Small Capital Projects Portfolio Management

The energy industry is rapidly transforming. Utilities and oil and gas companies are increasingly managing larger numbers of smaller projects, with the shift toward renewables significantly contributing to that trend. Indeed, since 2000, average project budgets are down 27%, while project growth is up 40%.*

This trend toward smaller and less complex projects – driven also by shrinking budgets and growing risk aversion– is necessitating a change in how energy organizations manage their portfolios. To effectively manage growing portfolios, energy organizations need project management solutions that are flexible, mobile, and user-friendly, providing critical collaboration and visibility - and helping to streamline and automate processes.

*Energy organizations can save as much as 16% from their budget by embracing digital transformation and adopting industry best practices to deliver a portfolio of capital projects.**

SHIFTING FROM SINGLE PROJECT MANAGEMENT TO PORTFOLIO MANAGEMENT

Capital planning in the energy industry is incredibly complex. Predicting costs, measuring return on investment (ROI), and meeting desired outcomes is challenging. Growing a business demands long project timelines, billions of dollars in assets, and large amounts of capital. Effective planning is critical to staying profitable and meeting stringent regulatory requirements for both large megaprojects as well as portfolios of smaller projects.

Energy organizations are beginning to redefine how they think about project management, as dedicated teams shift from managing large, longer-term projects to managing portfolios of smaller projects that add incremental value.

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To support this change, energy companies increasingly are replacing disjointed and outdated project management tools with solutions that manage all their projects under a project portfolio umbrella. This portfolio approach enhances project visibility for all stakeholders and, just as importantly, it enables collaboration across teams, delivering process and data improvements.

Project portfolio solutions from Oracle Construction and Engineering help organizations manage the scope of an event by providing tools for resource requirements, procurement planning, identifying and tracking purchase lead times, directing contractor and engineering obligations, and providing daily status and cost updates to key stakeholders.

In addition, Oracle can provide a common data platform to ensure everyone involved in a project is working from a single view of the truth.

HEIGHTEN PROJECT PORTFOLIO PERFORMANCE

Oracle's Primavera P6 Enterprise Project Portfolio Management and Primavera Unifier help energy organizations prioritize, plan, manage, and execute projects, programs, and portfolios of any size. Standardizing processes across a portfolio ensures governance, control, and visibility. Today, many organizations are adopting a cloud-based project and program solution with the following capabilities: templates, mobile field status updates, field-initiated change requests to monitor potential budget impacts, and resource tracking.

Project teams can easily track projects and assets in one solution to ensure future projects are well-positioned for success. Tracking project benefits also helps stakeholders confirm if their proposals have been delivered, whether productivity has increased, cycle times reduced, etc.

ENTERPRISE PROJECT AND PORTFOLIO MANAGEMENT TOOLS

An enterprise project and portfolio management (EPPM) tool unites all stakeholders onto a single, flexible, and mobile platform to accommodate globally dispersed project teams working on portfolios of any size. Oracle's solution provides tools for resource requirements, procurement planning, directing contractor and engineering obligations, and daily status and cost updates.

In addition to robust capabilities around cost and schedule, our solution includes the following metrics: capital, production impact, risk, contingency, resources, safety, and quality. This functionality— including risk management and robust reporting and analytics—helps energy organizations find ways to deliver projects more efficiently and never be surprised by unexpected issues across projects.

Teams have access to a common data platform from any location in real time, including mobile devices and applications in the field. Information flows into dashboards to guide decision making.

ENSURE PROJECT DELIVERY SUCCESS WITH ORACLE'S PRIMAVERA P6 ENTEPRISE PROJECT PORTFOLIO MANAGEMENT AND PRIMAVERA UNIFIER

Primavera P6 EPPM and Primavera Unifier provide an integrated project portfolio management solution that includes role-based functionality to match each team member's needs and responsibilities.

A project portfolio management solution eliminates the need for a suite of niche, often disjointed solutions. Oracle provides a single platform for all project data that encompasses both internal and external stakeholders and can provide payback within a year if effectively deployed.

Smaller projects will continue to grow at a compound annual growth rate of

17%.

CAGR through 2021.

An efficient application of current technologies could reduce project costs by more than

20%.

Current digital technologies can reduce overall project costs by up to

45%.

BENEFITS INCLUDE:

- An easy-to-use application
- Increased stakeholder engagement
- Project selection and portfolio insight
- Reduced risk of cost and schedule overruns
- Optimized resource management for maximum ROI
- Standardization and overall governance of the process
- Benchmarking and forecasting
- Forecasting and procurement

1. *IDC The Impact of Portfolio Management on Capital Projects in the Energy Industry Nov 2108.
2. *McKinsey Global Institute, "Reinventing Construction: A route to Higher Productivity", Feb. 2017.
3. *IDC The Impact of Portfolio Management on Capital Projects in the Energy Industry Nov 2108.
4. *McKinsey Global Institute, "Reinventing Construction: A route to Higher Productivity", Feb. 2017.
5. *International Energy Agency (IEA).
6. *McKinsey report.
7. *McKinsey report.
8. *McKinsey report

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