

CASE STUDY KVAERNER
COMPETENCY & RESOURCE
MANGEMENT

About Kvaerner:

Kvaerner delivers complete oil and gas offshore platforms and onshore process plants to operators and other customers. They specialize in executing engineering, procurement and construction (EPC) projects and are recognized as a world leader in delivering projects in challenging environments, with strict budget frames and within demanding schedules. Kvaerner has an organization of 2 800 employees with expertise and experience covering all phases of a project's life cycle.

Business Challenge:

With the drop in oil and gas prices, Kvaerner's clients are demanding increased cost efficiency, and at the same time Kvaerner has to compete with actors located in low cost regions such as Asia Pacific. Having the right people in the right place at the right time is key to success, and when located in a high-cost region like Norway Kvaerner must be the world leader at resource management.

Solution:

Kvaerner has chosen Promineo as the provider of digitalized project staffing. This means everyone involved in staffing of projects and forecasting of future need versus capacity are using Promineo's resource management software to ensure optimal utilization of human resources.

Achievements:

- All resource planning gathered in Promineo has led to:
- Improved cost efficiency
- More reliable data
- Improved forecasting and planning
- Better overview need vs capacity
- Easier and more detailed reporting

Background

Kvaerner Executive Management team started an initiative in May 2016, where the company set the following goals for improvements:

- Upgrade and implement a standard staffing tool in Kvaerner
- Ensure good forecasting for ongoing and future projects
- Ensure good manpower management
- Implement common competence tools in Kvaerner
- Standardize all roles in Kvaerner
- Standardize the resource management and competence management processes in Kvaerner

This study looks at the Competency & Resource Management part of the project. Project Manager has been Håvard Kalve, Resource Manager - Method & Technology.



Challenges:

After several challenging years, with declined prices in the supplier industry and an increased focus on costs and efficiency, Kvaerner identified resource management and prognosis against existing and future projects as two of the areas they wanted to improve.

The industry has been forced to gain control over the expenses, and an important part of that is to have control over our people



Steinar Røgenes - Executive Vice President, EPCI

Kvaerner previously used Excel for resource management, and consequently stakeholders maintained a stand-alone copy of their own data. What Kvaerner wanted to achieve with this initiative

was to establish one version of the truth with a complete overview across the organization, including existing and future workload. When using Excel Kvaerner experienced that a lot of effort had to be put into consolidating all the separate spreadsheets into one overview of the whole organization. The time and effort required to update and consolidate spreadsheets often led to the final result being outdated before complete, and presenting incorrect information. It was clear that Excel was not the right tool.

When we used Excel to retrieve information, I often found that the data was outdated after a week or two, and the process had to be repeated. With live data gathered in one place, this simplifies the work of planning projects, Leif Magne Nordfonn - VP, Plan & Scheduling, Planning.

The holy grail in resource management is to combine optimal staffing of current projects with accurate forecasting of the sales pipeline and understand how this compares to available capacity, both on top level and against different types of skills, competencies and organization units.

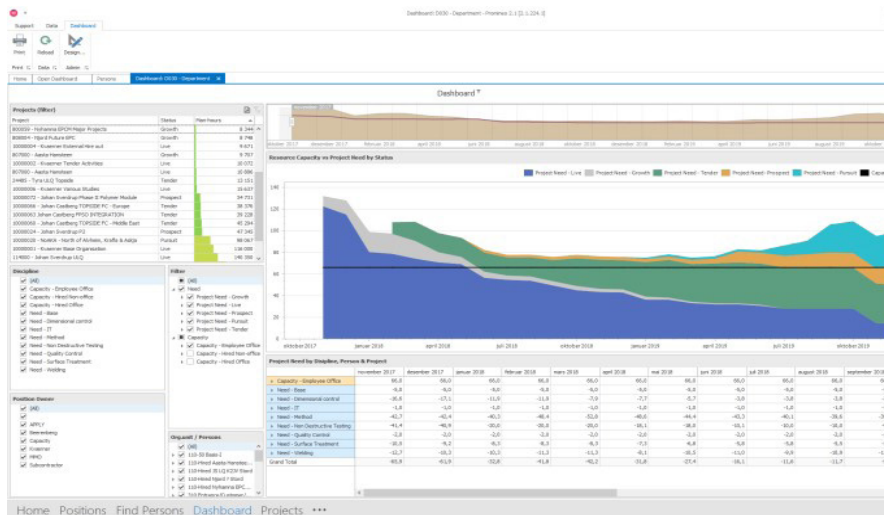
Resource utilization and reliable forecasting of future need and capacity is crucial for Kvaerner`s project planning and to secure client satisfaction, Steinar Røgenes - Executive Vice President, EPCI)

A change in culture

Using a tool like Excel, where everybody can adopt their own version, will over time allow a variety of work processes and cultures to develop across the organization, especially in a large and diverse company like Kvaerner. To implement common work processes and software for everybody is an exercise in change management, and it

is important to spend the necessary time to anchor it at all levels.

It has been a challenge to make everybody pull the rope in the same direction. To successfully implement new work processes, all users must experience that the tool offers a benefit to them, not only the greater good. This takes time, but our resource management is now more efficient with significantly higher quality than before, says Håvard Kalve, Resource Manager – Method & Technology.



The downside is that I have to input more data, which can be frustrating at times. Yet, I see that the project benefits from Promineo due to better prognosis and cost control, and it has become easier to extract quality reports, Unni Fonn – MPP coordinator - Consultant, Cost Control

Solution:

Kvaerner has implemented Promineo as its resource management tool across the organization. This means everyone is now working towards a shared database with standardized work processes, which enables faster and safer harvesting of data.

The software contributes to improved efficiency by increased utilization of engineers and other project team participants.

It is all about using shared work processes throughout all locations and departments. When we need resources on a project, we now have a simple and efficient way to locate available personnel throughout the organization and across all geographical locations
Steinar Røgenes - Executive Vice President, EPCI

Promineo offers a shared platform for all stakeholders; project managers, department managers, business development and senior management are secured access to reliable and updated information. Users get full visibility into resource availability versus need, and the right decisions can be made when staffing projects.

Previously, I used a number of excel-sheets that required a lot of copy and paste. Now all data are available in the same database. This simplifies my every day work a lot, Knut Gunnar Nilsen, Leader, Fab. Eng. Piping & Mechanical

Achievements

An important aspect of Kvaerner's improved resource planning is to bring the right people in and out of projects at the right time. This cuts cost and helps Kvaerner become more competitive in a tough market. By implementing Promineo, staff now use less time on repetitive tasks and can spend more time on innovation and other work.

I now use 1-2 hours each week on resource management. Before we started to use Promineo I spent significantly more time, which means that I can now prioritize other tasks at hand,
Håvard Kalve, Resource Manager – Method & Technology

Through Promineo Kvaerner has implemented a standardized role catalogue. This is a key component of enabling common work processes and having the ability to compare resource need and availability. Promineo's resource analytics capabilities makes it easy to convert the large amount of resource data captured into information fit for decision making. Accurate resource need and capacity information is available at high level or for drill-down into specific disciplines, locations or projects.



Promineo makes it easy to get an overview of available resources, which makes it easier to secure resource capacity for both current and upcoming projects, Leif Magne Nordfonn - VP, Plan & Scheduling, Planning.

Getting the most out of it

In it's current implementation, Kvaerner is using Promineo to compare need and availability of it's construction work-force, but the information is captured on a bulk level.

During 2018, Kvaerner plans to expand Promineo to include role-based planning of operators with a work process and approach similar to what now has been implemented for project engineers and staff. This effort will bring all resource management into one system.