

ECI Annual Conference

Rethinking how capital programmes are delivered

3rd October 2018

Sponsors



Welcome and Introductions

Don Ward, Chief Executive ECI

John Fotherby, Chair ECI

Sponsors





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Members



Core activities

Establish the Evidence

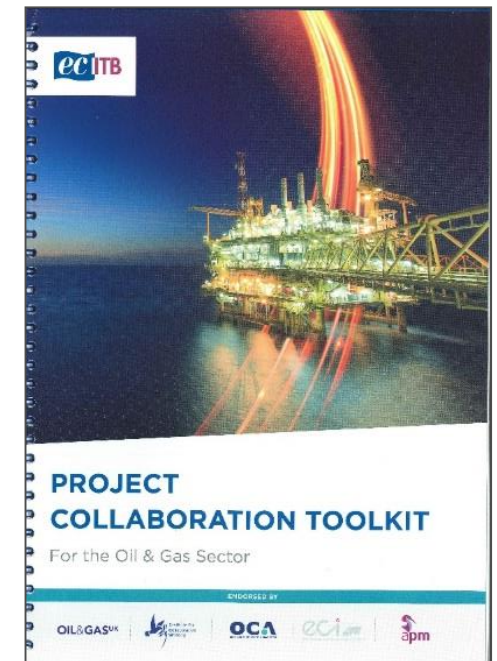
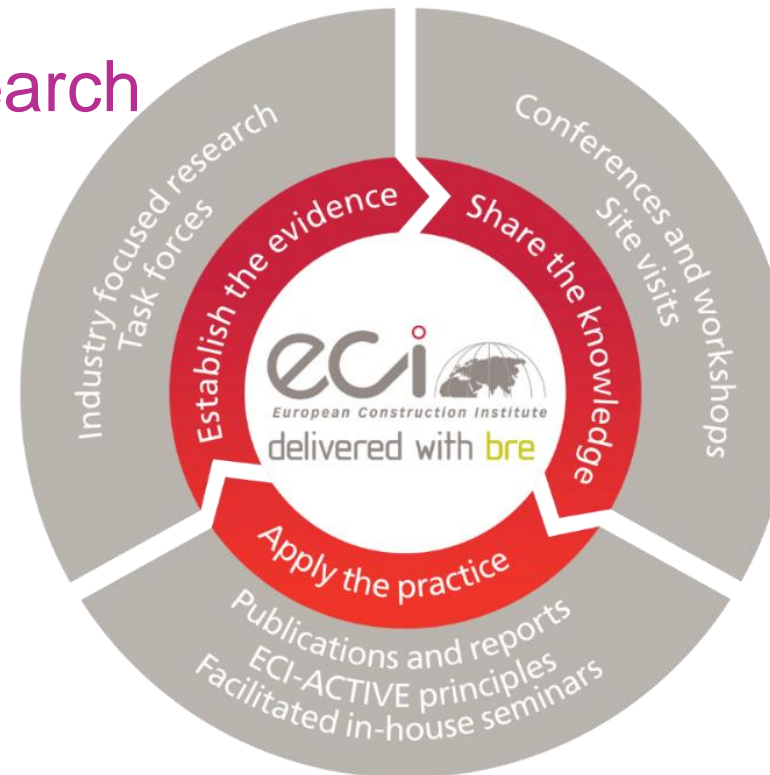
- Industry-focussed research
- Task forces

Share the Knowledge

- Conferences
- Workshops
- Site Visits

Apply the Practice

- Publications, reports
- ACTIVE
- In-house support



Part of the BRE Trust group of companies, sister organisation to Constructing Excellence

BRE making a
positive difference
in the built environment
since 1921

Our mission:

To build a
better world
together

Our vision:

