

Project Management Minimum Standards for Business- & IT Projects

Topic

Project Management Directive for Business- & IT Projects

Objective

Definition of project management minimum standards for the OMV Business- & IT project portfolio to create one common language across the entire OMV project portfolio (Business- and IT Projects, aligned with Capital Projects) and to ensure maximum value improvement with minimum bureaucracy.

Target group

All employees

Scope of effectiveness

OMV AG and all companies which are fully consolidated. In companies not fully consolidated, where OMV AG has a controlling interest.

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Notes:

In the interests of simplicity and readability, the language of this statement is gender neutral to the extent possible. Where applicable, the masculine includes the feminine.

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In case of conflict, the document in its Master Language and Master Version must be applied.

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Introduction & Intended Purpose of the Regulation

The purpose of this directive is the definition of project management minimum standards for *Business-, IT- & Joint Projects* in order to increase the successful delivery of projects. This is to be achieved by the definition of the basic standards for project planning, -delivery, -controlling and -closing that applies to all *Business-, IT- & Joint projects* in the entire OMV Group.

Scope of this directive

This directive is applicable for all *Business-, IT- and Joint projects* (see project definition below) which exceed a certain threshold. This threshold is defined as follows:

	IT Projects	Joint Projects	Business Projects
	↓	↓	↓
IN SCOPE	Projects >50tEUR project budget		
	OR any IT-/Joint Project or Initiative <50tEUR which <ul style="list-style-type: none"> contains OPEX and CAPEX or has an impact on enterprise architecture a/o information security (assessment done by IT BP as a first step during demand intake) 		
OUT OF SCOPE	IT investments <ul style="list-style-type: none"> Pure CAPEX investments for standard IT items Operational tasks <ul style="list-style-type: none"> Functional change requests on existing IT services or IT tasks IT consultancy <50tEUR Operational change requests <ul style="list-style-type: none"> "technical" changes to existing services covered within ASP volume <50tEUR 	<i>*If the IT part of a Joint project is below the defined IT scope/threshold definition the project shall be handled as Business Project</i>	

Definition of Terms

The current project landscape in OMV is split into three different project portfolios:

- Capital Projects (see Capital Project Management Directive GT-M 001)
- IT Projects (subject of this directive) and
- Business Projects (subject of this directive)

as well as Joint Projects, a combination of Business- & IT projects.

3.1. Project

A project is defined as temporary endeavour undertaken to create a unique product, service, or result which has the following characteristics:

- The objective/scope and deliverables can be clearly specified
- An own dedicated (project) budget/ assigned internal resources exist
- Project start and end dates can be clearly defined

If a Business-/IT-/Joint project meets the above mentioned criteria and if the threshold as defined is exceeded it is line management's responsibility to initiate a project and handle it according to the Project Management Directive for Business- & IT projects. In addition, line management can take the decision to handle a complex task or a project below the mentioned thresholds according to this directive if this is seen beneficial.

3.2. IT Projects

Projects which have IT impact or generate IT output owned by OMV IT to address topics of IT-efficiency, availability, reliability, maintainability or capacity.

IT includes all centralized or decentralized IT equipment and related software/services and communication hardware in the OMV Group irrespective of whether it is self-developed, rented, leased or bought-in.

3.3. Business Projects

Projects which result in a change of the existing operational or organizational structure of the company or which develop concepts which will have an effect on the operational or organizational structure in their implementation (business concept projects).

Business Projects can have CAPEX and OPEX costs in their implementation. The main criteria for differentiating a Business project from a Capital project is the impact on the existing operational or organizational structure.

3.4. Joint Projects

Joint Projects are all projects which combine the tasks of Business- & IT projects, i.e.

- Business projects – as defined above – causing IT impact or having IT output
- IT projects – as defined above – causing impact on the operational or organizational structure of the company

The IT part of a Joint project must be above threshold as defined for IT projects, otherwise it shall be handled as Business project.

3.5. Programs

A program is a group of related projects or sub-programs clustered together to reach a common objective and to be managed under one umbrella. The Project Management Minimum Standards for Business- & IT projects are applicable analogously also for programs and their contained projects, and should be seen as the minimum set of requirements.

Any approval on program-level does not replace required approvals on individual project level as defined in this regulation.

Project Management Min. Standards for Business- & IT Projects

As a basic rule, the formal requirements towards a project are scaled to fit the nature of the project as reflected in its classification to ensure maximum value improvement but minimum bureaucracy to provide sufficient stability and transparency while preventing that the input required from each involved party is excessive.

4.1. Project Classification

An indication regarding the necessary requirements can be obtained via the project classification.

The Project Owner and Project Manager are responsible for an appropriate assessment; additional requirements may be defined on top of the Project Management Directive by the relevant project organization or line management.

Projects are grouped into four different classes based on four criteria: their strategic relevance, their business case costs, the expected gross benefit and the project complexity. The Project Class is then determined by the highest applicable ranking of assessed criteria.

