29 - 30 November, Melbourne Cricket Ground



# Partners in Performance<sup>®</sup>

Unleashing potential | Lasting impact

Project-Controls Performance

CAPTURING THE FULL PERFORMANCE POTENTIAL OF MEGA PROJECTS

(W) https://projectcontrolexpo.com/aus

2022

## **Projects leave serious money on the table – everyday!**

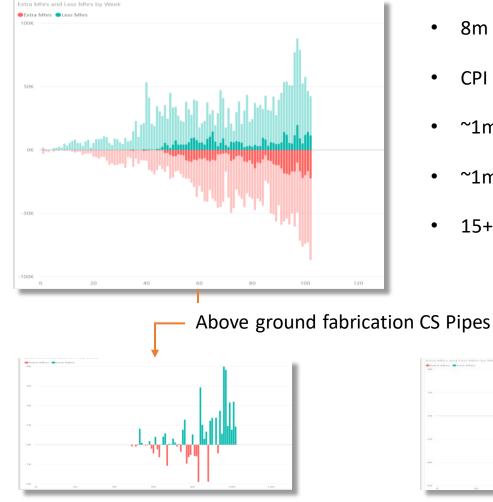
**Projects are almost naturally** set up to under-perform

- Estimates •
- **Contracts & Incentives** •
- Ever changing activities •
- Immature teams •
- Accounting based reports •

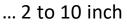
#### This is good news!

Because the opportunity to over-deliver is typically really big!

#### Productivity at 50% through a \$4bn GTL Plant Build



- 8m hours into project •
- CPI = 1.01
- ~1m hours over-performance
- ~1m hours under performance •
- 15+% performance left behind •



... above 10 inch

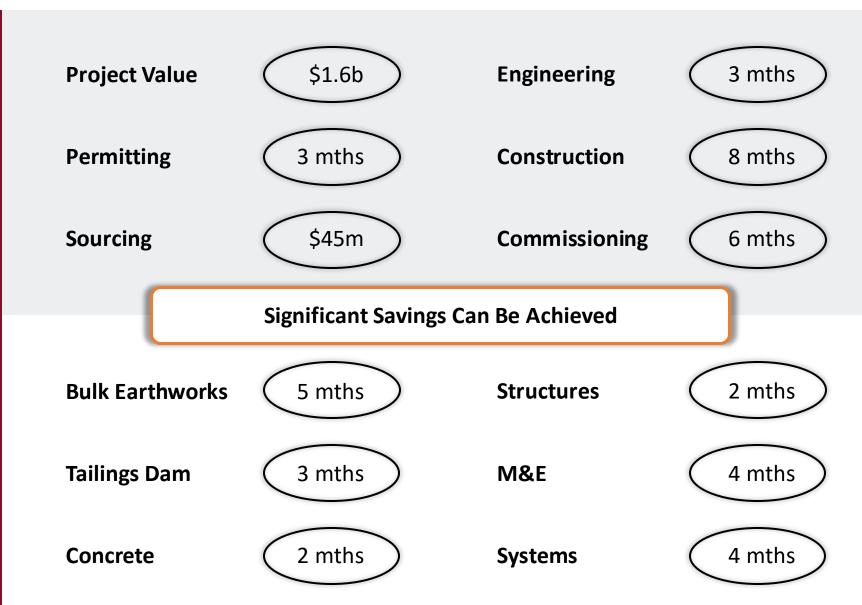
## With project values at \$1m a day – improvement counts

\$25bn Gas Project



\$8bn Mine Project





## Project controls teams are ideally positioned to drive performance...



#### Have access to data



Have the **right technical skills** to gain insight, and communicate it



Can set targets for specific packages to achieve or beat the plan



Can look forward and identify most valuable opportunities



Can challenge the assumptions



Foresee risks and drive action

## ...but often driven to spend too much time looking backwards



Overly manual, wordy & protective reporting (daily, weekly, monthly)



... reporting too focused on the past (eg: costs, progress, variations and reasons)



Semi-manually linking up different data sets from several contractors



Ad hoc requests from Project Managers and Directors for data and reports in different formats



Not treated as an essential performance enabling team by project managers

## So, where to focus to enable project controls teams to drive performance on mega projects?



## Six key changes are key to capturing this performance opportunity

**Projects & Project Controls** need to:

Drive a culture...

