



Transforming Capital Project Performance

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The UGLY TRUTH about major capital project performance: almost nobody really believes they will meet their targets for schedule, cost and quality – including the people making those targets! Not surprisingly, the majority of those projects do fail to meet those targets – a self-fulfilling prophecy.

At JMW, we know that doesn't have to be the case. Major capital projects CAN reliably deliver on and even beat schedule, cost and quality targets. And we have over 30 years' experience helping more than 75 major capital projects in a range of sectors – oil and gas, mining and economic infrastructure – do just that.

How do we do that? By focusing on the most important issues that drive or stop progress on projects: the PEOPLE issues – alignment, communications, engagement, teamwork, conflicts, and more. We help people to think newly and act differently, and in doing so, to deliver unprecedented results.

Why focus on these supposedly “softer” issues? Many companies focus on technical design, project management processes, contracting and procurement strategies as the route to improvement, but research says it's the softer skills such as people, organization, and governance that are responsible for 65% of delays and missing targets*.

And the results speak for themselves:

| ISSUE ADDRESSED | WHAT HAPPENS | EXAMPLES OF RESULTS |
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| Beating all reasonable expectations for delivering on key project targets – schedule, cost, quality, HSE. | Project teams get committed to and then produce the kinds of results that everyone is excited about... and build the capabilities required to deliver against the odds. | <p>A \$600MM offshore oil platform, had a history of failed development attempts for 20 years. Employing unusual alignment among partners on the project, it was delivered 6 months ahead of schedule, at 80% of agreed budget, on spec and beating HSE standards. Case Study</p> <p>A manufacturing plant going through a major multi-unit overhaul, facing complex challenges of coordinating efforts across four distinct alliances, met or beat IPA world benchmarks for project delivery in schedule, cost and quality. The project introduced an innovative and cost-saving modular construction methodology to their industry. Case Study</p> |
| Building integrated project teams that perform | Owners and contractors, and teams across the disciplines, all come together around a common purpose, vision and approach to the project – working collaboratively with a step change in their effectiveness. | <p>An \$800m project to upgrade a major intercity road, challenged by its government sponsor to deliver faster and more effectively than any such prior project, took advantage of a highly integrated team approach to deliver the project 4 months ahead of schedule, with nearly \$40m of cost savings and defect-free, award winning performance. Case Study</p> <p>A multi-company, multi-national and multi-cultural team was challenged to build a \$670m drilling ship including new equipment never installed before, to be assembled in a way never done by this shipbuilder. The team transformed its ways of working together and delivered on a combination of mission-critical deadlines, ground-breaking technical specifications, and vital safety performance requirements – setting new precedents for design and delivery of future ships. Case Study</p> |