Strategic relevance: Indicates whether the objective of a project aims at fulfilling strategic targets on department-, Business Unit-, division- or group level.

Business Case Costs: Covers the total costs of a project (CAPEX and OPEX) and any other additional operating expenses during 48 months after project closing (TG 5).

Expected Gross Benefit (sustainable, per anno): Sustainable annual monetary benefit of the project. In case of a ramp up of benefits, the last full year of the business case evaluation period is considered. (For practicability the Business Case Template considers the third year after project end; in case of a significant share of CAPEX costs the Business Case evaluation period might be longer reflecting the lifetime of the delivered assets)

Project Complexity: reflects the additional requirements put on a project, because of expected complexity or any unknown factors which might influence the project execution or its result.

Criteria Class	Criteria 1	Criteria 2	Criteria 3	Criteria 4
	Strategic Relevance	Business Case Cost (incl. operating costs)	Expected Gross benefit (sustainable p.a.)	Project Complexity
A	Very High Targets deriving from OMV Group strategy / relevant for reporting to OMV /Petrom Executive Board Level	> 5 mn €	> 20 mn€	
B	High Targets deriving from Division strategy/ relevant for reporting to respective Board Member Level	> 0,5 mn €	> 5 mn€	High complexity/ risk
C	Medium Targets deriving from Business-Unit- or Service Line strategy / relevant for reporting to BU Head only	> 100.000 €		Medium complexity/ risk
D	Low Targets deriving from department strategy / relevant for reporting to Department Manager Level only	<= 100.000 € AND no costs in Define phase (otherwise: Class C)		Low complexity/ risk

In terms of content and process, all projects must at least meet the following minimum requirements:

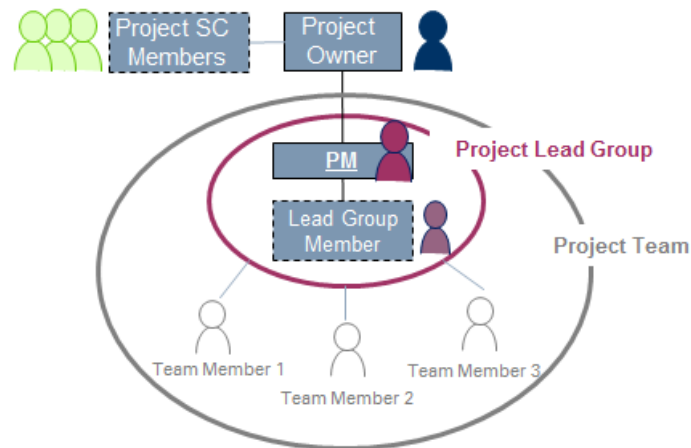
4.2. Project organization/ roles in project management

A project is influenced both by the temporary project organization as well as by the permanent line organization in terms of governance. The *project organization* (see 4.2.1) is the structure to be established temporarily for each project. For the duration of the project, the affected employees functionally report within the project organization.

The line organization which is relevant to the project is represented via the *tollgate committee roles* (see 4.2.2), which exist on a permanent basis within the organization.

The following roles must be defined and documented for all projects:

4.2.1. Project Roles



4.2.1.1. Project Owner (PO)

The Project Owner¹ is fully accountable for the project, the project's outcome and the realization of related benefits. He partly delegates the responsibility for the project realization to the Project Manager.

The role of PO must be assumed by one individual (natural person) within OMV group. With respect to the choice of the PO, it is necessary to ensure that he has the formal power to take final decisions regarding the project.

In case a Steering Committee (SC) is appointed, the PO acts as chairman of the Steering Committee. He has the duty to consult the SC members for their expert opinion but has not a duty to obey.

To appropriately reflect the requirements of a project the following levels for staffing the PO are recommended based on the project classification:

- Class A: Board Member or SVP or Business Unit Lead
- Class B: SVP or Head of Department / Service Line Lead
- Class C: Head of Department / Service Line Lead or Department Manager

For cross-Business Unit (=Board -1) or cross-division projects, it is recommended that the role of the PO is taken over by a manager from the area which is primarily affected by the project ("Lead Business Unit/ Division"). If a "Lead Business Unit/Division" cannot clearly be identified, the role should be assumed by the respective Board Member.

4.2.1.2. Steering Committee (SC)

The Steering Committee assists the PO with the governance of the project and helps him to take quality project decisions.

The SC is loyal to the project and its advice to the Project Team on project management issues is given exclusively through the SC forum and not directly to the Project Team outside the SC (no 'diagonal steering'). This does not mean that the SC members cannot advise and support Project Team members on specific discipline issues.

¹ Previously the term Project Sponsor was used in some divisions

For Class A projects, appointing an SC is mandatory and is highly recommended for all projects which affect more than one division/ Business Unit.

