

Midocean University
College of Business Administration
Master of Risk Management
Final project proposal
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Risk management of oil and gas projects in Saudi Arabia

إدارة مخاطر مشاريع النفط والغاز في المملكة العربية السعودية

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Introduction

The Demand for Oil and Gas keeps rising around the world and energy sector in Saudi Arabia has the biggest focus in terms of supplying the high-quality products in timely manner and competitive costs. As the market demand keeps increasing, the number of Oil and gas Projects will increase also which, in turn, involves so many types of Risk that need to be monitored and managed to ensure safe Project delivery within the planned budget, quality and time. (Zand, E. D. ,2009)

There are some challenges in managing oil and gas Projects in Saudi Arabia due to the complexity of the resources required to build up the projects within specific scope and budget and plan. The more complex is the project, the more risks are expected to be encountered so it becomes a crucial at early stage of the project to develop a risk analysis and strategies to manage the risks during the entire cycle of the project.

Risk is defined as uncertainty of an event that can impact positively or negatively; therefore, management of the potential risk will assure the continuity of the development and project completion as planned.

Study problem

During the cycle of the projects, Risk management is a critical step that should be assessed and monitored because poor assessment on the risks and late corrective action taken will lead to failure of the project delivery and overrun on the budget. This research will outline the relative risks to oil and gas projects of companies in Saudi Arabia and evaluate the strategies applied to deal with those risks for project safe delivery.

The importance of studying

The target of this study is to identify the effective application of risk management on the project in Saudi oil and gas companies.

Objectives of the study

1. Identify significant risks related to projects of Oil and Gas Companies in Saudi Arabia.
2. Review risk factors in oil & gas projects, and perform risk assessment & analysis.
3. Outline the suitable Risk management strategies with proper application for projects of Oil and Gas Company in Saudi Arabia.
4. Study the efficiency of risk management tools applied on the projects and Identify risk response methods.
5. Provide findings, feedback, and recommendations as a result of this study.

Study questions, What when how why?

1. What are the risks that impact the timely project delivery in oil and gas projects?
2. What are the procedures used in the past and currently to manage risks of oil and gas projects?
3. What are the effective tools to be used for risk identification and management?
4. How to deliver oil & gas projects in time by applying risk management?

Theoretical premises of study

Applying risk management affects the delivery of oil & gas projects in Saudi Arabia, and determines their Success or failure.

Methodology and research methods

1. Review literature and previous studies to collect data and form a list of risk factors that affect projects of oil & gas.
2. Meeting and contacting experts in Saudi Arabia to discuss risks and issues affecting project delivery from their perspective and add them to the list.
3. Conduct a questionnaire survey, with experts, for more data collection and to complete the list of the considerable risks.
4. Analyze all gathered data to determine the most important risk factors of oil and gas projects in Saudi Arabia.
5. Apply risk management tools to control and manage risks.
6. Conduct a questionnaire survey, with experts, to measure the effectiveness of risk management on the project success in many aspects. (Qualitative method / Quantitative method).
7. State all results and describe the findings to give proper recommendations.

