



**OTC 20303**

## **When Failure is not an Option: Managing Megaprojects in the Current Environment (General Session Panel)**

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### **Introduction**

This manuscript is intended to set the stage for the OTC General Session Panel discussion entitled “When Failure is not an Option: Managing Megaprojects in the Current Environment”, scheduled for Thursday, May 7, 2009. Members of this panel session are as follows:

- Richard Westney, Chairman, Westney Consulting Group (Panel Moderator)
- Joel Fort, General Manager, Yemen LNG
- James Lucas, President & CEO, Luman International
- Luc J. Messier, Senior Vice President – Project Development and Procurement, ConocoPhillips
- Don Vardeman, Vice President -Worldwide Projects, Anadarko Petroleum Corporation

### **Summary**

Megaprojects can be defined as projects that are so large that the conventional body of project and risk management knowledge is insufficient to ensure success. Given that significant overruns and delays on megaprojects are almost the norm, it appears that no one really has all the answers to meeting the special challenges of these huge projects.

Failure is not an option for most megaprojects. The level of investment, the magnitude of the cashflows involved, and the organizational commitment required are such that the impact of bad outcomes can be devastating to the operator, partners and host countries involved.

Megaprojects create challenges that, although now fairly typical, have not typically been addressed in the past. Given the relatively small number of past megaprojects, and their long duration, many executives and practitioners have limited or no experience with them – and the experience of those that do is often not the sort that one would wish to repeat. New approaches are needed, many have been tried, and a new body of knowledge is emerging for these very large projects.

The panel is made up of people who are very experienced in megaprojects, representing the executive and project manager points of view, the owner and contractor points of view, as well as the independent perspective of consultants. Rather than focus on success stories, the panel will focus on the most difficult / challenging / intractable aspects of megaprojects and, with extensive audience participation, discuss what has worked, what has not, and what is needed going forward in the current energy and economic environment. Participants will take away an improved understanding that will assist in their planning and decision-making.