

# ACCREDITATION

## CASE STUDY



## Petrofac

### Introduction

Founded 33 years ago with 25 employees, today Petrofac is a leading FTSE 100 company, providing integrated services across the oil and gas asset life cycle in 29 countries. With a brand promise to 'help resource holders unlock the value of their oil and gas assets', they are one of the most highly regarded oilfield service companies. Petrofac reported global revenues of US\$6.3bn in 2013 and employs 18,000 people who work out 31 offices worldwide.

Part of the Engineering, Construction, Operations and Maintenance (ECOM) division, Petrofac's Offshore Projects & Operations (OPO) is a 5,000-strong business unit established to provide a full range of operations, maintenance, engineering and construction services. These range from the supply of highly experienced personnel, brownfield

engineering modification projects and asset management for both onshore plants and offshore installations.

OPO has a footprint in Europe, the Middle East, North Africa and Asia, with an overarching vision to help customers optimise uptime, enhance production and extend the lifespan of their energy assets.

As a service company, Petrofac has a track record for finding the right solution to its customers' challenges, which is often achieved by taking a different approach. Its broad range of skills and capability, combined with commercial flexibility and frameworks, enables it to align their own performance more closely with the customers' goals and objectives. As a result of this adaptable methodology, the business undertakes a diverse range of projects.

## Driving force for excellence

Having such a broad remit, Petrofac's skills base is a vital organisational asset, with project and programme managers making a very significant contribution to the bottom line.

A business improvement initiative, including direct customer feedback, identified a need to invest in developing the project management capability. In particular, there was a need to enhance project management processes and organisational efficiency. However, this would require a radically new way of working and an extensive recruitment drive. As is commonly found in the oil and gas industry, Petrofac's project management workforce has traditionally comprised a large number of contract-based personnel. Long-term, maintaining this reliance on contractors hampers the organisation's potential to grow. Contract employment costs are high and the company cannot develop a loyal and sustainable pool of internal skills.

Almost from day one, it was clear that Association for Project Management (APM) best practice would provide a guiding force for Petrofac, as it sought to improve project management capabilities. A first step in addressing this issue and formally recognising the strategic role project management excellence would play in the future, was the creation of the Petrofac Project Management Academy within the OPO business including an extensive review of project management as a function.

The Academy's vision was threefold:

- to establish a centre of excellence and a single area of contact
- to grow project management expertise within Petrofac's OPO business by radically increasing the numbers of full time employees in related roles
- to achieve external verification of their success and validate their professionalism.

Alan Craggs, a highly experienced project manager, was appointed as a Technical Authority to lead the initiative. His responsibilities included identifying where the gaps in Petrofac's project management capabilities lay and re-engineering existing processes to ensure they were wholly aligned with the APM Body of Knowledge, aligning with current best practice.

To provide a benchmark measure of current capabilities, 20|20 Business Insight were engaged as consultants to measure Petrofac's current level of professional project management competency, complete a gap analysis and advise upon the best approach to take in order to achieve business goals. Some of the actions highlighted by 20|20 included implementing the APM Competency Framework, plus designing a training and development programme to improve existing capabilities. The programme was based on the APM Five Dimensions of Professionalism, assisting Petrofac to achieve APM Corporate Accreditation as an external validation of its professional credentials.

"We felt the corporate accreditation accolade would help us to very clearly communicate Petrofac's competitive differentiators as a service provider to the oil and gas industry," said Alan Craggs. "It would also enable us to take advantage of the support offered by APM and ensure we applied a standardised level of professionalism to the project management function."

“ I am immensely proud of the APM Accreditation and it means a lot to Petrofac who, to its credit, took a critical inward view of its project management capabilities and recognised an opportunity existed to investigate areas of improvement”

“Most importantly APM accreditation is something to benefit the people who work at Petrofac because we now have a defined project management function with members keen to develop as professionals.”

### Alan Craggs,

Project Management Technical Authority,  
OPO Europe



## Promoting professionalism

Learning and development has always been at the core of Petrofac, and the company has a defined path for employees embedded in the organisational development process. This is supported by competence assurance, which benchmarks performance levels against Petrofac's own, industry accredited, competency assurance programme.