A proper representation of concerned functions should be ensured if applicable, e.g.:

- Global Solutions to represent the delivery organization if applicable (Finance and IT)
- Finance/ Controlling Business Partners to steer on budget-related questions
- For HR- or Change Management-related topics the HR Business Partner has to be involved to decide how support can be provided if applicable

The members of the SC shall be limited to max. four to six people with max. one individual per represented function to ensure focused problem solving, steering and guidance. Ad-hoc appointment of SC members to provide expert opinion for specific phases of the project only is also possible. A SC is not recommended for Class C & D projects.

The Project Owner has the right to decide regarding the setup of the SC. The project organization incl. the setup of the SC and the nominated PM can be challenged by the Tollgate Committee in case the proposed setup is seen critical to project success.

4.2.1.3. Project Manager (PM)

The PM² is nominated by the PO for the realization of the project.

Both the PM and the Lead Group Member are forming the Project Lead Group and have a joint responsibility to deliver the project successfully and in a cooperative manner under the lead and ultimate responsibility of the PM.

Together with the Lead Group Member the PM is leading the Work Package Managers/ Team members to manage the project planning, execution and controlling and ensuring that all project management requirements as defined in this directive or additional requirements as defined by the PO are kept.

The PM is responsible for an honest and timely communication of the project status and any expected risks or issues via project reporting and within PO/SC meetings.

4.2.1.4. Lead Group Member (LGM)

For projects which are executed by the Business organization together with the Delivery organization (Global Solutions IT or Global Solutions Finance) the PM is supported by a Lead Group Member.

The LGM of a project is the responsible counterpart to the PM for integration of his respective area of responsibility, e.g. support in case of crisis, provide information, etc. and to align the project status estimation of their respective area of responsibility with the PM in order to develop the project status report.

In Joint projects the LGM is either staffed by the Business (Demand-) organization in case the PM is staffed by Solutions, or alternatively by Solutions (Delivery-) organization in case the PM is staffed by the Business.

² Previously the term Project Lead was used in some divisions

4.2.1.5. Work package managers (WPM)/ Project Team Members (PTM)

Within the scope of a work package, the WPMs fulfil the tasks assigned to them by the PM on their own responsibility and in a target-oriented manner. They are responsible for an honest and timely reporting of the work package status to the project lead group.

4.2.1.6. Financial Support (FS)

The FS is a project team member who is responsible for developing and signing-off the content of the project business case calculation.

The FS shall be staffed by Controlling organization for Class A & B projects. By signing-off the Business Case the FS states that the given estimates (under defined level of certainty) make sense and that relevant cost/benefit factors have been realistically considered.

It is the Project Manager's responsibility to ensure that the FS has access to and is provided with the necessary information as required for a plausible Business Case calculation.

The FS acts as main point of contact to the Finance/Controlling tollgate role regarding the Business Case Details. In case of difference in opinions between PM and FS regarding the realistic estimation of the Business Case assumptions the FS shall raise his concerns to the Finance/Controlling tollgate role.

4.2.2. Tollgate Committee Roles

When the project reaches a lifecycle relevant decision point and after the formal requirements regarding data quality have been met, the PO proposes a project to the Tollgate Committee. The Tollgate Committee has the authority to review if the opportunity is aligned with the overall business strategy and to endorse (or reject) the proposed tollgate decision from the Project Owner and advise on the way forward.

Furthermore, any PO decision regarding cancellation, resuming or holding/pausing a project after TG 3 needs to be endorsed by the tollgate committee.

Based on the project's classification and project type, different tollgate roles are defined or the respective tollgate roles are staffed by different individuals within the organization.

For an overview of the respective tollgate committee roles per class please refer to Appendix 2.

4.2.2.1. Finance/Controlling

This role is responsible to give a general commitment to the plausibility of BC figures, costs and effects and approving the project considering overall divisional/group cost/benefit structure and priorities at TG 1-2 and TG 3. For Class D projects this responsibility remains with the PO.

4.2.2.2. CIO Office³

States that, from an IT Governance point of view, the described project is feasible, in line with the group IT strategy and fits in the approved functional IT budget/MTP for project- and project effect (operational expenses) at TG 1-2, TG 3, TG 4 and TG 5. Also it assures that potential synergies with other business areas or technologies have been properly accounted for.

4.2.2.3. Global Solutions³

Confirms that Global Solutions as service provider is able to deliver the scoped deliverables under the described conditions considering Global Solution's budget and resources at TG 1-2, TG 3, TG 4 and TG 5.

Before a project is presented to the tollgate committee, a formal sign-off of Project Coordinator/PMO and Enterprise Architecture/Information Security is required:

4.2.2.4. Project Coordinator/PMO (PMO)

The responsibility of the PMO is to secure transparency, quality assurance of data and to monitor compliance with the Project Management Minimum Standards for Business- & IT projects within his area of responsibility. The PMO assumes this role at tollgates TG 1-2, TG 3 and TG 5 and throughout the project in the monthly reporting process.

4.2.2.5. Enterprise Architecture/Information Security (EA/InfoSec.)³

Gives their approval at TG 3 that the project is compliant to the OMV security standards and that it is in accordance with the overall enterprise architecture and application landscape.

