

Carmine Ciriello and Asim Khan: WHY PROJECTS FAIL – AN OVERVIEW ON OPERATIONAL READINESS

The purpose of this paper is to demonstrate the value of Operational Readiness in the successful delivery of capital projects, with focus on the Iron Industry. Operational Readiness can be captured using several technical and practical definitions:

- To ensure that the capital project being delivered is capable of an effective start up, ramp-up as planned and a sustainable productive operation.
- To function as intended when started, with the appropriate people able to run it.
- To increase the value in delivering the product / service (through established systems and procedures) and minimize risk to both the project and the business.

Historically, mining and metallurgical capital projects drive efforts related to cost and scheduling during implementation and design phases. Considering the project context itself, the completion and consequent handover of the operational unit is the main objective.

When reviewing the mining and metallurgical industry's capital projects, it seems many poor results and errors in terms of project design and ramp-up are self-inflicted, with the project neglecting to account for key aspects of the future operational plant. Interestingly, if the problems for the future plant are created during project implementation, they can be avoided during the project phase as well. It is required to connect the operational knowledge with the project in order to ensure an effective start up and operation.

The benefits of Operational Readiness will be shown to be applicable not only to Capital Projects but also to Sustaining and Business Transformation Projects. The paper also includes real industrial examples showing both proper and improper use of Operational Readiness techniques.



Figure 1 – Operational Readiness Elements and Cycle for Successful Delivery of Capital Projects