



High performance. Delivered.

Developing strategies for the effective delivery of capital projects



consulting | technology | outsourcing

Study background

- **Huge capital spend**

- \$38 trillion forecast to be spent on energy infrastructure projects to 2035

- **Challenges are rising**

- Project delays and cost overruns
- Scarce experienced talent
- Technological complexity
- Uncertain regulatory approach and energy policy

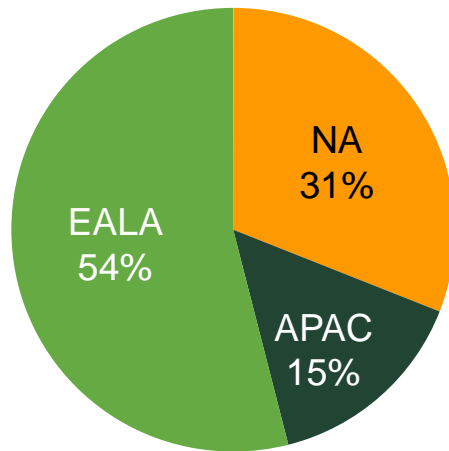
- **Capital delivery is a major focus for energy companies**

- Best performers can create market differentiation
- Consequences of poor performance are significant

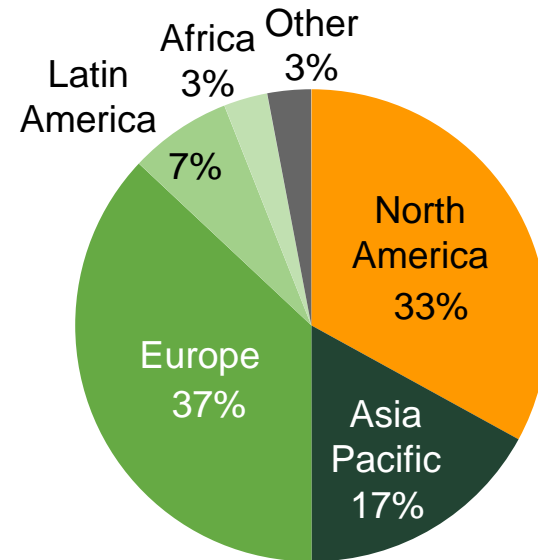
Methodology and Leading Companies

Geographic distribution of survey sample

Total Sample



Energy



21 companies were identified as leading in capital project delivery (34 percent of companies in the combined energy and utilities sample)

Summary of key findings

Key findings

Leading performers in capital project delivery generally exhibit a distinctive set of capabilities

Many energy companies are struggling to meet their targets

Delivery challenges are likely to increase

Effective capital delivery is critical to future performance

Summary of key findings (continued)