A segregation of duties shall be ensured, in case the above mentioned Tollgate Roles act as Project Owners at the same time.

4.2.2.6. Tollgate Facilitator

The Tollgate Facilitator is responsible for preparing the Tollgate agenda based on the nominated projects after the quality check of the Project Coordinator/PMO and to create, distribute and follow-up the minutes.

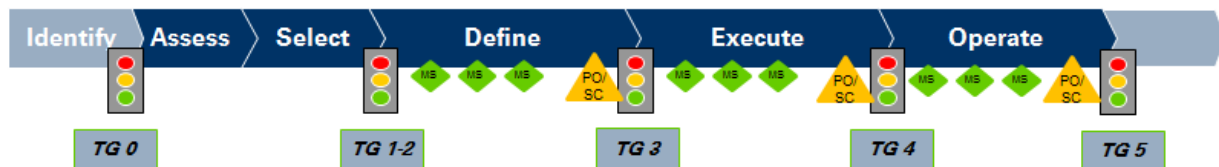
The Tollgate Facilitator role is handled by one individual within CIO Office who performs this task for all Class A&B Joint- & IT projects within the OMV Group for TG 1-2 and TG 3.

4.3. Project Life Cycle

The project lifecycle describes the standard phases of a project, its approval gates (tollgates) with their required documentation and preceding PO/SC meetings and the minimum requirements regarding milestones.

³ For IT- & Joint Projects only, not applicable for Business projects

³ For IT- & Joint Projects only, not applicable for Business projects



4.3.1. Phases

4.3.1.1. Identify

The elaboration of the project idea still tends to have little structure, but is sufficiently qualified to serve as a basis for the decision of the management to pursue it further and as a basis for the appointment of a (preliminary) PM. The business case is spelled out with a first “Blue-sky” estimation regarding project costs and benefits.

At the end of Identify phase it must be ensured that the project assignment is clear for further setting up the project and a decision is made that at least one concept is likely to deliver success. (*“Is there a clear assignment for a project set-up?”*)

4.3.1.2. Assess & Select

In Business-/IT- & Joint projects the tasks of the Assess & Select phase are merged into the Assess phase. In this phase the options for further pursuit are assessed. If there is at least one concept that is deemed likely to deliver success, the best alternative is chosen and the business case is adapted accordingly. If the alternative is endorsed at the appropriate levels, preparations are made for Define phase. The project organization has to prove, that it has looked wide enough to be confident, that the best way forward was selected. (*“Have we looked wide enough? Have we selected the best concept?”*)

4.3.1.3. Define

In this phase the project implementation plan and the final business case are developed to reach final project approval. If the project receives approval it enters Execute phase. (*“Is the Implementation plan ready in necessary detail?”*)

4.3.1.4. Execute

In the Execute phase the promise is delivered and the project results go live. The project team has to prove that *“all tasks which are necessary for successful go-live are completed & accepted”*.

4.3.1.5. Operate

In the Operate phase steady-state operations are ensured, final hand-over to the PO and the running business operations takes place, lessons-learned are captured and the project team is disbanded. At the end of the project they will have to answer the question whether the project has delivered the promise and *“Were the project results handed over to the business and documented?”*

4.3.1.6. Project review

For all Class A projects a project review is mandatory 12 months after project closing (TG 5) in which the PO has to provide a comparison of the initial cost- & benefit estimations (incl. operating costs) and the actuals of those figures to the tollgate

committee. Any deviations in the benefit realization need to be explained and countermeasures defined if applicable.

For projects classified below class A the tollgate committee can request a project review on demand.

4.3.2. Tollgates

Tollgates are defined at the points when a project should move from one phase to another during a project life cycle and should serve as an approval gate in which the tollgate committee will either endorse the decision as proposed by the Project Owner or overrule it by selecting one of the other options instead: Proceed; Pause; Resume; Stop.

Furthermore, any PO decision regarding cancellation, resuming or holding/pausing a project after TG 3 needs to be endorsed by the tollgate committee.

These decisions can be made via physical meetings or via electronic approval workflows.

Tollgate Project Class	TG 0	TG 1-2	TG3	TG 4	TG 5
A	✓ Electronic	✓ Meeting	✓ Meeting	✓ Electronic	✓ Electronic
B	✓ Electronic	✓ Meeting	✓ Meeting	✓ Electronic	✓ Electronic
C	✓ Electronic	(✓)* Electronic	✓ Electronic	✗ Not applicable	✓ Electronic
D	✓ Electronic	✗ Not applicable	✓ Electronic	✗ Not applicable	✓ Electronic

(✓)* In case no costs for Define phase are required, this might be skipped/ combined with the next TG

It is important to note that in general tollgate approvals represent a 'business decision to proceed'. The Project Team still needs to secure fund release through the formal Finance process as an additional step. This is dependent on existing Corporate Finance regulations.