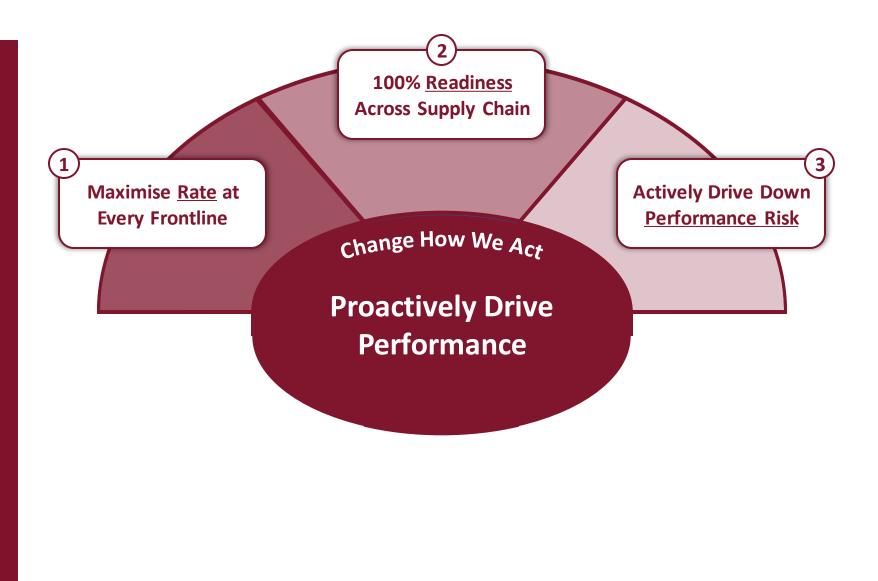
• Across all crews and the supply chain

#### That, in the detail:

 Maximises productivity and valuable improvement every day

#### And...

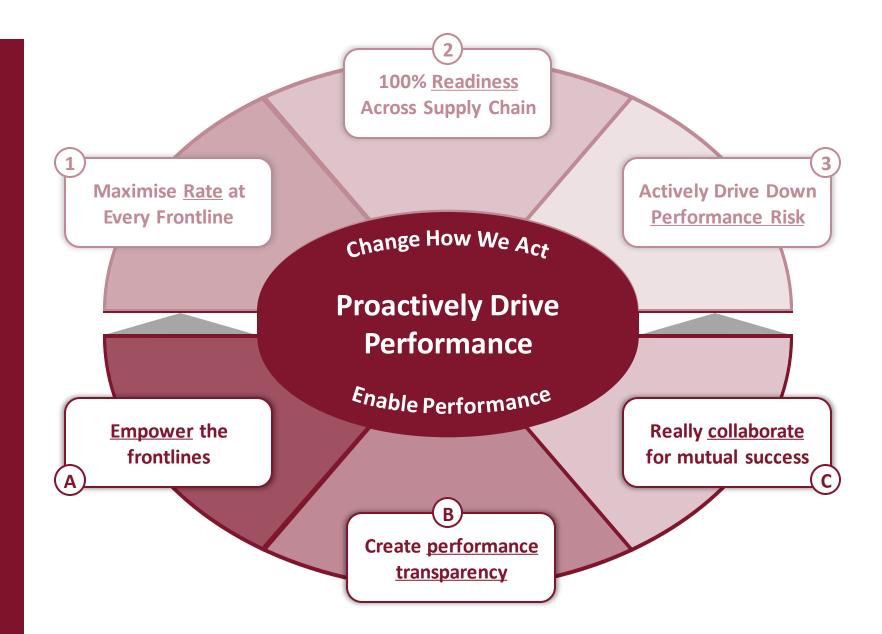
 Knows and acts to ensure that nothing will get in the way of this



## Six key changes are key to capturing this performance opportunity

the project needs to set itself up for performance...

- Recognise that performance comes from the frontlines
- Use digital and data to build a single source of truth to help all see ahead of the curve
- Contract, incentivise and build a culture of: "together we can all help everyone beat their targets"



# We see these talked about a lot...

# But somehow they get lost!

## **Maximise Rate at every Frontline**

### Continuously drive up rate through process discipline and improvement

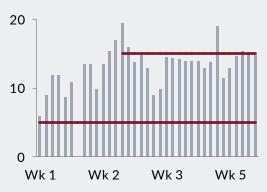
**Develop Efficient Processes with Clear Rates & Owners** *Create a foundation for performance and improvement*  **Continuously Improve** *Improve the most valuable processes*  Maximised Rate Secure performance quickly



- Be clear on target timings for each process step
- Train and coach teams on good process
- Reduce handover downtime
- Improve the process

#### 5 weeks : 50% Improvement

Rail Construction – Line Laying



Build process clarity; Ensure readiness; Remove variability; Simplify the process

#### Engineering - Fabrication - Construction - Commissioning



Project Controls are key to building and supporting core performance disciplines

## **Ensure 100% Readiness across the Supply Chain**

Shift the upstream focus to "Is everyone making construction ready on time?"

Does every team know specifically when they need to complete their task for each package? Does the project know when a team misses a deliverable? Act early enough to recover

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- Not an even bigger P6!
- Give upstream teams the precision they need to be construction led
- Stop using % complete to track performance – it's "Done or Not Done"
- Real demand bumps can be smoothed out

