

1° Training & Professional Meeting 2013

Milan -13 March 2013

STAKEHOLDER MANAGEMENT in ACTION



**DEFINIZIONE DEGLI OBIETTIVI DI PROGETTO
PARTENDO DALLE ESIGENZE DEL CLIENTE E
DEGLI STAKEHOLDERS**

Definizione degli obiettivi di progetto ...

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The Project Objectives Problem

- **Coherent project objectives are the foundation on which a strong project team is built**
- **This requires that all of the objectives being articulated in a meaningful way—not just some empty nostrum such as “make a lot of money”**
- **It requires that the trade-offs amongst objectives are understood and that clear priorities are established**
- **So, how are we doing?**

From a presentation at ECI's Annual Conference 2012 by Ed Merrow, President IPA and author of “Industrial Megaprojects—Concepts, Strategies, and Practices for Success”

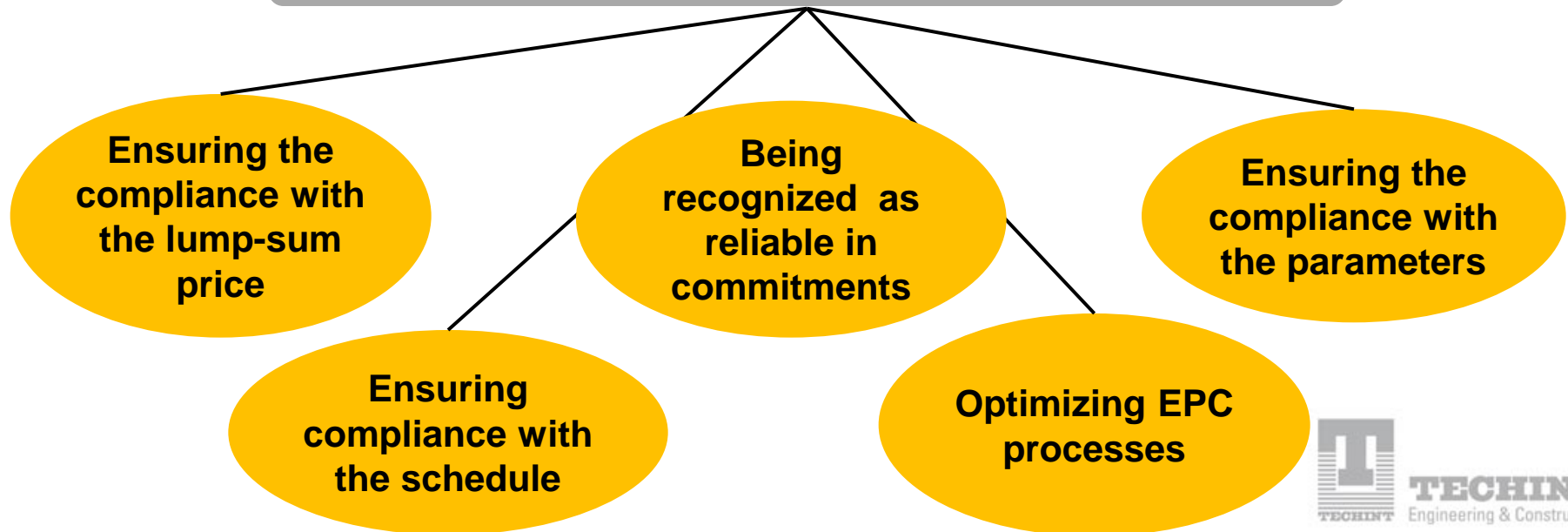
I Fattori di Successo

1) Definizione degli Obiettivi

- **Q.:** *Cos'è un progetto di successo?*
- **A.:** Un progetto che raggiunge gli obiettivi ... *ma quali obiettivi?*

Abbiamo chiesto le priorità al cliente (Customer Satisfaction Program), definito gli obiettivi, sviluppato e monitorato i processi

