

INTERNAL

CA PPM implementation in Valmet

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Valmet Corporation

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The image shows two men in a factory environment. They are wearing white hard hats with the Valmet logo and clear safety glasses. They are dressed in high-visibility green and black work jackets. They are both looking at a large white sheet of paper, likely a technical drawing or blueprint, which is held up in front of them. The background is filled with industrial machinery, pipes, and structural elements of a factory. A semi-transparent white box with rounded corners is overlaid on the bottom right of the image, containing the company name and a tagline. The Valmet logo is also present in the bottom right corner of the image.

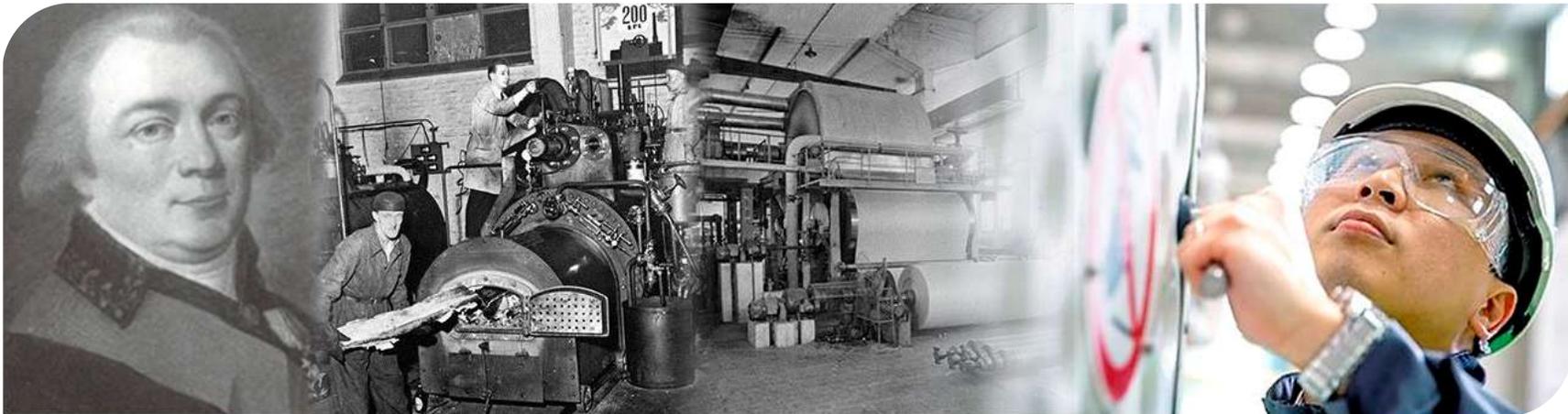
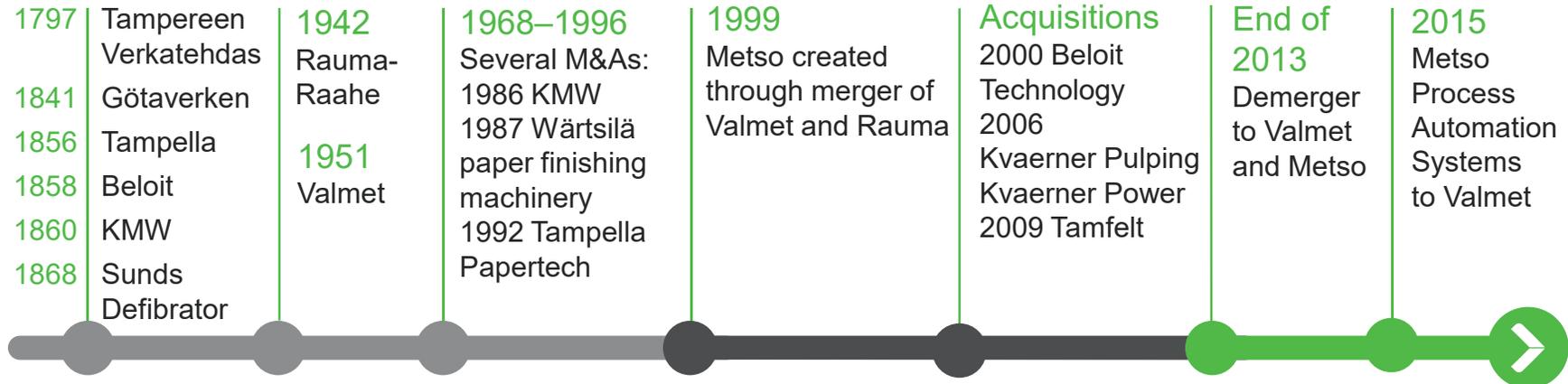
Valmet