Key findings

Value is being lost from lack of integration from planning to operations

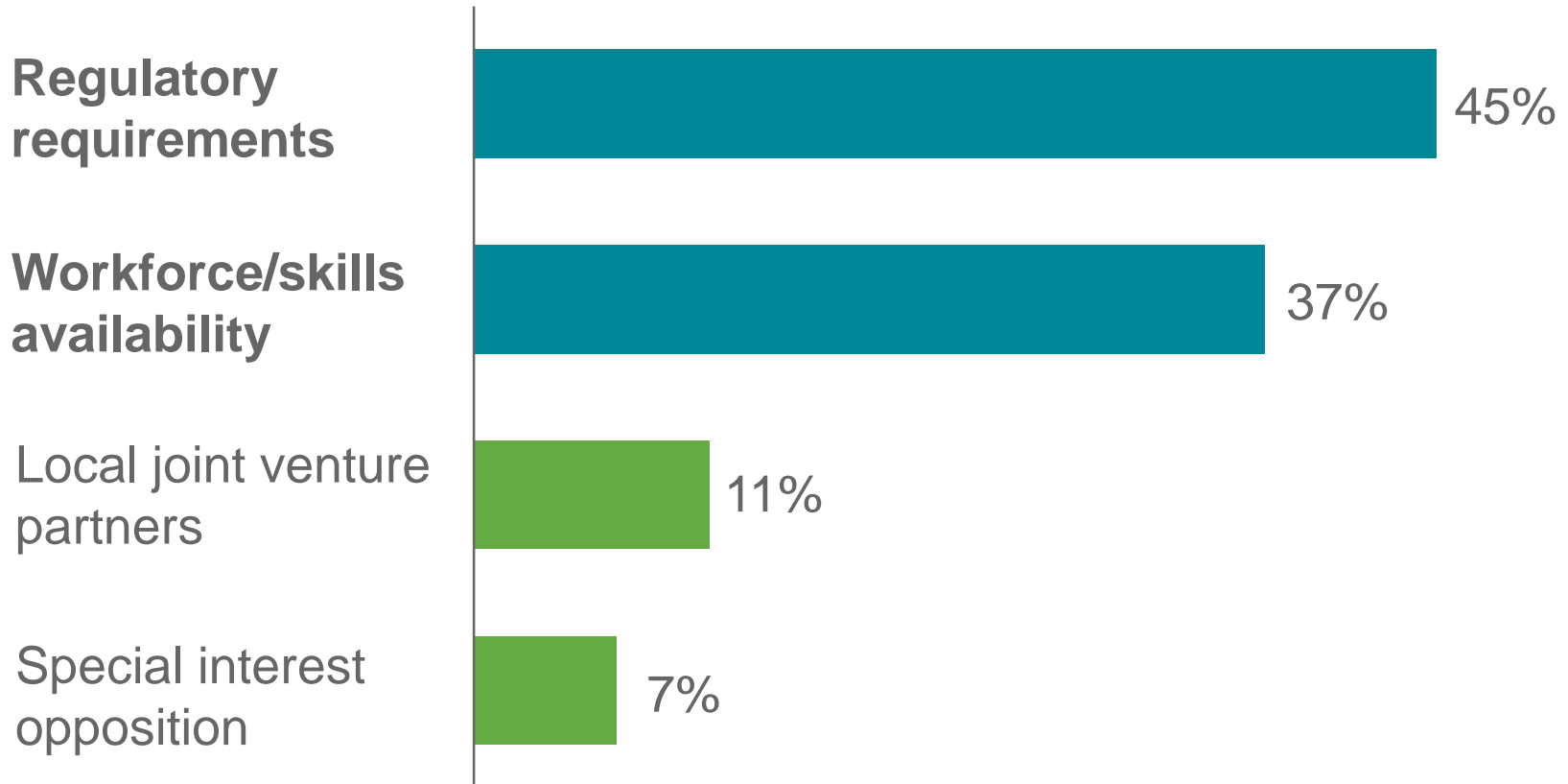
Regulatory issues are driving delays and changes to project plans

Talent is the number one project delivery concern for many companies

Finding!

Regulatory issues
and talent
availability
are driving
delays to project
commencement

In which of the following areas do you most commonly have the greatest challenges in getting projects started?



Finding!

