

EXECUTIVE INSIGHT *MAGAZINE*

ISSUE #45



KBR

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CONSTRUCTION

EDITOR'S MESSAGE

Dear Valued Readers,

With this being the first edition of my tenure at Executive Insight Magazine, I'm thrilled to bring to you Issue 45.

Our coverage includes the ongoing review into Supply Chain and Procurement leadership, covering a multitude of topics within the role which is the backbone of any business and their success.

We are also presenting a number of superb business achievements; from the 40th Anniversary of Lorneville Mechanical contractors and the 10th anniversary of their Supply Chain Manager, Danny Marr. TSU Protection Services 20th Anniversary and the superb coverage with Founder and CEO, Mr. Chris Beukes.

We continue with SCMA (Supply Chain Management Association of Canada) and their 100th Anniversary plus KBR's continued dominance across the Middle East. Another great piece is with leading Gold Producer Yamana Gold and their procurement transformation, and finally we are presenting Vodacom Tanzania.

As we continue to grow as a world leading Business to Business digital publication, you're welcome to contact me to discuss how you feel your business could benefit by appearing within Executive Insight Magazine. Please contact me via editor@jsinternationalmedia.com

Sincere regards & best wishes,

Jacob Smith

Chief Editor

Executive Insight Magazine



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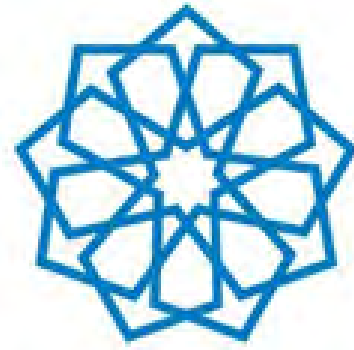
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EXPO 2020 DUBAI, UAE



In terms of prestige, glamour, and its reputation for breath-taking conspicuous wealth, there are few cities to be found anywhere in the world that can rival the grandeur of Dubai. Alongside neighbouring Abu Dhabi, it is a symbol of the UAE's growing power and influence on the world stage, and a foremost power in its own right, thanks to its standing as one of the world's leading business hubs.

