



INFRASTRUCTURE

MINING & METALS

NUCLEAR, SECURITY & ENVIRONMENTAL

OIL, GAS & CHEMICALS



# Relationships, Innovation and the Productivity Divide

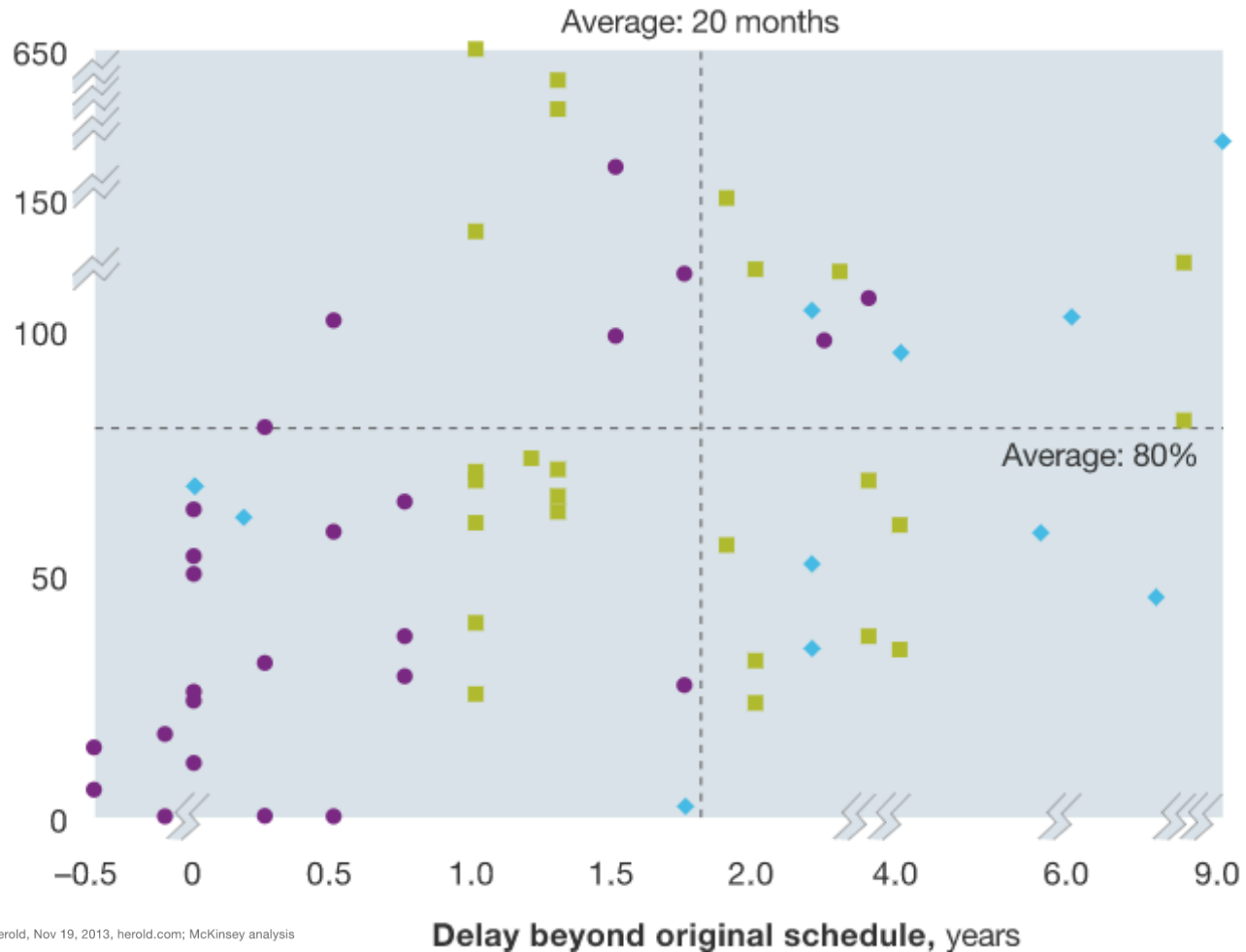
Jeff Sipes, Principal Vice President  
Marketing and Business Development



# State of the Industry

Estimated overrun in capital expenditure, % of original quoted capital expenditure

- Mining (purple circle)
- Infrastructure (blue diamond)
- Oil and gas (yellow square)