To make an
unmistakable
imprint on
a highly
regarded built
environment

At a glance

5
innovation
parks
established
or
underway

143 PhDs funded
by BRE Trust
University Centres
of Excellence

20,000⁺ people trained by BRE

5
BREEAM
National
Scheme
Operators
in Europe

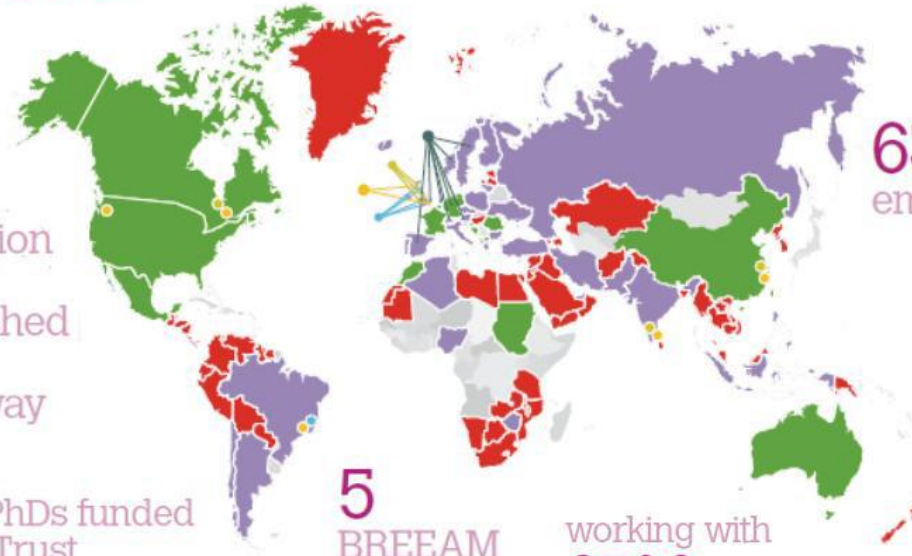
working in
67 countries

- BRE Office
- BREEAM Presence
- LPCB Presence
- BREEAM and LPCB Presence
- Innovation Park
- BREEAM National Scheme Operator
- BRE Trust Centre of Excellence

630 people directly
employed by BRE

over **10,000**
products and
services certified
by LPCB

working with
2796
BREEAM and
code assessors





building a better world together

www.eci-online.org

In February 2018 there was an agreement that there is a need to rethink how capital programmes are delivered

- Does this remain valid seven months later?
- What do you think?



Before answering these questions, consider the following...

Has the oil & gas industry finally turned its reputation for always delivering projects behind schedule and over budget?

(Wood Mackenzie. 14th August 2018)

Good news - there is a growing list of mid to large projects that have delivered on target over the last 12 months

Six reasons are cited:

1. Spare capacity through the supply chain
2. Service sector collaboration
3. Improved project management
4. Greater corporate discipline
5. More pre-FID planning
6. Reduced scope

(Wood Mackenzie. 14th August 2018)