Once established, the Project Management Academy worked closely with 20|20 to align its requirements with existing learning and development frameworks and in addition, offer further progression to support each academy member's career aspirations and capabilities.

One outcome of the 20|20 gap analysis was a detailed survey showing which tasks needed to be undertaken by Petrofac to enhance its project management capabilities and pursue APM Corporate Accreditation. This was based on the Five Dimensions of Professionalism and included knowledge, competence, qualifications, continuing professional development (CPD) and membership. In addition, the gap analysis provided a baseline report highlighting what knowledge each individual academy member needed to meet the requirements of APM's competence framework.

After completing the consultancy stages, Petrofac retained 20|20 as its APM training partner to facilitate a tailored learning and development programme to meet the requirements of the *APM Body of Knowledge*. This training programme was tailored specifically to suit the requirements of the oil and gas industry and ensured that all project management-focused employees could obtain one of the four most widely recognised APM professional

qualifications: APM Introductory Certificate, APMP, APM Practitioner Qualification or APM Registered Project Professional (RPP).

In addition, a centre of excellence CPD programme was launched, to ensure that employees could maintain skills by attending specific workshops on an on-going basis and completing a minimum annual requirement of 35 hours per year. Now academy members undergo competence re-assessments to identify where best to apply further development interventions and continue studying for APM qualifications.

Another goal for Petrofac was to revise its project management processes to ensure they reflected current best practice and met the requirements of the *APM Body of Knowledge*, Competence Framework and Five Dimensions of Professionalism. The company decided the best way to achieve this was by developing an electronic repository containing handbooks and gate based process control logs. Each of these resources aligns to APM principles and is reinforced with further support from the Petrofac Academy and Centre of Excellence.

For example, academy members were nominated to 'champion' specific areas of expertise - such as risk management, contract law or auditing - and provide support and governance to project teams, ensuring the activities are correctly covered. Going forward all, Petrofac employees within a project management-related role are required to maintain APM membership, further demonstrating the company's commitment to excellence.

Since launching the Project Management Academy, Petrofac has attracted the interest of many new members.



Numbers of project management staff have increased from 40 to 70 with over 50 per cent being permanent, in-house team members. By the end of 2014, the academy expects to have over 90 members.

This alone demonstrates the success of the initiative in equipping Petrofac with a highly qualified and sustainable source of skills to meet business growth targets. To ensure consistency and professionalism, the APM Competence Framework is now the sole reference by which every professional development activity related to project management is linked and measured.

The academy has also been included within Petrofac's ISO 9001 certification, which ensures a good correlation between quality management principles, documented procedures and core processes. In addition, ISO 14001 certification demonstrates environmental and legal compliance.

## Maximum result

In January 2013, Petrofac's application for APM corporate accreditation was accepted. Serving as a testament to the unique approach and level of investment made by Petrofac in improving its project management capabilities, Petrofac was awarded the highest possible score of 25 marks. This is the first time such a high scoring has ever been achieved and means Petrofac was awarded the maximum five marks against each of APM's Five Dimensions of Professionalism.

"We have invested a lot into achieving this outcome which has been 18 months in the making," says Alan Craggs. "Now we can go to market with our Project Management Academy as a Centre of Excellence and demonstrate the value we deliver. We will be asking current and prospective customers to come and talk to us about project management-related issues, hopefully so we can help them as well – that's exactly where we wanted to be when we established our business goals."

All levels from graduate to director are recognised as Academy members and Petrofac has commitment from senior management to offer extra support by accepting mentoring and championing positions.

Since joining Petrofac in 2010, Drew Russell, Vice President OPO Europe, has led a campaign of business improvement.

"We created a programme of Business Excellence across OPO and as part of these initiatives, discovered we lacked an ability to demonstrate project management competence," he explained.

"We had a number of good people, doing great things, but as an organisation could not assess or physically demonstrate our competence.

"Bringing an 'Alan Craggs' into the business was well overdue. Someone who had been there, seen it, done it and been recognised for it, was exactly what we needed. Alan wasn't brought in to run a project or lead a team, his sole focus was on the establishment of the



## Personal story

Michael Watson, senior project engineer

Michael Watson joined Petrofac's Project Management Academy in early 2013 after a successful 12-year career in construction.

