

OXFORD

GLOBAL
PROJECTS

Who we are.

We are the world's leading experts on megaproject management. Our co-founder, Bent Flyvbjerg, is the most cited scholar on the subject worldwide. And we have 30+ years of experience advising government and business.



Bent Flyvbjerg

Executive Chairman and Co-Founder of Oxford Global Projects,
Professor and Chair of Major Programme Management
at Oxford University's Saïd Business School



Alexander Budzier

CEO and Co-Founder of Oxford Global Projects,
Fellow in Management Practice at
Oxford University's Saïd Business School

Our research.

Our best-in-class data drives award-winning research.

To date, we have authored or edited 10 books and 200+ papers that have been translated into 20+ languages. Those writings have been cited over 40,000 times and counting, making us the most-cited scholars on megaprojects worldwide.

Expertise

We have pioneered research in behavioral science, including research on optimism bias, strategic misrepresentation, the planning fallacy, delivery, and reference class forecasting.

Awards

#1 Idea to Watch, *Harvard Business Review*

EIASM Interdisciplinary Leader Award

Emerald Citation of Excellence 2017 Award

Paper of the Year 2015, *Project Management Journal*

Key Thinker on Cities

Media

Our research has been covered by the *Financial Times*, *The Wall Street Journal*, *The New York Times*, *The New Yorker*, *The Economist*, *China Daily*, *Nature*, *Science*, the BBC and CNN, among others.

What we do.

We have the largest high-quality datasets on project performance in the world. We turn that data into research-based approaches that will help you de-risk your projects, programs, and portfolios.

11,123

Total projects worth \$3 trillion

5,689

IT projects worth \$97 billion

2,299

Transport projects worth \$130 billion

1,514

Natural resource extraction projects worth \$600 billion

889

Energy projects worth \$950 billion

483

Civil engineering projects worth \$190 billion

211

Aerospace and defence projects worth \$1 trillion

38

Sports infrastructure projects, including all Olympic Games from 1960 to 2012, worth \$60 billion

How we work.

We set the team for each assignment by choosing the best experts from our **extensive global network of leaders in the field**. Every team is tailor-made to our client's needs. This is how we deliver the Oxford-level, world-class results we are known for.

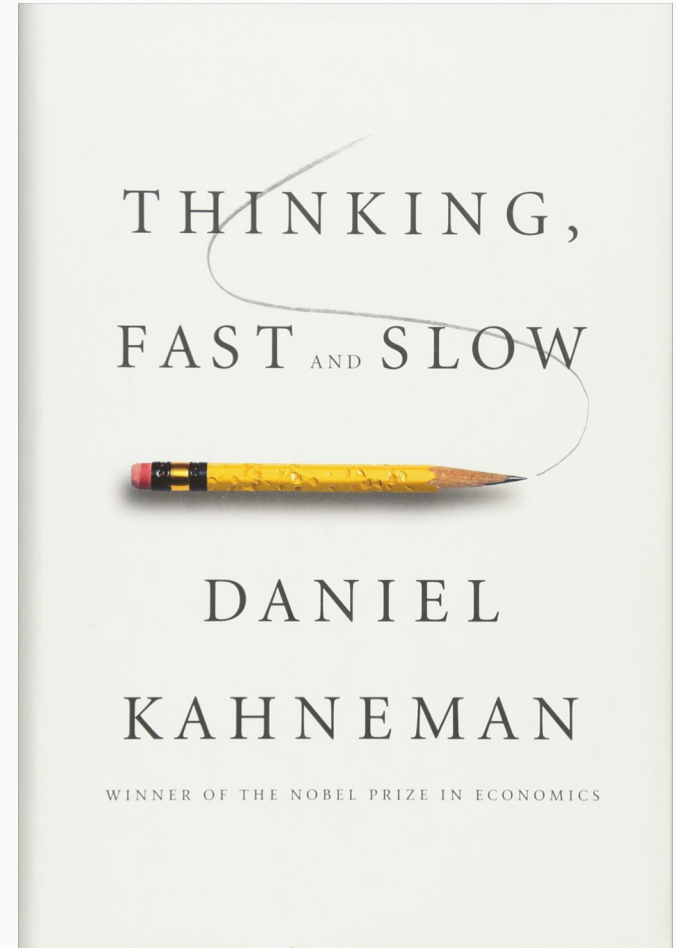


Our services.

