

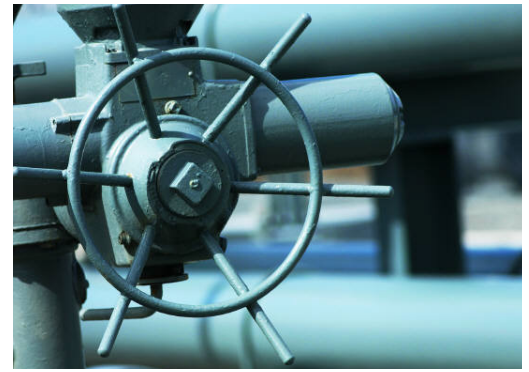
Project/Portfolio Risk Evaluation

Manufacturing & Logistics

Pipeline Company

Success Story

Enterprise Portfolio Simulator



SITUATION

A pipeline management company with a large and growing portfolio needs to accurately determine the risk/reward ratio of its projects. U.S. oil production is on the rise and this organization wants to successfully and strategically benefit.

They asked ProModel consultants to develop a simulation solution to help make these risk evaluations. Portfolio Simulator our Enterprise Portfolio Simulator precursor, was used to build them a project evaluation process and tool.

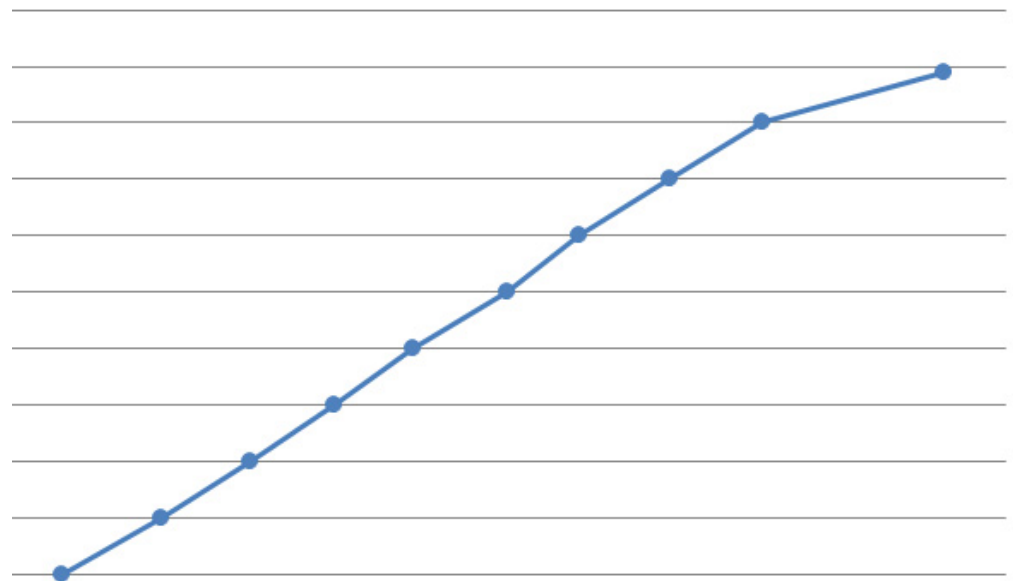
OBJECTIVES

Analyze project costs compared to likelihood of completion by defined deadline.

RESULTS

The results were a project specific chart showing probabilities of success in correlation to cost by established completion dates.

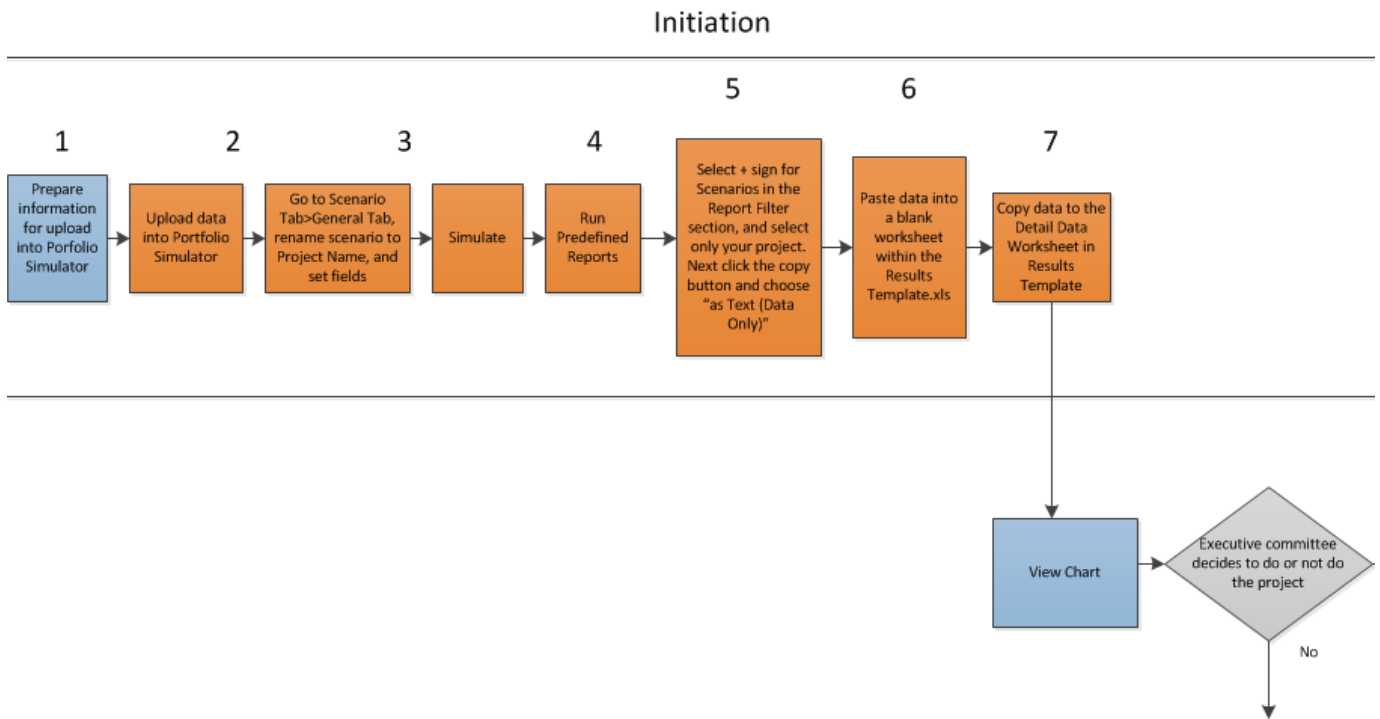
Probabilities of Success



Probability Percentile	P10%	P20%	P30%	P40%	P50%	P60%	P70%	P80%	P90%	P99%
Finish Dates	5/6/2014	6/10/2014	7/11/2014	8/9/2014	9/6/2014	10/9/2014	11/3/2014	12/5/2014	1/6/2015	3/11/2015
Total Costs	660,869,536	687,555,324	702,456,987	709,876,394	729,742,163	765,456,898	797,843,565	808,675,923	810,899,346	910,339,276

SOLUTION

ProModel consultants worked with this organization to develop a process in which, upon project initiation, they could import critical project data from Excel into the Portfolio Simulator tool. The important data included task variability and critical cost data. A 50-rep simulation was typically run in a matter of minutes.



The organization's executives viewed the resulting data and custom reports and made definitive per project decisions. Typically a budget was established for each project, along with a project deadline. If the project deadline could not be met within the established budget allowance, the project was dropped.