

# Vienna Project Academy 2023: Internal Perspective Fuels & Feedstocks Case Study – Tunisia Nawara Project

Herstein, Austria, September 6, 2023

# Agenda

- 1 Introduction**

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- 2 OMV Capital Project Environment**

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- 4 Organizational Communication**

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- 5 Organization Continuity & Handover to Asset**

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# Introduction

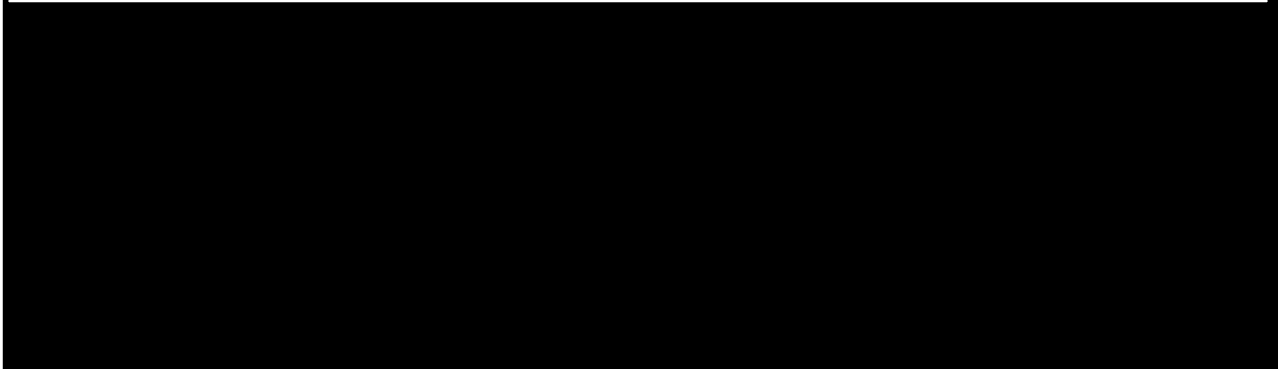
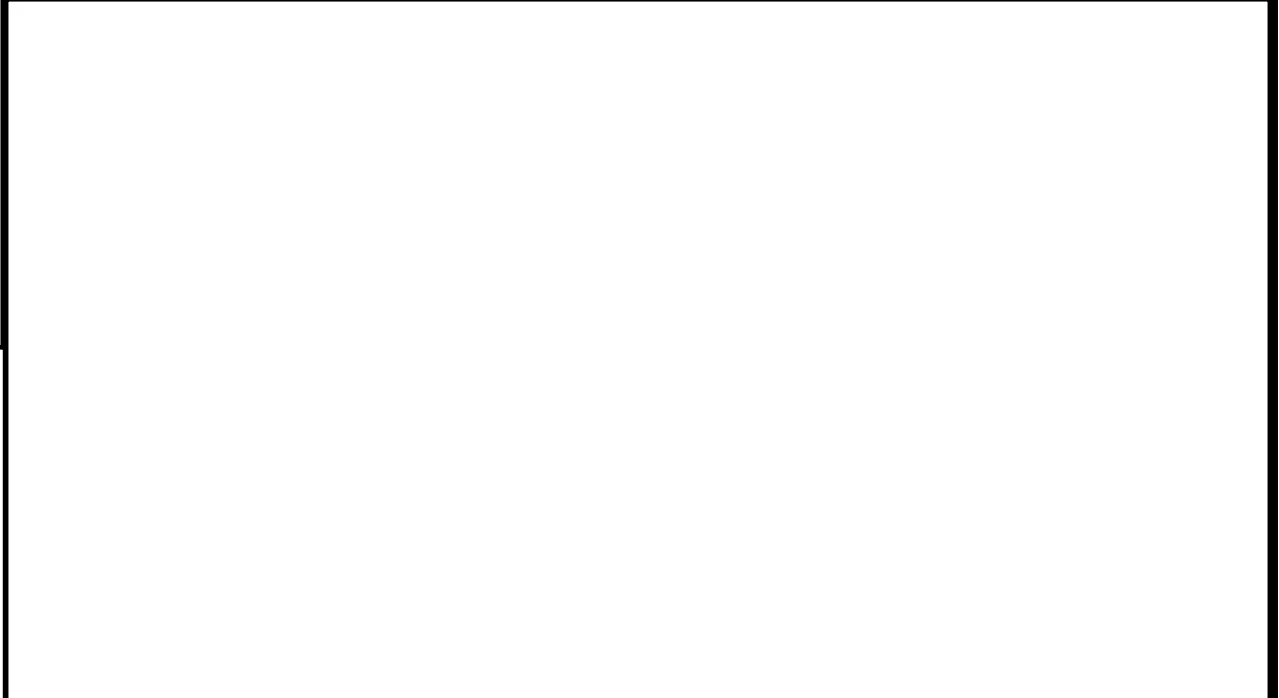
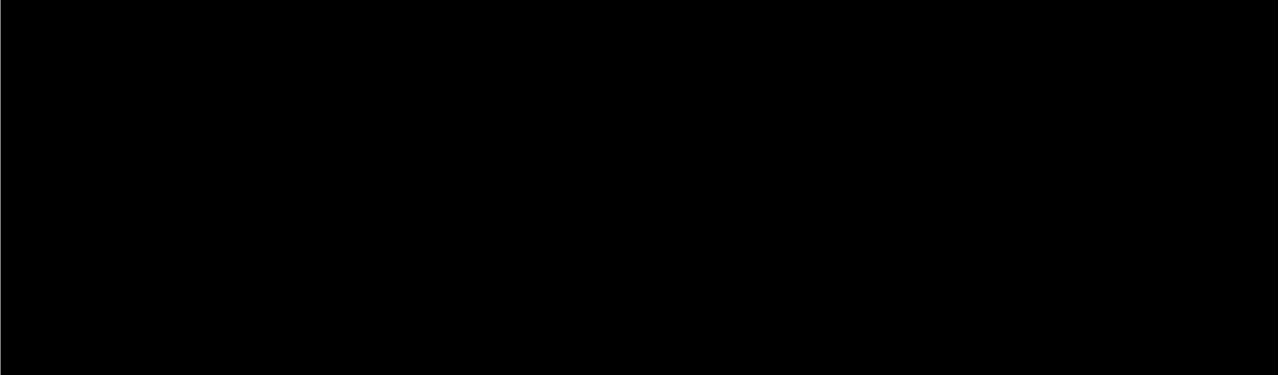
- Personal Introductions
- Objective: Open Dialogue and Ideas for F&F Major/Mega Projects
- Overview of the Nawara Project