Talent is the
number one project
delivery priority for
many energy
companies



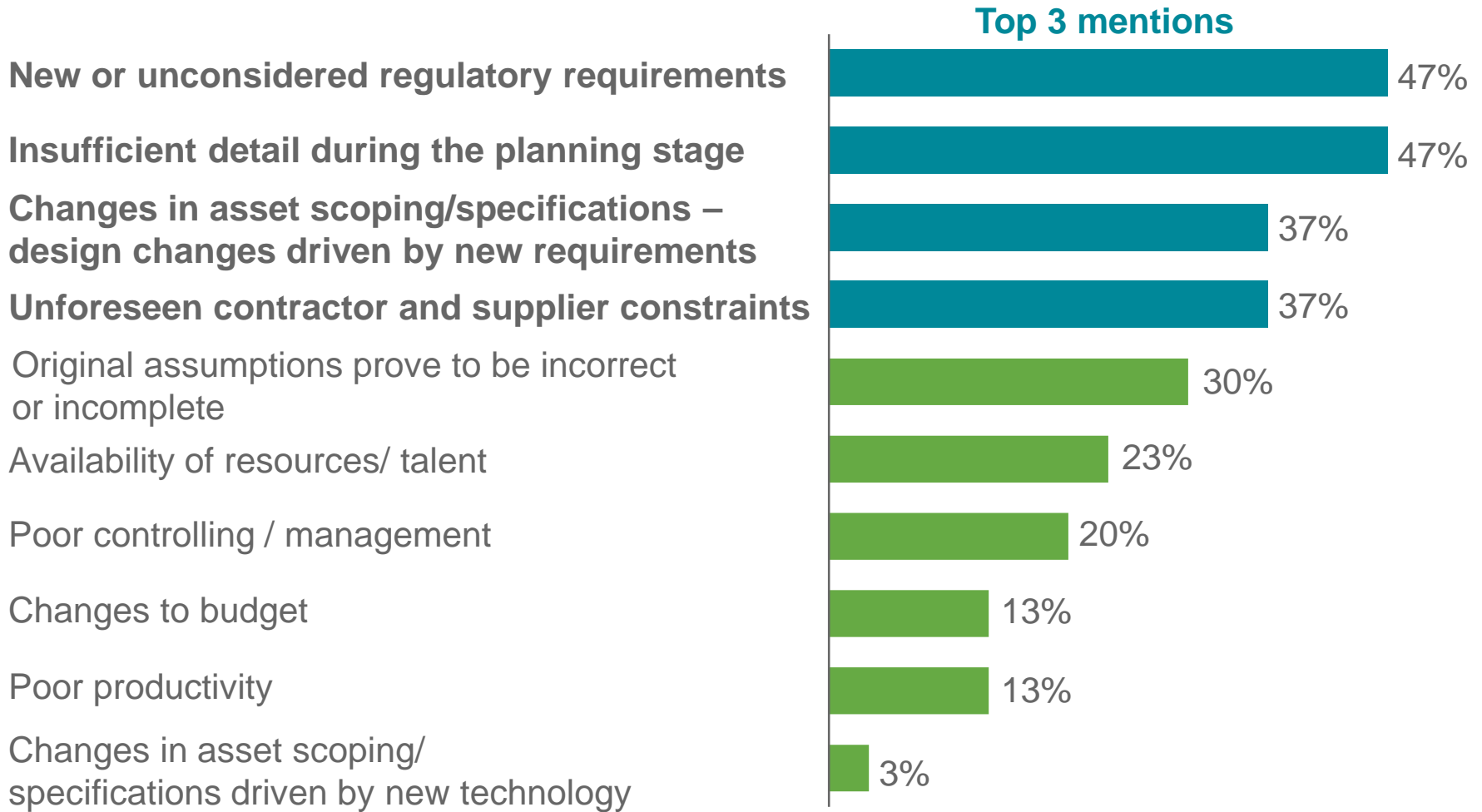
What are your top three priorities to optimize capital project management in the next three years?



Finding!

Once underway, the schedule is prone to change from up-front planning failures

What drives/typically causes the changes to the project schedule?



