Resilient Project Techniques for Boom & Bust Cycles

Tracie Griffitt
ECC Executive Board Member
2018 Vice Chair
Jacobs
Perspective

The 49th Annual ECC Conference
From Boom to Bust
How Project Systems Are Evolving to Do More with Less
Panelists

Scott Curley
ABB Group Vice President

Philip Luna Wood
Vice President, Business Development

Phyllis Kulkarni
Independent Project Analysis (IPA) Director of North America (moderator)

Geoff Parker
ExxonMobil Development Company Project Executive
Oil Prices, Capital Spending Up and Down

- **Global Commodities Boom**: Oil prices climb from US$40/bbl to US$150/bbl
- **Global Financial Crisis**: Oil price drops to US$50/bbl
- **Oil Prices rebound to US$100+/bbl**

**Bar Chart**

- **Constant Dollar Capital Spending Index** (2003 = 1.00)

**Year**
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015

**Source**: IPA Database, projects >$5 million

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**Boom to Bust Panel**
Cost Growth and Schedule Slip More Volatile in Boom

Source: IPA Database, projects >US$10 Million
Cost and Schedule Competitiveness Deteriorated in Boom but Starting to Recover

Source: IPA Database, projects >US$10 Million
The Current State of Standardization

- Engineers like to “play” so limited scope
- Some good beginnings... but we like to customize
- Offshore is still in infancy
  Onshore is a teenager
- Industry can do better...
  Not accepted at industry level
- E&P industry has only just begun the required cultural change for implementation
- A lot of discussion, but little application
- Low degree of standardization compared to other industries
- Improving

Nonexistent (30%)
- It is risky to use in new developments
- Level is quite poor
- It doesn’t really exist

Infancy (50%)

Growth (20%)

Widespread Adoption
- The current state is evolving for the better
- It’s been the rule for many years in some areas

Source: IPA survey data from 23 owners & EPCs in oil exploration & production sector
Project Team Member Experience is Declining

Source: IPA Database, projects >US$10 Million
Key Takeaways from Panel

- Downturn offers a much needed opportunity to improve capital efficiency.

- Standardization is less of a technical challenge than a behavioral one – requires commitment from senior management, alignment among owner, contractor, vendor.

- Companies have had success retaining talent with different approaches – sharing resources across businesses, training.

- Early collaboration among owners, contractors and suppliers is key.
PerspECtive
The 49th Annual ECC Conference
Breakout Forum Overview

Justin Dahl
ECC Executive Board of Directors
Westney Consulting Group

Dec. 12-14, 2017
Boca Raton, FL
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<td>Change the Culture, Change the Game</td>
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<td>Driving Competitiveness in Small Capital and Project Portfolios</td>
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<td>Moving Advanced Workface Planning (AWP) to the Next Level: Applying AWP Principles in Action and Expected Outcomes</td>
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