

Global Project Management

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Agenda

- 1. Business Case for Improvement**
- 2. Structured Gated Project Management Process**
 - Effective Communication between Decision Makers, Multifunctional Project Team and Stakeholders**
- 3. Management's Role**
 - Accountability, Accessibility, Leadership, Resources and Behaviors**
- 4. Application of Value Improving / Best Practices**
 - Training and Certification**
 - Challenges on Global Projects**

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1. Business Case for Improvement

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Project Management's Impact on the Bottom Line

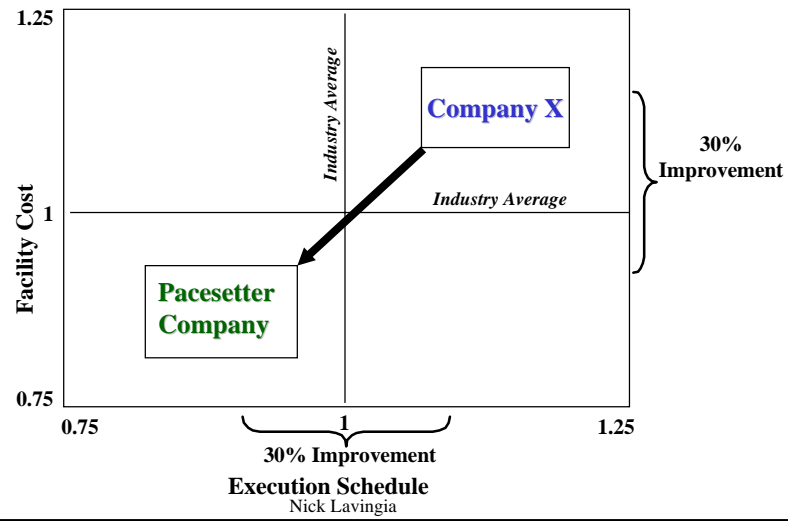
**Project Management Improves ROCE by
Increasing Revenues, Decreasing Expenses,
and Reducing Capital Employed**

$$\frac{\text{REVENUE MINUS EXPENSES}}{\text{CAPITAL EMPLOYED}} = \text{ROCE}$$

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Project Management Leads to Pacesetter Performance
(Cheaper, Faster, and More Predictable)



2. **Project Management Process (PMP)**

Project Management Process (PMP)

A Process that Facilitates the Optimal Use of Resources (Dollars, People and Technology) Over the Life of an Asset / Project to Maximize Value.

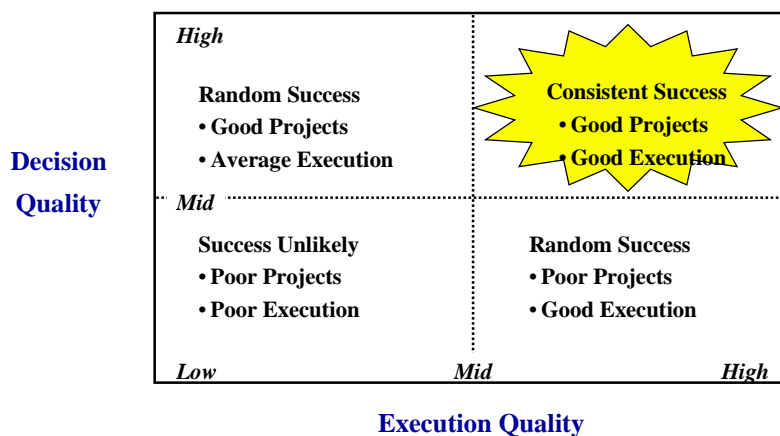
Desired Outcome

- **Select the Right Projects by Improving Decision Making**
- **Improve Project Outcomes through Excellence in Execution of Decisions**

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Project Management Vision



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Project Management Process (PMP)

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
1	2	3	4	5
IDENTIFY	SELECT	DEVELOP	EXECUTE	OPERATE
Clearly Frame Goal	Generate Alternatives	Fully Define Scope	Implement Execution Plan	Operate Asset
Test for Strategic Fit	Preliminary Development of Alternatives	Develop Detailed Execution Plans	Min. Changes	Monitor & Evaluate Performance
Preliminary Overall Plan	Develop Expected Value	Refine Estimate	Finalize Operating Plan	Identify New Opportunities
Preliminary Assessment	Identify Preferred Alternative	Submit Funding for Approval	Business Plan for Phase 5	
~1 % Engng.	Class 2 Est.	~25 % Engng.	Project Review	
Class 1 Estimate		Class 3 Est. (+/- 10 % Accuracy)		

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Key Players

- **Decision Makers**
- **Multifunctional Project Team**
 - Business, Technical, Operations and Maintenance
- **Stakeholders**
- **Contractors**
- **Vendors / Suppliers**

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3. Management's Role

Management's Role (1)

Accountability—Business evaluation should be conducted 1 to 2 years after project completion and Project Sponsor should be held accountable for the financial outcome.

Accessibility—Management should actively participate in gate keeping meetings at the end of each phase of the Project Management Process and communicate frequently with the project team.

Management's Role (2)

Leadership—Management should establish clear expectations and objectives for the project team.