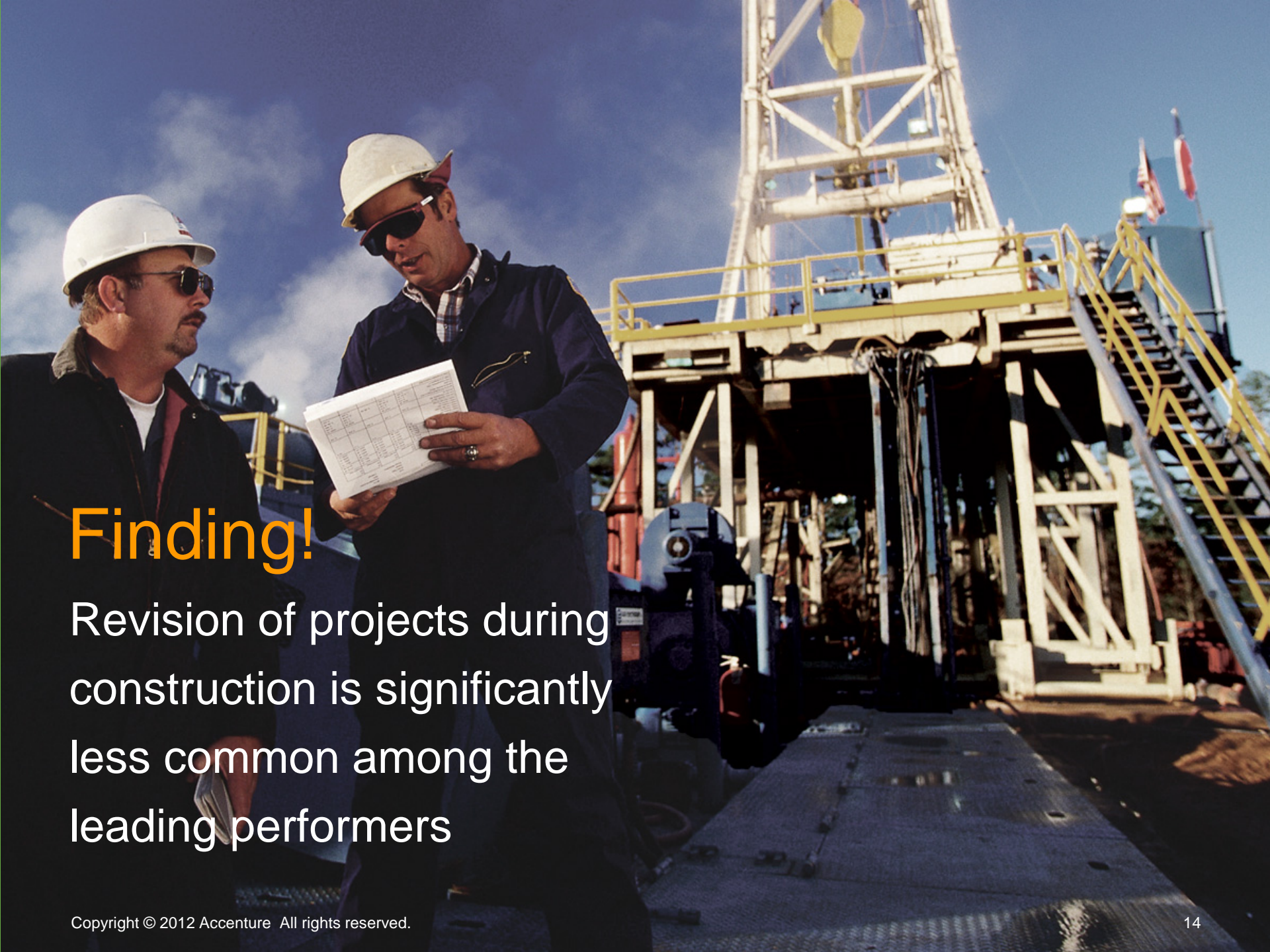
Finding!

Leading performers exhibit a common set of distinctive capabilities

Distinctive attributes of leading performers

The leading performers are survey respondents who delivered most consistently against cost, schedule, quality and business value targets