Customer perspective: priorities

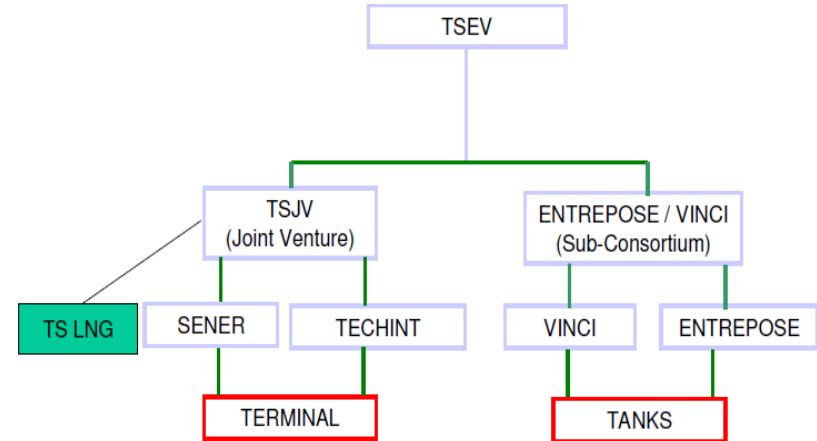


Gate LNG Project: Stakeholders

Numerose Interfacce



Un Consorzio complesso



Project initiators



Storage know-how
Maritime know-how
Relation with Port of Rotterdam

Un cliente con vari azionisti

Independent
Non-discriminatory



Gas know-how
Dutch roundabout
Relations with authorities



DONG Energy
Denmark



EconGas
Austria



RWE Supply & Trading
Switzerland



E.ON Ruhrgas
Germany



Eneco
the Netherlands



Gate LNG Project: Main Contractor

TSEV

Techint (Italy)- Leader



Sener (Spain)



Entrepose (France)



Vinci (France)



TECHINT
Engineering & Construction

Gate LNG Project: Stakeholders

Local Authorities:

PoR, Env., Municip., Fire Brigade,

Lenders:

EIB (+10 banks), SHAW S&W

Notified Bodies:

AIB Vinçotte, Bureau Veritas

Neighbourhood:

MOT

Lyondell Bayer

E.on

Neste Oil

Stakeholders: Construction Subcontractors

Facility:	KMB + KWS (Netherlands)
Buildings:	OOMS (Netherlands)
HVAC:	Synto (Netherlands)
Warm water line + tunnel:	OOMS (Netherlands)
Civil works:	Besix-Mourik (Netherlands)
Sleepers (prec. & installation):	Martens (Netherlands)
Jetty:	Geka (Netherlands)
Fire fighting (main ring):	Amerplastic (Netherlands)
Water Intake Pump house:	KWS (Netherlands)
Steel structure:	Hollandia (Netherlands)
Mechanical & piping:	Fincimec (Italy)
E&I:	Techimp-Sitie (Italy)
Insulation:	Prezioso (France)
Fire fighting (above ground):	Tyco (Netherlands)

Le Difficoltà iniziali

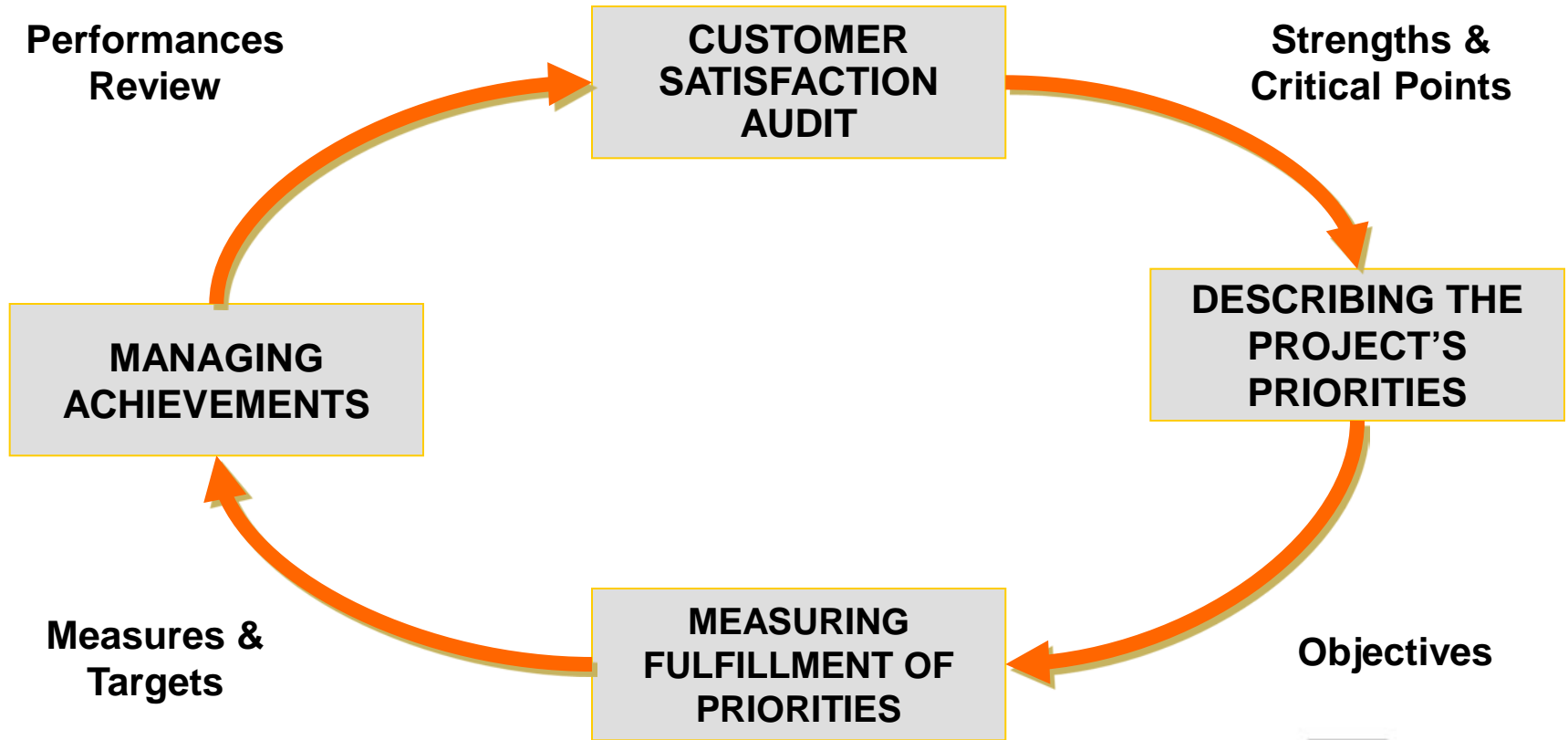
- **LEADERSHIP DI UN CONSORZIO COMPLESSO:**

