Managing risk in advance is the key to ensuring a project stays on schedule and on budget. There's nothing worse than thinking everything is accounted for only to realize the severity of problems at startup.

The GAP between EPCs and owners is often unforeseen. Many owners assume the workforce is prepared for operations on day one. But EPCs often prepare over-generalized procedures and training materials.

In litigation, a project owner sought $2.7 BILLION in damages for a 3 YEAR delay.  

In the zeal to get approval and funding for projects, overconfident project managers fail to address potential risks early enough in the process.

It costs 50% MORE to repair a failed asset than if the problem had been addressed prior to failure.

Many owners fail to establish the structure, monitoring procedures, and risk management processes. Without them, personnel don’t anticipate unforeseen events and don’t build in contingency plans.

An evaluation of 975 industrial projects by the Construction Industry Institute found that only 5.4% met “best-in-class” predictability in terms of cost and schedule.

To discuss ways to ensure your capital project achieves an on-time and successful startup, contact us at info@gpstrategies.com or call 1.888.843.4784.

Sources
1 Human Factors Engineering: The Next Frontier in Reliability, Machinery Lubrication, March 2010.
2 Correcting the course of capital projects: Plan ahead to avoid time and cost overruns down the road, PwC, April 2013.
3 US National Response Center.
4 Improving Project Delivery in Oil and Gas: Managing the Megaprojects, Performance, Volume 7, Issue 3, August 2015.