

## Newsletter – Q3 2020

### Welcome from ECRI's CEO, Jon Nield

Welcome to our inaugural quarterly newsletter for our Sponsors and their Partners. What an era in which to be launching this new initiative and never has there been a better time to put risk management at centre stage in the Engineering & Construction industry. From how to redeploy our work force as COVID lockdowns are lightening to surviving and competing in the current economic conditions, there has never been a stronger case for sharing and improving best practices in risk management across our community.



Despite the current inability to provide ECRI's established professional-to-professional interaction forums in-person, we are navigating a route to maintaining top services and value-added opportunities for our Sponsors via cyberspace. Our regular calls to discuss the impact and path forward from the effects of COVID are generating real-time opportunities for our Sponsors to engage with peers across the industry to help bolster internal risk management and share best practices – we'll be capturing key learnings in a best practices summary, enhanced through an upcoming survey of Sponsor views on the subject.

We recently kicked-off the first of a series of virtual workshops on our Collaborative Infrastructure Delivery Initiative, co-hosted with the World Economic Forum and the Project 13 team. This initiative has seen excellent participation from ECRI Sponsor representatives. You can read more on this workshop below.

With rampant speculation about what our 'new norm' will be ECRI is endeavouring to put a framework around the steps being taken in the E&C industry. We are already seeing technology enabling remote working to become a permanent feature, with implications for infrastructure capacity. The sustainability of these new ways of delivering services, where face-to-face team working has always been seen as essential, remains a question for us to explore. We will be seeking to identify and distil the best practices of remote working through our SIG meetings along with other emerging industry topics in the months ahead.

Our world has changed during this year and our industry needs to move with the times, scenario plan for future black swans that undoubtedly lie ahead, whilst balancing agility, adaptability and resilience with experience and judgment - all underpinned by sound risk management. ECRI remains your partner in supporting your risk management professionals in successfully managing the risk and uncertainty that permeate your industries. I look forward to continuing this journey with each of you.



### Event News

#### ECRI Co-hosts virtual workshop with WEF and Project 13 on Collaborative Infrastructure Delivery

At the end of June, we ran the first of a series of virtual workshops co-hosted with the World Economic Forum and the Project 13 team focused on our Collaborative Infrastructure Delivery Initiative. These workshops are laying the foundations for re-balancing the allocation of risks in the development and delivery of major infrastructure projects.

This first workshop provided a platform for ECRI Sponsors and other parties already embarked on this journey to hear from 2 of the early adopter owners – Sellafield Ltd. and Anglian Water Services – and gain insights into their experiences and learnings from the adoption and implementation of outcome-focused collaborative delivery principles.

Of particular value to participants was the Q&A opportunity, enabling our E&C community to better understand how to address some of the challenges of transitioning from traditional delivery models towards alignment on this new collaborative approach.

The second workshop is planned for September/October and will feature a broadened participation, to include owners, investors, and financiers to further the discussion and alignment process.

Our thanks to the teams at WEF and Project 13 for their support and to KPMG for moderating the workshop and discussion.

### Events Calendar

July  
2020

**Webinar:** "Increasing Execution Performance to Achieve Budgeted Profitability for Owner and Contractors". **Neil Longson, VP & BU Leader, RLG International – 21<sup>st</sup> July**

**Webinar:** "Current Construction Risks from a Contractor's Perspective". **Zahi Ghantous, VP Construction Support and Quality Management, CCC – 28<sup>th</sup> & 29<sup>th</sup> July**

Aug.  
2020

**Webinar:** "The Use of Parametric Risk Analysis for Systematic Risks". **John Hollman, Owner, Validation Estimating LLC – 11<sup>th</sup> August**

**Webinar:** "Embarking all Project Stakeholders for a Proactive Risk Management". **Dr Mayank Agarwal, Global Risk Management Director, Air Liquide – 25<sup>th</sup> August**

Sept.  
2020

**Webinar:** "CISDI Company Introduction". **John Lester, Managing Director, CISDI UK Ltd – 15<sup>th</sup> September**

Sept./  
Oct.

