

LPM

Lean Project Management

Our Lean Project Management (LPM) approach differs greatly from traditional oil and gas industry project management, which often leads to projects escalating in cost and not being delivered to schedule.* We operate with lean teams who are empowered to deliver and clearly understand their objectives.

Incentivised approach

We share the risk of project delivery with our clients and enter in agreements where we are incentivised to deliver the project under budget and ahead of schedule. If the project is not delivered on time and on budget we lose out.

We spend time with clients to understand and agree risks. We then provide a lean, multi-disciplined team formed with a focus on mitigating these risks. This team can be all ADIL or a mix of ADIL and client personnel.

Our LPM methodology in numbers

- Industry average cost of a project management team is around 15%
 - The cost of our LPM teams is around 8%
- Utilising our LPM approach has seen the break even cost for a project reduced from \$60 a barrel to \$30 a barrel

Delivering value to clients

We add value to our clients by utilising LPM to deliver projects on or ahead of schedule, within or under budget, while maintaining quality at all times. By their very nature, our lean teams can get more done for less - we need less people and for lower costs we can deliver more for clients.

We have a track record of delivering this for clients and our confidence in our approach means that we are happy to enter into 'risk and reward' commercial arrangements with clients. We delivered a recent project nine months early and \$200m under budget.

Our LPM teams

Our LPM teams benefit from there being no micro-management or 'man-marking', freeing them to achieve agreed objectives. The teams integrate all the interfaces on the project, removing a number of unnecessary layers and enabling the team to operate at a more strategic level. Each person in our LPM teams is multi-skilled, enabling them to deliver more than one of the roles in a traditional project team, and relish the opportunities working as part of a lean team provides.

**64% of mega projects have cost overruns, 73% have schedule delays; average cost overruns are 59% above the initial estimate (Spotlight on oil and gas megaprojects, EY)*

In the last five years, less than 25% of oil and gas projects have been delivered on time; averaging 10 months delay and around 35% over budget (William Lindsay Projects, CCS, EOR Manager, Oil and Gas Authority)

How it works