4.3.3. PO/(SC) Meetings

PO/(SC) Meetings have the objective to ensure that the Project Lead Group receives the necessary steer from the PO and the SC (if any) and that honest and timely communication of progress and any risks and issues is provided to PO/(SC). The presented information should rather be forward looking.

Before a project reaches a tollgate it is recommended to hold a PO/(SC) Meeting to align the proposed decision within the project organization.

4.3.4. Milestones

Milestones are deliverables or major events to be achieved on a specific date and help to track the progress of a project on an ongoing basis.

A minimum set of at least 3 milestones within the Execute phase or 1 milestone every three month must be defined in addition to the defined tollgates, which represent mandatory milestones for every project under this regulation.

4.4. Project Assurance Documents

Based on the project classification certain assurance requirements must be fulfilled and documented in the respective assurance documents and delivered for the respective tollgate at the end of the relevant phase (see Annex 1).

For the practical application several templates have been defined. The latest version of these documents can be found on the OMV Intranet/ Regulations Manual or shall be handled directly via the Clarity tool.

PROJECT ASSURANCE DOCUMENTS	A	B	C	D
Project Initiation Note (PIN)	✓	✓	✓	✓
Project Charter Define	✓	✓	(✓)*	x
Business Case Define	✓	✓	(✓)*	x
Project Charter Execute	✓	✓	✓	✓
Business Case Execute	✓	✓	✓	✓
Stakeholder Analysis	✓	x	x	x
Change Management & Comm. plan	✓	x	x	x
Risk management plan	✓	✓	x	x
Go-Live protocol	✓	✓	✓	✓
Handover protocol	✓	✓	✓	✓
Lessons learned	✓	✓	x	x
Monthly status reporting	✓	✓	✓	✓

✓	Mandatory	(✓)*	In case no costs for Define phase are required, this might be skipped/ combined with the next TG	x	Beneficial, but not mandatory
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IT specific deliverables of IT- and Joint projects are described in separate standards within OMV Solutions.

4.4.1. Project Initiation Note (PIN)

The PIN contains the initial outline of a project idea. It serves as a basis for the (preliminary) PM to document all requirements provided to him and committed to by the PO in *Identify* phase. A signed PIN is the formal initiation of a project and provides the fundamental information which is later on updated and widened in *Assess* phase to create the *Project Charter Define*.

4.4.2. Project Charter

Project Charter Define (PC-D)

The PC-D is created during *Assess & Select* phase. It completes the original information out of the PIN with more accurate information and provides additional information which is relevant to define the project plan such as financial information, a milestone plan and the CIO Guidance (for IT- & Joint projects only).

Project Charter Execute (PC-E)

The PC-E is created during *Define* phase and represents the complete project plan with updated information out of PC-D and PIN and further information on acceptance criteria, deliverables, prerequisites and assumptions, risks and a resource plan.

The PC-E represents the formal baseline of a project against which all changes during *Execute* phase are compared.

The PIN, PC-D and PC-E provide a high-level summary of data from different sources, such as a more detailed project schedule, the financial plan, the resource plan and others. They serve as comprehensive information about the project to its stakeholders within and outside of the project organization.

4.4.3. Business Case Calculation

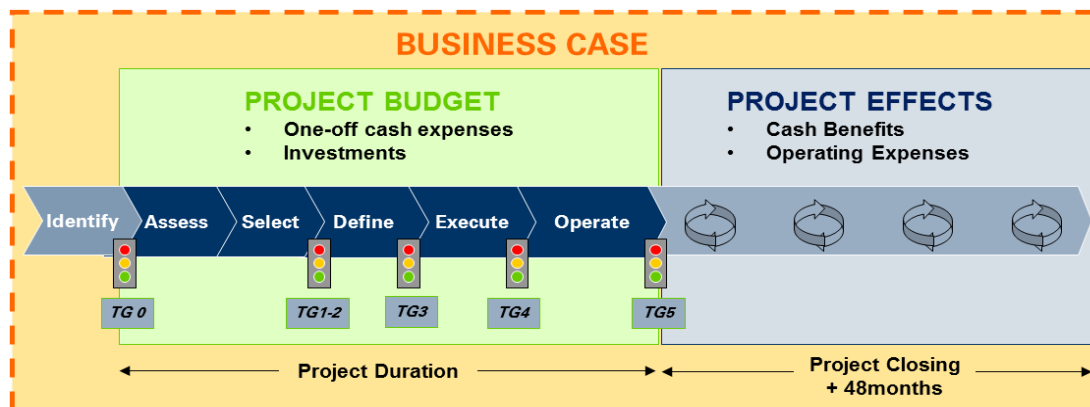
A Business Case Calculation is mandatory for all projects, regardless of the fact that (financial) benefits are expected (=“Positive” Business Case) or not as the document represents the formal commitment of the Project Lead Team and the Owner to all financial figures of the project which are then taken as a basis for project controlling.