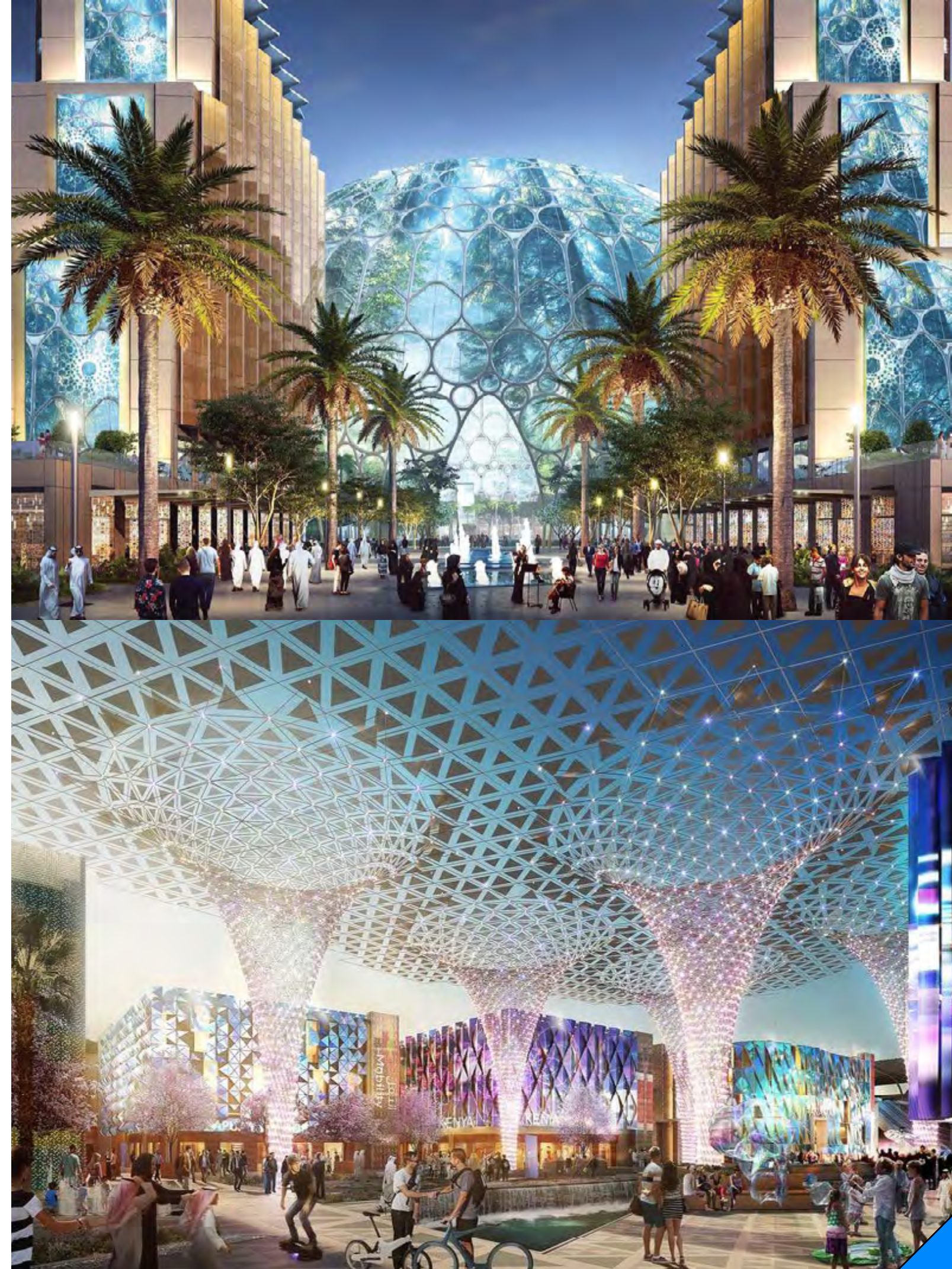
Although it was initially built using the proceeds of the UAE's incredible petro-wealth, Dubai has long since broken its dependence on oil and gas, to the extent that oil revenues account for a fraction of the city's GDP – just 5%, according to experts. Instead of petro-wealth, Dubai's rapidly expanding skyline, made up of a forest of glittering skyscrapers, is soaring upwards and outwards, funded by the growth of its booming business and finance sector, as well as tourism and foreign trade – key areas of economy that account for nearly 60% of the city's US\$105.6billion GDP.

Against the backdrop of its stunning aesthetics and Alpha++ city status, not to mention its ever more fruitful partnerships with the world's foremost powers, such as the US, UK, India, and China, the time is nearing for the start of

the world's most high-profile festival of trade, relationship-building, and human ingenuity – Expo 2020 Dubai.

Granted, cynics might point to the fact there is still 900 days to go before the exposition begins, but the sheer size, scale and ambition of this highly anticipated international event means that efforts to ensure the smooth running and success of Expo 2020 Dubai are already at an advanced stage. According to forecast, it is expected that over the course of the event, more than 25 million visitors will visit the UAE to attend – a huge volume that will place great strain on even Dubai's first-rate infrastructure.

Of course, this eventuality has not escaped Expo 2020's planners, and as a result significant resources have been allocated to expand and improve Dubai's tourist infrastructure. Building new hotels to host guests is at the top of the agenda, and it has also been reported that all motorways leading to the exhibition will be improved with new overpasses and interchanges. Additionally, a new metro line will be operational by 2020, as will a new railway line and urban tram line will. And that's without factoring in plans to invest in a fleet of eco-friendly taxis and buses.



To date, nearly 50 construction projects, valued at over US\$3billion have been approved to realise these plans, in addition to a 100 further non-construction related ventures. This stimulus for developing and strengthening Dubai will provide a great boost to the city's economy, and more than 200,000 new jobs. Going forward, this infrastructure development will create a world-class city transport network, capable of rivalling even the likes of London, New York, Tokyo and Singapore.

