

Managing Projects and Lessons Learnt from Audit

IMPERATIVES OF PROFESSIONALISING PROJECT MANAGEMENT

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PRESENTATION OUTLINE

- Projects in India – Sector wise
- Delays in Project Implementation and Impact
- Challenges in Project management – Indian Scenario
- Game Changing Solutions
- Project Audit and Lessons Learnt



PROJECTS IN INDIA

Sector	~ No. of Projects in FY 09-10	* Anticipated Annual expenditure (in Rs. Crores)
Atomic Energy	5	4440
Coal	10	2959
Steel	10	5685
Petroleum	11	6539
Power	20	7800
Railways	24	3480
Infrastructure (Roads, Highways, Shipping & ports, civil Aviation)	108	10840
Total	188	41743

* Above data is for Projects of value more than Rs. 100 Crores & projects expected to be completed in FY 09-10 – Ministry of Programme Implementation

PROJECTED DELAYS AND COST OVER RUN OF PROJECTS

Sector	Number	Time Delay (in Months)	Cost Over Run (in Crores of Rs.)
Atomic Energy	2	3 to 12	-
Coal	-		1069
Steel	1	2	-
Petroleum	-		3733
Power	20	N A	393
Railways	8	3 to 12	3030
Infrastructure (Roads, Highways, Shipping & ports, civil Aviation)	69	2 to 12	2730
Total	100		10955

DELAYS IN PROJECT IMPLEMENTATION IN INDIA

- Reasons of Delay:
 - Land Acquisition – e.g. Ultra Mega Power Plants at Sasan (MP) & Krishnapatnam (AP), NG pipelines from Dadri to Panipat.
 - Environmental Clearances – e.g. Tehri Dam, Sardar Sarovar
 - Finances – e.g. Essar's (1st Phase) Refinery at Vadinar

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DELAYS IN PROJECT IMPLEMENTAION IN INDIA

- Reasons of Delay:
 - Alterations in design – e.g. Hold in alignment of elevated railway bridge across river Chenab at 600m elevation on Katra-Laole section at Udhampur-Srinagar-Baramulla Rail link
 - Local people – e.g. Nano car project at Singur
 - Resettlement issues – Vedanta and Arcelor Mittal projects in Orissa etc.

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DELAYS IN PROJECT IMPLEMENTAION IN INDIA

- Reasons of Delay:
 - Law and order issues – Golden Quadrilateral in Bihar as well as various projects in North East states
 - Timely availability of raw material – e.g. Reliance and NTPC's gas based power projects
 - Government Policies – e.g. Enron Power at Dabhol

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DELAYS IN PROJECT IMPLEMENTATION IN INDIA

- Reasons of Delay:
 - Change in Political Scenario – e.g. Reliance's Dadri Power Plant
 - Involvement of multiple agencies with no clear demarcation of responsibilities & lack of co-ordination – During Commonwealth games, 24 different agencies were responsible for various works.

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DELAYS IN PROJECT IMPLEMENTATION IN INDIA

- Consequences of Delay:
 - Escalation of cost – Nano car from Singur to Sanand
 - Power shortage in Maharashtra due to Dabhol delays, mitigated by regassified LNG from Petronet's Dahej plant
 - Lowers public perception – Delays in Commonwealth games projects

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DELAYS IN PROJECT IMPLEMENTAION IN INDIA

- Consequences of Delay:
 - Public inconvenience – e.g. Condition of highways before toll-roads
 - Financial returns to stakeholders
 - Interest cost

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DELAYS IN PROJECT IMPLEMENTATION IN INDIA

- Consequences of Delay:
 - Availability of product in the market – e.g. Euro-III diesel availability in 11 Indian cities in year 2005
 - Cascading effects on other downstream projects



CHALLENGES IN PROJECT MANAGEMENT

- Procrastination
- Know All Attitude
- Tolerance for Shoddiness
- Multiple responsibilities with unclear chain of command
- Recognition of Project Management as a discipline



PROCRASTINATION

- Need to decide on right time
- Last minute syndrome is a recipe for disaster
- Delayed decisions leave less time for tail end activities of the Project and acceptance of sub-standard products



KNOW ALL ATTITUDE

- Persons cannot be experts in all areas
- Know the background
- Let us not hesitate to take expert advice



SHODDINESS

- It is not that India does not have a culture of excellence. We just need to see the Taj Mahal or Meenakshi Devi Temple
- Acceptance of mediocrity is unacceptable
- General 'Chalta hai' attitude has to be dismissed