As part of the business case calculation, the following 3 parameters need to be determined:

- ROR (Rate of Return)
- NPV (Net Present Value)
- DPP (Discounted Payback period)

The underlying assumptions required for calculating these figures for the Project Budget and the Project Effects for a period of 48 months after project closing are documented in the current version of the Business Case Template. In case of a significant share of CAPEX costs the Business Case evaluation period might be longer reflecting the lifetime of the delivered assets. This decision will be taken by Controlling organization on a case-by-case basis.

Any change in estimated financials needs to be reflected and updated in the relevant Business Case (Forecast) and - in case of significant deviations - approved (see Section 4.4.10). This applies to both the estimated amounts and the structure, e.g. OPEX/CAPEX or Business/Global Solutions splits, of the Business Case.



The Business Case is iteratively developed during the project lifecycle in the following stages:

Financial estimation during Identify Phase

A rough business case is spelled out during *Identify* phase, when the first “blue-sky” figures for project costs and benefits are included in the PIN. These numbers represent a parametric estimate with an accuracy of +100%/-50%. The preparation effort for these numbers is very low.

Business Case Define (BC-D)

During *Assess & Select* phase the available options are assessed and a selection is made. If external providers are involved, this is usually the phase in which a tender is conducted. The estimated costs and benefits of the selected option are the basis for the Business Case Define, which is considered to have an accuracy range of +/-30% for the overall business case including all elements of the project budget and the project effects (=operating costs and benefits after project completion).

At the same time the *BC-D* is considered to provide an overview of the expected expenditures in Define phase with an accuracy of +/-5%. This provides the basis for the business decision to proceed with the next phase. A TG 1-2 approval of a selected option is seen as prerequisite to start funds release approval and further procurement processes as governed by applicable corporate regulations.

Business Case Execute (BC-E)

During *Define* phase all details regarding the planned implementation are worked out and more details regarding the project’s financials become clear. At the end of *Define* phase, the Business Case Execute is presented at the TG 3 with an accuracy range of +/-15% for the overall Business Case and +/-5% for the expected expenditures in Execute phase.

Financial Summary at Closing

At TG 5 the project financials are summarized to provide an overview of all costs which were spent during the project compared with the initial financial baseline as defined in the *Business Case Execute*. Furthermore the expected figures of the project effects (operating costs and benefits) are updated if necessary.

4.4.4. Risk Management Plan

A Risk Management Plan is mandatory for all Class A & B projects but it is seen beneficial for all projects to identify, assess and manage their risks.

Risks can be identified throughout the project lifecycle but latest at TG 3 an initial risk management plan must be provided. The risk management plan is the basis for a continuous controlling of risks and their mitigation measures.

4.4.5. Change Management- & Communication Plan

A Change Management- & Communication Plan is mandatory for all Class A projects but it is seen beneficial for all projects to identify, assess and manage their stakeholders. The Change Management- & Communication plan shall be used throughout the project lifecycle but latest at TG 3 an initial plan must be provided.

4.4.6. Go-Live protocol

The Go-Live protocol provides an overview of the status of all project acceptance criteria as spelled out in the Project Charter Execute as well as any open issues and deadlines at TG 4. Also it provides an overview of the initial baseline, last approved plan and forecast of the project schedule.

4.4.7. Handover Protocol

A signed Handover Protocol represents the TG 5 approval of the project financials, including all costs which were spent during the project (=Project Budget) and the expected figures of operating costs and benefits after project completion (=Project effects).

4.4.8. Lessons Learned Document

The documentation of Lessons Learned is mandatory for all Class A & B projects but it is seen beneficial for all projects to collect and document their lessons learned. Lessons Learned shall be collected throughout the project lifecycle with a final collection at the end of the project (before TG 5)

4.4.9. Status Reports

As a minimum requirement the PM must provide an update of the project data as outlined in the PIN/PC-D/PC-E such as schedule, financials and resources. In addition to an update of the project plan, the PM must provide his qualitative estimation of the project status via traffic lights and comments on a monthly basis after the first project approval (TG 0).

In case of changes to the initial baseline or last approved plan, the deviations must be described and approved via a *CR* (see 4.4.10).

4.4.10. Change Requests

Project Owner's approval: Adapting the project plan/ approval of deviations

A Change Request has to be raised to the Project Owner for a communication and approval of significant deviations to the project plan after TG 3.

Significant deviations to the project plan are considered to be:

- Project costs of Execute Phase increasing by $\geq 5\%$

- Reduction of positive NPV by up to 15%
- Delays which affect the project end date or other critical milestones
- Other changes to the project plan such as significant changes to
 - Responsibilities
 - Goals
 - Scope / Out of Scope
 - Deliverables
 - Financial Specifics
 - Schedule
 - Resource Plan

A change request approved by the Project Owner is resulting in overwriting of the last approved plan with forecast values resulting in a new last approved plan.

Deviations before TG 3 are approved by revising the original project plan of PIN and PC Define in the respective tollgate approvals of TG 1-2 and TG 3.

