

Capex Tracking Tool

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Capex Tracking Tool

- LAFARGE
 - World leader in building materials
 - Investments approval Procedure
- CAPEX Tool
 - Context & Difficulties
- Cooperation with 3K IT d.o.o.
 - Milestones
 - Roadmap
- Users appreciations



Lafarge World Leader in Building Materials

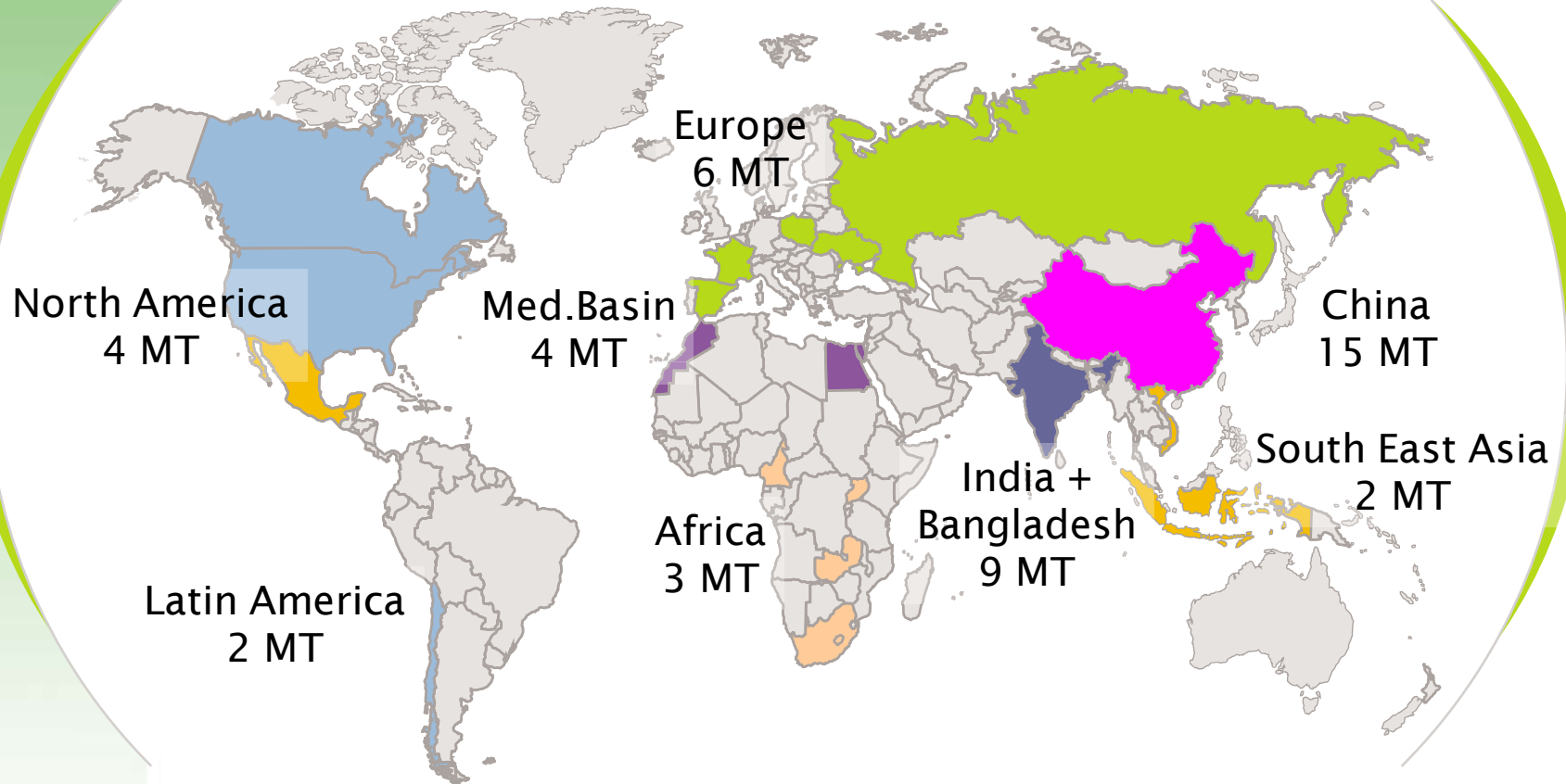
- **Leadership positions in all our Businesses**
 - World leader in Cement
 - No. 1 in Aggregates & No. 3 in Concrete
 - No. 3 worldwide in Gypsum
- Operates in **76** countries
- Employs **90,000** people
- **2,000** industrial sites worldwide
- **17.6** billion euros in Sales
1.9 billion euros in Net Income Group share (2007)
- Listed on Euronext Paris stock exchange

World leader in Cement

- Cement is a universal material. An hydraulic binder, a kind of glue, necessary to produce concrete
- 163 production sites in 50 countries (52 new cement plants over the last 10 years)
- 4 international technical centers: one serving Western Europe and Africa, one in Central and Eastern Europe, one in Asia and one in America.
- The largest research center in our sector. Multicultural teams



A program to build 45 MT of new capacities between 2006 and 2010



More than 80% in emerging markets

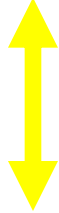

Centralized Investment Procedure

- In this context of global development and of a complex organisation, Lafarge manages a common procedure for industrial investments.
- The investment strategy requires a centralized monitoring in order to ensure consistency and relevance of investment projects.