**Webinar:** "Collaborative Infrastructure Delivery Initiative" Workshop No 2 – **WEF/ECRI/Project 13 co-hosted – Sept/Oct – date TBC**

To book a space for any of the above webinar events, please email [susan.mahon@ecrionline.org](mailto:susan.mahon@ecrionline.org)

## New Sponsor Spotlight - CISDI



At the beginning of this year we were delighted to welcome CISDI (Chongqing Iron & Steel Designing Institute) as ECRI's newest Sponsor. One of the core subsidiaries of MCC (China Metallurgical Group Corporation), under China Minmetals a global Fortune 500 company. CISDI is committed to research and development of steel industry technology and is an expert provider for total solutions, consulting, engineering, package supply and turnkey, whole process engineering consulting, core equipment manufacturing and operations management.

CISDI traces its origins back to the Chongqing General Iron and Steel Design Institute, established in 1958. Headquartered in Chongqing, CISDI has over 20 subsidiaries across the globe, with more than 4,000 staff and enjoys an influential brand in the global steel industry.

CISDI is a pacesetter for metallurgical construction and operations and focuses on intelligent and digital developments for China's steel supply-side structural reform and the global manufacturing trend.

Led by consulting, CISDI's total solutions expertise embraces restructuring, upgrading, intelligent and green manufacturing, and gives impetus to the development and application of new processes, technologies, materials and manufacturing methods.

Recent world-scale EPC projects undertaken by CISDI include the Baosteel Zhanjiang manufacturing plant in China and the Formosa Ha Tinh Steel plant in Vietnam.

ECRI Sponsors will have the opportunity to learn more about CISDI during September when John Lester, Managing Director of CISDI UK and Vice President of CISDI Engineering, will provide a company introduction presentation as a part of ECRI's program of webinars.

You can find more information on CISDI at [www.cisdigroup.com](http://www.cisdigroup.com)

## Sponsor News & Articles

Zahi Ghantous,

VP Construction Support & Quality Management, CCC



The engineering and construction industry faces many risks and challenges that impact the business ability to successfully deliver projects on time and within budget. Failure to recognise and adequately manage risks whether corporate or project-related is detrimental to the overall effective management of any project.

Contracting risks range from global market conditions including commodity prices, investment opportunities, and fierce competition to commercial challenges such as stringent contractual terms and conditions, insufficient tendering periods, ambiguous contract requirements, cash flow matters and strenuous dispute resolution mechanisms. They comprise client risks including financial standing, experience, and SIMOPS management capabilities in addition to project-specific technical risks be they tight milestones, availability of pre-construction data, engagement of the right resources and split of responsibilities between stakeholders. EP partner and other synergy challenges, country risks such as currency fluctuations, political instability, ICV values, local laws, and reliability of local suppliers, and contractor own operations round up the main risks.

Whereas environmental risks cannot be overlooked either, the current business landscape has shed light on the unsettled geopolitical landscape, advance of national policies, and global economy events as key risks as well.

The COVID-19 pandemic has presented a sordid example on this type of risk which has repercussions on all project aspects involving travel and transportation restrictions, day-to-day operational requirements, country curfews, safety associated costs, and the like.

The pipeline sector – due to its nature of extended geographical spread – presents its own additional risks including the control of permitting and land entry agreements, handling multiple interfaces, execution of all types of crossings, varying weather conditions, additional safety hazards due to long open trenches for example, and security issues, to mention a few.

CCC's long track record of operation within different sectors of the industry and over diverse locations in the world has shaped its outlook on dealing with project risks, and consequently moulded its proactive approach to risk management whereby internal and external risks are identified from the early phases of execution; additionally, mitigation measures are continually revisited to ensure minimal disruption from threats and maximised utilisation of opportunities. Risk management is perceived as both a top priority and prerogative for corporate and project management, and advanced systems and tools are constantly evolving to empower the decision-making process and subsequently the success of project execution.

Zahi Ghantous is hosting a webinar "Current Construction Risks from a Contractors Perspective" on the 28<sup>th</sup> & 29<sup>th</sup> July. See Events Calendar and details for how to book a space.