Case Study – Nawara Project

## Personal Introductions

**Objective: Open Dialogue and Ideas for F&F Major/Mega Projects**





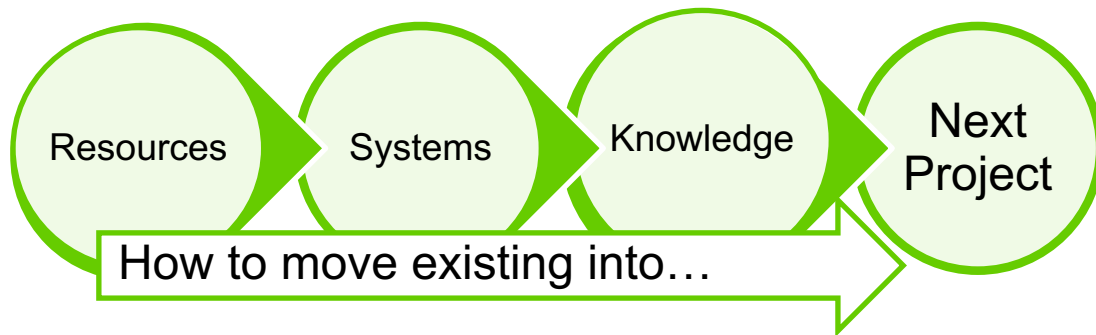
# OMV Capital Project Environment

- OMV Capital Projects pre-2012
- Mega Projects are More than CAPEX

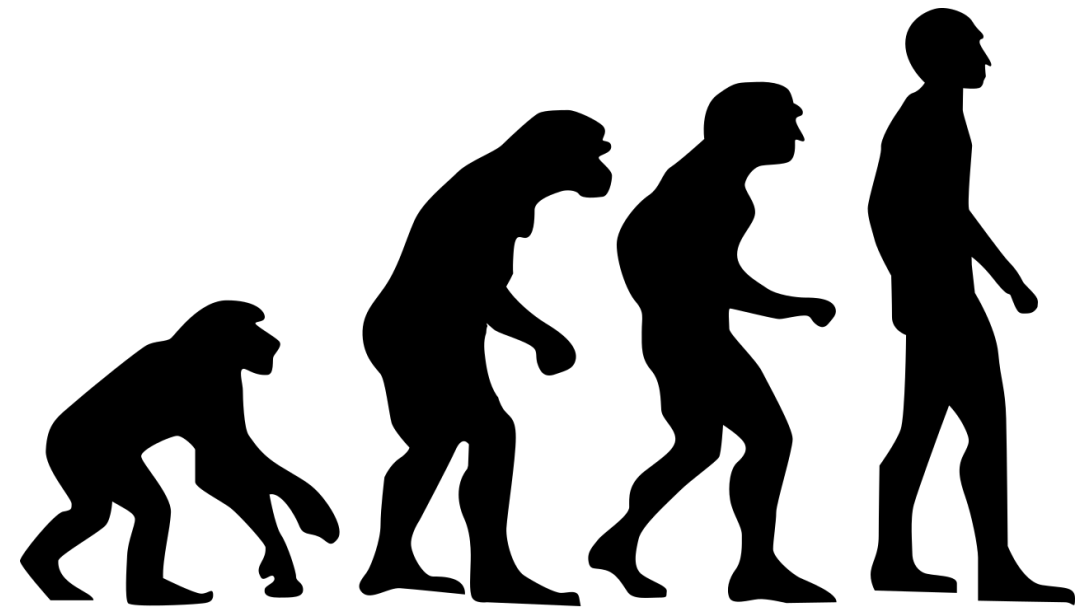
## Case Study – Nawara Project

# OMV Capital Project Environment: OMV Capital Projects pre-2012

## Vision 2010 – Historic Context



**Triggered IPA feedback to OMV on actual performance of projects as “bad” projects damage the company**



## OMV Capital Projects proceeded through evolution in 2010-2012

- Project management systems in place
- FEL maturity required attention
- Missing centralized area of expertise (CPM)
  - How to steer projects? (Steering Committees, ADM definitions)
  - Risk management, reporting, Technical Authority development

