



**QUALITY
ASSURANCE
AND THE
SINKING OF
THE
LARGEST
OFFSHORE
OIL
PLATFORM**

March 2001

For those of you who may be involved in project cost control (at whatever level),



please read this quote from a Petrobras executive,



extolling the benefits of cutting quality assurance and inspection costs,



on the project that
sunk into the Atlantic
Ocean off the coast of
Brazil in March 2001.





"Petrobras has established new global benchmarks for the generation of exceptional shareholder wealth



through an aggressive and innovative programme of cost cutting on its P36 production facility.

Conventional constraints have been successfully challenged



and replaced with new paradigms appropriate to the globalised corporate market place.





Through an integrated network of facilitated workshops,

the project successfully rejected the established constricting and negative influences of prescriptive engineering,



onerous quality requirements, and outdated concepts of inspection and client control.





Elimination of these unnecessary straitjackets has empowered the project's suppliers and contractors to propose highly economical solutions,





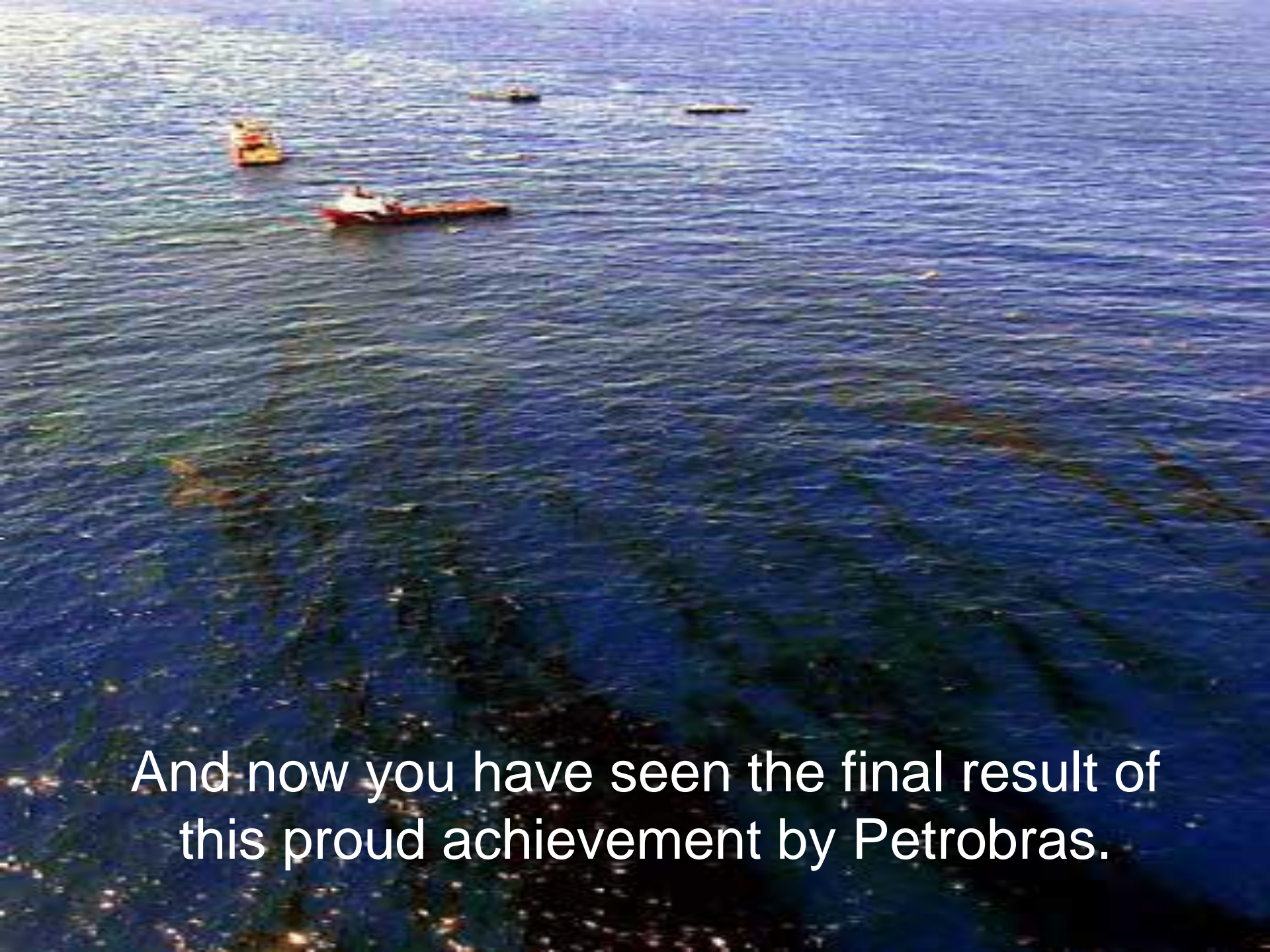
with the win-win bonus of enhanced
profitability margins for themselves.



The P36 platform shows the shape of things to come

in unregulated global market economy of the 21st Century.“



An aerial photograph showing a large-scale oil spill cleanup operation in the ocean. Several large, orange and white containment booms are deployed in a grid pattern across the dark blue water. A red and white tugboat is visible in the upper left quadrant, likely managing the booms. The water surface shows some lighter patches, possibly oil or foam. The text is overlaid at the bottom of the image.

And now you have seen the final result of
this proud achievement by Petrobras.

An aerial photograph of a vast ocean surface covered with numerous small, dark, irregular patches of oil. The patches are scattered across the water, with some appearing as thin lines and others as small, dense clusters. The background shows a hazy horizon under a pale sky.

QUIZ:

1. How many lives were lost to this cost saving effort and how did this impact the environment, needlessly?
2. Did the person giving this speech *or anyone in upper management connected with this decision* lose their job/bonus?
3. How much did Petrobras *really* save?
4. Does *your* company have a cost saving effort? If so, you'd better know how to swim.