Leading process technologies,
automation and services for the pulp,
paper and energy industries

Valmet 

220 years of industrial history in 2017

From cloth making to high-tech processes



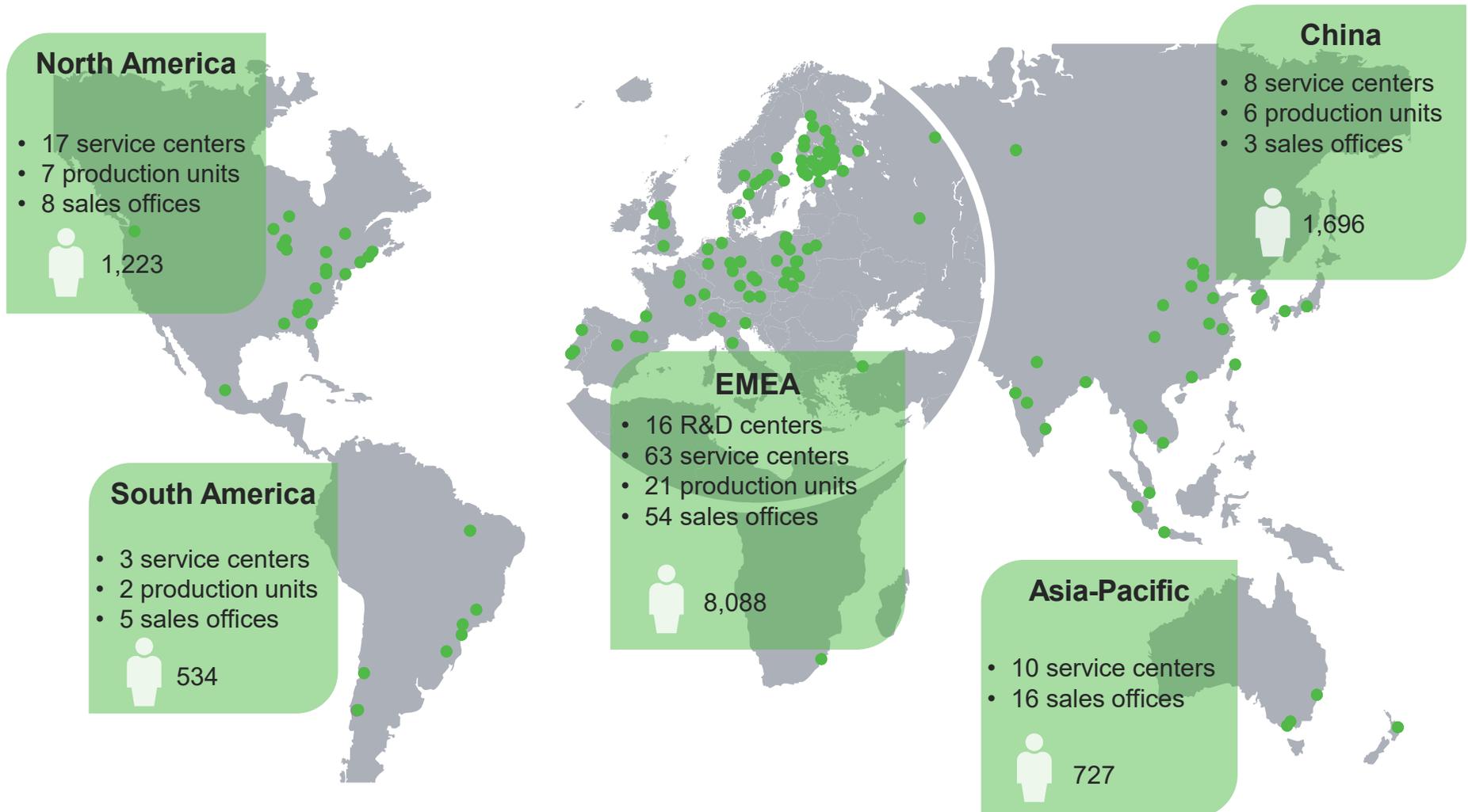
Process technology, services and automation