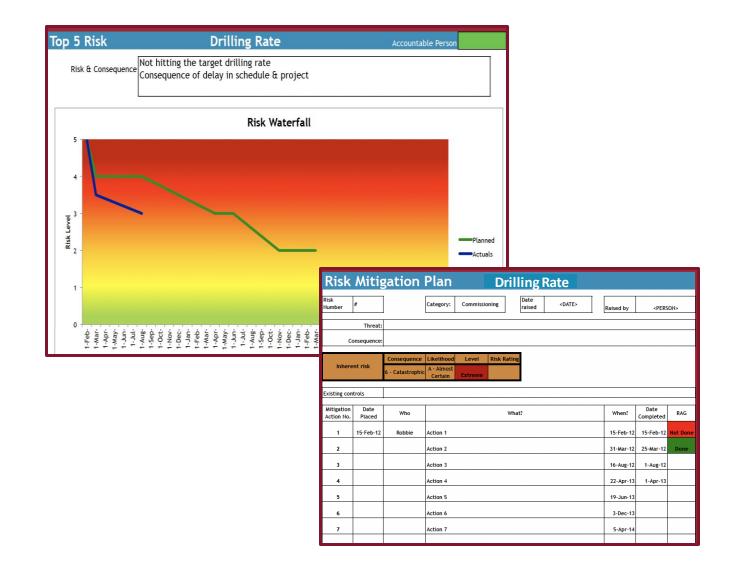
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- Recovery can be completed early enough
- Following teams and construction can see packages will be ready

## Actively drive down performance risk

- What are the risks that will cause us not to achieve maximum rate on our key activities?
- When will they impact us?
- What actions can we take to remove those risks? How much will linvest to remove them?
- What is the timed action plan to execute them?
- Are we driving & tracking risk removal / mitigation with the same discipline as performance and progress?



## **Empower the Frontlines** *Performance comes from frontline – release and enable them*

#### **Execution driven performance**



Frontline team leaders responsible and enabled to drive performance



Supply chain 100% **focused on feeding construction on time and in full** 



Leadership's role is to **remove the barriers** 



Controls **provide teams with targets, structure and insights** to perform and improve



## **Performance Transparency**

#### Real time performance transparency across the project and its supply chain

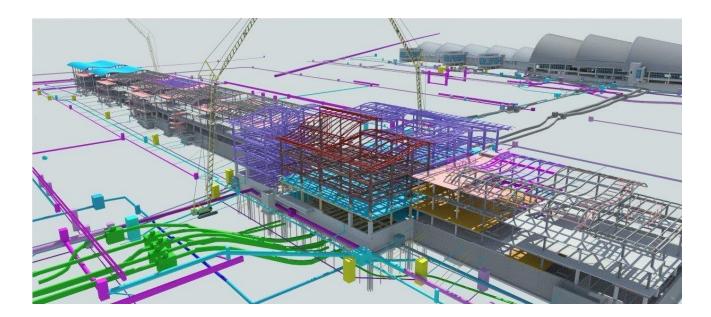
Still too many text heavy reports that report past progress and protect the contract



Digital dashboards that highlight performance & progress from one source of truth



Digital twin that enables collaborative performance & supply chain efficiency



#### Set the Foundations

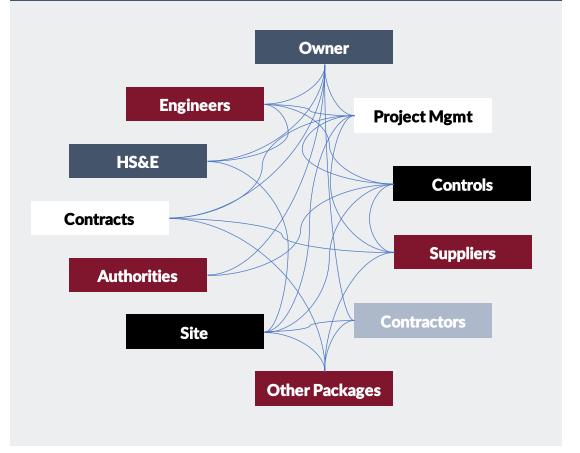
- Digital twin
- Common data structure
- Common key software
- Performance reporting

#### Secure Value Eg:

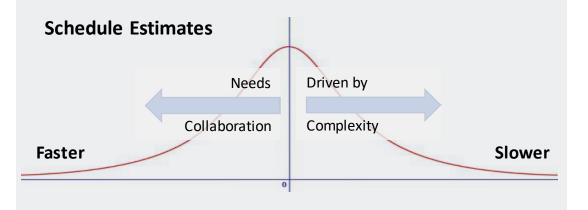
- Performance focus
- Collaboration
- Productivity apps
- Blockchain payments

## Collaborate for Mutual Success All teams and organisation shift from "safe plan for us" to "best result for all"

#### It's sort of complicated out there...



#### ...which gets in the way of performance



#### **Collaboration must be grown**

- Right partners
- Right team & mindset
- Right incentives
- Everyone can win

- Trust that is built
- Early engagement
- Transparency
- Stability

## In summary...

Project high performance is naturally harder to than in more stable ops - *its tough*!

#### But...

- too much
- too often
- *left on the table*

With the right performance culture and discipline, significant value / upside is available to all Project Controls are key to high performance...

- **Driving** the processes, discipline and improvements that secures rate
- Ensuring that everyone has the detail to know what must be done today to be **100% ready** for construction tomorrow
- Agreeing the actions required to drive out performance risks on time
- Setting-up the digital twin so that everyone can see performance
- Automatically reporting & highlighting performance opportunities

But, the whole project team also needs to want to reap the benefits of an **empowered and collaborative performance culture** 



# Thank you

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