Study tools

1. Interviews
2. Questionnaires
3. online surveys
4. Data analysis

Fields of study

1. Risk Management.
2. Business Management.
3. Project Management.
4. Engineering.
5. Supply Chain Management

Previous studies and theoretical framework

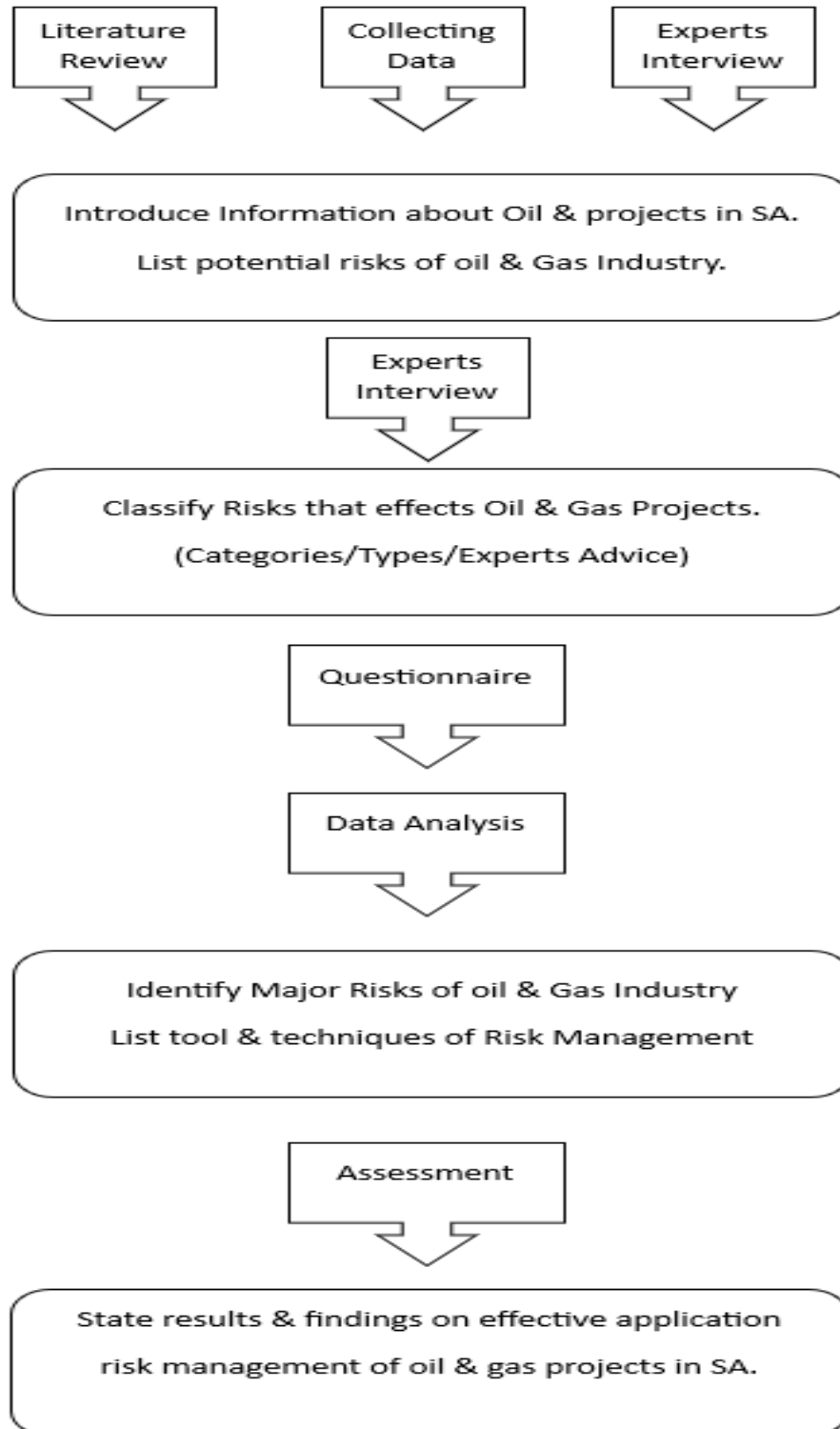
Project Risk evaluation reaches to the level where it could be more reliable due to the methods that have been used to avoid the anticipated risks that might affect the project execution. Such as, FMEA and HAZOP and FTA . (Suda, K. A., Rani, N. S. A., Rahman, H. A., & Chen, W. 2015). A review on risks and project risks management: oil and gas industry. International Journal of Scientific Engineering, 6(8), 938-943. Implementation of these methods become a challenge to the oil and gas sector as there is a lack of awareness in the interfaces between the Project execution plan and Risk management plan. In Fact , Finalizing the Project plan and sequence of activities without linking the anticipated risks that might occur to each activity will lead to negative impact on both cost and schedule. Project stakeholders should finalize the anticipated risks in the risk profile and keep it updated and monitored. Training project team members on the methods developed to evaluate the risks in daily activities with frequent coaching sessions will make the team members responsible about their safe achievement of subjective tasks and sharing their thoughts and proposals on the best practice ways to complete certain job.

Proposed tab according to the time plan

1/ Time plan for the proposal:

Sr	Planned activities	Week 1	Week 2	Week 3	Week 4	Week 5
1	Team building					
2	Research Plan discussion					
3	Drafting the title and sourcing for references					
4	Drafting the proposal					
5	Finalizing the proposal					

2/ Time plan for the research:



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