

Client:	<b>Australian Energy Company</b>
Industry:	Major Capital Projects - Oil and Gas Upstream Project
Project:	Major LNG Project a Joint Venture
Project Scope:	Upstream Project Cost \$14.2 Billion
No. of Employees:	8,000 workers at peak
Location:	Queensland, Australia
JMJ Capability:	Creating coordinated action and alignment with the <i>Alignment and High Performance Projects™ (HPP™)</i> Approach between the client organisation, subprojects and contractors to produce extraordinary performance in project delivery.

## Organizational Learning: Achieving High Performance Project Execution on a Joint Venture Project, Delivering on Cost, Schedule and Goals, Resulting in a Smooth Transition to Operations

- A High Performance Project, with a common vision, high levels of alignment and a shared sense of ownership
- The Upstream Project was delivered on time and on budget, with a 7% saving
- Alignment of commitment and coordinated action among people
- Teams worked together to resolve challenges in a proactive and quick manner
- Transitioned smoothly and safely into operations



Gas Processing Facility

### About The Major LNG Upstream Project

The LNG Project is one of Queensland's leading projects converting Coal Seam Gas (CSG) to Liquefied Natural Gas (LNG). It is the largest producer of gas from coal seams in Australia, currently supplying approximately 40% of Queensland's gas requirements. The project has helped create an entirely new industry supplying cleaner energy to the world.

Construction of the Major Capital Project started in 2011, which included the development of the project's substantial coal seam gas (CSG) resources, a 530km high pressure transmission pipeline, and a multi-train LNG facility.

The major LNG project is a joint venture between three oil and gas companies. The Australian energy company is responsible for construction and operation of the gas fields and the pipeline system; One joint venture company is responsible for construction and operation of the LNG facility, as well as the LNG export sales business. The other is a financial partner, end user client.



*The LNG Upstream project was delivered on time and under budget by \$98.8 Million, a 7% saving. This was remarkable given the numerous changes and the constant adjustment of work programs to fit with land access and extreme weather conditions.*



Gas Processing Facility

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## Business Challenges

The Australian energy company had never executed a project of this scale before. The challenges faced were significant. The project scope was ambitious – one of the world's largest projects, covering an enormous geographic area and with a tight project time frame. The capital investment of the project alone doubled the value of the Australian energy company's business. The Australian energy company had to transform from a retail provider of domestic gas into a global provider of gas.

There were numerous factors that could impact the successful execution of the Project: Australia LNG industry had a history of project over runs and delays; Most project personnel were unfamiliar or new to the CSG to LNG business; And some teams carried a legacy and work ethic of poor performance from other industries.

The Upstream subprojects, mega projects in their own right, included drilling, pipeline, gas field facilities, electrification and water solutions. In addition, support services included the project management office, finance, legal land access, landholder liaison and community and stakeholder teams.

Many hours of driving between the major sites, with poor, country road conditions made safety and productivity difficult. The roads were not built for the high volume of vehicles and trucks, creating communication and logistical challenges.

The project teams traditionally work in silos, causing a lack of coordination and cross-team work and preventing the teams from understanding each other's priorities — not meeting early or frequently enough to address challenges or notice problems before it was too late. Added to this, there were undertones of an “us and them” mindset between client teams and the multiple contractor organisations including tier 1 contractors and subcontractors. The contractors did not have a full understanding of the project's complexities and were working to their own agendas, namely to get their part of the project completed with the lowest cost, shortest timeframe and most value for their respective companies.

As the project progressed there was constant organisational change, with new team members regularly joining or leaving the management teams. New members needed to be aligned and engaged on the project's visions, goals and strategies to help keep the LNG Upstream project on schedule.





*The project teams successfully worked together using High Performance team principles. Strong leadership cascaded timely communications through the various teams, enabling the workforce to work effectively and in a coordinated way. Communication and collaboration between the subprojects was vastly improved.*

## Business Challenges (cont.)

To add to the complexity, two other CSG to LNG mega projects were being built at the same time in different licensed areas and each of the three CSG to LNG projects had interface areas and contractual agreements to share gas. Thousands of kilometres of pipeline were going to be constructed through farming land and the project team needed to work with the land owners to ensure the project could coexist and minimise their effects on farming and grazing.