Valmet's unique offering differentiates the company from its competitors



Strong, global presence is a good platform for growth

Over 120 service centers, 87 sales offices, 36 production units, 16 R&D centers



Employees on December 31, 2017

Key figures in 2017

Orders received
EUR 3,272 million

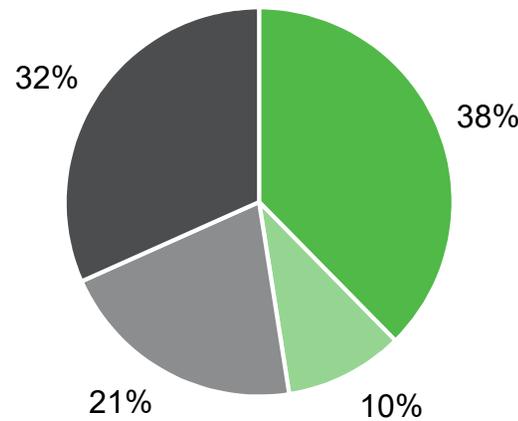
Net sales
EUR 3,058 million

Comparable EBITA
EUR 218 million

Comparable EBITA margin
7.1%

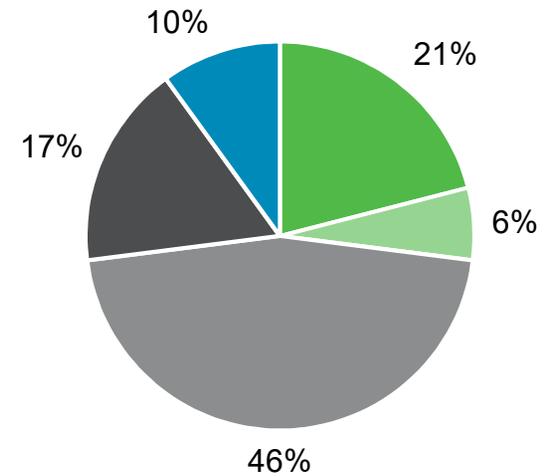
Employees (on Dec 31, 2017)
12,268

Orders received by business line



- Services
- Automation
- Pulp and Energy
- Paper

Orders received by area



- North America
- South America
- EMEA
- China
- Asia-Pacific

Four business lines and five areas



Services
business line



Automation
business line



Pulp and Energy
business line



Paper
business line

| | | | | |
|---------------|--|--|--|--|
| North America | | | | |
| South America | | | | |
| EMEA | | | | |
| China | | | | |
| Asia-Pacific | | | | |

Finance

Strategy and Operational Development

Human Resources

Marketing, Communications and Sustainability

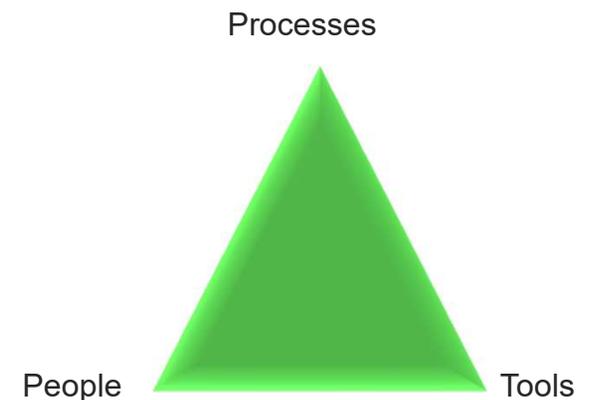
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CA PPM implementation in Valmet

What do we want to achieve?