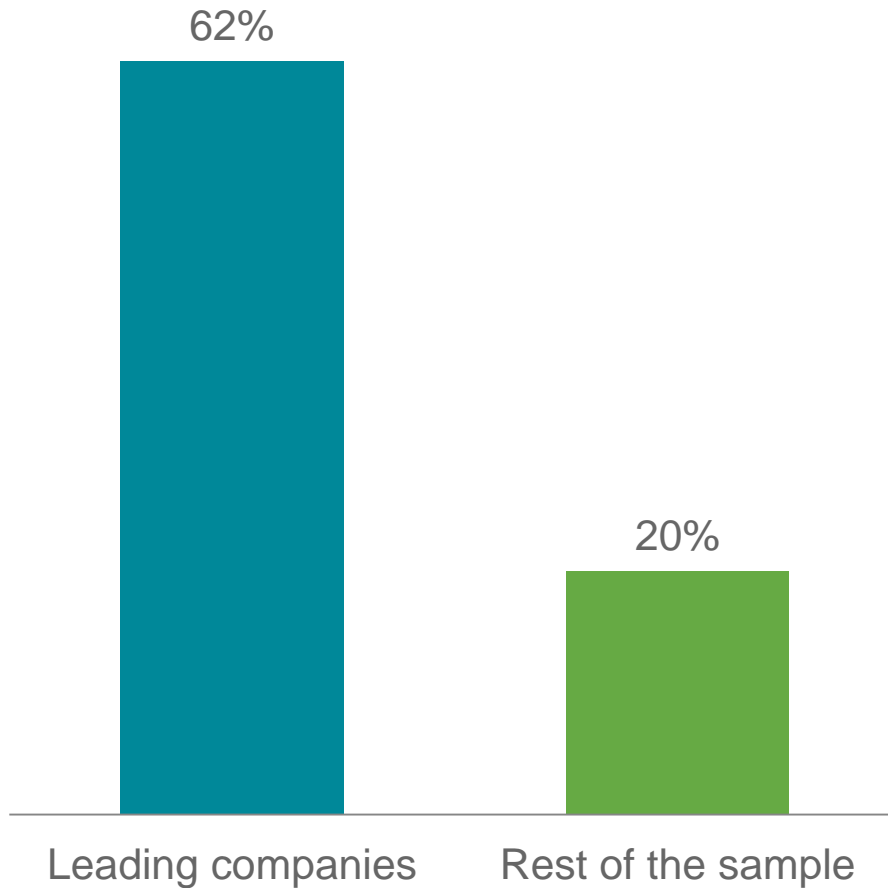
- **Less project plan revision and rework during delivery**
- **More mature delivery capabilities**
 - Well developed culture of delivery excellence
 - Higher maturity project delivery – methodology, guidelines and support
 - More effective decision making
 - Better access to data during project delivery
 - Broader range of KPIs used for all projects
- **More effective transition from project to operating asset**



Finding!

Revision of projects during construction is significantly less common among the leading performers

Percent of organizations where project schedule is delivered as originally specified (rate 8-10)



1 – Poor

Significant time delays in ramping up to full capacity due to a range of issues:

- regulatory approvals
- information availability
- engineering problems
- business integration issues, etc.