We partner with clients on:

- Benchmarking
- Reference class forecasting
- Black Swan prevention
- Early warning systems
- Project turnaround
- Masterbuilder leadership
- Project leadership academies

Nobel Laureate Daniel Kahneman cites our reference class forecasting tool as **“the single most important piece of advice regarding how to increase accuracy in forecasting through improved methods.”**



Benchmarking.

Benchmark project performance against your own previous projects, your peers, industry, and international best practice in other sectors.

Benchmarks allow you to **know your own uncertainty and risks**. Benchmarking **improves resource allocation** and increases **reliability of base estimates**.

Risk of Cost Overruns $\geq +50\%$

Project	Average cost overrun	% of projects with cost overrun $\geq 50\%$	Average cost overrun for projects $\geq 50\%$
Solar Power	1%	3%	50%
Wind Power	8%	0%	-
Energy Transmission	8%	4%	166%
Thermal Power	13%	14%	79%
Roads	25%	14%	111%
Defence	28%	27%	135%
Bridges	31%	20%	118%
Fixed Links	32%	23%	113%
Tunnels	33%	26%	102%
Power Plants	36%	17%	211%
YOU	???	???	???
Rail	42%	31%	111%
Buildings	51%	25%	158%
Museums	53%	33%	127%
Dams	90%	36%	240%
IT-led Change	107%	21%	519%
Nuclear Power	117%	53%	205%
Olympics	156%	79%	192%

Reference class forecasting.

The **best predictor** of performance in a planned project is actual performance in class of implemented, comparable projects. Reference class forecasts (RCF) do not guarantee accuracy, just **most accurate forecasts**. Method is based on theories that won the Nobel Prize in economics (planning fallacy, optimism bias).

Purpose

In Statisticians' language RCF regresses the best guess toward the most likely case of the reference class of past, similar projects and expands the estimate of the interval to the interval of the reference class.

Process

1. Identify relevant reference class of past, similar projects.
2. Establish probability distribution for the selected reference class.
3. Compare specific project with distribution, in order to establish most likely outcome.

Point of Difference

RCF is the only existing method that takes into account "unknown unknowns". How? By incorporating in the reference class ALL effects on performance, including "unknown unknowns".

Engage stakeholders.

Projects work in a **complex and political stakeholder environment**. Stakeholder trust and confidence is difficult to build and easy to lose.

We have supported projects to navigate their complex stakeholder environment. Stakeholder engagement needs to be **based on the best available evidence**. **Trust** is built through a compelling narrative that focuses on outcomes first and outputs and inputs second.

**“Stakeholder relations
are like bridges.**

**Build your bridges
before you need them.”**

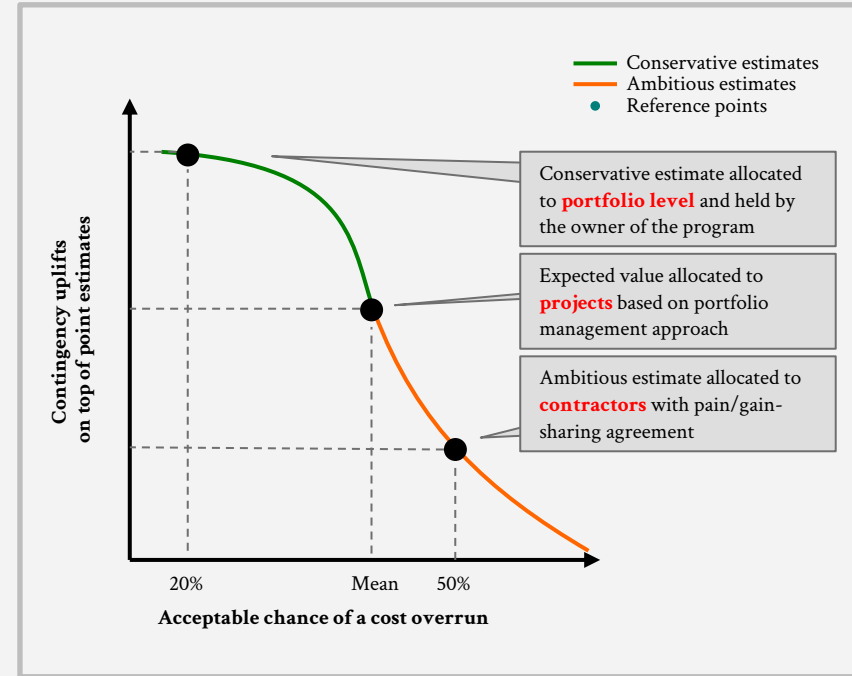
Trust =

**Credibility
+ Reliability** / **Self-interest**
+ Intimacy

Safeguard contingency.

