

case study



Client: Major Global Petrochemicals Company

Project: Separation of the Petrochemicals Business into a Stand Alone Entity

Project Description

Our client decided to separate the major part of its Petrochemical business into an independent entity, first operationally and then legally, as a basis for subsequent disposal. The new entity would have over 8,500 employees and a combined annual revenue of approximately \$15bn, making it alone one of the largest Petrochemicals companies in the world.

Within the disposing organisation the work scope included dissolution of the Petrochemicals business segment, re-integration of retained petrochemicals businesses into a new area of the mother company and the preparation for sale of the separated company's shares.

The work scope inside the new organisation included creation of a new ERP and accounting system, untangling of decades of integration at the site level, the creation of new support functions, such as HR, Treasury, Legal, Tax and IT for the new entity and the effective management of stranded costs.

This was to be a very large and complex project lasting for approximately 10 months. At this scale of enterprise, mistakes or slippage could not be tolerated so significant assurance was required.

As a trusted supplier of professional services with a proven track record, Chaucer was able to handle the scale and complexity of the project. Chaucer were engaged both to provide project management and project planning services for the functional and operational separation, and also Management of Change services for the establishment and transformation of the new independent entity.

Chaucer's Scope

- Provision of rigour and discipline through its unique project planning process throughout the program on behalf of the program office from day 1. This included early identification of critical activities requiring management intervention.
- Development of work scopes, work breakdown structures, detailed planning and resourcing, progress tracking, management reporting and project assurance. Including a 30/60/90 day plan for post legal completion.
- Project portfolio management for co-ordination and management of a massive number of interfaces and interdependencies. Chaucer engaged not only with all client functions and businesses involved, but also other professional advisers such as legal and accounting teams. This enabled the identification and management of dependencies by becoming a valuable means of inter-program communication as key deliverable dates approached.
- Designing and implementing a robust project controls environment including detailed reporting, for example tracking progress on transfer or novation of more than 1,000 legal supply agreements.
- Risk and Issue Management and Workshop Facilitation.
- Definition and tracking of the program budget. Cost challenges to optimise the budget.
- Ongoing review throughout the project of critical items, key dates, milestones and the vital interfaces and interdependencies that were crucial to the success of this major global undertaking.

Benefits

- The project was successfully completed - on schedule and the new company was separated and fully operational in line with the dates required by the stakeholders / shareholders.
- Working as an embedded part of the client's separation teams across the business, as well as in the project management office, Chaucer's expertise to work across all departments - at all levels - permitted a continuous flow of information providing a basis for effective decision making.
- Risks and issues were carefully monitored and mitigated across all sections of the organisation.
- Chaucer's ability to work with other third parties provided full transparency on all relevant activities - even those being conducted outside of the organisation and their status reporting to the central program office.
- Chaucer's contribution was a significant factor in the very successful conclusion of this project.
- Such was the reputation that Chaucer developed; a further team was retained in the new organisation to provide post separation assurance and development services.

