

BUSINESS AS UNUSUAL

Gaining Advantage in a
Dynamic Project Landscape



SEPT. 1ST - 4TH
2010

RITZ CARLTON
GRANDE LAKES

ORLANDO,
FLORIDA

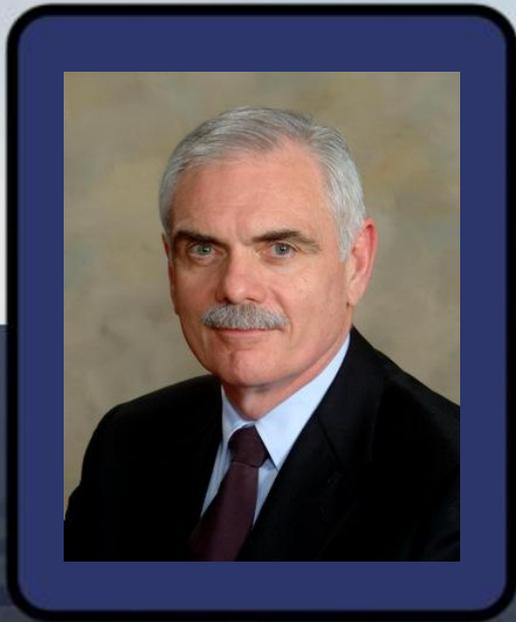
42ND ANNUAL ECC CONFERENCE



engineering and construction contracting conference

BUSINESS AS UNUSUAL

Gaining Advantage in a Dynamic Project Landscape



Panel Participant

Domestic vs. International Projects Unique Challenges and Best Practices

James F. Van Ness

Project Director - SERP

Syncrude Canada Limited



42ND ANNUAL ECC CONFERENCE

SEPT. 1ST-4TH 2010 - RITZ CARLTON GRANDE LAKES - ORLANDO, FLORIDA

engineering and construction contracting conference

Jim Van Ness

Project Director for Syncrude's \$1.6B Emissions Reduction Project in Northern Alberta, Canada

Graduate of the University of North Dakota in Chemical Engineering with an MBA from the University of Connecticut

40 years of experience in project management, process engineering design and construction in the petrochemical and refining industries

Project work throughout North America, Europe, South Africa, Southeast Asia, Latin America, Saudi Arabia, and Qatar

Jim spent his early career with Crawford & Russell, Inc, a Chemical Plant EPC firm. He has been with Exxon Mobil for the past 30 years in Project Management and Process Engineering roles, including his current assignment as the SERP Project Director for Syncrude.

BUSINESS AS UNUSUAL

Gaining Advantage in a Dynamic Project Landscape



Panel Participant

Domestic vs. International Projects Unique Challenges and Best Practices

Otto Kjos

Senior Vice President, Project Mgmt

Fluor Corporation



42ND ANNUAL ECC CONFERENCE

SEPT. 1ST-4TH 2010 - RITZ CARLTON GRANDE LAKES - ORLANDO, FLORIDA

engineering and construction contracting conference

Otto Kjos

Senior Vice President, Project Management, Fluor Corporation

Graduate of San Diego State University in Electrical Engineering

Over 40 years experience in Engineering & Construction, Oil & Gas

Projects in the Continental US, Alaska, Saudi Arabia, Kuwait, China, Venezuela, Korea and Europe with total capital value > \$80 Billion

Experience in Project Management, Project Controls, technical management of Electrical & Control Systems Engineering/Design and General Management of 2 Fluor Engineering Centers

Fluor's global Subject Matter Expert on Project Mgt Contracting (PMC)

BUSINESS AS UNUSUAL

Gaining Advantage in a Dynamic Project Landscape



Panel Participant

Domestic vs. International Projects Unique Challenges and Best Practices

Daniel Duncan

*Vice President and General Manager Of
Oil and Gas Division*

Siemens Energy, Inc



42ND ANNUAL ECC CONFERENCE

SEPT. 1ST-4TH 2010 - RITZ CARLTON GRANDE LAKES - ORLANDO, FLORIDA

engineering and construction contracting conference

Daniel Duncan

Vice President and General Manager; Oil & Gas Division of Siemens Energy, Inc.

