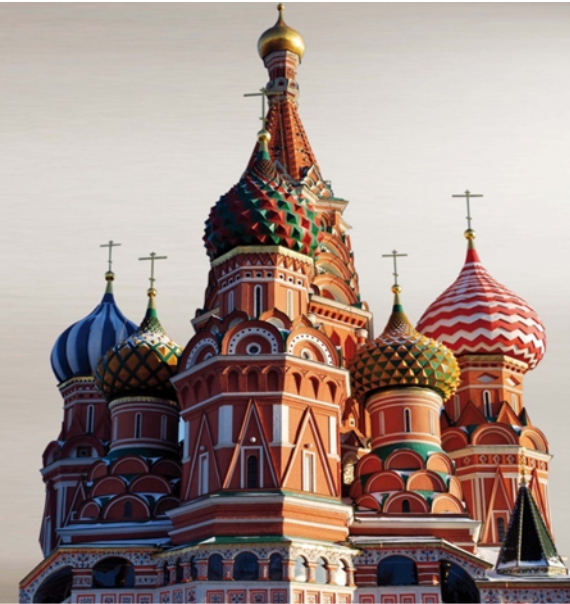


TURNING VISIONS INTO REALITY.



Investment Projects in Russia

Managing Challenges & Opportunities

Dipl.-Ing. Bo Ivan Wallenberg

Moscow, 21.11.2012



THOST
PROJEKTMANAGEMENT

ООО Тост Россия Проектменеджмент



1. Challenges & Opportunities

2. Project Success Factors

3. Examples

- Risk Management
- Time Structuring



1. CHALLENGES AND OPPORTUNITIES

Challenges (selection)

- Project organization and communication
- Time and budget pressure
- Quality standards
- Land plot / Object and infrastructure
- Changing environment / official partners
- Transparency & compliance
- High level of uncertainty



1. CHALLENGES AND OPPORTUNITIES

Opportunities (selection)

- Growing market, consumer market
- Need for development and investments
- Need for good commercial real estate
- “Support” from government, request for localization
- Partners in RF value European Businesses
- Strong need for foreign technology and expertise
- Synergies in projects (e.g. neighbours, other international companies)



2. PROJECT SUCCESS FACTORS (SELECTION)

Project Organization

- Appropriate project organization (right partners) individually for each project
- Scope of services / interfaces / contracts to be precisely defined

Project Structuring

- Clear and transparent structuring
- Detailed break-down into phases
- Risk Management during the phases
- Step-by-step entrance into obligations

Land plot / Object

- Conditions for construction
 - Media Supply and transport infrastructure
- Legal and technical due diligence

→ Professional Project Management



- helps to gain control of the project
- prevents many problems and make others less likely
- helps to always have a “Plan B”
- helps to eliminate uncertainties
- needs independent risk evaluation and monitoring
- needs forward-looking planning & monitoring
- **ensures step-by-step entrance into obligations**

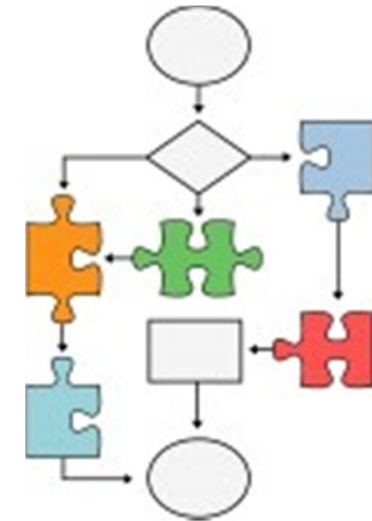




Process

- Risk management planning
- Identification / analyses of risks
- Risk response planning & measures implementation
- Monitoring and controlling the risk responses

→ Risk Register



Challenges (Threats) & Opportunities

- Identified in advance (level of uncertainty?)
- Positive or negative impacts on the project
- High amount of challenges can be eliminated
- Also include “good risks”, called opportunities





