

Oil and Gas Project Management

The BP way

Project Management in Oil and Gas

- * This overview is based on the project management method used by BP
- * BP is the 3rd largest Combined Oil and Gas company in the world
- * It operates over every continent
- * Conducts major projects which require large, varied teams with experienced managers

Contents

- * Project management style used by BP
- * Project break downs
- * BP habits of successful project managers



Project Management Style

- * BPs' core business is that of the exploration and production of hydrocarbons – Oil and Gas
- * The share price of oil and gas companies during normal operations mainly depends on the stated oil and gas reserves the company has in the ground
- * This means when it comes to major projects to produce hydrocarbons from the reserves these projects are result driven to achieve the amount of hydrocarbon stated contained in the reserve

Project Management style

- * For these reasons the style of project management used by BP is a PRINCE Style system known in BP as MPcp
 - * Major Projects Common Process
- * MPcp is designed to deliver varied world class projects which generated business value for BP
- * MPcp is only a set of guidelines because BP expects its employees to be innovative in their approach to any given project and not just follow them blindly

MPcp



Project Phases

- * As previously mentioned MPcp is a PRINCE style approach and as such it is broken up into a number of manageable phases
 - * Appraise
 - * Select
 - * Define
 - * Execute
 - * Operate

Appraise

- * Appraise is the stage at which the project is initiated
- * High level execution strategies are developed
- * Risk register is created
- * Contracts for the work required in the select stage are put in place
- * Resource planning is put in place for the Select Phase

Select

- * A detailed Project execution strategy is developed
- * At this point in a major project there would be integration between different disciplines to decide the requirements for the project
 - * e.g. number and type of storage vessels required
- * A Governance Strategy would be put in place
- * Any contracts for the define stage would be put in place
- * A resource plan for the define stage would be put in place

Define

- * The project plan will be executed in this phase
- * Project control governance and assurance processes will be put in place
- * Performance management system will be put in place
- * Resource Plan and organisation for the execute phase will be put in place
- * Contracts for execute will be put in place e.g. the previously mentioned vessels would be put out to tender and a vendor would be contracted

Execute

- * This is the stage where all the physical construction and implementation will take place
- * The execution will be managed
- * All documentation will be closed out and signed off
- * Plans for operational readiness will be put in place
- * Any lessons learned during the project will be shared with the community of practice

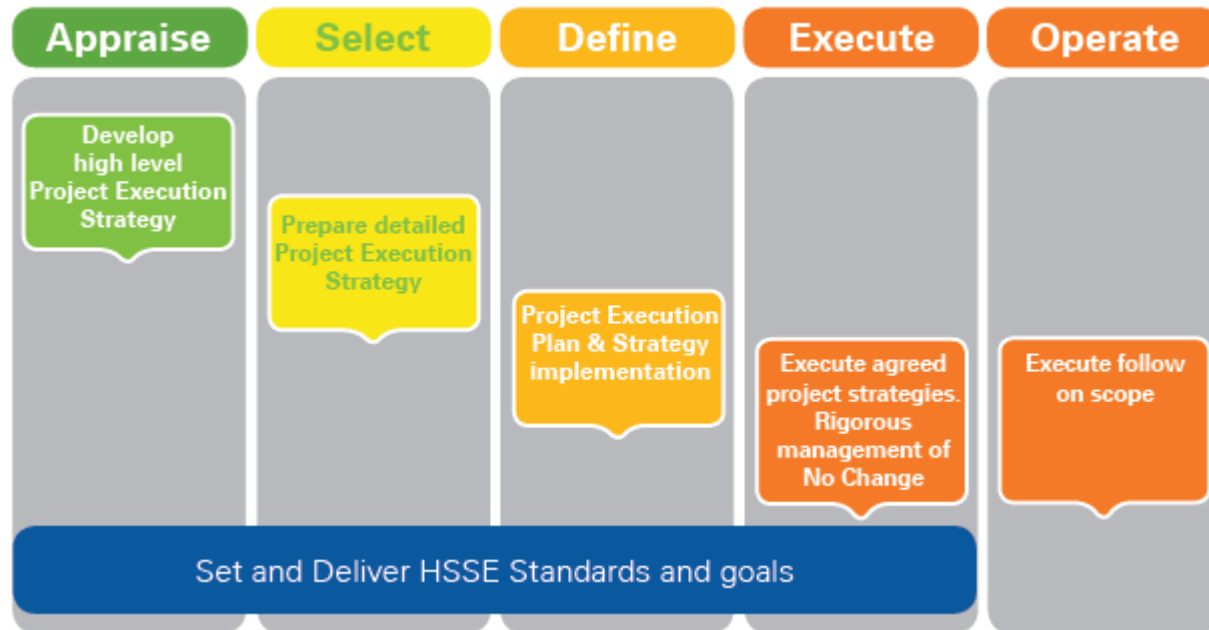
Operate

- * In this stage the project will go operational and be handed over to the full time staff
- * Start up will be supported
- * The follow on scope of the project
 - * e.g. why its there – Build a platform to produce hydrocarbons
- * Any remaining scope will be handed over as required

Gates

- * Between each phase of the project, the project team will have to pass through a gate
- * This involves all the work that has been done in that phase getting scrutinized by the senior engineers and technical authorities at BP
- * The requirements at each of these gates has to be signed off in order for budget to be released for the next phase of the project
- * If a gate is failed this could result in either the project being cancelled or a change in management

Project Phases



It should be noted that throughout HSSE (Health Safety and Security Executive) is key and must be satisfied.

8 Habits of Great Project managers

- * In the eyes of BP there are 8 aspects which make a good project manager
- * It is to these criteria that any project manager is marked on to ensure that the project is being carried out to company standards

Habits – Setting Up the Project

- * Habit 1 – Setting HSSE expectations and standards
- * Habit 2 – Understanding the project scope
- * Habit 3 – Creating a contracting strategy
- * Habit 4 – Setting and Understanding the Organization

Habits - Running the Project

- * Habit 5 – Rigorous performance management
- * Habit 6 – Developing people and organizations
- * Habit 7 – Creating the vision for the team and planning ahead
- * Habit 8 – Solving the problem and intervening when required

References

- * BP MPcp document
- * BP Project Managers hand book