- single-point affidabile e credibile verso il cliente
- gestione delle interfacce col partner e con le autorità locali



- Fiducia del Cliente, degli end users, delle autorità e dei Notified Bodies
- Rispetto dei partners
- Collaborazione dei Construction Subcontractors

Il ciclo di miglioramento



Miglioramento delle performances

THE IMPROVEMENT PROJECT'S PRIMARY GOAL

Guarantee the full achievement of financial results for the JV and value results for the Customer, through people's behaviour working on the project.



LEVERS TO SET IN MOTION

- Mobilise people on the team to accept required changes
- Translate the project's strategy in operative terms
- Align the functional organisation to the project's priorities
- Govern the pursuit of priority targets through a continuous process

Definizione e Comunicazione delle Priorità

- The achievement of the planned economic result depends on people's behaviours working in the project team
- Communicating the priorities (objectives and goals) increases the probability that people in the project team adopt the requested behaviours
- The priority objectives are developed in the follow perspectives:
 - financial result
 - customer value
 - internal process
 - learning and growth
- The customer value creation is the departure point in order to define priorities in the other perspectives

Le priorità – il punto di vista del Cliente

CUSTOMER PERSPECTIVE

ENSURING THE COMPLIANCE WITH THE LUMP-SUM PRICE

Customer specification point out that Contractor should be oriented at *target sharing*. It is not accepted to be *claim oriented*.

ENSURING COMPLIANCE WITH THE SCHEDULE

Maintaining the take over date is a pre-requisite to accelerate customer return on investment. Governing backward the schedule is the lever to assure the final deadline.

OPTIMIZING EPC PROCESSES

Customer's specifications establish general criteria. Contractor duty is assuring an high performance level through:

- × organization
- × emergencies minimization
- × full understanding of needs
- × global result optimization