Tollgate Committee Decision: Revising the project concept

In case of deviations after TG 3 which lead to a significant change of the overall project's business case or -scope, the project has to be represented to the tollgate committee to reconsider the questions of TG 1-2 "Have we looked wide enough?" and "Have we selected the best concept?" or TG 3 "Implementation plan ready in necessary detail?" respectively.

In case of substantial changes to the original project plan the Tollgate Committee might decide that a project has to repeat Assess phase to make sure that the chosen alternative is still the best option for the altered project.

A significant change of the project Business Case is considered to be

- A reduction of positive NPV >30% (after TG 1-2) or >15% (after TG 3)
- A drop of the ROR under the hurdle rate as defined for the respective division

A pre-requisite for both adapting the project plan and revising the project concept is to adapt Project Charter documents and Business Cases according to the new forecast to communicate any changes in an honest and timely manner.

4.5. Project Reporting

A regular (monthly) reporting of the project shall provide the necessary assurance to the project's stakeholders within and outside of the project organization regarding the project's status and progress.

Project Reporting is done via the Clarity tool and the pre-defined templates.

4.5.1. Project Categorization

A project categorization is used to make the portfolio structure visible and manageable, to facilitate "apple-to-apple" comparisons and to serve as decisions basis for a prioritization within the portfolio.

Two different categorization groups are used:

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Demand Type – What was the trigger for the project?

- Business operations & -development (*e.g. SCADA, New Pricing Tool, Petrol Ofisi Integration*)
- IT operations (*e.g. Petrom City Data Center, SAP PR1 Upgrade*)
- Mandatory projects (*e.g. BG Regulation 18 fulfilment*)

Goal Type – Where is the effect of the project visible?

- Running Business
- Rationalization
- Growth
- Transformation

Internal Reference Links

- ▶ Capital Project Management Directive GT-M 001
- ▶ OMV Corporate Directive 005, Controlling of Investment in OMV Group

Obsolete Regulations

Project Management Minimum Directive GT-O 001

RADAR Directive IT 006

Terms & Abbreviations

BC	Business Case (see chapter 4.4.3)
Business Unit	Executive level units & Staff units on first-level below Division (=Board -1), eg. Business Unit Commercial; E&P Business Support
CAPEX	Capital Expenditure
Division	Business segments on first level below OMV Group, e.g. E&P
DPP	Discounted Payback Period (see chapter 4.4.3)
FS	Financial Support (see chapter 4.2.1.6)
GS	Global Solutions
LGM	Lead Group Member (see chapter 4.2.1.4)
MS	Milestone (see chapter 4.3.4)
NPV	Net Present Value (see chapter 4.4.3)
OPEX	Operational Expenditure
PC, PC-D, PC-E	Project Charter, PC Define and PC-Execute (see chapter 4.4.2)
PIN	Project Initiation Note (see chapter 4.4.1)
PM	Project Manager (see chapter 4.2.1.3)
PMO	Project Management Office
PO	Project Owner (see chapter 4.2.1.1)
ProCo	Project Coordinator
PTM	Project Team Member (see chapter 4.2.1.5)
ROR	Rate of Return (see chapter 4.4.3)
SC	Steering Committee (see chapter 4.2.1.2)

TG	Tollgate (see chapter 4.3.2)
WPM	Work Package Manager (see chapter 4.2.1.5)