Example Risk Register

Risk Identification			Qualitative Rating				Risk Response		
No.	Risk	Risk Category	Probability	Impact	Risk Score	Risk Ranking	Risk Response (contingency action)	Trigger	Risk Owner
1	Techn. conditions electricity	Infra	3	3	9	8	Guarantee Letter	Expertise	PM
2	Road connection	Infra	4	5	20	2	Temporary Road	No constr. road by [date]	Client
3	Working design adjust. after Expertiza	Design	2	3	6	12	Additional design ressources	Comments expertise	PM
4

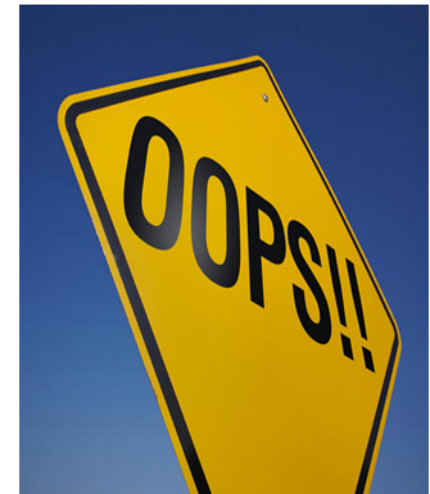
Additional as required:

- Date raised, raised by
- Description of risk, description of impact
- Preventive action (owner/responsible, action date)
- Executive reporting (highlight main risks, show selected columns)
- etc.



Main Errors

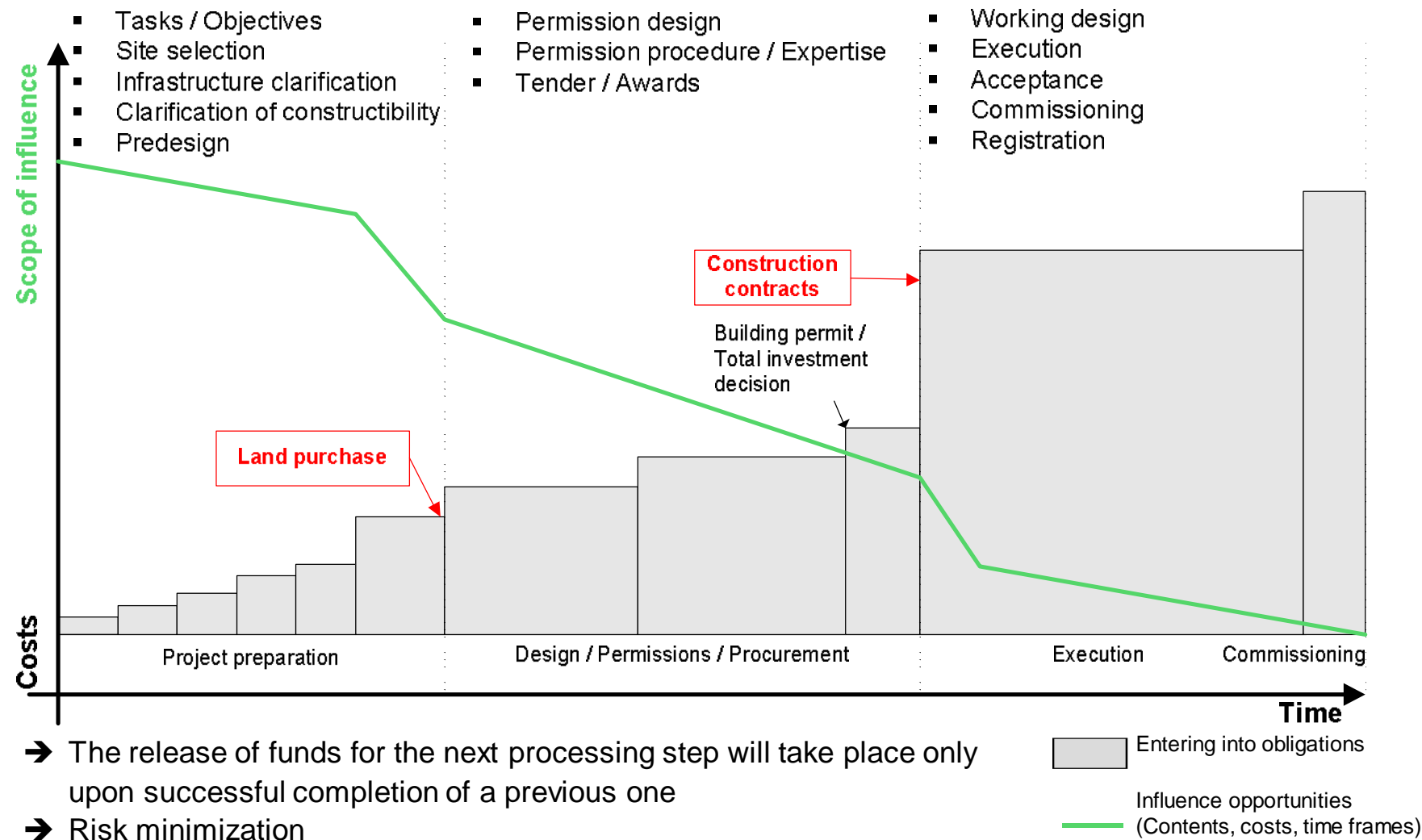
- Risk identification completed without knowing enough about the project
- The risks identified are general rather than specific
- Whole categories of risks are missed
- Not enough attention during project executing (constant monitoring)
- Contracts are signed without risk consideration
- Risks are not a fixed agenda item in project meetings
- No step-by-step entrance into obligations