### Some of our Sponsors



## Education & Training Calendar

Aug.  
2020

**Webinar:** E&C Risk – Setting the Scene: Introduction to Risk Management – **12th August (08.00hrs & 16.00hrs UK time)**

**Webinar:** Key Risk Areas – The Front End: Invitation to Bid, Bid Submission, Contract Negotiation & Award – **26th August (08.00hrs & 16.00hrs UK time)**

Sept.  
2020

**Webinar:** Elements of Best Risk Practices: EPC Project Implementation through to Mechanical Completion – **8th September (08.00hrs & 16.00hrs UK time)**

**Webinar:** Key Risk Area – The Back End: Project Completion through to Project Close Out – **22nd September (08.00hrs & 16.00hrs UK time)**

Oct.  
2020

**Webinar:** Key Risk Area – Inadequate Handling of Change: Change Management throughout the Project Life Cycle – **13th October (08.00hrs & 16.00hrs UK time)**

**Webinar:** Key Risk Area – Inadequate Handling of Change: Secondary Impact / Consequences of change – **27th October (08.00hrs & 16.00hrs UK time)**

Nov.  
2020

**Webinar:** Key Risk Area – Working with Others: Collaborative Working Arrangements in the E&C Industry – **10th November (08.00hrs & 16.00hrs UK time)**

**Webinar:** Enterprise Risk Management: Introduction to ERM – **17th November (08.00hrs & 16.00hrs UK time)**

To book a space for any of the above training courses, please email [elaine.spiller@ecrionline.org](mailto:elaine.spiller@ecrionline.org)

## About ECRI

The Engineering & Construction Risk Institute (“ECRI”) is an independent, not for profit industry association of leading companies in the engineering & construction industry devoted to improving business conditions for project development & delivery organisations across the full range of industry sectors including Infrastructure Development & Delivery, Oil & Gas, Energy & Chemicals, Metals/Minerals & Mining, Environmental, and Power & Renewables both on a discrete project and broader programme basis.

ECRI's core purpose revolves around “**raising the bar in risk management**” for the benefit of the industry as a whole and involves the participation of high-level individuals from Sponsoring companies who are committed to improving business conditions across the E&C industry.

## Sponsorship Benefits

A key benefit our Sponsors universally report, and which is entirely *UNIQUE* to participation in ECRI, is access to informal networking, discussion and benchmarking. This singular opportunity to interact with top industry peers through ECRI's unique meeting forums enables Sponsors to meaningfully share experiences, exchange ideas for best practices around risk management, and generate support for risk management professionals within their organisation.

These forums include the bi-annual **Sponsor Meetings** which feature presentations on current issues from Sponsors and selected third parties and are an excellent opportunity to network and build relations. Common issues and industry trends are discussed in a stimulating environment with strict adherence to anti-trust regulations. These in-person forums provide real opportunities to promote quality risk management across the E&C industry. ECRI also provides **Special Interest Group (SIG) Meetings** to facilitate small group, in-depth discussions on the most critical risk management issues; weekly and bi-weekly **webinars** on industry ‘hot topics’, and **Quarterly Board Meetings** for nominated Sponsor representative to help steer ECRI, its initiatives, and its value to our Sponsors. *During the current COVID crisis we are continuing with our programme of meetings on a virtual basis via webinars.*

All these provide frequent opportunities to engage with risk management experts from leading E&C companies both globally and locally.

ECRI provides Sponsors with free access to unique **Education & Training Courses** and **Master Classes** at various global locations in person and via bite-sized webinar modules. This unique training enables participants to more ably and professionally identify, manage and implement sound risk awareness and management practices in the global E&C industry and covers Project Risk, Portfolio Risk, Programme Risk and Enterprise Risk. *These courses are being run as online webinars during the current COVID crisis.*

Our Sponsors have online access to 80 **Best Practices and Guidelines** on improving risk management in project delivery along with a Databank of Sponsor and other industry specialist presentations and thinktank type ‘white-papers’.

ECRI offers each Sponsor company a free and confidential risk management processes and procedures ‘Risk Review Audit’ service performed by experts in such analysis.

ECRI assists Sponsors with independent opportunities to engage secondary stakeholders, such as legal, insurance, banking, finance and management consultancy.

The quarterly **Newsletter** offers Sponsors the opportunity to publish news articles of interest and keep up to date with our upcoming events calendar and other current initiatives or industry developments. ***We hope you will share this newsletter with others in your organisation as you seek to elevate the bar, and visibility, of risk management in your business.***

## ECRI Board of Directors

Chair: Sara Peterson, Bechtel  
John Kouchoukos, AECOM  
Dr Mayank Agarwal, Air Liquide  
Jan Bouten, Arcadis  
Zahi Ghantous, CCC  
Jon Nield, ECRI  
Greg Ramsay, Hatch  
Mark Bello, Jacobs  
Tom Roell, Parsons  
Borys Yarosh, SNC Lavalin

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**Raising the Bar in Risk Management**



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