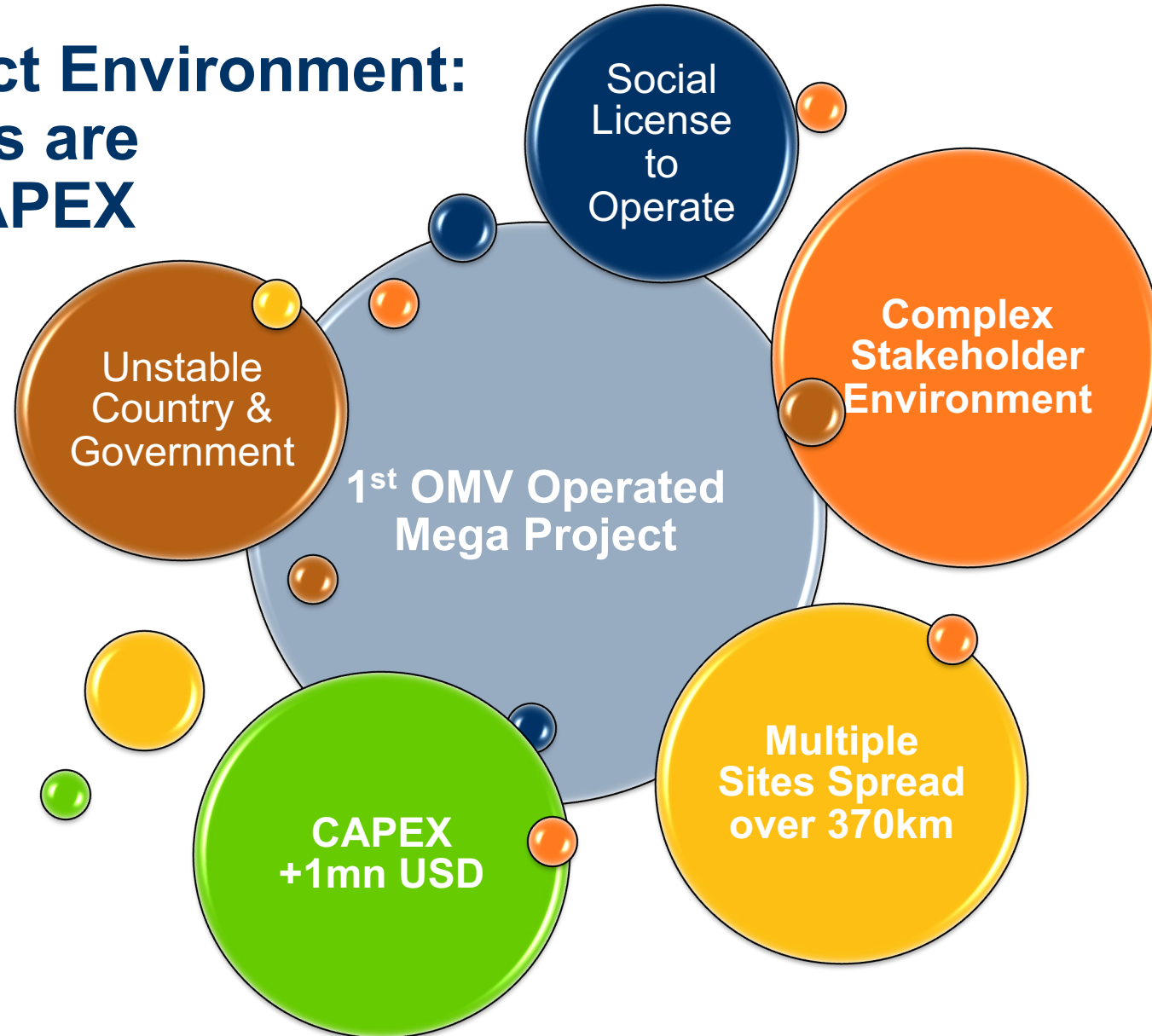








# Capital Project Environment: Mega Projects are More than CAPEX



# Building Up the Organization

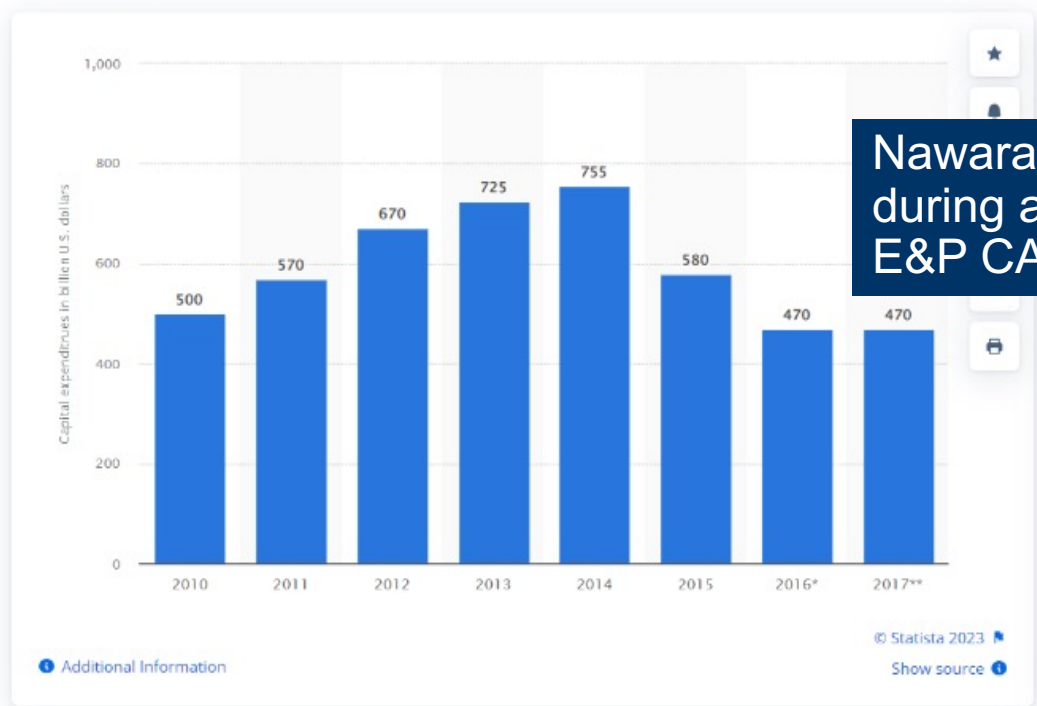
- Organizational Structure for 3 – EPC Contracts
- Resourcing the Organization
- Stakeholder Management – Inward & Outwards
- Project Organization Culture



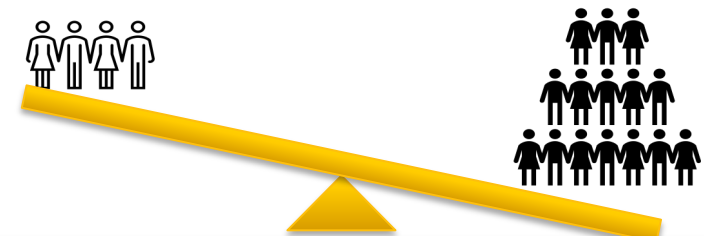