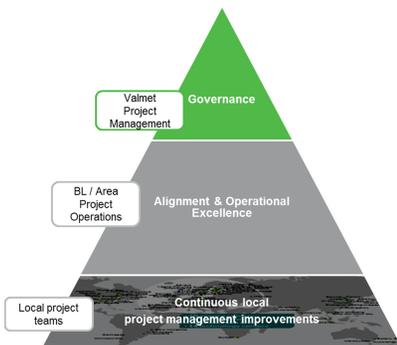
Support early focus – less surprises

- Standardized project management process and means and language to communicate
- Help project managers and teams to monitor projects – improve predictability
- Help to identify and manage deviations and issues in projects
- Establish one source for project data giving transparency into project status and future estimate
- Reduce manual work
- Enhance capabilities for project portfolio management, across organization borders, that supports business decisions



Developing a project culture

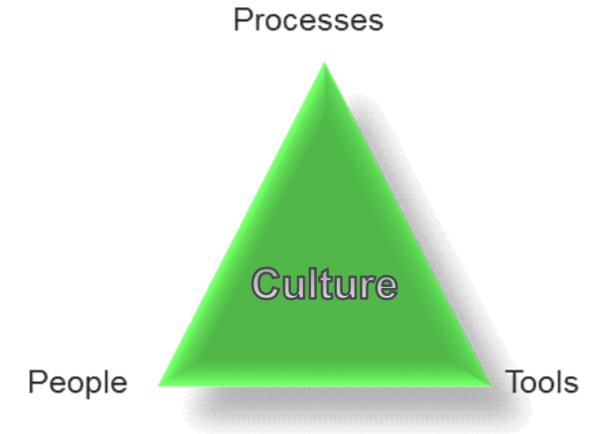
Define common processes and practices



Ensure organization's capabilities



Roles
Competences
Resources...



Establish "toolbox"



Scope of CA PPM in Valmet

Valmet-wide tool for project and project portfolio management

Project execution

| Name | PEM Gate | Status | Gate Decision | Checklist |
|--|----------|-------------|---------------|-----------|
| G0 Decision to set up project | | Completed | | |
| G1 Decision to start delivery project | | Completed | | |
| G2 Decision to start detail engineering | | Completed | | |
| G3 Decision to start site operation preparations | | Not Started | | |
| G4 Decision to start main shipments | | Not Started | | |
| G5 Decision to start construction/installation | | Not Started | | |
| G6 Decision to start commissioning and start-up | | Not Started | | |
| G7 Decision to start performance testing | | Not Started | | |
| G8 Decision to close project | | Not Started | | |

Risk and opportunity management

Risk Rating

Risk Overall Status: Medium

Risk Comments: Challenges to meet performance guarantees due to the new technology, also there is a risk with engineering delays due to the open options

Risk Factors

- Scope: Low
- Technology: High
- Financial: Medium
- Customer: Low
- Resource: Low
- Engineering, manufacturing and support: Medium
- Site visits: Medium
- HSE: Low
- Schedule: Low
- External country-related: Medium

Project status monitoring and reporting

Project Overview

Project Name: ...

Start Date: ... End Date: ...

PEM Gate Decision

| Gate | Decision | Status | Value |
|------|---|-------------|--------|
| G0 | Decision to set up project | Completed | 10,000 |
| G1 | Decision to start delivery project | Completed | 20,000 |
| G2 | Decision to start detail engineering | Completed | 30,000 |
| G3 | Decision to start site operation preparations | Not Started | 40,000 |
| G4 | Decision to start main shipments | Not Started | 50,000 |
| G5 | Decision to start construction/installation | Not Started | 60,000 |
| G6 | Decision to start commissioning and start-up | Not Started | 70,000 |
| G7 | Decision to start performance testing | Not Started | 80,000 |
| G8 | Decision to close project | Not Started | 90,000 |

Project Status and Reporting

Project Progress: ...

