

1 Introduction

Contractors are program and project focused. Projects are temporary organizational structures that deliver a result according to an agreed specification, time, and budget. Programs are overarching organizational structures for multiple related projects.

Projects have their own life cycle. Figure 1 shows a typical project life cycle. Concept studies often provide the information for proposal requests. A Front-end engineering and design study uses the available information, often in a relatively brief period, to define the proposal. Several companies respond to the request for proposal, during the tendering phase. When a contractor wins the order, then the design and engineering can start. After design and engineering, the contractor can manufacture, test, and install the system(s). When the customer agrees with the acceptance test results, the customer pays the final agreed payment. Now the system is ready for use for a long period of operating and maintaining, until the system requires disposal.

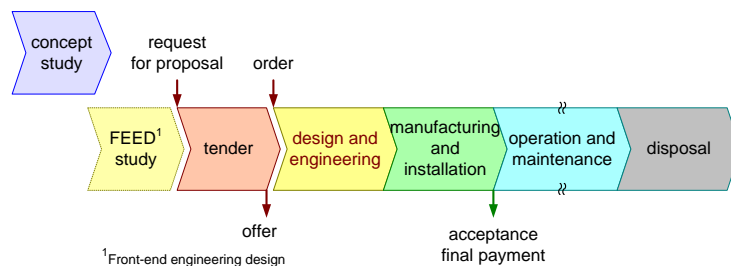


Figure 1: Typical Project Life Cycle

Most contractors use a phase gate process to manage their projects. Figure 2 shows a typical phase gate process for projects. Design reviews are interaction moments between acquirer and contractor.

Many contractors reuse past project knowledge for future projects. Figure 3 shows how they reuse information from tendering and design and engineering.

2 Contractor Process Decomposition

The core process of contractors is the process to sell and deliver. When we zoom in, we can see in this process sub-processes, such as concept study, project execution, and deployment. Figure 4 shows the process decomposition for a contractor business. The sell and deliver process may use products or components. Contractors often try to reuse past projects in the form of products that they can reuse in future projects. The line management process manages the people, process and technology for use

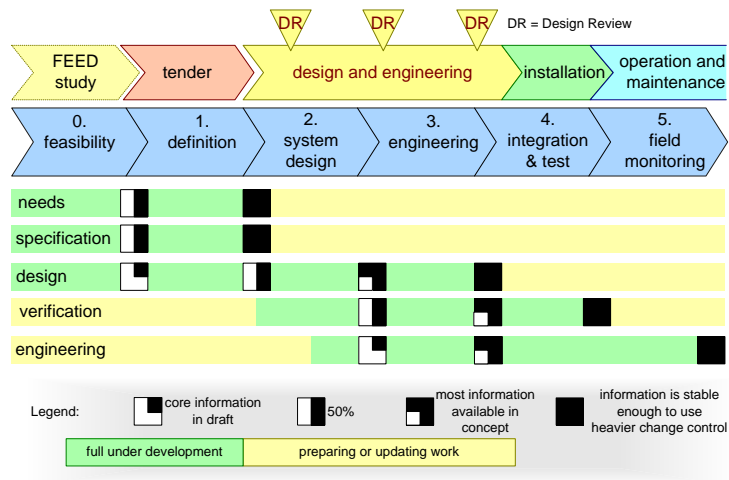


Figure 2: Typical Phase Gate Project Approach

in the sell and deliver and product creation processes. Selling and delivering is an urgent process, product creation is more tactical, while line management is a long-term process. These processes have tensions, where urgent, shorter term, will always win, unless leadership has a clear policy and manages these tensions. The policy and planning process is for looking ahead and managing these tensions.

References

- [1] Gerrit Muller. The system architecture homepage. <http://www.gaudisite.nl/index.html>, 1999.

History

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- corrected linguistic errors

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- Created article version
- changed status to draft

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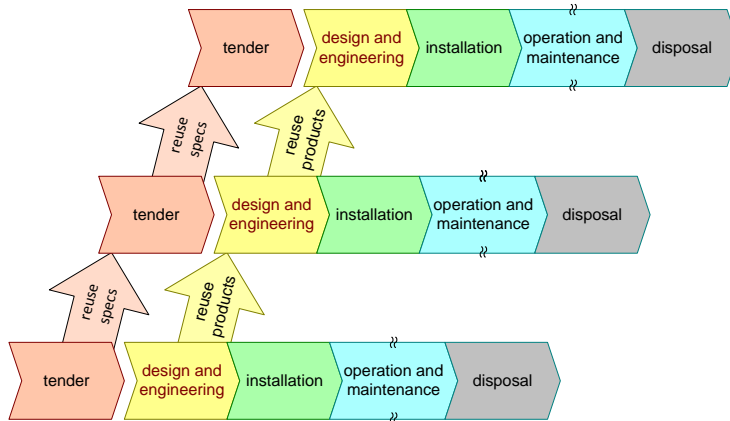


Figure 3: How Projects Build on Previous Projects

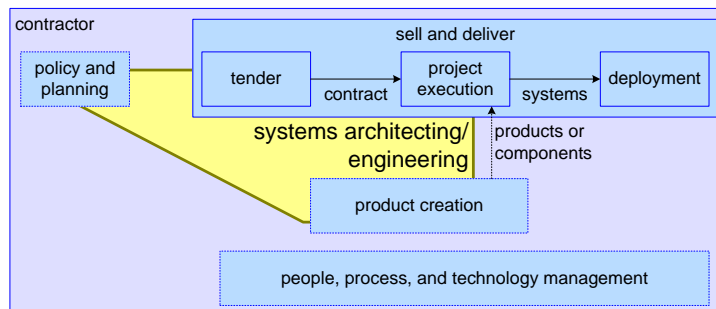


Figure 4: Simplified process diagram for project business