## Case Study – Nawara Project

# Building Up the Organization: Organizational Structure for 3 – EPC Contracts

Upstream oil industry capital expenditures worldwide from 2010 to 2017  
(in billion U.S. dollars)



Nawara FID was taken during a global ramp up of E&P CAPEX Development



Nawara Project Organization requirements larger than existing OMV TN Asset Organization

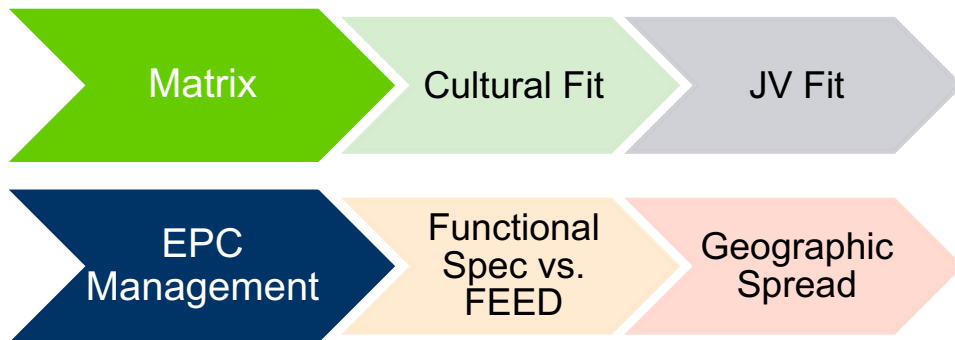
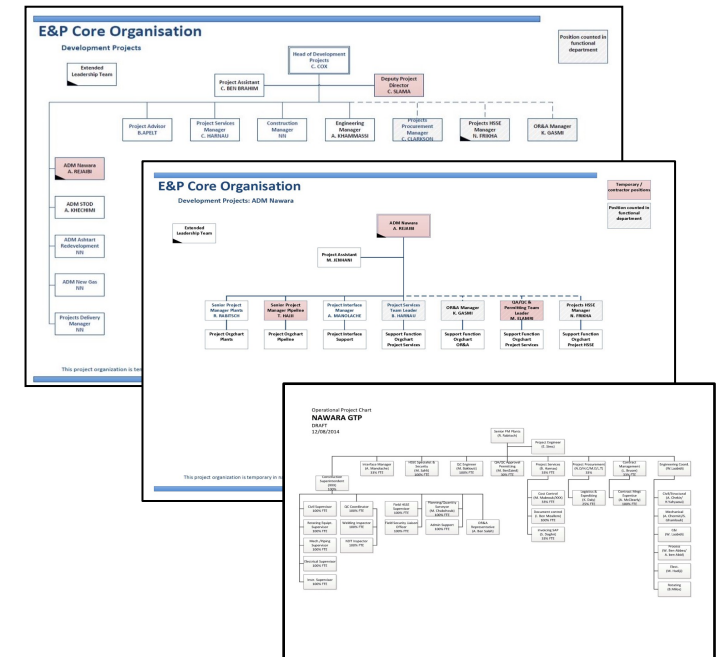
## Case Study – Nawara Project