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| Aligning complex Joint Ventures, Partnerships and Alliances | Multiple owners and stakeholders of complex projects commit to their shared interest in project success and ensure their separate agendas don't get in the way of their common goals. | <p>A \$640m highway bypass project with major geotechnical challenges employed an alliance methodology for five companies to work together to produce breakthrough performance. The project was delivered 7 months ahead of schedule and \$100m under budget, while winning industry awards for excellence in innovation, workplace health and safety and alliance implementation.</p> <p>Case Study</p> <p>Five competing oil companies were challenged to cooperate as partners on an upstream development project including multiple offshore facilities. They came together around a shared vision for the project, delivering the project 2 months ahead of schedule and \$200m below sanctioned costs.</p> <p>Case Study</p> |
| Turning around underperforming projects | Obstacles and setbacks that could result in scope failures, cost overruns and schedule delays are removed. How people work together is transformed, as well as what they are focused on. | <p>Two leading contractors on a \$5bn processing facility project were very misaligned, missing key project milestones and falling nearly 3 months behind schedule. The companies got aligned on their shared commitments, accelerated key document generation, met all key deliverable deadlines and fully recovered the timeline to pass through a critical approval stage gate to construction.</p> <p>Case Study</p> <p>An engineering services firm was months behind schedule and 65% over budget on a project overhauling a utility-owned power plant. After a 6 month intervention, the firm got back on schedule, recovering to 5% under budget with 54% improvements in productivity.</p> <p>Case Study</p> |
| Navigating and succeeding with complex or sensitive stakeholder issues | Key internal and external stakeholders (communities, regulators, etc) become engaged to support both project development and their own interests. Project teams have greater understanding of stakeholders' priorities, and are better equipped to address those in an effective manner. | <p>An upgrade to a major metropolitan water system was threatened by community resistance to the work, as the work would significantly interfere with their road and sewer systems during construction. By taking a collaborative approach with community leaders and members, the project gained strong community support and was delivered on time – at \$200m under the original \$900m budget.</p> <p>Case Study</p> <p>A global resource company building projects in a developing nation made an unprecedented commitment to contribute to local economic and social growth. They built an innovative design and construction plan that ensured multiple projects would be constructed in a new local construction yard that would continue beyond the completion of these projects, bringing new economic opportunities into the country.</p> <p>Case Study</p> |
| Delivering on high risk/ high reward contracts (i.e. lump sum, shared risk/reward) | The commercial terms and motivations become secondary to the focus on shared commitments to performance. Financial success and risk management are significantly enhanced by this performance driven approach. | <p>An offshore oil platform being designed and built by the first alliance of its type in this country had a contract sharing risk and reward across the alliance partners. When a construction crisis put the project 3 months behind schedule, threatening all parties' commercial stakes, they applied collaborative behaviors and methods to recover the project – which was delivered 3 months early and \$50m under budget.</p> <p>Case Study</p> <p>A large scale manufacturing complex was challenged with a \$350m upgrade to a key unit which had been damaged in an industrial accident. The lead EPC contractor took on a lump sum contract with incentives tied to an extremely aggressive schedule. Working in partnership with the owner/operator, the contractor generated multiple breakthroughs in their approach to what would normally have been a 12-18 month turnaround – delivering the upgrade safely, on spec, at budget, and in 6 months.</p> <p>Case Study</p> |

WHAT DOES JMW DO FOR CAPITAL PROJECTS?

Our Approach: Transform how people view the project, and you will transform performance.

We help project teams:

- Identify and change the mindsets that may be limiting performance
- Align on a shared purpose and vision for the project across the various groups making up the project team
- Make real commitments to exceptional performance (ie scope deliverables, schedule, cost, quality, HSE)
- Create a clarity of cascaded commitments, where team members at all levels see how their actions connect to the project's priorities
- Accelerate progress through more effective coordination and collaboration
- Engage the key players and groups inside and outside the project team
- Overcome obstacles creatively so moving the schedule to the right is not the first response
- Build on learning and develop capabilities to continually increase effectiveness and performance
- Deliver or exceed the extraordinary performance they committed to

WHEN DOES JMW WORK WITH CAPITAL PROJECTS?

Project Performance Launch™ [pdf]

Getting strong team alignment and commitment at the beginning of each phase of a capital project can go a long way to having a team deliver high performance.

Project Performance Acceleration™ [pdf]

After launching each project phase, there may be many challenges to sustaining and increasing momentum towards key milestone objectives and gate approvals. Tools and approaches to effectively accelerating the project through these challenges are critical to delivering extraordinary project performance.

Project Performance Turnaround™ [pdf]

It's quite common for a project team to find itself far enough behind on key metrics that a performance turnaround is required. At those times, bringing the team together for a powerful and creative response is critical to recovery.

“We know that at least half of the factors that make a project successful don't relate to technical content, they relate to human behavior. JMW has a very deep understanding of how to develop and coach leaders, and how to coach project management teams to achieve extraordinary results.”

Robert Edwardes, EVP Development, Woodside Energy

*Credit Suisse Equity Research, January 2014

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