MULTIPLE RESPONSIBILITIES

- Diffused allocation of responsibilities
- Unclear chain of command
- Example of CWG – 24 agencies responsible with no co-ordination plan



PROJECT MANGEMENT AS A DISCIPLINE

- Project Management is a skill that needs to be honed
- One Size fits all attitude is a recipe for disaster
- Develop persons with the right aptitude
- Emphasis needed on training





GAME CHANGERS FOR EFFECTIVE PROJECT MANAGEMENT

- Get it Right Initially
- Techniques for Increased Effectiveness
- Brainstorming – how its add value to Project Management



GETTING IT RIGHT INITIALLY

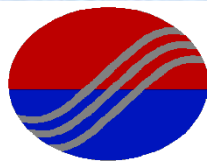
- First - Work on true ALIGNMENT. Ensure that everyone is onboard
- Second - DESIGN the project. This is pre-requisite for detailed planning, scheduling, and resource allocation.
- Third –Set priorities
 - a straightforward conversation that starts with "so, what's it worth?" helps
 - Success for organisations comes from
Clarity about the objectives
Effectiveness in getting there.



SCHELLINGPOINT TECHNIQUE

Synchronize your Destination™

- **Strong alignment is critical to the success of efforts.**
- **SchellingPoint specializes in enabling groups to rapidly align around clear executable outcomes.**
- Named after Professor Thomas Schelling, 2005 Nobel Prize recipient, a Schelling point is “that which gives a group of like-minded individuals their common purpose.” Groups with strong Schelling points are able to “coordinate their actions with minimal communication.”



TECHNIQUES FOR INCREASED EFFECTIVENESS

- **The perfect is the enemy of the deadline.**
- **Know the problem and whose problem is being solved – Know your Customer/End User**
- **Question “Is this necessary?”** to prevent “feature creep.” Vestigial features having no value
- **Staffing - Ensure that the right people are available for the task**



INCREASED EFFECTIVENESS

- **Control Freak at the beginning**
 - Apply the most time and effort at the start, to prepare for a great launch, and at the finish, to meet the deadline.
- **One must know what the project won't accomplish.**
 - That way, expectations are clear from the get-go.
- **Track changes to the project.**
 - Develop a plan
 - Monitor the changes that could alter the plan



INCREASED EFFECTIVENESS

- **Create back ups and make plan Bs.**
 - “optimistic assumptions” often mar projects
 - List all of the potential disasters that could happen.
 - Rank these on a scale of 1 to 10 based on probability of it happening .
 - Rank these further between 0 and 1.0 on the severity of impact
- **Data Base for Future**
 - Knowledge management for repetitive work – Comment of Practices
 - Try to find a similar problem to learn lessons from past



EFFECTIVE BRAINSTROMING FOR PROJECTS

- **Need to have the right people in the room.**
 - Identify who is most responsible, knowledgeable, and useful
 - Small group; the more complex the issue, the smaller the group should be.
- **Identify and explore alternatives.**
 - Before analysing the situation, list your options.
- **Devise the simplest plan.**
 - Weigh the options and pick the best choice.



EFFECTIVE BRAINSTROMING FOR PROJECTS

- **Execute**
 - Person responsible for the action plan need to have an intimate understanding of why he's doing it.
- **Debrief and inventorise**
 - List of lessons learned.
- **Ensure problems are not left unattended because of 'not my job syndrome'**
 - *Control interfaces and let the team alert the leader even if it is not a particular individual's area*



PROJECT AUDIT

- **Always Do a Postmortem**

- Taking stock of what we and our team learned from a project will make life much easier next time.
- The goal is not to air any and every complaint, but to reach a clear idea of the processes that worked and those that didn't.
- Four keys for making the most of a post-project meeting:

- **Select an outsider to run it.**

- Go with someone neutral — maybe another project manager or department head — who will stay unemotional

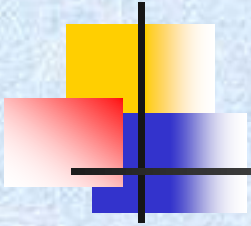
- **Set the ground rules.**

- attendance is mandatory
- everyone has the right to speak
- attack problems, not people.

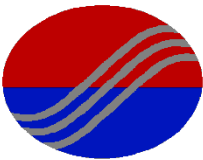


PROJECT AUDIT

- **No homework before the meeting.**
 - Too much evaluation of issues prior to meeting may end up in overwhelming number of items to discuss.
 - Better to identify the top three things the team did well and the three that need the most work.
- **Take action.**
 - Lessons learnt to be integral part of the planning process of next project.



Thank You



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