# **Case Study**

Project Risk Analysis Insights for a multi million Euro Oil & Gas Project





## OIL & GAS Project Risk Management

In order to improve project's time and cost performance for 2 new EPCC projects estimated for more than 60mil. Euro and 2 years duration, the company requested the implementation of Risk Management Standards.



#### THE ISSUE

Undertaking major projects in the Oil & Gas industry has always been a risky. There are many risks that can appear in these projects, including all conceivable aspects like technical, economical, commercial, organizational and political.

Based on the project complexity, risks can never be eliminated, but they can be reduced to an acceptable level.

As a major Oil & Gas company within Eastern Europe, the company acts as Beneficiary in numerous projects and portfolios. In order to **improve project's time and cost performance** for 2 new EPCC projects estimated for more than **60mil. Euro and 2 years** duration, the company requested the **implementation of Risk Management Standards** through all stages of the project lifecycle, including the General Contractor.

#### THE SOLUTION

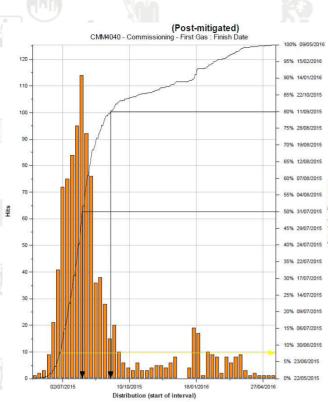
Ecostar Plan, by its practical approach based on real industry experience in project management has offered its *support in Project Risk Management from contracting to execution, by performing Risk Workshops, Risk Assessments and Audits according to the company standards.* 

After the Company has presented the Corporate Risk Management Standard requirements ("Identify, assess and prioritize risks; evaluate and update project risks and treatments regularly; communicate risk progress and capture lessons learned.")

Ecostar's consultants have performed **risk workshops**, updated all risk management topics using Primavera Risk Analysis - the **project risk register**, qualitative and quantitative risk analysis, reporting based on the risk register and on the results obtained from both the **qualitative and quantitative risk analysis**.

The project team was introduced to the Project Risk Management topics, permanently consulted and informed for all major risks, ensuring the required level of confidence for schedule and cost.

The result: Improved schedule and cost probability of achievement.



Data		
Finish Date of:		
CMM4040 - Commissioning	- First Gas	
Analysis		
Iterations:	1000	
Statistics		
Minimum:	22/05/2015	
Maximum:	09/05/2016	
Mean:	24/08/2015	
Bar Width:	week	
Deterministic (26/06/2015) 50% 80%	8% 31/07/2015 11/09/2015	



Ecostar Plan engineers help customers to realize the importance of Project Risk Management and implement best industry's standards to their business challenges.

It is definitely worth it!

#### BENEFITS

By the Project Risk Analysis report, the cost and schedule contingencies were calculated at the P10, P50 and P90 confidence level using the risk analysis processes as mandated by the Project Risk Management Standard. The report has presented the contingency results for both cost and schedule risks.

The analysis has also indicated which are the tasks and risks that will most likely cause a project schedule or cost overrun.

Periodically Project Risk Review team meetings have ensured the project will be on time, on scope and on cost.

#### **NEXT STEPS**

Project risk management **enhances the confidence to achieve the project objectives** within the given constraints (time, scope and cost).

The power of risk management is fully accomplished when the **Project Manager takes action** to respond to the identified risks, based on the risk analysis, most effort being towards those risks ranked highest in terms of impact to project objectives.

It is best practice to address risk reviews during regular project meetings, by regularly updated Risk Register and reports.



*Keep your projects on time on scope on cost* 



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