10 – Excellent

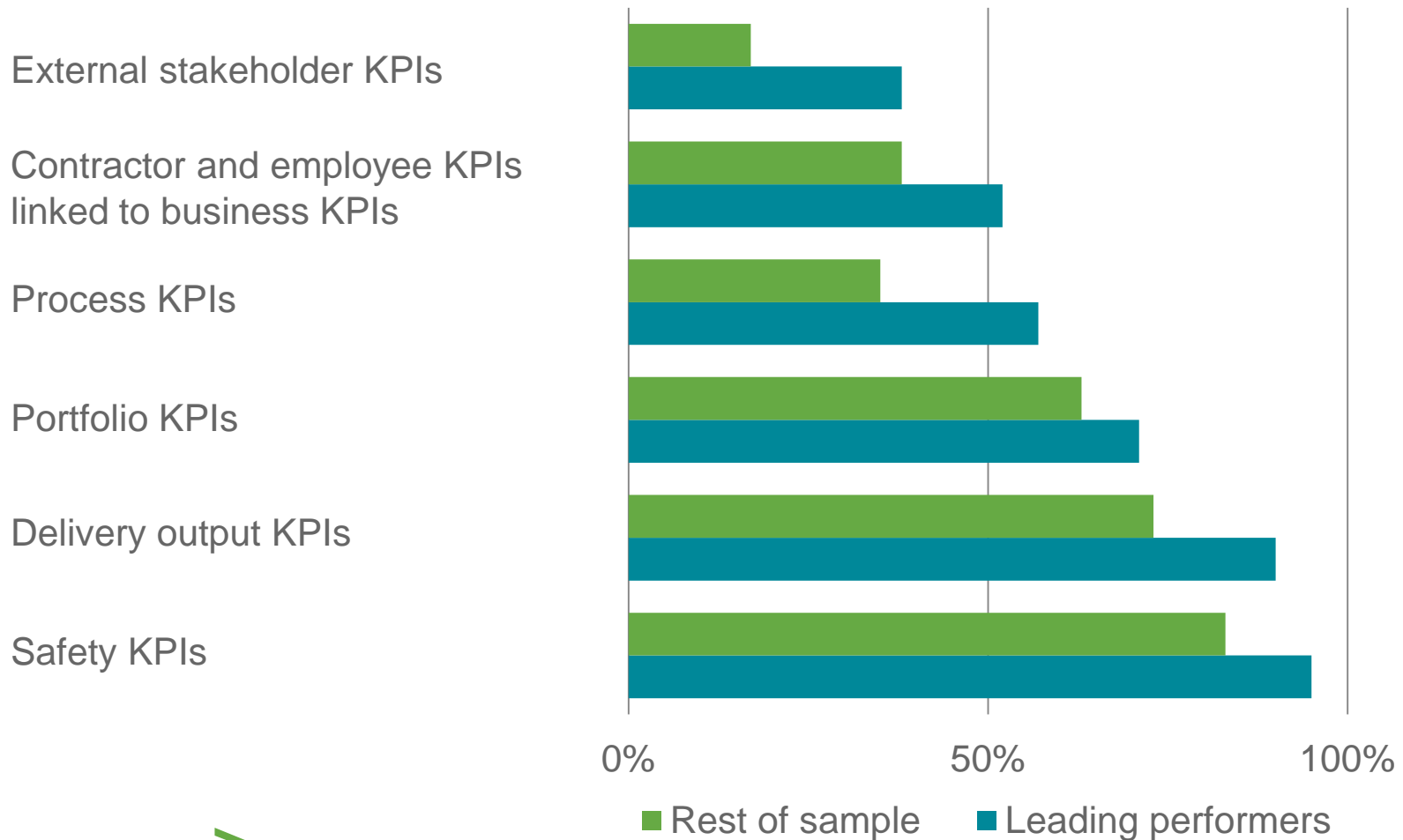
Very effective transition with industry-leading speeds to full capacity

A person in a dark suit is seen from behind, standing on a high-rise balcony or office floor. They are looking out a large window at a vast cityscape under a cloudy sky. The window frame is dark, and the view is expansive, showing numerous buildings and a prominent skyscraper in the foreground on the right.

Finding!

Leading performers are more likely to have greater maturity across a range of core project capabilities