BEING RECOGNIZED AS RELIABLE IN COMMITMENTS

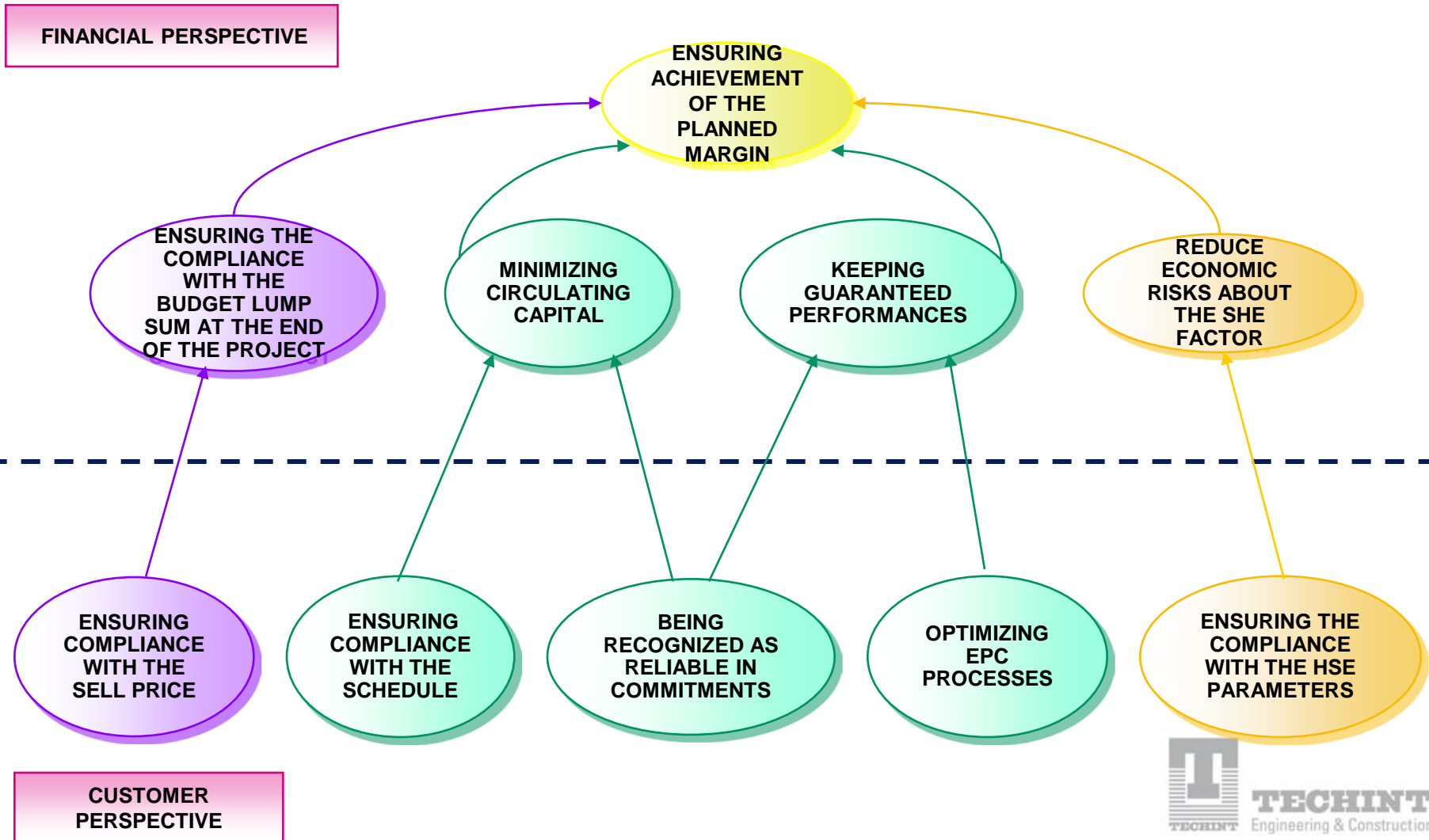
Contractor's reputation must be at level of an excellent player. It must be disrupted the culture based on "maintaining the agreement only if it is convenient for us".

ENSURING THE COMPLIANCE WITH THE SHE PARAMETERS

Customer investment on this theme is remarkable and tangible. Ofcourse, the Contractor performance must be at excellent level for this factor



