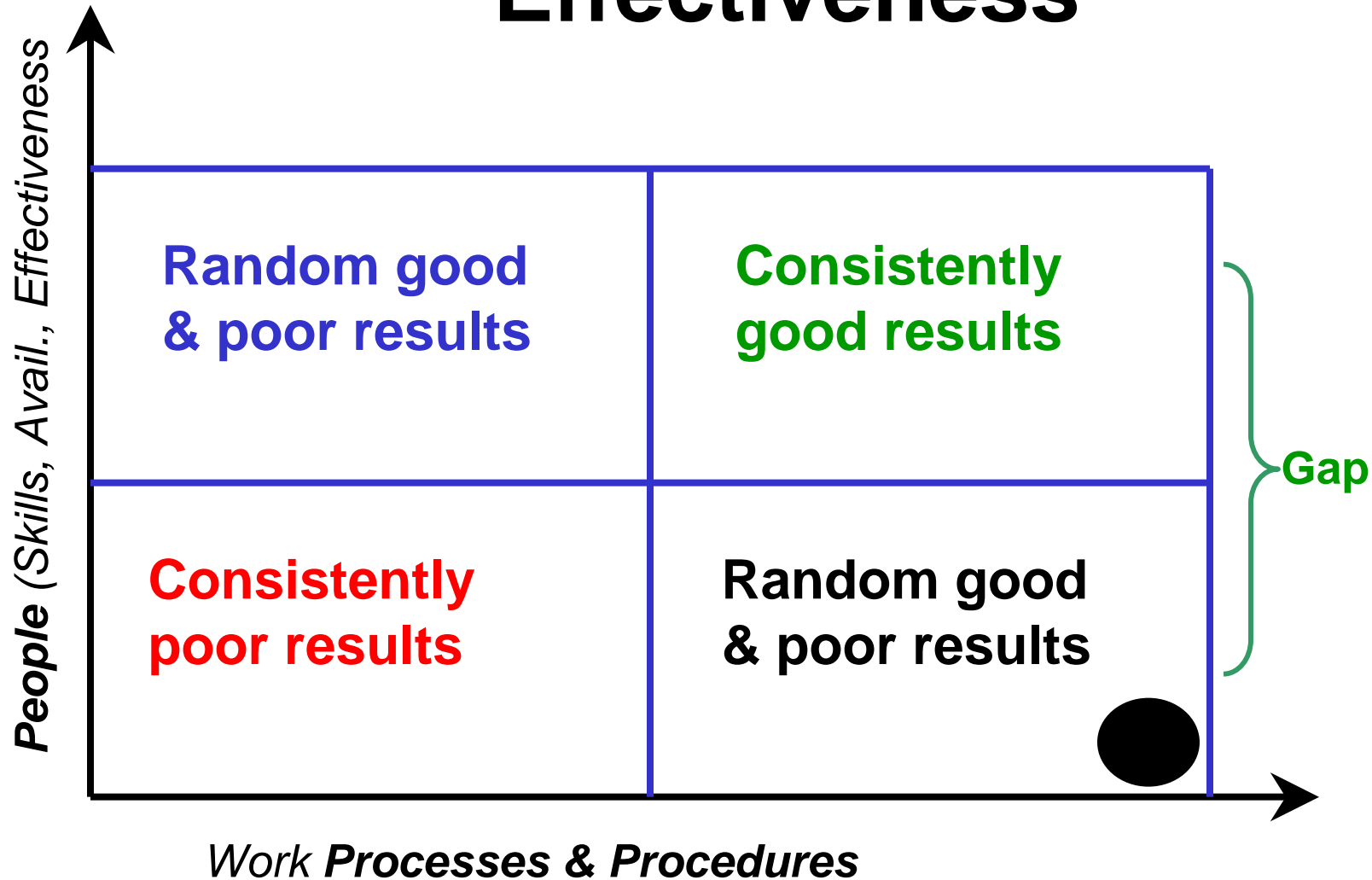
Matrix Defines the Areas of PDS Effectiveness

Project Delivery System	<u>Competencies</u>		
	Strategic Management	Tactical Management (Des., Proc., Construct. Mgt.)	Performance Mgmnt. (Cost, Sched., Quality Mgt.)
Governance & Org. Model			
Work Processes & Procedures			
People (skills, availability, effectiveness)			

Assess PDS Effectiveness



Scorecard for Evaluating Effectiveness



Common PM Pitfalls and How to Avoid

Most Common PM Pitfalls

- **Program & Project Execution Planning**
- **Scope Management**
- **Risk Management**
- **Issues & Interface Management**

Execution Planning Pitfalls

- **Do not include all stakeholders**
 - Reservoir
 - Drilling & Completion
 - Subsea
 - Floating System
 - Topside
 - Pipeline
- **Do not plan/implement all pm functional areas early enough in Define Stage**
- **Inadequately defined roles & responsibilities**

Scope Management Pitfalls

- **Incomplete WBS**
 - Doesn't include all stakeholders
 - Non-Standardized
 - Doesn't include owner pm activities
- **Inadequate Change Control process**
- **WBS not linked to CBS**

Risk Management Pitfalls

- **Not integrated into single risk register**
- **Not tied into probabilistic cost estimate for development of P50 cost and contingency**
- **Contingency is not managed based upon mitigation of risk**
- **Not assigned to responsible contractor to ensure mitigation**

Issues & Interface Pitfalls

- **No integrated issues resolution process**
- **No single point of responsibility for entire project at any given time**
 - No integrated WBS
 - No integrated risk
 - No integrated cost
 - No integrated schedule
- **Only address technical interfaces**
 - Contractual
 - Communication