# Building Up the Organization: Organizational Structure for 3 – EPC Contracts

Building from a small pool of project delivery personnel, in a mature (but small) asset, in a competitive recruitment market, outside of OMV core market with a 50/50 JV partner:

## What structure to utilize and how to populate it?

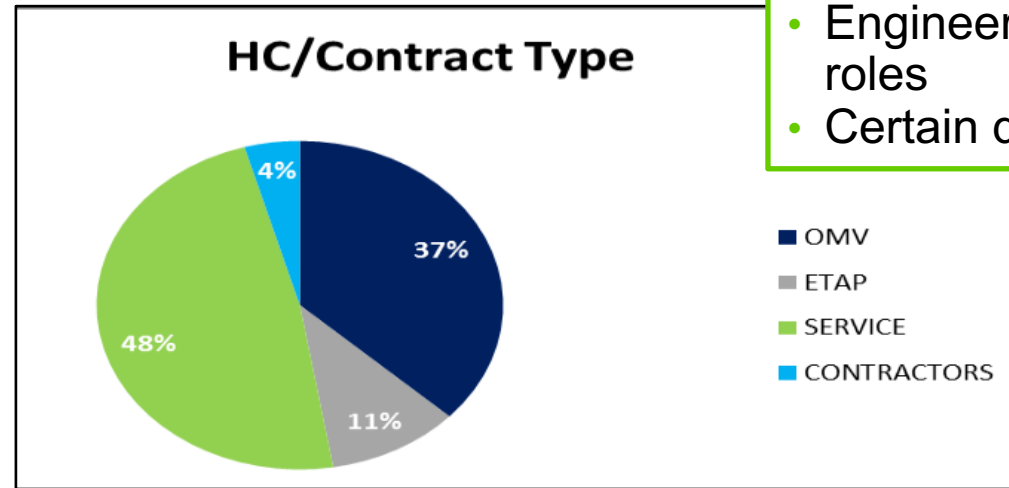
- Nawara started with a partial matrix (Engineering & Project Controls)
- Dedicated PM teams for each EPC contract clustered under two senior PMs
  - More junior discipline engineers allocated to a fixed scope
  - More senior engineers functionally shared



## Case Study – Nawara Project

# Building Up the Organization: Resourcing the Organization

Overall Project Head Count (2017)	114
OMV - RFS	42,0
	37%
ETAP	12,0
	11%
SERVICE	55,0
	48%
CONTRACTOR (Local&Int)	5
	4%