The types of KPIs used to monitor the delivery of all major capital projects

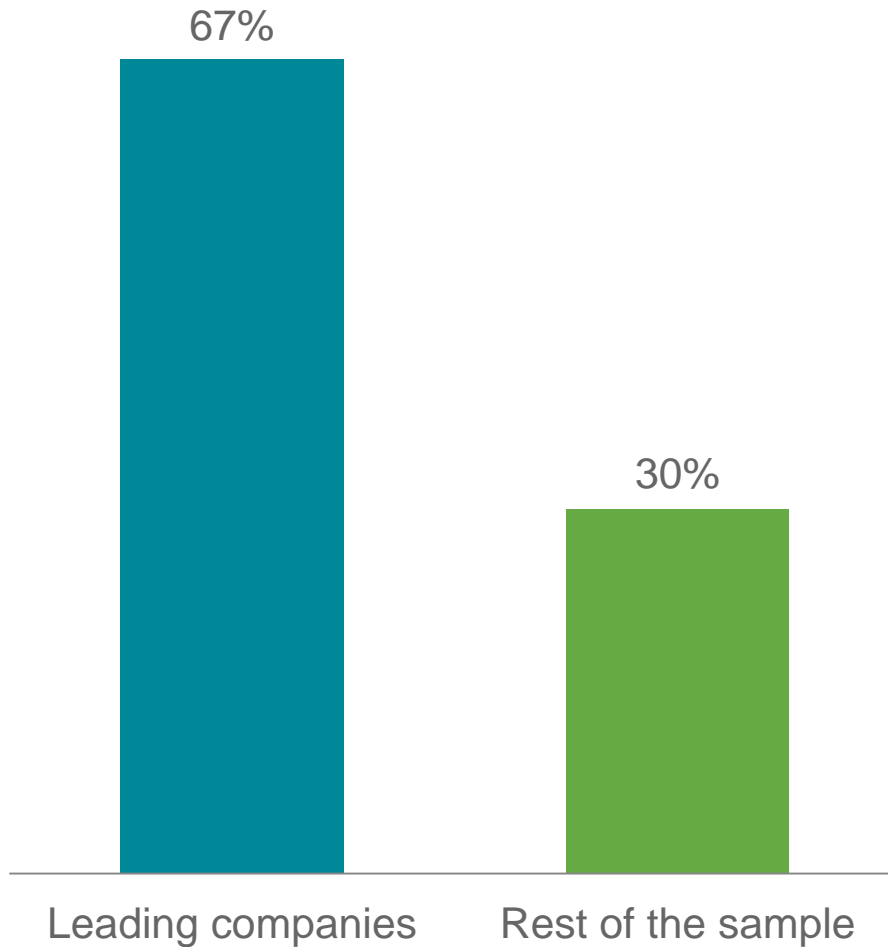


Finding!

Leading companies are better at managing the transition from projects to operating assets



Percent of organizations with effective transition from projects delivery to operation assets (rate 8-10)



1 – Poor

Significant time delays in ramping up to full capacity due to a range of issues:

- regulatory approvals
- information availability
- engineering problems
- business integration issues, etc.

10 – Excellent

Very effective transition with industry-leading speeds to full capacity

Three recommended areas for focus

- Comprehensive and rigorous up-front planning (front-end loading)
- Developing and retaining talent
- Improving the transition from the construction phase to a producing asset



About the Accenture Innovation Center for Energy and Utilities

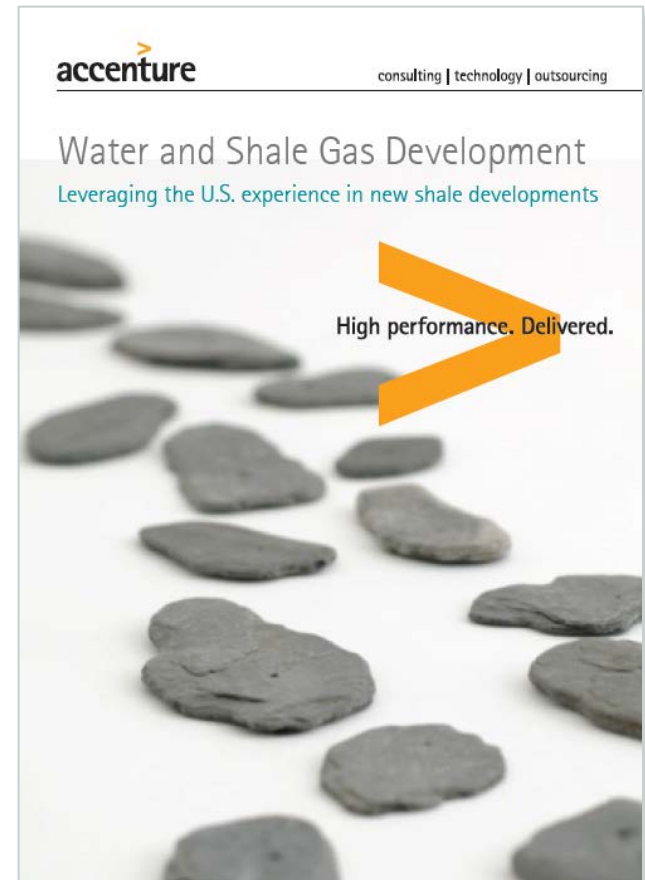
Accenture Innovation Center for Energy and Utilities brings innovation, thought leadership and insight across the energy and utility industry landscapes.

With knowledge hubs in strategic industry locations including Beijing, Houston, London, Perth and Rio de Janeiro, the Center develops and publishes insights to advance high performance in the energy and utilities industry across key topic areas: **Capital, Customer Influence, Innovation, Policy and Sustainability, Resources, Talent and Technology.**

To learn more, visit
www.accenture.com/innovation-center



New research coming soon:



Questions