The anxiety amongst Dubai's planners and rulers is understandable, because the world is quietly watching as the Arab world's first flagship event of Expo 2020 Dubai's magnitude takes shape. Huge amounts of money are at stake, as is Dubai's reputation – with over 150 countries expected to participate, there is pressure for the event to live up to its main event billing.

The success of this grand international exhibition – and there is little reason to believe it will be anything other than a roaring success – will have a significant impact Dubai, and indeed the region as a whole. Interest from foreign entrepreneurs in Expo 2020 has markedly increased, which is consequently leading to an increase in inflows of investment capital. More than this, however, it will send a signal to the world that Dubai, and the UAE, have truly arrived at the top table.

In-line with its objectives, 'connecting minds, creating the future,' and its goal of fostering creativity, innovation, and collaboration on a global scale, Expo 2020 Dubai will become a grand stage in the development of international relations. New doors to the markets of many countries will open, and new relationships built will be built, not only for Dubai and the region but for all participants.





LORNEVILLE MECHANICAL: 40 YEARS OF EXPANSION



The impressive performance of Canada's economy, both historically and in recent decades, has in no small part been powered by industry. From the construction and maintenance of mines and oil and gas infrastructure, to its increasing transition to renewable energy sources, among other things, the industrial sector is for the most part thriving to this day, as is demand for companies with the capability and credentials to service it.

As the second largest country in the world behind only Russia, Canada is to say the least a large, vast place. With this in mind, for a business to build a level of recognition that is national in any country is an impressive feat in its own right, but for a company to do so over the 4,000 miles of Canada's vastness, a land spanning six timezones, speaks for itself. This is what Lorneville Mechanical has achieved, and what's more it has done so without losing the values and touch of magic that has seen it grow from the humblest of beginnings into an industrial construction player with a pan-Canadian reputation for excellence.

"We're growing, so as far as industrial construction companies go, people are starting to hear our name in other provinces now. Canada is a large, vast country, but we're already well-known in its maritime provinces," explained Daniel Marr, Lorneville's long-serving Supply Chain Manager.

He continued: "This market is quite small, however, so we're currently looking at how best to expand into other provinces too. It's no secret that Alberta and Ontario are the economic powerhouses within Canada so for us coming from the smaller maritime-centric provinces to grow our brand, this is something that makes us quite proud to hear our name when people have heard from us across the country.

I would say we're still that same small local brand from Saint John, New Brunswick – we've always operated here locally within the maritime provinces, which certainly gives us a regional footprint, but over these last two years we've really started to grow that national brand and this trend is going to continue.

We've now completed projects in Newfoundland, Nova Scotia, PEI, New Brunswick, Quebec, Ontario, Alberta, so there's only a few provinces

left to tick off. British Columbia, Saskatchewan, and Manitoba are the only ones left. We'll certainly get there but we're very happy with where we're going right now and how we're trending, we're really creating that national brand.

One adjective we like to use to explain ourselves as a company is the word 'nimble.' We're really nimble in the fact that we still have that small company feel and the core employees that we started with,"

Nimble and agile Lorneville Mechanical might be, but they should also be used alongside the adjectives, capable and high capacity. Once a company that operated out of what Daniel described as a 'sea can' – a 40ft sea container that was home to the company's inventory, work shop and office, today, Lorneville Mechanical now has multiple offices in its spiritual home of Saint John, New Brunswick, as well as in Ontario and Alberta. Where only 10-years ago, the company was still a small enough outfit that its employees could go out for lunch on a Friday and all sit at the same table, now it would need the entire restaurant.

With a touch of nostalgia, Daniel reflected on this, saying: "It's my 10-year anniversary at Lorneville, and I like to tell the story that I came on as a fresh engineering graduate who hadn't graduated a week prior!

I've really watched the company grow over the last decade as it has

grown from a small company in to what I'd call a mid-sized company on a national level. Our owners and leadership have the aspiration to keep the company growing until it becomes a true national player. We're going from small, medium to large.

I see our company growing and I also see myself and my department growing we've really moved towards consolidating our inventory management team, our tooling centre, our asset centre, along with procurement, and I've absorbed those groups to create what we call 'the supply chain group.'

