

### Hand-out summary in addition to Project Manual

#### 1. Introduction

Management of all work has a common denominator:

PEOPLE

The target of project management, at any level, is:

GET THINGS DONE WITH PEOPLE

We do not use people - we work with them and we use equipment and material.

To manage work, we perform two basic functions:

- Causing or making decisions
- Assuring that actions are taken to implement the decisions

The management process must be utilized to get people committed and thus motivated to achieve the goal of delivering the project

- on time
- within cost
- to the technical specifications

### 2. The project life cycle

Any project can be seen as going through steps, phases, loops, from inception to completion. Depending upon the specific type of project, these phases may be different in detail, but, a model can be drawn in general terms to express these phases (see standard project structure plan). These phases are basic. With good planning, many of the “alligators” can be identified before they “bite” and can thus be avoided or their effect on the project reduced to reasonable levels. In many projects simultaneous engineering is in use or has been used.

Nevertheless it should be recognized that the level of risk will only be acceptable if the transition baseline from one phase (loop) to another is fully defined and communicated to all members of the project team and to management (sponsor). By identifying and assessing risks, we do not eliminate our alligators but we also cause our project to be under our control. Cage your alligators allows you to anticipate rather than react.

EFFECTIVE PLANNING IS ESSENTIAL IF A PROJECT IS TO HAVE A REASONABLE PROBABILITY OF SUCCESS

### 3. Organization

There is no single “best” organization for the management of projects. The selected one must be compatible with the particular project. The key-factors of a good project organization are given and listed within Project Manual.

The project-manager assigned is responsible to establish a suitable project organization in consultation with the owners (sponsor) representative in the project before CAR submission. Important is that you designate the roles of owner, plant engineering, project engineering as well as sponsor and project-coordinator (if necessary). Since affiliated companies may have different organizational set-up's and SAP has been implemented some interpretations may be necessary.

#### 4. Project Control

The basis of good project control is a good plan. If there is no valid plan; how do we know where we are ? Thus, how can we make charges to get to where we should be ?

GOOD INFORMATION IN TIME, TO TAKE APPROPRIATE CORRECTIVE MEASURES, IS THE LIFEBLOOD OF PROJECT CONTROL

Making sure that the technical work will comply with the requirements. Compliance reviews are essential if we are to get what we need.

YOU GET WHAT YOU INSPECT, NOT WHAT YOU EXPECT

Cost-control is a key element of project control. Potential cost-overruns must be identified before they happen and not “after the fact” for history / justification purposes. The cost-recording and control as well as the final close-out is preferably done in accordance with SAP and established cost-estimate forms (see Project Manual).

### **5. Project Reporting**

Project reporting systems are used to keep members of management informed of project status. They must be factual, predictive and informative. They are a project communication tool.

There are many different formats of reports from hand written to computer produced. The best format is the one which the person receiving the report likes to read and understand. The report must be in the format of the sponsor and manager and his language (example see Project Manual).

The frequency of reporting depends upon the project and organization. I recommend to do it monthly. Make sure that the time to prepare the report is in proportion to the project. A good project control system will make project reporting much easier since all of the information will be at your fingertips