Most stakeholders have reservations to allocate realistic levels of contingencies to projects because realistic contingencies are often larger than stakeholders' expectations.

The key to safeguarding contingency and controlling the draw down of contingency is to build a tiered regime. The different tiers of contingency need to align with stakeholders' risk appetite, the project's level of ambition and the organisation's affordability.



Black Swans.

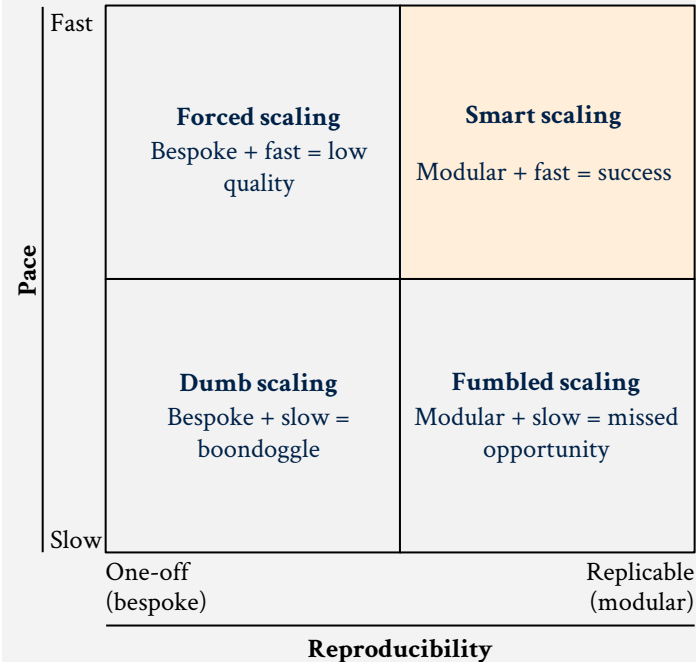
Black Swans are projects that ran out of control and caused major disruptions to delivery or operations, led to a loss of reputation, ended senior managers' careers or even forced companies into bankruptcy.

Understand the root causes of Black Swans in your organisation and systematically reduce complexities to **prevent Black Swans** from happening in your portfolio.



Smart scaling.

Slow and one-off projects perform worse. Manuel Melis, President of the Madrid Metro, learned that **fast and modular projects perform better**. The latter realise better economies of scale, and more importantly, better economies of learning. Like Lego, **modular design and modular program phases facilitate learning and speed**. If you don't know what your Lego is, you don't know how to learn, scale, and deliver effectively.



Early warning systems.

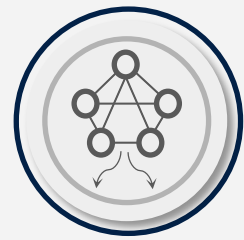
In most projects, management information is outdated when it reaches senior management. Often senior management does not act upon information because they lack understanding of the implications.

Early warning systems require **short-cycle** and **leading indicators** of project risk that communicate clearly the implications and create **urgency** for action by top management.



Project turnaround.

Review project strategy, processes, systems, people, incentives, culture and behaviours. Define the **turnaround agenda** and execute **turnaround initiatives** based on best practices and lessons learned from other projects.



Analyse the failure – brutally and honestly.
Identify root causes of failure.



Re-plan the project for realism.
Define inchstones for the turnaround.
Plan the turnaround agenda and
initiatives to deliver against each theme.
Deliver the first few inchstones.



Rebuild trust and confidence through
communication and engagement campaign
with stakeholders, sponsors and clients.

Become Masterbuilders.

Ensure that your **organisational capabilities** – your project management processes, guidelines and handbooks – are best-in-class.

Learn from **Masterbuilders**, i.e., project managers with a proven track record of building on time, on budget and delivering benefits.
What are their **heuristics**? What are their **programmatics**?



Contact.

We work for better management of megaprojects.

If you share our passion, would like to partner, or need our expertise, we would love to start a conversation.



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