Obiettivo Economico



Processi Interni

CUSTOMER PERSPECTIVE

ENSURING COMPLIANCE WITH THE LUMP SUM BUDGET

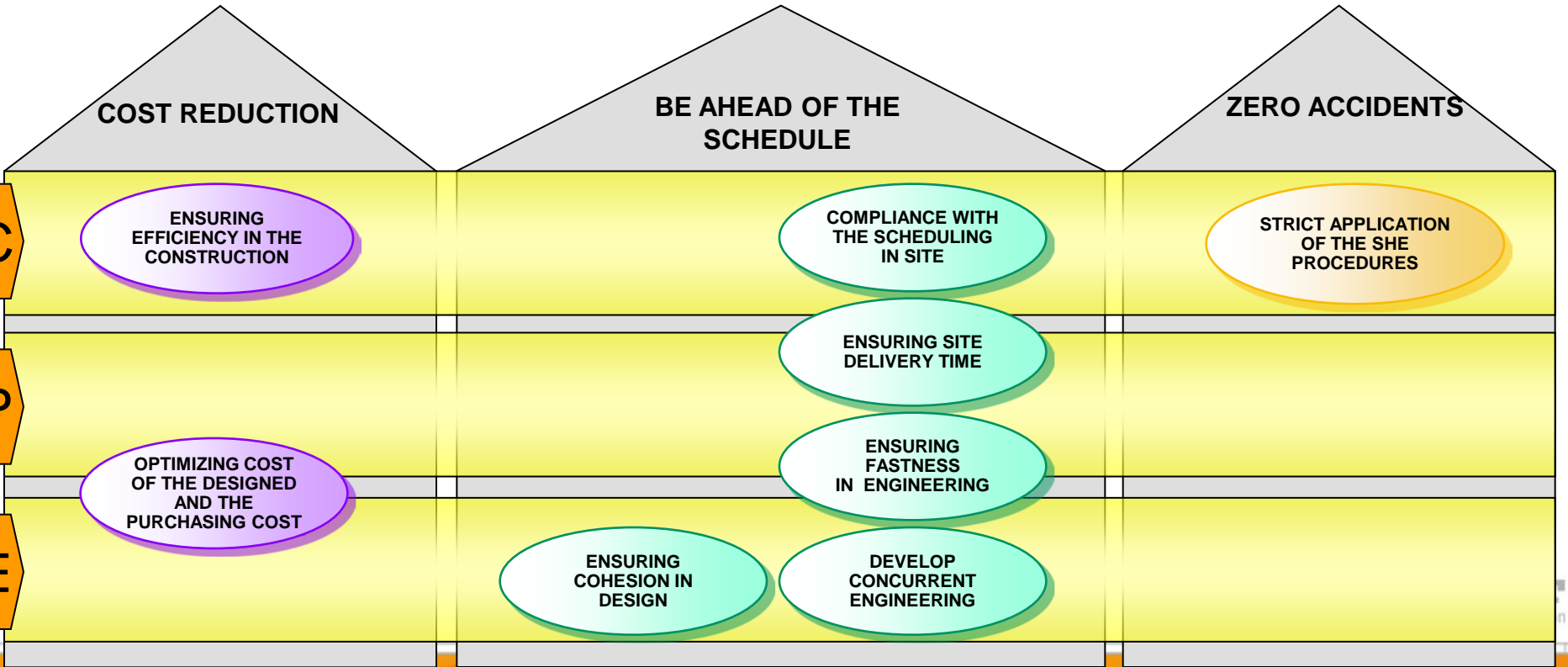
ENSURING COMPLIANCE WITH THE SCHEDULE

BEING RECOGNIZED AS RELIABLE IN COMMITMENTS

OPTIMIZING EPC PROCESSES

ENSURING COMPLIANCE WITH THE SHE PARAMETERS