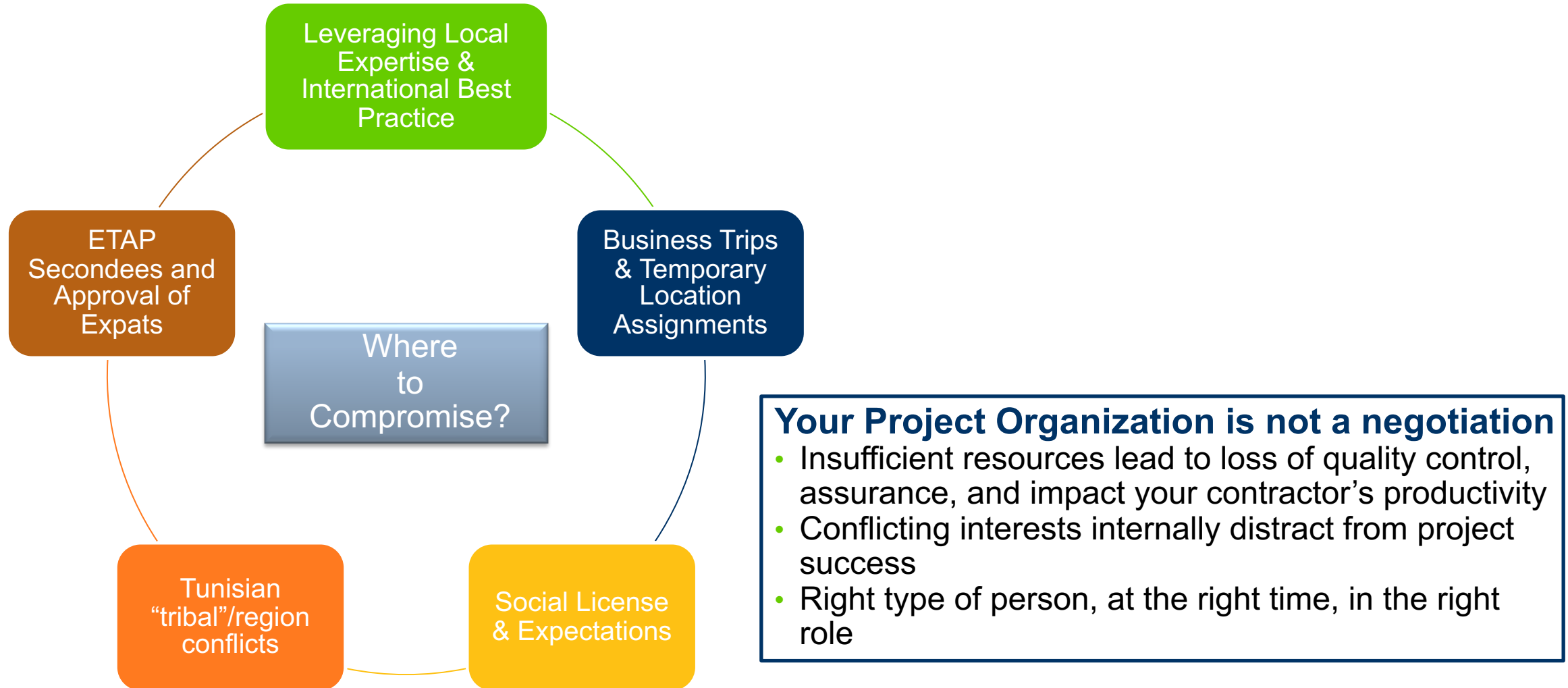


- Challenges of managing a virtual team
- Staffing requirements not always understood and supported by partner ETAP
- Turnover rate always an issue, especially on contractor side.
- Right balance of Expats and Tunisians
- Managing of staffing cost a challenge during low oil price early 2016.
- Engineers rolled into Construction & CSU roles
- Certain duties covered by head office (RFS).

Head Count exceed 200 by 2019 of which 70% additional were Contractor and 30% Service

## Case Study – Nawara Project

# Building Up the Organization: Stakeholder Management – Inward & Outwards





## Case Study – Nawara Project

# Building Up the Organization: Project Organization Culture



### Integrated Project Delivery Team

- One PMT (even if multiple scopes)
- Operations „inboarding“
- Company + Contractor + 3rd Parties



