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PRIMAVERA

Driving Success Across the Enterprise with Enterprise Project & Portfolio Management (EPPM)

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Chile's Unprecedented Opportunity

- In 2020 Chile will produce 8.5 million tons of copper, accounting for 56% more than 2010
- Mining industry generated 17.5% of the country's GDP, 59% of total exports and contributed 25% of tax revenue
- Mining investment projects in 2011 totaled nearly \$10 billion
- Investments will total \$80 billion dollars between 2011 and 2018
- 36% of world copper reserves.

72% OF CEOS
IDENTIFY THE ABILITY TO
MANAGE PROJECTS AS CRITICAL
TO THE FUTURE GROWTH OF
THE BUSINESS...

...JUST 11% ARE VERY
CONFIDENT OF THEIR
ABILITY TO MANAGE
BUSINESS CRITICAL
PROJECTS

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6%

of executives say their projects come in
on time and on budget consistently

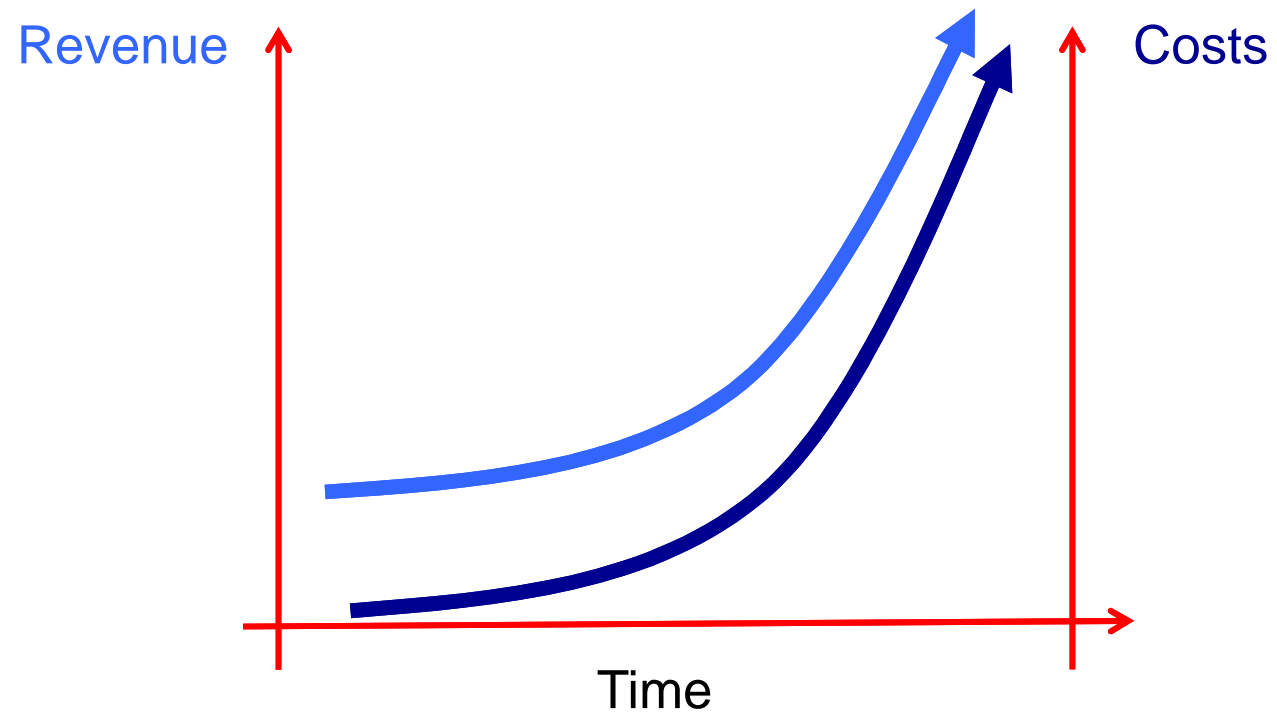
Why?

1. Conflicting priorities
2. Lack of business alignment
3. Limited enterprise visibility
4. No contractor collaboration
5. Poor risk management
6. No accountability
7. Slow reaction time
8. Squandered resources
9. Escalating costs
10. ...