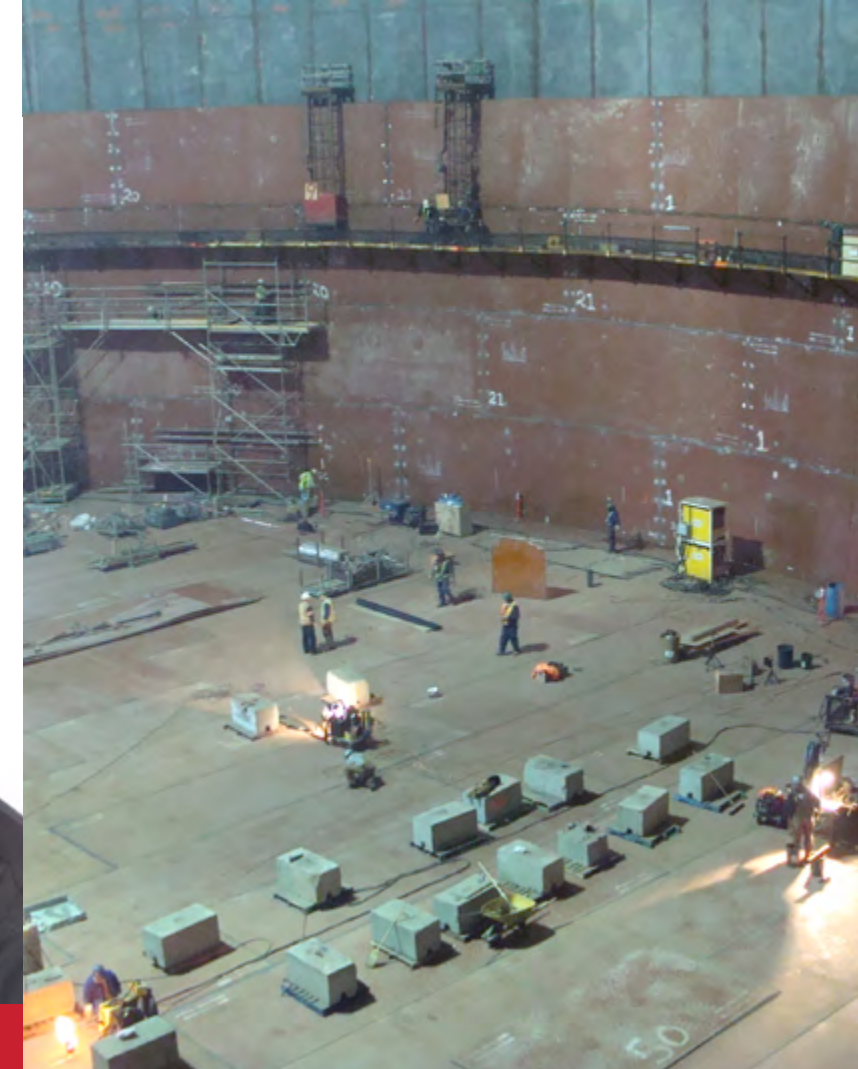
We're really transitioning in a way that can help take us to the next level, I think we're making the right moves that companies that grow to our size normally do.

Though the company celebrated its 40th anniversary last year, Lorneville remains a tight knit business through-and-through that remains under the ownership of the Dumouchel family, albeit now a second generation. Today, the company is led by brothers, Styve and Martin Dumouchel, who along with a long-serving core team of staff, many of whom have been at Lorneville since the beginning of their careers like Daniel, are spearheading its ongoing growth and development.

It is this ability to build and retain a core project management and executive team, along with other key staff, that has been the key to Lorneville's success. Numbering



DANIEL MARR
GM Supply Chain at Lorneville



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over 70, this group of permanent, veteran employees can go out and take on multiple large-scale jobs in multiple provinces, which they execute at a very high level in terms of quality, safety, and product and service performance. This is reflected in the strong working relationships that Lorneville builds with the craft tradesmen, who more often than not have never worked for the company previously, and its ability to ensure that they deliver to its high-standards:

"It's about getting that craft labour, the ones that actually turn the wrenches, onboard with the Lorneville culture and having that supervision team to convey that Lorneville culture all the way down in the most safe and efficient manner possible to give our customer the best product available," Daniel believes.