Interconnect Facility



Pipeline Compression Facility

## Projects High Performance Goals and Outcomes

- Generate and cascade an inspiring vision that engages the workforce at all levels
- A Project culture characterised by a results oriented and accountable organisation
- Clarity in business and functional objectives such that there is a clear understanding around roles and responsibilities
- Seamless collaboration and communication between all members of the team
- Senior leaders clearly communicate expectations and accountabilities across the project organisation, contractors and the workforce that shifts from 'telling' to 'enrolling and engaging', causing a breakthrough in partnership
- A clear matrix of explicit and aligned expectations
- Trusted and powerful relationships within the team, the community and stakeholders
- A level of mutual appreciation and respect amongst project management, and with leaders of the CSG Business Unit, to allow for the development of a high performing team
- High performance project execution resulting in the project being on schedule and on budget



*The project teams often had to learn as they progressed through the project, constantly finding effective solutions to address the major changes or challenges they experienced. In doing so they became a High Performance learning organisation.*

## Collaborative Approach

The Australian energy company saw that the project needed support to bring teams together to align their goals and roles and responsibilities in order to sustain a high performance team and ensure the project was delivered on schedule and budget. JMJ worked with the Australian energy company's project team, which was responsible for the construction and operation of the gas fields and pipelines.

To establish the desired collaborative approach and to put a structure together for building a high performance team, JMJ facilitated a three day Align and Expectations Workshop with 66 stakeholders to create a clear vision for the project. Expectations and commitments were established to execute a successful project and the leaders developed ways to work effectively and collaborate together.

The workshop aligned the core leadership teams on the project's vision, goals, strategies, the deliverables for the project and generated a strong basis of mutual appreciation and respect and a shared understanding. These sessions enabled them to coordinate and integrate all the parties. They also identified disconnects between the parties regarding project expectations and roles. The sessions created a space for the leaders to listen to everyone's challenges and concerns. They were able to prioritise and create schedules while having the end goal in mind.

The senior leaders were able to effectively lead from their commitment and work together as a high performance team. The leaders were more visible in the field with the workforce, despite the vast distances between each site. They kept all the subteams up to date with project progress, changes in schedules and any challenges that arose as the project progressed.

JMJ also facilitated other workshops between clients and contractor groups to renew the understanding and commitments made by senior project leaders and these included contractor and subcontractor personnel to create alignment and coordinated action.

Key senior leaders were provided with one-to-one coaching in support of their project goals and their leadership.



Water Treatment Facility



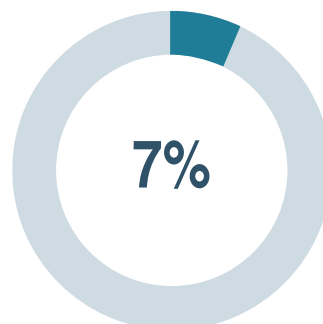
Gas Processing Facility



*The Australian energy company was able to achieve a successful completion of the Upstream project followed by a smooth and safe transition to operations. It marks a historic moment in the Australian energy company's history.*

## LNG Upstream Project Results

**Schedule and Budget:** The LNG Upstream project was delivered on time and under budget by \$98.8 Million, a 7% saving. This was remarkable given the numerous changes and the constant adjustment of work programs to fit with land access and extreme weather conditions.



**Coordinated Action and Alignment:** The project teams successfully worked together using *High Performance* team principles. Strong leadership cascaded timely communications through the various teams, enabling the workforce to work effectively and in a coordinated way. Communication and collaboration between the subprojects was vastly improved.

**Embracing Challenges:** The project teams often had to learn as they progressed through the project, constantly finding effective solutions to address the major changes or challenges they experienced. In doing so they became a *High Performance* learning organisation.

**Subproject Efficiency and Performance:** The Gas Processing Facilities team underwent a rapid and comprehensive change, negotiating a steep learning curve to transform the performance of the team and deliver the key infrastructure on time and in line with the requirements.

The Water Treatment Facilities team responded to the pressures created by the rapid need to find quick and early solutions to water management, with an accelerated work program that delivered ramp plan milestones.

The Field Delivery team successfully addressed some of the greatest challenges, working across a vast terrain with a range of complex constraints, from changing drilling schedules, to land access sequences and approvals.

The Drilling and Completions team covered vast areas in extreme weather, working to schedules dictated by land access constraints, constantly optimising to find the best path to meet ramp plan needs.

The Electrification team worked closely with Powerlink to deliver power to its extensive infrastructure. They filled schedule gaps with temporary power to stay on schedule and deliver on target.

**Transition to Operations:** The Australian energy company was able to achieve a successful completion of the Upstream project followed by a smooth and safe transition to operations. It marks a historic moment in the Australian energy company's history.





Construction of main pipeline

### Who we are

JMJ is an international consultancy with nearly 30 years of experience serving the energy, manufacturing, mining and construction industries. JMJ partners with top-tier industrial companies to see new possibilities, reach new goals, and operate at new, higher levels of performance in safety, productivity, reliability, efficiency and quality. JMJ addresses the intangibles of leadership, culture, relationships and trust to bring tangible business results. JMJ has a proven track record in enabling profound, sustainable project and organizational culture transformations that deliver extraordinary business results for our clients.

[www.JMJ.com](http://www.JMJ.com)

### Contact Us

If you would like to set up a meeting to discuss the *High Performance* approach further, please email [info@JMJ.com](mailto:info@JMJ.com)