

Generate, select, plan and control projects in a more targeted way

Consistent Enterprise Portfolio Management (EPM) can help in selecting the right projects and in controlling the projects consistently. Any such solution can be flexibly implemented, allowing projects to be carried out more efficiently and costs to be sustainably reduced; leading thus to greater efficiencies and cost reductions. OMV, Europe's leading energy company has shown amazing potential in the context of a cost reduction programme.

Now, more than ever, the energy market is heavily influenced by large oil price fluctuations and there is considerable need for investment, diversification and security of power supply. Implementing these requirements is becoming ever more difficult, since business processes are running ever faster and must increasingly be adapted at short notice to changes in the market. This has immediate impact on project planning and implementation: Those market-driven changes have to be identified and implemented in order to efficiently and successfully carry out a project. An Enterprise Portfolio Management solution can help with this.



Refinery: Competitive advantages in the project management by accurate planning.

Solution needed for consistent Portfolio Management

In light of this highly competitive environment, the OMV business segment R&M has decided to implement a consistent, IT-supported Project Portfolio Management solution. The EPM solution aims to fulfil two significant requirements: Firstly, it is designed to assist the central Project Control Board in selecting from a variety of

upcoming projects, those subjects that serve the company's business objectives best. And secondly, it should help the PMO department operationally to control all the projects in a transparent manner using the IT tool. "We are following this route because we want to establish minimum standards group-wide, which will allow us to document all projects uniformly and control these using a predetermined phase model," explains Markus Berghofer, Head of the PMO at OMV. This is exactly what can be achieved with the EPM software, "Clarity", from CA Inc., the market leader for project and portfolio management applications.

The oil company OMV engaged the services of the IT consulting and service company Devoteam Danet from Weiterstadt in Germany, to act as the implementation partner. The deciding factor in awarding this contract to the IT service company was their years of experience in process consultancy and optimisation, as well as their extensive project experience in implementing similar solutions.

Transparent projects across the group

By now, the EPM solution is in use throughout the group. The solution has proven particularly successful when implementing and controlling multi-site IT projects, as well as all internal organisational projects. "The key factor

OMV AG

OMV AG is one of Austria's largest listed industrial companies; in 2008, the Group reported a total revenue of 25.54 billion Euros and employed 41,282 people. The OMV Group operates in 13 countries in the field of Refineries and Marketing (R&M). OMV is present in 17 countries on four continents within the Exploration and Production (E&P) field. The Gas and Power (G&P) division sells 13 billion cubic meters of gas every year.

OMV's Central European Gas Hub is one of the three largest hubs in continental Europe.

OMV is a leading energy company in the European growth belt, with oil and gas reserves of nearly 1.2 billion boe (barrel oil equivalent), a daily production of approx. 311,000 boe and an annual refinery capacity of 26 million tonnes.

OMV also operates more than 2,483 petrol stations in 13 countries. The Group's market share in R&M is about 20% in the Danube region.

Reduce costs with intelligent Portfolio Management

for this was the dedicated process consultation from our implementation partner, something which allowed us to tailor the EPM solution such to suit our needs exactly," Berghofer emphasises. In addition, the solution is able to simulate the impact of project decisions in different scenarios. This direct overview helps the management at OMV Refine & Marketing (R&M) to reach the necessary decisions about prioritisation, i.e. which of the projects should be completed first and which of them should be deferred.



Petrol station: Decision support for the prioritisation of projects.

"Since our solution can be used extremely flexibly and effectively, particularly when managing the programme for all organisational projects, we got our implementation partner back on board to initiate a further stage," says Berghofer. "The aim of this was to implement a comprehensive programme of future cost reductions using our EPM solution, which can also show the relevant cost savings and profits achieved, and keep these up-to-date month by month." It was primarily a matter of creating reliable statements about the range of the cost savings which could be groupwide achieved by using the central EPM system.

Benefit scorecard shows project progress in stages

To enable OMV (R&M) to implement these requirements, the project managers involved in the cost reduction programme decided to enhance the EPM system to include a so-called benefit scorecard. "The scorecard is intended to monitor the overall progress of a project and to show the individual stages within the three-stage project hierarchy. With this, we wanted to come a vital step closer to our goal of establishing minimum standards for the project planning and implementation across the divisions," says Berghofer. An approach that should prove effective: OMV (R&M) now uses the scorecard to record all the project stages

that have been planned and completed. This ensures that all measures are displayed clearly in phases and that all the milestones set down for corporate development can be achieved within a defined budget and time frame. This gives the company a competitive advantage because the available resources can be planned against the limited capacities and used most effectively.

High-quality multi-project management

Using a high-performance EPM solution has considerable advantages, particularly for a Group like the OMV which operates internationally and covers a variety of different business fields and areas. The transparency and consistency of the „Clarity“ EPM solution helps OMV (R&M) to guarantee the success of numerous projects in the face of increasing global competition. The solution is flexibly scalable and has a variety of uses in very different companies and project areas. Thanks to this flexibility, „Clarity“ facilitates the control and review of the company-wide multi-project management and cost reduction opportunities at OMV. Using a multi-stage phase model with an integrated scorecard function, OMV has achieved its ambitious goals: To improve the quality of the portfolio management for all organisation projects significantly by using the standardised methodology across the company. As a result, OMV does not just reduce costs, but also generates considerable extra revenues. Only if OMV utilises its resources most effectively and profitably, the oil company can continue to grow and hold its ground in a competitive environment.

About Devoteam

Devoteam is a leading IT consulting group in Europe and was created in 1995. Combining consulting and technical solutions offers enables Devoteam to provide its customers with independent advisory services and effective solutions that meet their industrial objectives. Headquartered in Levallois-Perret (Paris, France), the Group counts more than 4,500 employees in 23 countries. Devoteam achieved in 2008 a turnover of 460M Euro.

In January 2009 Devoteam Danet was integrated into Devoteam. The company offers business and IT consulting, IT solutions and IT services – especially in the sectors automotive industry, financial services, telecommunications & medias and transport & logistics. Devoteam Danet counts 390 employees and achieved in 2008 a turnover of 42.5 M Euro in Germany.

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