Focus on Strategic Issues



Financial Discipline



Financial Discipline

Strategy*

- Predicting Costs
- Assessing ROI
- Managing Cash Flow



Tactics

- Business Cases
- Capital Planning
- Budget Reallocations

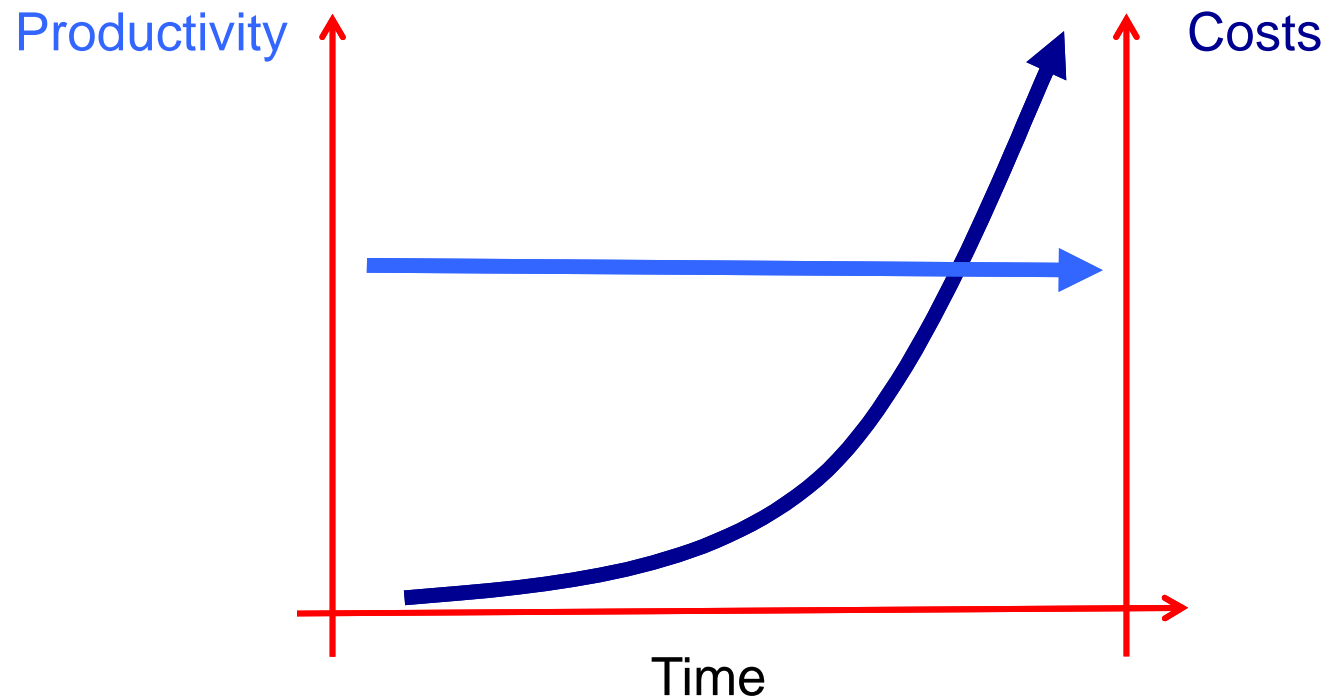


EPPM Benefits

1. Evaluate projects by using consistent metrics and analytical tools
2. Improve visibility across the whole project portfolio
3. Maximize return and minimize uncertainty by managing risks

*Source: Economist Intelligence Unit – “Prepare for the unexpected: Investment planning in asset-intensive industries”, October 2010