### Safety Culture & Social Acceptance

- No Compromise in the Project
- Feed a shift in society



### Balancing Norms

# Organizational Communication

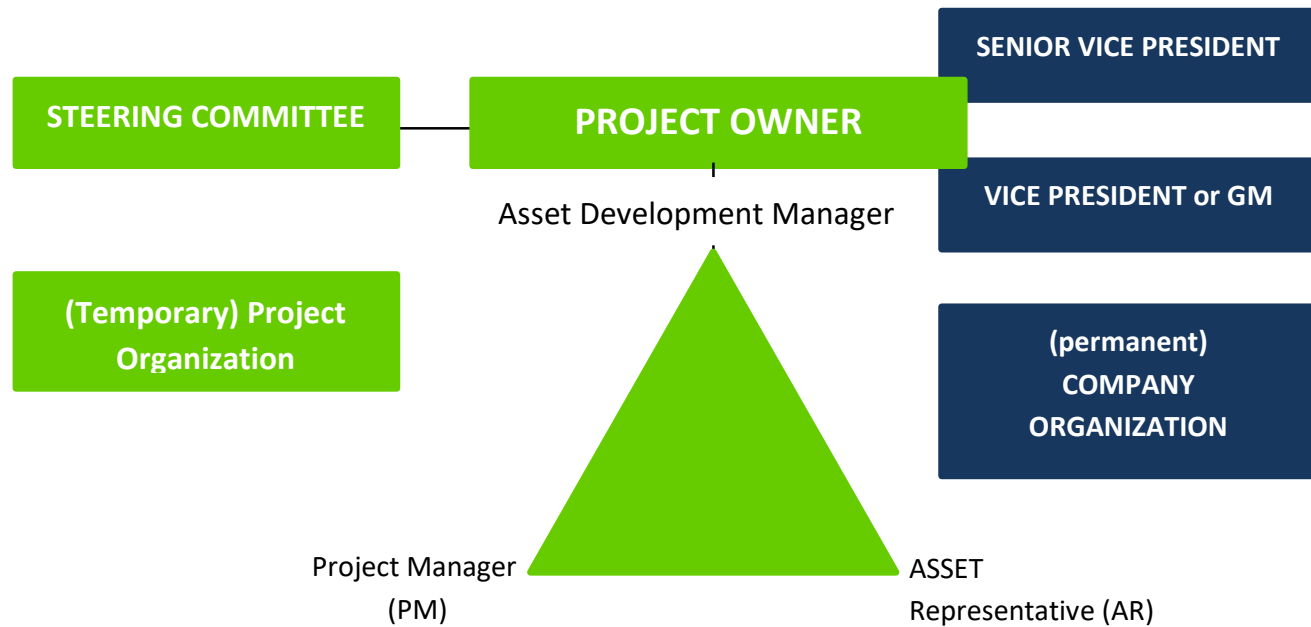
- Steering Vs. Shelling



\*Photo Credit: A July 2020 file picture shows a Tunisian protester shutting down a valve at the oil and gas plant in El Kamour, in the desert of Tunisia's southern state of Tataouine. (AFP)

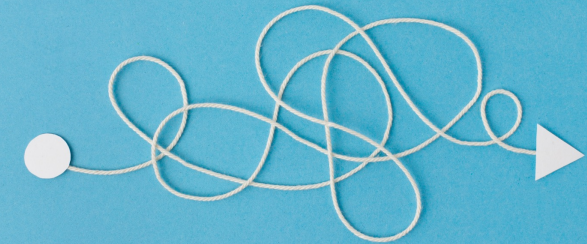
## Case Study – Nawara Project

# Organizational Communication: Steering Vs. Shelling



Is an organization able to ...

...MAKE, ACCEPT, and MAINTAIN ...



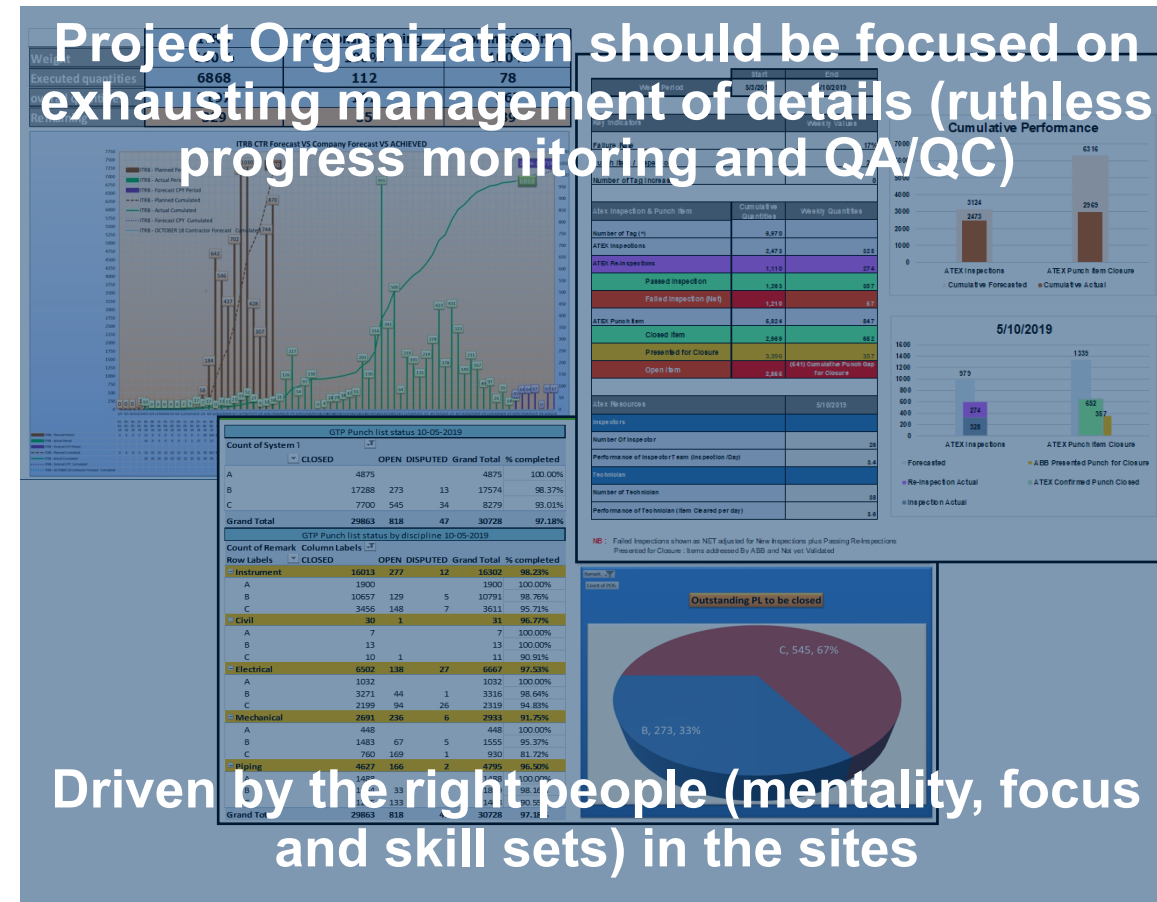
...decisions?

