

ALASKA OIL PIPELINE EXECUTIVE SUMMMARY

Problem

The Alaska Pipeline was one of the largest private construction project in history. There were around 10-15 billion barrels of oil that had to be transported. It had to be transported through a 800 mile oil pipeline system. This costed a lot and took great time as well. These 2 factors increased the complexity of the project. There were many factors which occurred that resulted in both organizational and environmental issues. Those factors are extreme weather, some materials, organization of workers. The overall estimation of the project is around 4 years and overall cost of the project is 7 billion dollars. The original cost estimation of the project was 900 million dollars.

Solution

There were many ways of handling and managing the Alaska pipeline. The solution is easier even though it was a new problem at that time. As stated earlier, when there was better management in the organization, this could have helped to cut down the cost and time taken to make the pipeline. There are many different risks involved during the making of the project, which resulted in the delay of the project. If more risks were involved, this led to complexity of the project, then there would have been less issues occurring at the beginning phase which is considered to be the build phase of the project.

Value

When you are looking at the value and complexity of the project, I take the reference of the NTCP model. When you talk about this particular project, this shows how much change could be seen when it comes to the point of complexity. It can be said that there would have never been a project of this size inside this kind of environment. Although only some things needed to be developed and not much was already available, it fell between medium and high when it came to technology's point of view. For complexity to occur, layers of systems have to work together, to make things happen. Lastly we can say that time is a very important factor in a project. It would be very fast and competitive when each day is lost, an estimation of 22 million is lost in revenue.