"To be able to be awarded a job, say in northern Alberta that starts in a couple of months, then mobilise a team to go up there and not a few short months later have a 300, 400, 500 workers onsite – that really sets us apart from our rivals."

This blend of qualitative and quantitative capability makes for a winning formula. Be it a project to build and maintain a refinery or a hydro dam, or building paper mills and fertiliser plants, Lorneville has worked on and successfully completed various large-scale projects time and time again. In taking on a large-scale project, it is essential to be especially detail-centric – there

can be no duplication of a previous job because there are never two jobs that are alike, even on a micro level. Every new job site is different and has its own unique feel and challenges, and it is down to the Lorneville team to grasp what they are and how to respond.

Daniel was very clear on this, stating: "From our core leadership to our engineers and project managers, along with our supply chain reach, we can understand what needs to be done for a potential new customer in a new industrial setting. They will assess how best to deliver the service a client needs that is tailored uniquely to them.

In terms of our reputation, we're known for delivering high quality results, and customers have confidence that we can deliver even on the toughest jobs. The solutions we provide are very detail-orientated and come with a high-level of customer care, which ties in with our 'small company feel,' and yet we have the capacity and expertise to deliver on large, challenging projects."

This attention to detail also manifests and commitment to excellence naturally also manifests itself the company in its supply chain operations.

Under Daniel's watch, Lorneville's supply chain function uses a centralised procurement model that is, as is to be expected, nimble. Daniel is a big proponent of getting

his team's boots out into the field and their hands dirty, so to speak, when a project is underway. Often, time is in short supply and 30 to 60-day turnarounds are not uncommon – in these instances, it is a matter of all hands-on deck.

Whilst Lorneville operates a centralised supply chain department as a whole, it is nimble enough to support projects with an all hands-on deck approach from the procurement function – that's face-to-face, boots on the ground with the customer, with its suppliers. It would be easy to say no, let's sit back and stay in a nice and cosy home office and say 'we'll support you from here,' but that's now how the company does business. Rather, Daniel and his team will find themselves based at a remote work site in a cold trailer so that they can be there, supporting and facilitating all supply chain activities on the front line. By being part of the project team and getting their hands dirty in this way, Daniel and his team have been able to utilise on-the-ground experiences to optimise the supply chain function further:

As an example, to make sure that supplies are continuously available onsite, there's a couple of different systems that we've put in place in just the past couple of years. One major component into how we're supporting projects is by implementing VMI – vendor managed inventories. So, we've worked with our close-knit suppliers, we've put projects out for tender on various suppliers managing

such day-to-day purchase items, such that our procurement department can really hone-in on the key tasks that support a project – the one offs that can't be predicted.

We've really taken a lot of the communication chain out of the mix – we no longer have a cloakroom attendant willing to talk to a foreman who goes into the trailer who tells an admin person who then tells procurement that we're out of gloves. Now, we've implemented these systems through technology and software and scanning that we will hit a minimum amount of something, the red lights go off, its automatically re-ordered through our system, and those gloves show up onsite the next day.

That takes away the onus and responsibility for those everyday items, the easy, predictable day-to-day items, and it alleviates the workload of the procurement team such that they can focus on sub-contractor contracts or the one-off type emergencies or rushes that really they should be focusing on in the first place. Instead of the easy stuff that can quite easily end up taking most of your time."



So, what's next for Lorneville?

With the market buoyant and a healthy amount of available work within the country, these are exciting times. The maritime work in its homeland brought the company its first generation of work but moving into other provinces has opened many doors and created many new opportunities. There's certainly no shortage of projects to bid on, and certainly Daniel is optimistic about what the future holds.