Graduate of Georgia Institute of Technology in Electrical Engineering

Over 20 years experience in Engineering, Project, and Sales Management roles with Siemens, Honeywell, and Georgia Power Company

Currently responsible for supplying Siemens solutions, equipment and services for industrial power and oil & gas projects throughout the Americas

Led US Sales Organization for Siemens' Industrial Solutions, Services and Products

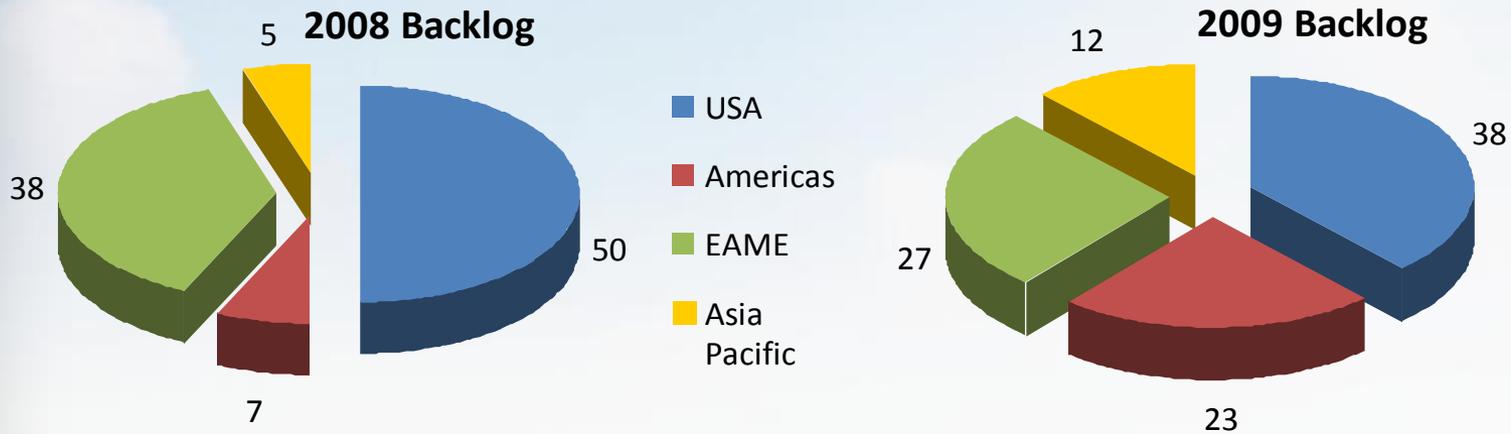
Former VP for vertacross.com, a Siemens Multi-National eBusiness Solution and Global Marketplace

Former Owner/Operator of a specialized Systems Integration Firm

USA vs International Projects

“International” = Project Locations outside the U.S.

2010 Mid-year approx 70% International



Approach to Non-Traditional Sourcing

- Trend to use non-traditional sourcing where possible
- Regional Procurement Centers (e.g. Asia – China and India)
- Surveys and pre-qualifications
- Enhanced inspection and expediting
- Teaching vs. inspection
- Owner support
- Flexibility in Standards



Key Organizational Learnings

- Leverage well-established and structured Stage Gate Project Roadmaps for Project Organization and Execution Processes
- Utilize diverse teams that include experienced project leaders combined with local (internal or external) staff that are subject-matter experts in technical, commercial, and legal matters
- Take necessary steps to understand local labor markets and measures required to attract/retain critical project resources – incorporate resource strategies into cost estimates and risk management processes
- When engaging local Partners, ensure philosophical and contractual alignment regarding procedures, control measures, risk and change management, and overall project objectives
- Ensure involvement of own staff with non-traditional suppliers and offshore Engineering Service providers
- Develop active processes to capture and utilize Lessons Learned



Critical Success Factors for Global Projects

- Use formal, gated processes for Project development and execution – Gate Keepers must challenge unrealistic expectations
- Apply proven Value Improving Practices considering Life Cycle impacts
- Insist on realistic Project schedules and risk-appropriate Cost estimates – incorporate impact of complexity (Tame vs. Wicked)
- Use contracting strategies tailored to the Project, Location, and Parties involved
- Don't underestimate the need for local resources, knowledge, and working relationships (Design Institutes, Government entities, etc)
- Engage Professional Project Management personnel and focus on core values – Safety, Ethics, Business Practices, Quality Standards, etc.
- Ensure Alignment of Owners, Partners, Contractors, and Suppliers