INTERNAL PROCESS PERSPECTIVE



Process Interni - Priorità

ENSURING COHESION IN ENGINEERING

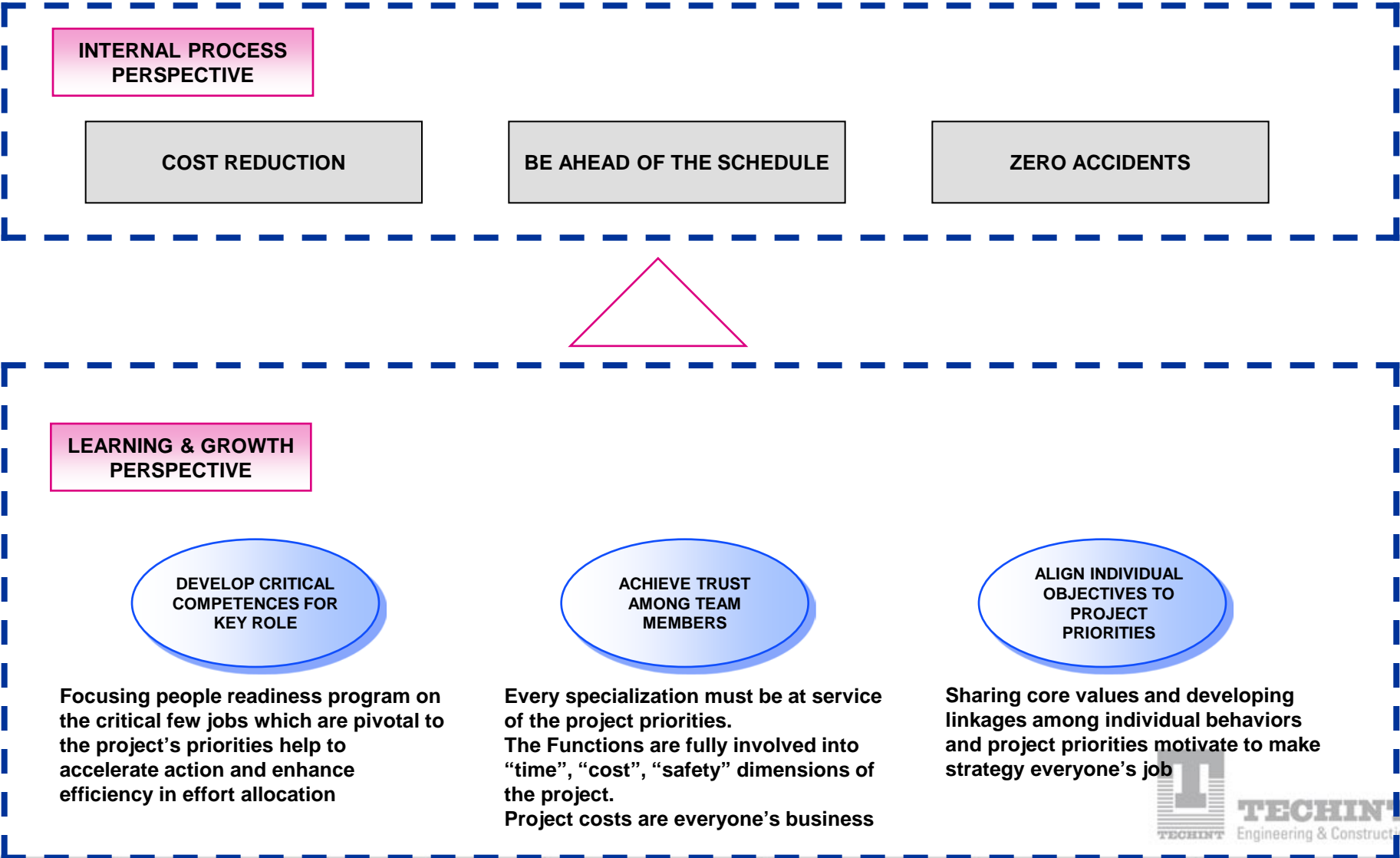
Creating and monitoring cohesiveness requires suitable tools for:

- communication
- control

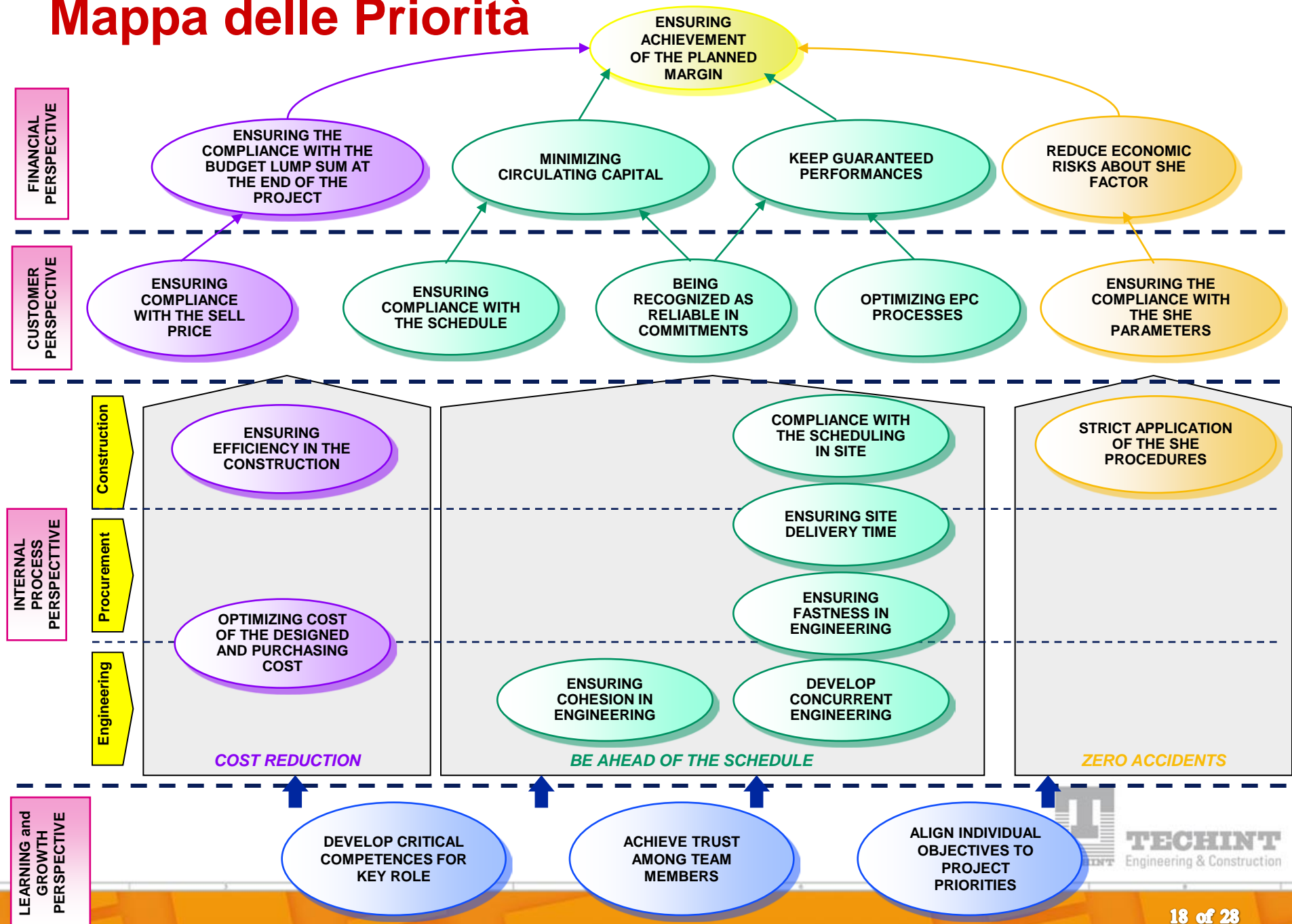
Priorities:

- Focus on how we'll work together to achieve the project plan
- Develop metrics related to alliance progress
- Leverage differences to create value
- Go beyond formal governance structure to encourage collaborative behaviour
- Spend time on aligning internal stakeholders

Apprendimento e Crescita - Obiettivi



Mappa delle Priorità




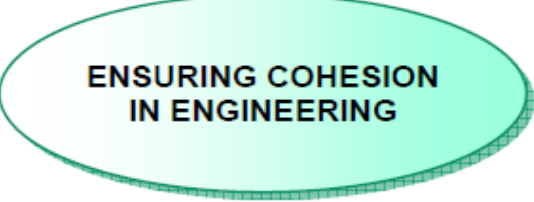
Objectives, Measures and targets (1)

What the project is trying to achieve


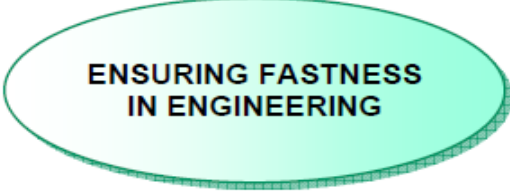

How performance against the objective is quantified

The level of performance or rate of improvement needed







OBJECTIVE	MEASURE	TARGET
 <p>OPTIMIZING COST OF THE DESIGNED AND PURCHASING COST</p>	Deviation from budget “zero”	<ul style="list-style-type: none">• For itemized products: 3% less than budget “zero”• For bulk materials: no increase in quantities, no in unit price• For subcontract: 5% less than budget
 <p>ENSURING COHESION IN ENGINEERING</p>	Application degree of interface matrix	Score 3,5

Objectives, Measures and targets (2)

OBJECTIVE	MEASURE	TARGET
 <p>DEVELOP CONCURRENT ENGINEERING</p>	<ul style="list-style-type: none"> • Freeze Basic Design • Underground Design • First Piping MTO • Main Equipment Procur. • Issue of Precast Purchase Order • Completion of pipe track installation 	<ul style="list-style-type: none"> • Within 15 June 2008 • Within October 2008 • Within June 2008 • Within September 2008 • Within 01 Sept 2008 • At the beginning of 2009
 <p>ENSURING FASTNESS IN ENGINEERING</p>	<p>Engineering progress curve</p>	<p>10% better than average between early and late progress</p>
 <p>ENSURING SITE DELIVERY TIME</p>	<p>Site delivery schedule (Expedite Mat. & Equipment)</p>	<p>10% better than average between early and late schedule</p>

Objectives, Measures and targets (3)

