THE VALUE OF A CAPITAL PROGRAMME CAN BE DESTROYED DUE TO operational readiness failures.



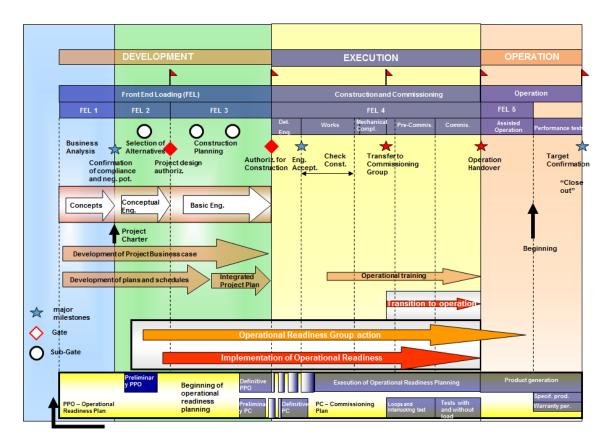
Many large-scale capital projects fail to deliver safety, capex, schedule and operability.

Operations management is responsible for overseeing, directing and controlling business operations. Operations evolve to support the day-to-day business, necessary to achieve strategic and tactical goals of the business.

Project manager in other side, has a different skill and view, used to implement projects (results of the organization strategy and business initiatives).

A special team between both: Operation Readiness

It is increasingly recognized that a focus on Operational Readiness is a key differentiator in a programme's ability to deliver against the commitments made in its business case. Projects that embed operational readiness from the outset typically identify risks earlier, mitigate design issues, bring better ramp up & deliveries.



Following FEL methodology, Operation Readiness should start at FEL 2. Furthermore, by only considering Operational Readiness at later stages, program may have already exposed themselves to significant value destruction.

	DEVELOPMENT	EXECUTION	OPERATION
FRC	NT END LOADING (FEL)		
Concept FEL 1	FEL 2 FEL 3	FEL 4	FEL 5
	Concept. Eng. Basic Eng.	Det. Eng. Construction and Installation Compl. commissioning	Ramp-up Commercial Operation
INFRASTRUCTURE FOR OPERATIONAL READINESS	Operational Readiness Planning		
	GPO Operational Infrastruc	ture Planning	
	Definition of Indicators (PO) Validation of project do	Fixed asset capitalization	
	W	orkforce recruitment and mobilization	
	Procurement Plan	Preparation of operational manuals and procedures	
	Def. of requirements for business reporting	Training of operational personnel	
EXECUTION OF OPERATIONAL READINESS	Preparation of workforce estimate		
	CAPEX and OPEX	Preparation of production budget	
	Def. of goals and indicators (production) IT and telecommunication Vendor support requirements spare part li	Maintenance system implementation	
		Routine of Operational Readiness and Construction follow-up	
SUPPORT DURING COMMISSIONING		Commissioning Plan Hazop for Commissioning and Ramp-up Loop and Load and no load	
		entification and availability of initial load of raw-material, insumables and reagents for Commissioning	
		Final installation inspection and tests Work plan for Commissioning	
RAMP-UP EXECUTION		Handover fr	or Confirmation of goals
	Preparation of Ramp-up curve	Operation	goais
		Planning for Ramp-up	Implementation of quality programme
		Mobilization of resources for Ramp-up	

FINAL CONSIDERATION

Investing in Operational Readiness at the earliest stages of a new programme's lifecycle preserve value. All decisions will be validated by this team, representing the business and the operational, bringing good results to the project, such as:

- Earliest start up;
- Enhanced efficiency;
- Increased quality;
- Mitigate risks;
- Improved compliance and greater productivity;
- Better design;
- Better Hand over and close out.

Projects that consider and appropriately include Operational Readiness in all phases, gain insights and avoid unnecessary issues that often arise when their input is overlooked.