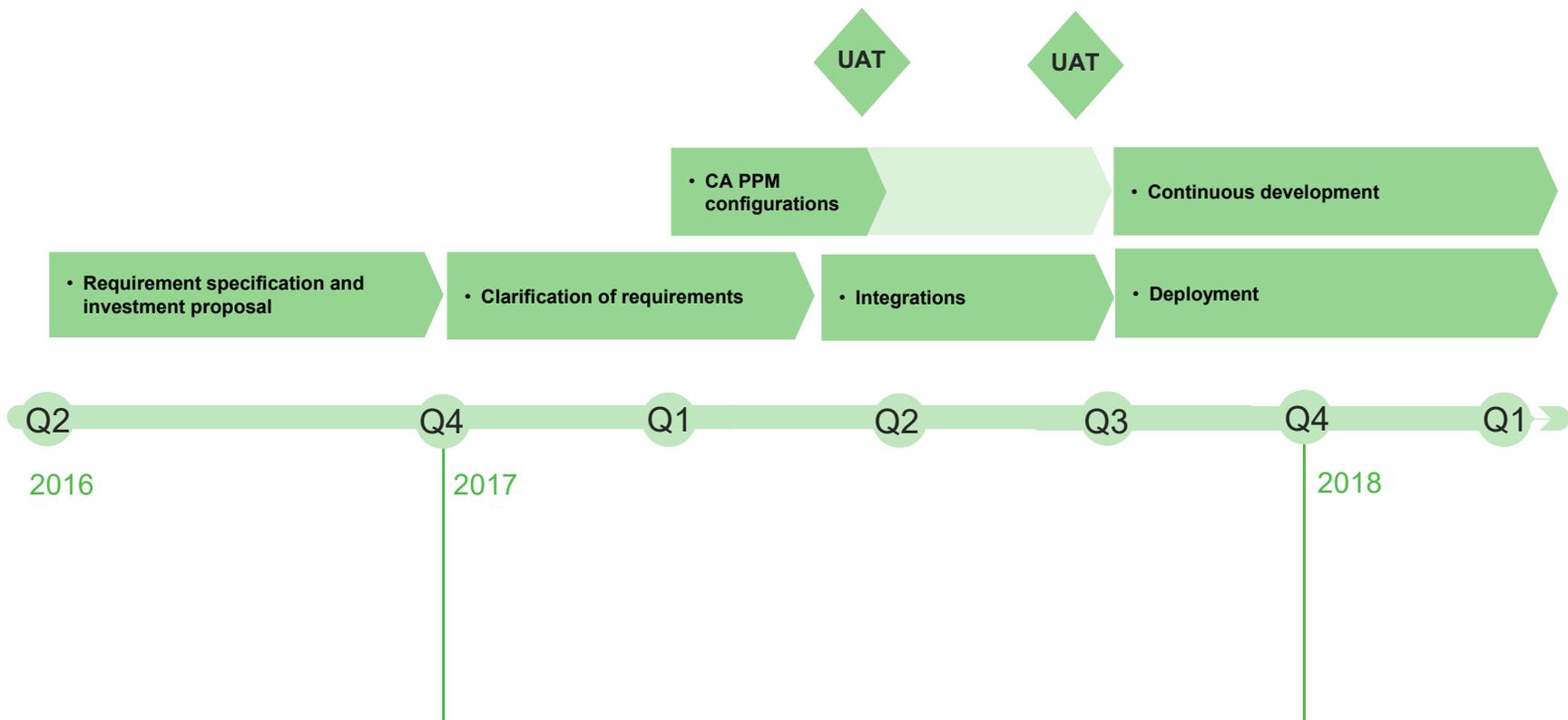
Financial Summary: ...



Project portfolio management

| Name | Delivery Customer | Compare Scope (Products) | Risk Overall Status | Schedule Risk | Financial Risk | Recognition date (in point of time) | Manager | Schedule and secondary Warranty dates |
|--------------------------|--------------------------|--------------------------|---------------------|---------------|----------------|-------------------------------------|----------------|---------------------------------------|
| Kiara's test | APP | | | | | 17.8.2017 | Karvinen, Kira | |
| Toemu testing PEM | NASA | | | | | 7.6.2017 | Kakko, Teemu | |
| SAMPLE project for study | Delivery Customer Alstom | | | | | 1.6.2017 | Kakko, Teemu | |
| Kiara's test 2 | Stapp | | | | | 19.6.2017 | Karvinen, Kira | |
| Maja's test project | Stockholm Energi | | | | | | Nieminen, Maja | |
| Toemu Kakko Sub-project | | | | | | | Kakko, Teemu | |
| Toemu Kakko Main-project | Fun calls | | | | | 1.6.2017 | Kakko, Teemu | |