What is to be managed?

- 5 documents types: Selection, Clearance, Appropriation, divestment and closure Requests.
- 11 types of investment: Strict Sustaining, Quality, Safety, Development, Land...
- An approval flow through a complex organization:
 - Factories, Departments, BU, Technical centers, Regions, and for the more crucial investments, Approvals of Division and of Group are mandatory.
 - Documents and workflows for approval depends on investment types and level of investments.
- An area very geographical scope and multicultural.

Example of movement of a document

- Request raised in a plant.
 - Business unit validation.
 - Technical centers validation.
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- Specific BU workflow with own roles and rules
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- Regional validation.
 - Division validation.
 - Group approval.
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- Division workflow with groups roles and rules

Difficulties encountered

- Delay in movement of documents, weak of tracking for documents up to lost of documents.
- Low Trust in the reliability and respect of procedure, certification of signatures, unicity of document.
- Slowness in the making decision process.

Cooperation with 3K IT d.o.o

- 2006 Local decision to enhance the process using document & business process management solutions
- 2007 Central Europe project and impletation of the solution based on 3K Document Cycle(former Pelikan)
- 2008 As part of its search for better tools to create IT standards group, Lafarge decided to promote Capex tracker in other regions.

Business Units		Nb of Plant	Plant code	Plant name	2007	2008	2009
NORTH AFRICA							
1	Algeria	2					
2	Egypt	1					
3	Morocco	3					
4	Sudan	0					
MIDDLE EAST							
1	Jordan	2					
2	Iraq	2					
3	Emirates (UAE)	1					
5	Pakistan	1					
6	Syria	0					
7	Saudi Arabia	0					
SUB-SAHARIAN AFRICA							
CENTRAL EUROPE - CEI & TURKEY							
1	Austria	2					
2	Czech Republic	1					
3	Germany	3					
4	Moldova	1					
5	Poland	2					
6	Romania	2					
7	Russia	2					
8	Serbia	1					
9	Slovenia	1					
10	Turkey	2					
11	Ukraine	1					
WESTERN EUROPE							
1	France	11					
2	Greece	3					
4	Spain	3					
5	United Kingdom	8					
LATIN AMERICA							
NORTH AMERICA							

Outcomes

- Dematerialization & automation (information immediately available anytime and everywhere)
- Streamlining (significant reduction of manual work and time losses)
Improved follow-up, standardization & control
- Performance analysis: clear and complete view of all ongoing and prospective projects
- Request monitoring: progress tracking of each request and identification of the potential bottlenecks
- Compliance with both the Division Investment Procedure and BUs procedures. Flexibility

Users' appreciations

More than 700 users, representing a large range of occupations within Lafarge, are involved in the Capex Tracker developed by 3K IT on its technologies and competencies.

- IR Tracker helps to assimilate the common language of division and documents supports requests for investment. Tool directly inspired by the IMP which reinforces respect of the standard of the cement division. (*division controller*)
- Facilitate dialogue between stakeholders: everyone has the same level of information through the attachments, for example facilitate dialogue BU-Technical Center. (*relation director*)

Users' appreciations

- It helps the BU to monitor the situation of commitments, to prepare the monthly reporting of investment requested by the division throughout the year. *(a CFO)*
- The tool offers a professional response to cope with the flaws and weak points typical of automation approval routes that we had in ours in-house systems.
 - Delegation of authority
 - Management of changing role of users without disruption of approval route underway
 - Changes in organization

Users' appreciations

- The management of Workflows (division / region) is shared and delegated to an Application manager for several regions. Thanks to the central governance and the flexibility of the software, the tool stays on line with the changing of procedure
- At his turn, each user can add participant to the approval route for opinion, validation or approbation (*a project manager*)
- Setting up the tool well established, fast with 3K IT support and reactivity to change requests (*IT project leader*)

Users' appreciations

Steve XXXX 12/09/2008 11:04	To: Peter XXXX/Hope/Gb/Cement/Lafarge@Lafarge cc: Subject: Tracker system
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Peter,

The tracker system comments: -

The system appears overall very good. The ease that you can track the progress is good

Filenames for attachment - only one document at a time can be attached

There was an email to warn you of actions required.

Allan, Vicky, Bob & myself are generally happy with the system

When will the system go live?

Regards/Cordialement/Bryow on gwella,

Stephen XXXX BEng (Hons), MBA, MIET

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