"Once you get to a certain age and become established at a senior level in an industry, it is always difficult to start afresh with something new.

"Oil and gas has a talent shortage and offered a great opportunity to me as a project management professional. But, whilst my skills were directly transferable, entering a new sector as a project manager would have been difficult without the support of APM and the academy project.

"Looking back, it has been a fantastic experience and great example of the contribution to be made by APM in enabling a successful transfer of skills with the backing of a solid professional framework of excellence.

"When Alan Craggs explained his vision it almost sounded too good to be true and now, 18 months later, as I work towards the APM Practitioner qualification I can definitely say it was 100 per cent reality. The vision has been achieved with a corporate accreditation awarded at the highest level and I have been provided with an excellent framework for personal and professional development within the oil and gas industry.

"It's one thing to say it and another to do it - Petrofac most definitely do it and have delivered on everything they promised!"

Project Management Academy and gaining the external accreditation. He has been supported by our wider business, including project delivery teams, HR and OD functions - all pulling together to develop the Centre of Excellence."

"But gaining accreditation is just one aspect", said Drew. "Getting our folks through the academy, getting them individually recognised and helping them develop and deliver to the highest possible level is the on-going opportunity we have created".

## Association for Project Management and Petrofac

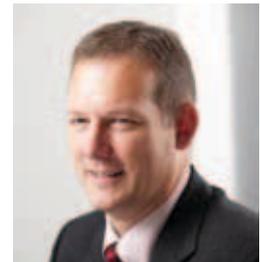
Petrofac is a corporate member of APM and all project managers are expected to hold individual membership. The association has become the sole organisation within the OPO business for professional project management support.

It has taken the *APM Body of Knowledge*, Competence Framework and Five Dimensions of Professionalism as its core references. All new employees are mandated to hold APM qualifications and current employees are all working towards being APM qualified, for which financial support is available.

Since gaining the corporate membership, the Petrofac Academy has participated in a variety of APM events and seminars, sharing the company's experiences of professional improvement and corporate accreditation in order to help other members. Looking ahead it hopes to increase this aspect of the Academy's work and developed a close working relationship with the local APM branch committee and Petrofac's Training Services division. Thanks to the close alignment of the Academy with all things APM, Petrofac anticipates a long and mutually beneficial association.

|| When we set out on the route to the Project Management Academy, we were determined, not only to put a Centre of Excellence in place, but also for that CoE to be recognised within our industry as a game changer. APM provided the perfect vehicle because if we could demonstrate our credibility to the APM as an independent professional body, we could also demonstrate our credibility to customers and our own people."

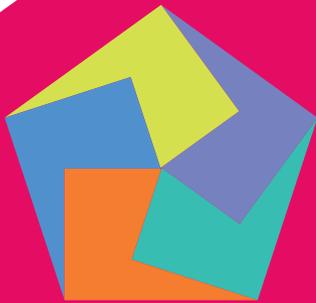
**Drew Russell,**  
VP OPO Europe



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### **FIVE**Dimensions of Professionalism

#### **APM Corporate Accreditation**

APM Corporate Accreditation will help you stand out as an exemplar in the development of project management professionals. It provides assurances to your customers and suppliers and allows you to attract and retain the best project management talent in the country.

APM Corporate Accreditation recognises the commitment of organisations and professional development services to the defined APM Five Dimensions of Professionalism, each of which is supported by an APM standard:

#### **Breadth**

The APM Body of Knowledge defines the knowledge needed to manage any kind of project. It underpins many project management standards and methods including the National Occupational Standard in Project Management.

#### **Depth**

The APM Competence Framework provides a guide to project management competences. It is part of your professional toolkit; mapping levels of knowledge and experience to help you progress your skills and abilities.

#### **Achievement**

APM qualifications take your career in new and exciting directions. They are recognised across the profession and aligned with IPMA's 4 level Certification Program.

#### **Commitment**

Continuing Professional Development helps develop your project management practice. A targeted development plan will enhance your project management career.

#### **Accountability**

The APM Code of Professional Conduct outlines the ethical practice expected of a professional. Becoming an APM member shows your commitment to the Code and sets you apart from others.