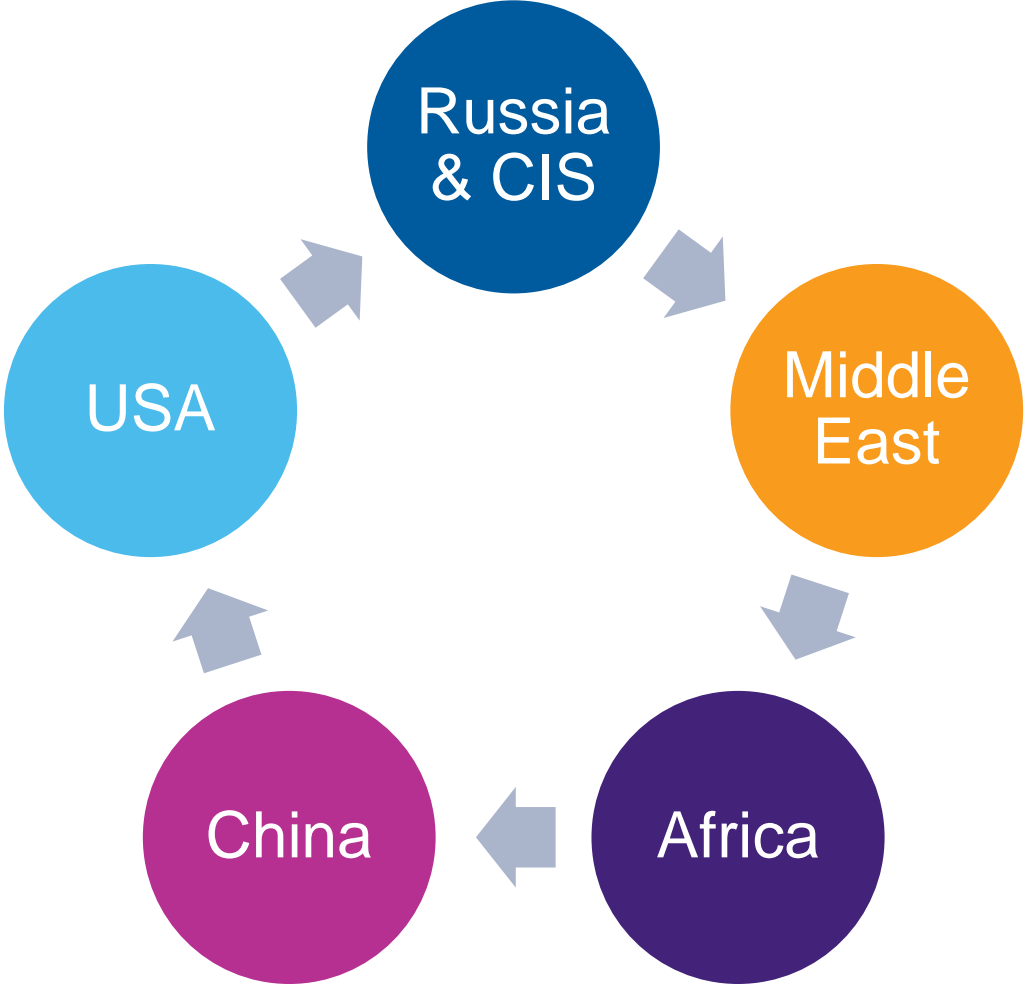
Contrast this with another view...

Investors are about to find out whether the world's largest oil companies have learned their lesson

- ✓ \$80bn cost blowout in major projects during era of \$100 crude
- ✓ The world's biggest energy companies are going to sanction the first slate of mega projects since the oil price crash in 2014
- ✓ Firms will approve about \$300bn in spending on such projects in 2019 and 2020

(Dan Murtaugh, Bloomsburg, 14th August 2018)

Major investments in the coming years will be in five areas



Downstream project management conference is taking place on 4-5 October

Major investment overview in Europe & CIS

- One in two projects behind schedule
- Two out of three are over budget

With the price of failure extremely high, what strategies can help projects in Europe and CIS?

Further considerations - we are living in a turbulent world...

There is great uncertainty

- Oil is at \$80, will it climb to \$100?
- Political drivers in USA will not to allow an increase
- USA/China 'trade war' – wider implications?
- USA sanctions against Russia and Iran, what's the likely impact?

Getting started today...

- So what are your thoughts?
- Is there a need to rethink how capital programmes are delivered?
- Is the imperative to re-think greater today?

....let's discuss

Next steps

Circulate

- Today's slides (with speakers' approval)
- Report of the proceedings (incl post-it notes etc)
- Any other content that speakers wish us to circulate (web links)

Extend consultation with Clients/Owners/Investors

ECI mini-projects re OS2 in Europe:

- Investors' views
- Digital
- Sustainability

Confirm with every member and non-member how you would like to participate

- Join our Executive Steering Group
- Target is to formalise our plan with CII by end 2018

And finally.....

- Nov 13 ECI 'fitness for purpose' workshop with Kingsfield - London
- Nov 22 Kingsfield/Squire Patton Boggs workshop supported by ECI
- Birmingham
- Dec 12 Constructing Excellence annual conference (free to CE and ECI members) – Tower of London

€3,300 for new members