Timeline of the project



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Managing change

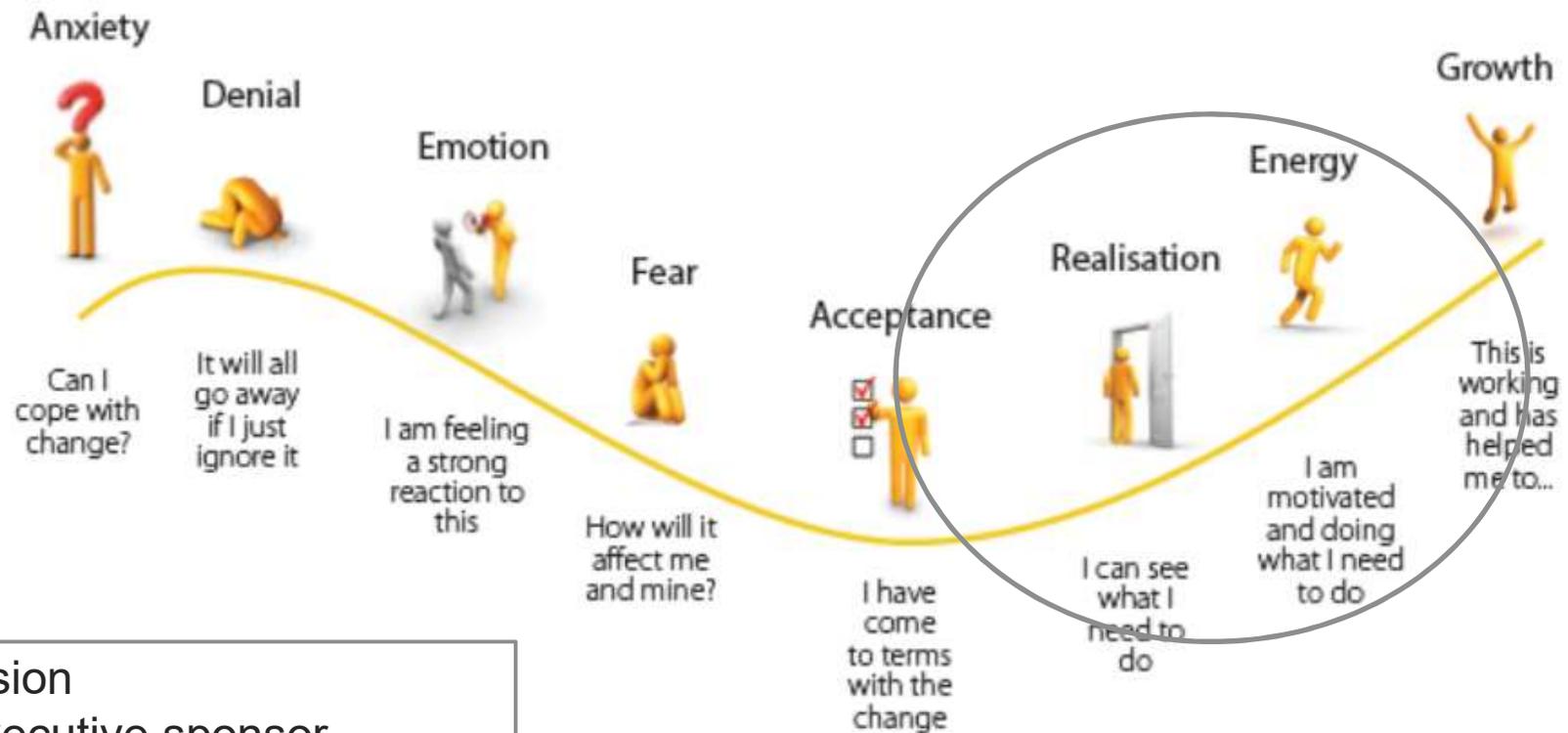
Communication and engagement is the key

- Participation of target group representatives in requirement specification and testing phases
- Regular info sessions to users
- Support in deployment
- Immediate response and support to users



Change curve

Individual curve for all changes – and all stakeholders



- Vision
- Executive sponsor
- Involvement / Engagement
- Communication
- Coaching / Motivating

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Thank you!

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