Resources—Provide resources of right people and funding to support the project team.

Behaviors—Demonstrate visible support and provide positive consequences for following Project Management Process, Best Practices and sharing Lessons Learned.

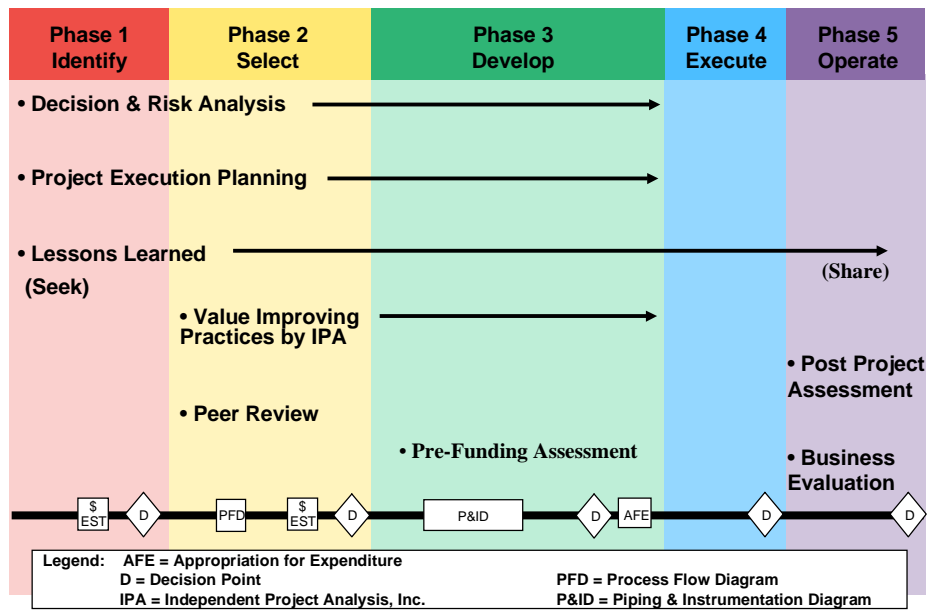
4. **Value Improving / Best Practices**

Value Improving / Best Practices

Value Improving / Best Practices are tools to improve project planning and execution. In conjunction with a structured Project Management Process they can optimize:

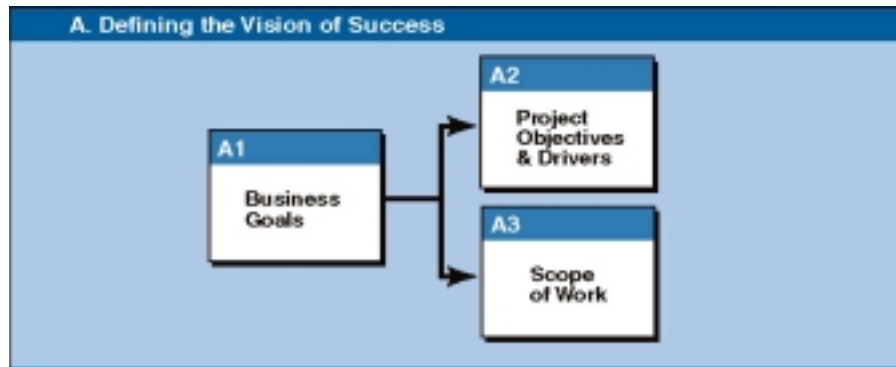
- **Cost**
- **Schedule**
- **Performance**
- **Safety**

Exhibit 2 Value Improving / Best Practices



Project Execution Planning--Part A **(The Strategic Project Planner by Richard Westney)**

Defining the business goals that will determine project success



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Project Execution Planning--Part B **(The Strategic Project Planner by Richard Westney)**

Defining major phases, milestones, risks, organization, staffing and best practices to be used



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Project Execution Planning--Part C **(The Strategic Project Planner by Richard Westney)**

How time, cost, quality and resources will be managed



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5. **Training and Certification**

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Training

- **Decision & Risk Analysis (D&RA)**
- **Leadership Roles & Behaviors (LR&B)**
- **Project Management Skills from PMBOK**
 - Project Integration Management**
 - Project Scope Management**
 - Project Time Management**
 - Project Cost Management**
 - Project Quality Management**
 - Project Human Resource Management**
 - Project Communications Management**
 - Project Risk Management**
 - Project Procurement Management**

Certification

- **All Decision Makers should be certified in:**
 - Decision & Risk Analysis**
 - Leadership Roles & Behaviors**
- **All Project Professionals should be certified in:**
 - Decision & Risk Analysis**
 - Leadership Roles & Behaviors**
 - PMBOK Areas**

6. Challenges on Global Projects

Challenges on Global Projects

- **Communications**
 - Different languages
 - Interpreters
 - Information management
- **Culture**
 - What works in America vs. overseas
- **Logistics**
 - Transportation
 - Different time zones
 - Rotational assignments

Summary

**Structured Project Management Process,
Management's active role, application of Value
Improving / Best Practices and Training /
Certification can help achieve World-Class
Project Performance:**

- **Faster**
- **Cheaper**
- **Better**
- **Safer**