Operational Excellence



Operational Excellence

Strategy*

- Minimize Change
- Ensure Predictability
- Legal Compliance



Tactics

- Project Metrics
- Resource Visibility
- Data Integration



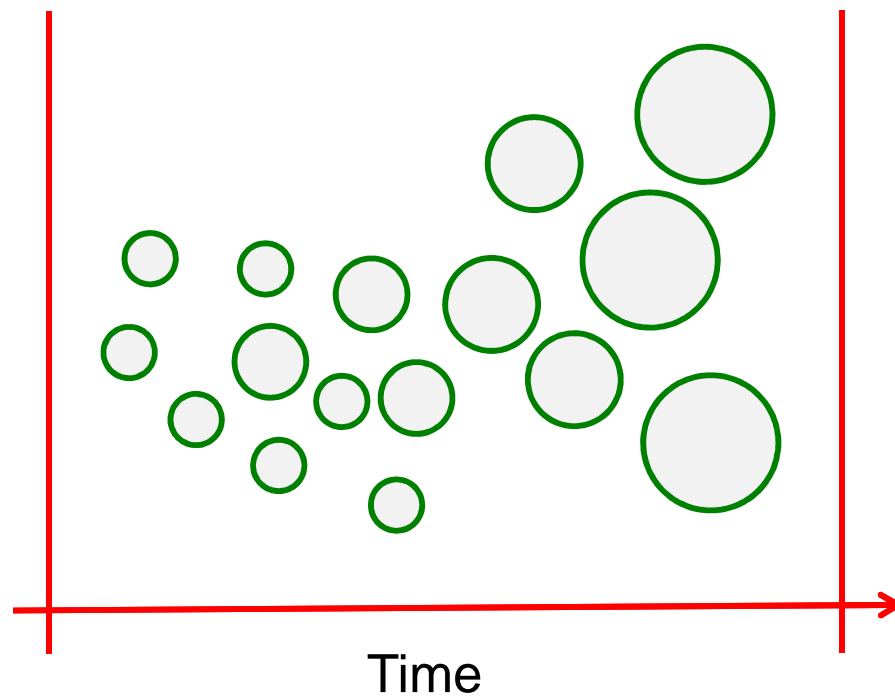
EPPM Benefits

1. Reduce risk by maintaining control across the entire project
2. Easily track and manage issues and other project set-backs
3. Balance resource capacity and avoid over-allocation
4. Coordinate and collaborate across disparate teams
5. Monitor project performance and report progress to key stakeholders

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*Source: Economist Intelligence Unit – “Building in change: Project construction in asset-intensive industries”, February 2012; “Project management practices for asset maintenance: A Guide for Power, Energy & Process Industries “, Aberdeen, October 2010

Risk Mitigation



Risk Mitigation

Strategy*

- Project Selection
- Managing Capacity
- Balancing the Portfolio



Tactics

- Effective Execution
- Mitigating Risk
- Reducing “hot spots”



EPPM Benefits

1. Better confidence in bids & project selection
2. Heightened success by enabling better project management
3. More accurate on time and on budget delivery
4. Increased visibility into delays and contingencies
5. Better forecasting of project spend

Success



Challenges

- Engineering: Integrated solution to allow planning and scheduling capital projects; manage complex scheduling and planning for revamp; support large-scale and small projects
- IT: support the corporate PMO on IT projects to enable the company's progress

Solution — Primavera P6 EPPM, Primavera Contract Management, Risk Analysis & Inspire

Benefits

- Deployed new procedures for efficient handling of hundreds of daily work orders at various sites
- Supported 5,000,000 activities including 13,000 projects
- Enabled users without scheduling experience to access the system using the web
- Collaboration with contractors including contracts, measurement, payments and audits
- Integration of contractor's schedules helps to reduce errors, delays and costs

Results Across the Enterprise

Capital Expenditures

- 14% under budget on capital improvement expansion program

Maintenance

- 7% reduction in maintenance duration

Procurement

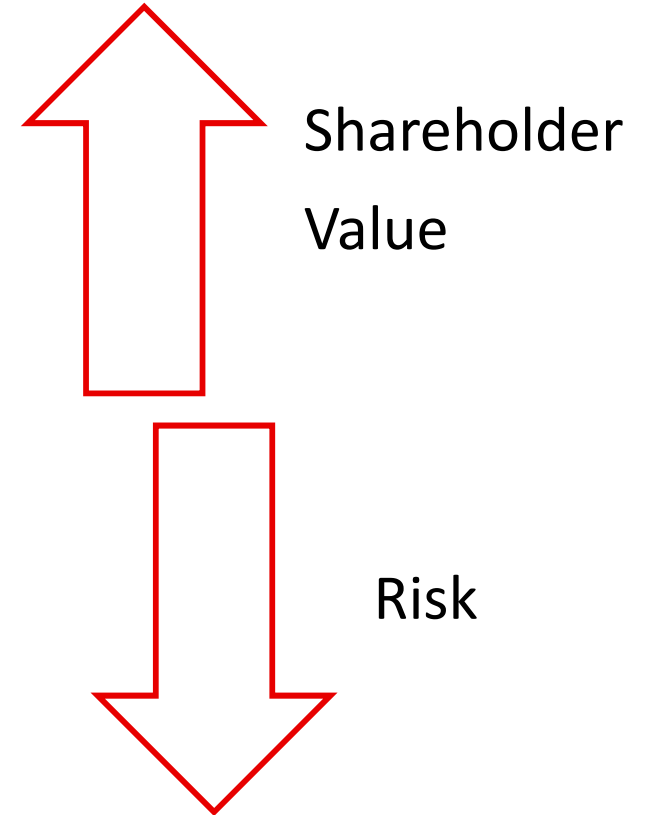
- Increased efficiency in procurement cycle by 80%

Logistics

- 30% improvement in ability to schedule assets

ROI

- Expected to achieve ROI in less than 1 year



Key Takeaways

1. Business Alignment
2. Visibility & Transparency
3. Collaboration & Integration

Project Success Drives Financial Performance

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