OBJECTIVE	MEASURE	TARGET
 <p>COMPLIANCE WITH IN-SITE SCHEDULING</p>	<p>Construction, Commissioning & SU progress curve (maximize Prefabrication)</p>	<p>10% better than the average between early and late progress</p>
 <p>STRICT APPLICATION OF THE SHE PROCEDURES</p>	<p>Leading and trailing indicator (Dutch rules & Gate's requirements) VCA certification</p>	<p>Zero fatalities TRIR < 0,3 LPI > 80% EIR < 1 100% of companies VCA certified</p>
 <p>STRICT APPLICATION OF THE SHE LAW CONSTRAINS</p>	<p>Non conformance events Design review schedule</p>	<p>100% compliance Full compliance</p>
 <p>ENSURING EFFICIENCY IN THE CONSTRUCTION</p>	<p>Deviation from budget "zero" (Subcontractor productivity)</p>	<p>No cost increase</p>

Relationship between partners: Analysis of strengths, weaknesses

TECHINT CRITICALITIES	MITIGATION ACTIONS
<ul style="list-style-type: none"> ▪ New partner. Different way of work. In Spain 	<ul style="list-style-type: none"> • Stress communication • Open mind
<ul style="list-style-type: none"> ▪ No experience on regasification plants 	<ul style="list-style-type: none"> • Stress communication • Technical involvement of individuals • EN1473 reading, schedule understanding
<ul style="list-style-type: none"> ▪ Negative perceptions to avoid or mitigate <ul style="list-style-type: none"> a) Paper managing b) Treat Sener as a subcontract c) Lack of confidence in Sener specialist d) Poor flexibility 	<ul style="list-style-type: none"> • Stress communication • Technical involvement of individuals

Relationship between partners: Analysis of strengths, weaknesses

TECHINT STRENGTHS

- **COMMUNICATION.** Quick and adequate response on e-mails and telephone calls
- **ORGANIZATION.** Excellent with very good engineering procedures
- **ASSORTED & METHODICAL.** Techint people are much more accustomed to manage the meeting preparing the agenda and the subsequent minute
- **LANGUAGE.** Techint people speak good English
- **Good experience in INTERNATIONAL PROJECTS**
- **Personal WAY OF LIFE** similar. They are Italian.

I Fattori di Successo

1) Rapporto Cliente - Contractor

- **Scelta del rapporto col Cliente:**
 - Attento alle priorità del Cliente
 - mai “claim oriented” ma sempre orientato agli obiettivi
 - rapporto diretto a tutti i livelli
 - ogni impegno preso, anche verbale, va rispettato



- **Risultato:**
 - Cliente che mantiene un approccio “supportive”, condividendo le scelte tecniche ed operative
 - Rapporto formale quando necessario
 - Fiducia nelle capacità organizzative e tecniche
 - Supporto durante eventi “post-order”

I Fattori di Successo

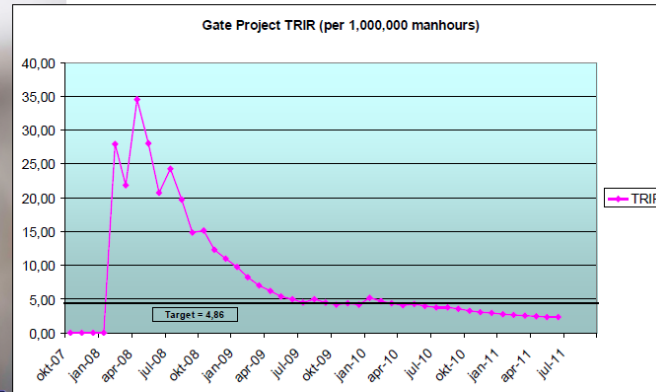
2) Gestione Stakeholders

- **Identificazione di tutti gli stakeholders del progetto e dei relativi interessi**
- **Ogni problema è stato affrontato trovando soluzioni anche quando gli interessi delle parti coinvolte erano conflittuali tra loro**
- **Spirito di gruppo nell'alleanza Techint-Sener: unica società con un unico obiettivo**

Cosa abbiamo imparato

- Guidare un'alleanza con un nuovo partner, **rispettarlo** e prendere il meglio delle capacità di ciascuno, **adattarsi** quando necessario
- Entrare in un nuovo paese che ha la propria tradizione impiantistica, capirne metodi, tecniche ed abitudini, guadagnare la **fiducia** ed il **rispetto** di clienti, contrattisti ed autorità locali
- Un project team forte è necessario ma solo con **la condivisione degli obiettivi e creando coesione nel team** si possono raggiungere i risultati attesi

Risultato? Sicuro, funziona, in tempo



Thank you for your attention



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