Source: Global Projects Database, IHS Herold, Nov 19, 2013, herold.com; McKinsey analysis

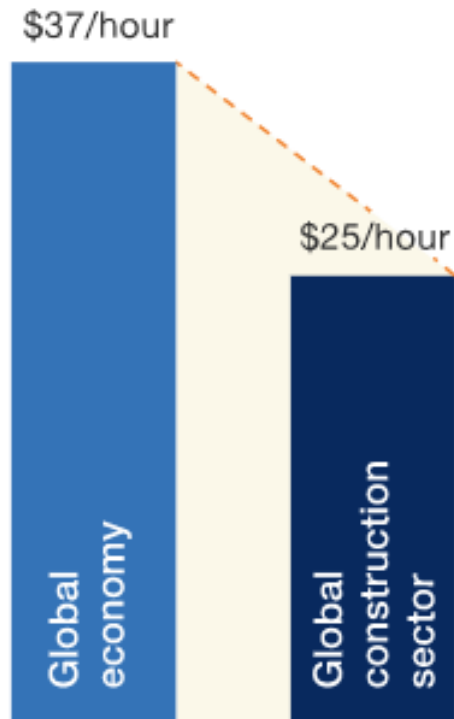
McKinsey&Company



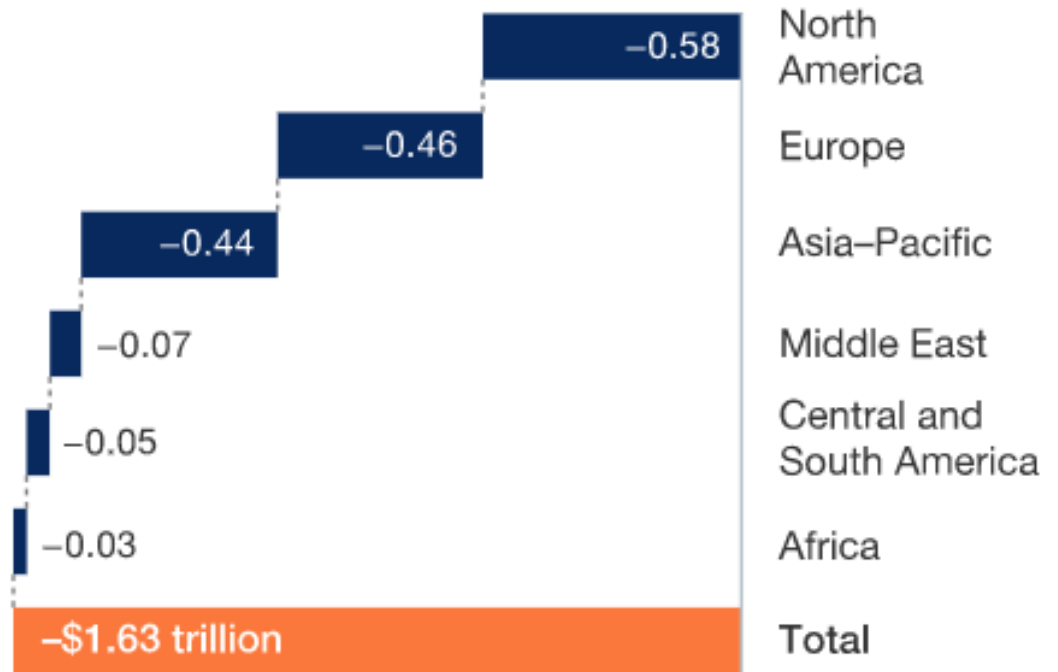
# Construction Productivity

Productivity gap =  
**\$1.63 trillion**

Economic value lost as a result of the gap,<sup>2</sup>  
 by region, \$ trillion



Average value added by employees per hour worked<sup>1</sup>



<sup>1</sup>2015 data in real 2005 dollars.

<sup>2</sup>Assumes construction productivity catches up with total economy productivity and current workers are reemployed at the total economy productivity rate.

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# Get Alignment



- Regulation/compliance
- Contracts
- Engineering and design
- Procurement



- Project execution
- Customer engagement collaboration
- Quality



- Project leadership
- Craft skills
- Training
- Workforce culture
- Innovation
- Safety performance



# Get Alignment



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People



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- Customer engagement collaboration
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People



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People