TIME STRUCTURING

Step-by-step entrance into obligations





Facts and Figures

- Founded in 1987
- International Focus
- Employees approx. 300, Engineers approx. 250
- Ownership by managing directors
- Leading in Project Management
- Experience in all fields of construction, industry, transportation systems and energy
- Number of contracts (projects) executed in 2011: approx. 350

Locations

THOST Projektmanagement GmbH

- Head Office: Pforzheim, Germany
- Branch offices Germany:
Berlin, München, Duisburg, Hannover,
Hamburg

Subsidiaries **international**

- OOO THOST Russia Projektmanagement
- THOST Project Management Middle East L.L.C.
- THOST Projektmanagement Switzerland AG
- THOST Project Management India Pvt. Ltd.

- Certificate DIN EN ISO 9001:2008
- Member of German Chamber of Commerce Moscow
- Member of German Sustainable Building Council
- Member of Association of European Businesses in RF





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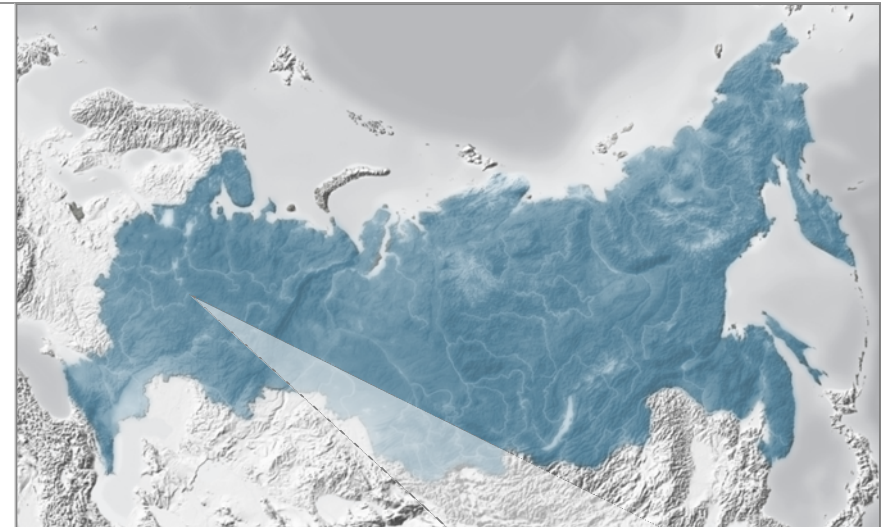


THE LINDE GROUP



OOO THOST Russia Projektmanagement

- Single projects in CIS since 1995
- Permanent in Russia since 2004
- OOO since 2006
- Staff: 25 - 30 (D, RUS)
- Independent
- Shareholder: THOST Projektmanagement GmbH



Contacts:

Director

Andreas Spathelf

Deputy Director

Bo Ivan Wallenberg

Head of Projects

Daniel Kiefer



Dubininskaya Street

House 3, Building 1

115054 Moscow, Russia

+7 495 744 01 93

moscow@thost-group.com



Thank you for your attention

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