**OMV's line organization does not naturally have break out ability to address Project Life demands**

## Case Study – Nawara Project

# Organizational Communication: Steering Vs. Shelling

The demand and weight of the internal reporting on the Nawara Organization directly impacted the team's capacity to address project and contractor issues

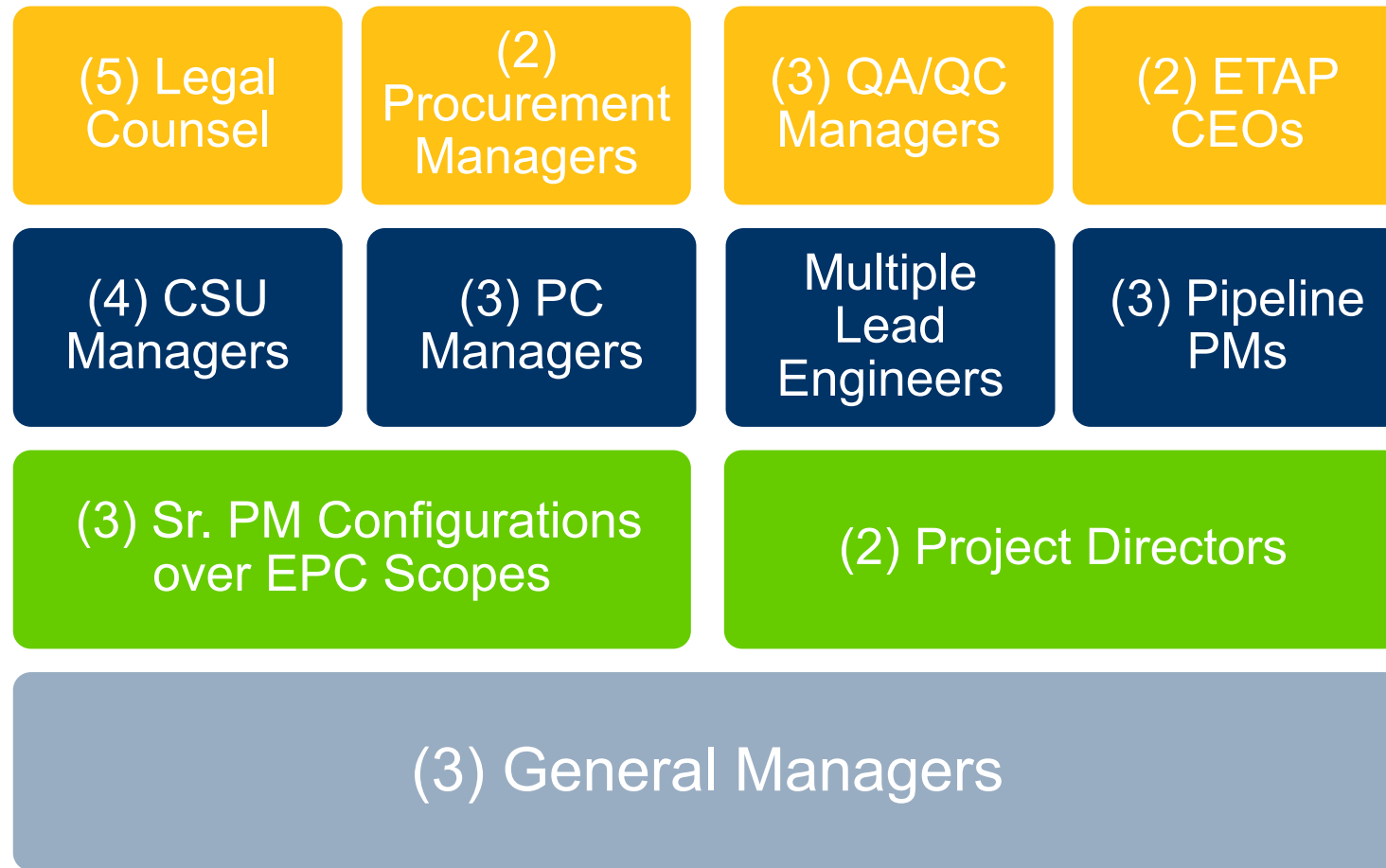


# Organization Continuity & Handover to Asset

- Addressing Continuity of Key Roles
- Operational Readiness

## Case Study – Nawara Project

# Organization Continuity & Handover to Asset: Addressing Continuity of Key Roles



# Organization Continuity & Handover to Asset: Operational Readiness

## Operational Readiness & Assurance

- Dedicated Function within Project & Asset
- Each Scope had integrated OR&A team lead
- OR&A management integral partnership with PMs

## Operations Organization

- Greenfield Organization
- Expertise recruited from local and international operators
- Project team members rolled into Operations
- Recruited in time for integration in MC and CSU

## Start-Up & Handover

- Integrated Project, Operations & Contractor Start-up
- On-going closeout with Project & Operations
- Transition of Project to Asset Office

**Is the OMV organization  
ready and comfortable to  
run mega projects?**