

THALES Takes Control of Project Risks

PROJECT HIGHLIGHTS

- Thales UK uses Primavera Pertmaster for risk analysis and mitigation management across hundreds of projects. Specifically, Pertmaster is used in its schedules for the £48m communications systems for the latest batch of Royal Navy Type 45 destroyers.
- Increased formality of the risk identification process is one of the key benefits of Pertmaster. There is a much improved definition of likely overall impact of risks and better risk communication through clear graphical presentation.

Thales UK is a major electronics and systems group serving defence, aerospace, security and services markets. Thales employs 9,000 staff in the UK based at more than 50 locations. In 2006 Thales UK's revenues were over £1bn, and Thales global revenues were over €10bn.

Thales UK was awarded a £48m contract to supply the Fully Integrated Communications Systems (FICS) for the second batch of the Royal Navy's Type 45 Anti-Air Warfare destroyer. This contract for the three ships was awarded by the Ministry of Defence (MoD) prime contractor, BAE Systems, and provides for all the internal and external speech and data signals communications functionality each destroyer will require.

STANDARD FOR PROJECT RISK MANAGEMENT

"We have company standards for project management software tools," said David Ashcroft, a risk manager in the Land & Joint Systems Division at Thales. "Risk management is a core component of all but the smallest projects at Thales, and Primavera Pertmaster has been mandated as our corporate-wide tool to support this activity. Across Thales Land & Joint Systems, there are approximately 40 users and we now run regular training programs."

Before using Primavera Pertmaster, project managers at Thales used a variety of methods to record risks. With an increasing number of complex and larger projects, Thales recognized the need for a more professional approach to defining, analysing and managing risk. After a rigorous evaluation of options, Primavera Pertmaster was selected for its ease of use, breadth of functionality, speed of computation and quality of the graphical presentation of results - enabling easy comprehension of the potential impacts of risks.

CONFIDENCE IN SCHEDULES

"We wanted to be confident that we will deliver our customer commitments to schedule in a planned and cost-effective manner, and needed to determine where to focus attention and resources to mitigate risk," said Ashcroft. "Thales needed reliable, realistic schedules with clear risk analysis."

For the Type 45 FICS Program, Thales ran risk workshops over several months. This provided an open forum for risk identification and exposure assessment allowing a profile of each risk (its nature, likelihood and potential impact) to be built in a risk register. This information was then entered into Primavera Pertmaster for analysis of probable total cost and timescale impacts.



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David Ashcroft, Thales



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MITIGATION JUSTIFICATION

Building a risk model enabled the FICS project team to create realistic schedules and help justify investing in risk mitigation actions by quantifying the likely impact of manifestation against mitigation cost; a more assertive position than simply using guesswork and opinion to propose a contingency fund.

"After building a risk model, we were able to foresee various possible HF Radio hardware development issues combined with a potentially frequent inability to gain access to the ship to perform in-situ systems tests," said Ashcroft. "We calculated that a test-rig would be a worthwhile investment to enable assessments without access being required to the ship. We were able to justify this mitigation cost to management with the help of our risk model."

IN SUMMARY

Summarizing the key benefits of using Primavera Pertmaster on the Type 45 FICS Programme, Ashcroft underlines the increased formality of the risk identification process, much improved definition of likely overall impact of risks and the better risk communication through clear graphical presentation. Pertmaster is a part of the Primavera project management solution and it also integrates with Microsoft Project.

Ashcroft is now guiding the use of Pertmaster across all of Thales and concluded: "Management, engineers, quality assurance and our customers now have faith in our increasingly realistic project schedules. Our project and risk models are considered to be a reliable source of business intelligence."



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