Keywords / Search Criteria

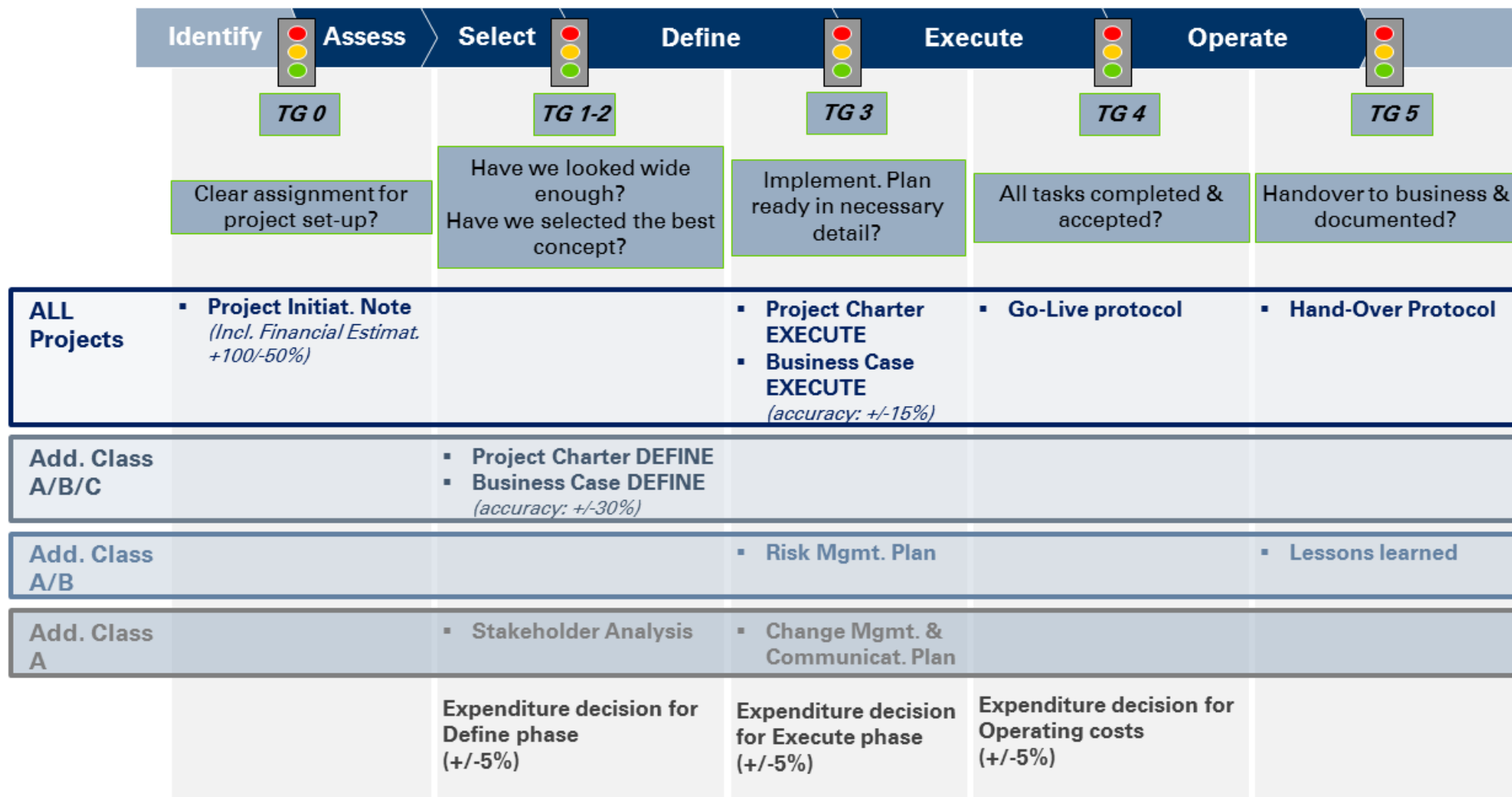
project; project management, program, program management, project organization, roles, project lifecycle, project reporting, business case, approval process, business project, IT project, joint project, tollgate, assurance documents

Sub Documents / Annexes

Annex 1: Overview of project lifecycle with assurance documents

Annex 2: Overview of Tollgate approval roles

ANNEX 1: Overview of project lifecycle with approval roles and assurance documents



ANNEX 2: Overview of Tollgate approval roles

a.) Tollgate roles per respective tollgate:

The following table provides you an overview of the required tollgate roles per tollgate

Approval roles per Tollgate					
	TG 0	TG 1-2	TG 3	TG 4	TG 5
Joint & IT Projects	<ul style="list-style-type: none"> Project Owner 	<ul style="list-style-type: none"> Project Coordinat./PMO¹ TG Facilitator^{1 2} Global Solutions CIO Office Finance/Contr.³ Project Owner 	<ul style="list-style-type: none"> Project Coordinat./PMO¹ TG Facilitator^{1 2} EA/Info Sec. ¹ Global Solutions CIO Office Finance/Contr.³ Project Owner 	<ul style="list-style-type: none"> Global Solutions CIO Office Project Owner 	<ul style="list-style-type: none"> Project Coordinat./PMO¹ Global Solutions CIO Office Project Owner
Business Projects	<ul style="list-style-type: none"> Project Owner 	<ul style="list-style-type: none"> Project Coordinat./PMO Finance/Contr.³ Project Owner 	<ul style="list-style-type: none"> Project Coordinat./PMO Finance/Contr.³ Project Owner 	<ul style="list-style-type: none"> Project Owner 	<ul style="list-style-type: none"> Project Coordinat./PMO Project Owner

¹ System approval only, no voting right in physical Tollgate meeting

² Class A/B Projects only

³ No separate Finance/Contr. approval for Class D projects

b.) Tollgate roles per class and project type:

For each Tollgate Committee role specific roles in the organization are assigned depending on project type and project class:

Role Class	Joint & IT Projects				Business Projects	
	Project Owner	Finance/Contr.	CIO Office	Global Solutions	Project Owner	Finance/Contr.
A	Board member- or SVP-level	OMV CFO/	CIO	BU Lead IT	Board member- or SVP-level	Divisional CFO (OMV) /
B	SVP- or Head of Dept. level	Petrom CFO (respectively)			SVP- or Head of Dept. level	
C	Head of Dept. Level	Divisional CFO (OMV) / BP Contr. (Petrom) (respectively)	Business Partner IT	Service Integration Manager	Head of Dept. Level	BP Contr. (Petrom) (respectively)
D	No specific requirements	- (role assumed by PO)			No specific requirements	- (role assumed by PO)