Workflow: Improving the Asset

Toolkit 9.2
Capital Projects Management

target audience

Packhouse owners and managers, operations, and engineers.

what it is

Capital project management is the process and method that structures and controls all the activities that will result in delivering a project on time, within specification, and within budget. Although this definition applies to all projects, capital project by their nature are bigger projects carrying bigger risks.

why it is important

Effective project management ensures that benefits feed through as planned, disruptions are minimised, and resources are well utilised.

Effective project management also manages and reduces risk. Things go wrong in all projects, and effective project management enables effective rescheduling and the management of contingencies in the most structured and calm manner.

Finally, effective project management includes teamwork and communication.

success factors

- **Project planning** – Detailed project planning will include:
  - Well defined and stated project objectives, including quantifiable KPIs that measure not only project completion but also packhouse and/or new asset performance once commissioned.
  - A comprehensive project plan including the critical path, precedent and dependent activities, and key milestones.
  - A complete costing.
  - Confirmed contractor and third-party quotes and SLAs and, where required, a tender process.
  - Time and responsibility allocated to do due diligence and a rigorous procurement process, especially in the case of specialist machinery and software systems.

- Risk and constraints.
- Funding and cash flow plans.
- A project management structure – project steering, project management, and task teams.

➢ **The project team** – Ensure an adequately inclusive project team, with permanent and contingent members (e.g., contractors or suppliers).

➢ **Project launch** – Do a formal and official project launch. This focuses efforts towards having a well-defined plan that is then properly communicated to a wider stakeholder group.

➢ **A set and sequential review system** – Structure project reviews formally, and define reporting, decision making, and problem-solving processes.

➢ **Project execution** – Execute according to the project plan, and control and minimise disruption to the operation.

➢ **Change management and communication** – Apply sound change management principles, which include:

- Change leadership.
- Management involvement.
- Excellent communication, also to a wider group – people like to know what is going on and how it's going.
- Good problem solving and problem escalation processes – fix the problem rather than fixing the blame.
- Resilience and support in managing transitions from old to new systems – it often gets worse before it gets better.
- Celebrate successes.

➢ **Project post-mortem** – Conclude the project formally and do a full post-mortem as a performance and learning exercise. This may include feedback to external parties, especially if you are going to work with them in the future.

➢ **Embedding benefits and tracking performance** – Track post project performance to ensure that new methodologies and operating procedures are embedded, and that the objectives upon which the project was approved are being delivered.

execution steps

See the above success factors.

assessment questions

Please Note: There is no minimum / maximum number of questions you can add.

1.	Have you successfully managed and executed large capital projects before?
2.	Do you tried and tested project planning and management skills within the organisation?
3.	Do you have project costing skills within the organisation?

4.	Do you know what the risk of this project is to continued operations, and can you mitigate this risk?
5.	Do you have a formal process to ensure communication and change management?
6.	Do you have a formal process that reviews project success, not only in terms of completion (on time, on spec, and within budget), but also measures whether the anticipated benefits to the business are being realised (e.g., increased output, lower operating costs, access to new markets, lower variability and high quality etc)?
7.	Do you have a longer-term process, post project completion, that embeds the new ways of working and sustains the benefits?