He concluded: "We're diverse enough such that we're working on nuclear power plants, we're working on hydro dams, there's a \$30 million proposal for a windfarm right within an industrial park right here in New Brunswick. Where we once in the past might have been working on oil and gas pipelines now, who knows? Instead we could be putting up a windfarm in our own backyard in 2020. We have the talent and expertise and diversity such that we can be strategic with all large-scale industrial projects. We're not pigeon-holed into just oil and gas."

We like to think of ourselves as the Mercedes-Benz of the industrial construction world – we're not the cheapest upfront but our customers are guaranteed quality, safety and reliability and a finished project that will stand up to the test of time. Our customers remember this and will come back to the Lorneville Mechanical brand.



KBR

When a company has a seat at the top table of global construction, an industry that by 2023 will be valued at an estimated US\$10.5 trillion, this alone says much of that company's credentials. Take KBR, for example - a centenarian that over the course of its lifetime has spearheaded some of the world's largest, most challenging construction projects in modern history.

With approximately 27,000 employees in over 70 countries, and operations spanning five continents, the American construction giant is an industry super-heavyweight that has come to be regarded as one of the world's "blue blood" engineering and construction contractors.

Although KBR is highly regarded for its capabilities as arguably the world's foremost oil and gas engineering and construction contractor, - a role in which it designs, builds, and provides maintenance services for liquefied natural gas plants, refining and processing plants, production facilities, and onshore and offshore pipelines, among other things, KBR's non-energy business is no less impressive.

Much like during the illustrious 1950s and 1960s heydays of MW Kellogg Co and Brown & Root, the original component companies that later merged under Halliburton's ownership to form KBR's earlier iteration, Kellogg Brown & Root, KBR continues to provide world-class engineering and construction services to governments and civil infrastructure customers around the world, regardless of their size and complexity. And then there's KBR's role as a significant private military company that has seen it provide an array of military support services to battle theatres in the global war on terror.

"At KBR, we work side by side with clients the world over to deliver any project, any time, in any environment, making KBR a leader in the engineering, construction and services industry. Some of the world's largest and most technically challenging projects are developed by our teams of professional and competent staff. Our client portfolio testifies to the value perceived in the quality of these technical endeavours."

Today, business is booming and KBR is growing, as confirmed by the recent release of 2018 Q4 results showing a total revenue of US\$1.33bn - a 41.9% year-on-year increase, backed by the





strong performance of its tech and government services arm. However, in spite of such figures and growth in recent times, things haven't always gone KBR's way in recent years. In spite of its blue riband brand and long-standing reputation for performance excellence, KBR underwent period of transformation in 2014 during which it streamlined its internal operations.

The ability of the company to take on the world's most demanding and high-profile engineering and construction projects was never in doubt, as its present involvement in Saudi Arabia's colossal Jubail project proves, but behind the curtains KBR was struggling under the weight of internal inefficiencies. Culturally, the company was siloed and sorely lacking in transparency. Taking on these challenges head-on meant taking on a system characterised by its lack of accountability and collaboration.

Such bad habits are yesterday's news – today, a new culture has been ushered in and implemented that promotes responsibility, transparency, collaboration and openness. The overall success of all areas of KBR's portfolio are shared collectively, as is accountability, and following a bruising year the company managed to merge, prune, and tweak what was sixteen

business units down to just three: technology and consulting, engineering and construction, and government services.

Additionally, the company has also gone to great lengths to develop a comprehensive business strategy which addresses market information and trends, and also takes into account employee insights and customer feedback. This has enabled KBR to gain a clear understanding as to how decisions were made and which direction the company is heading.

The results of this leaner, more effective KBR are clear to see in the guise of the high-profile projects the company has been awarded, particularly in the Gulf region which is a bread and butter arena for its energy sector operations. It is no secret that for many decades, KBR has a strong and enduring history in this area:

"We've seen the energy and chemical derivatives industries evolve again and again, and we pride ourselves on the contributions we've made to help bring to light these innovations. From building the first offshore platform out of sight of land in 1947, to our work today developing, licensing and delivering innovative technologies, to our advanced solutions that support



new, renewable forms of production, KBR has always been — and always will be — leading the industry to meet the world's ever-growing energy and chemicals demands."

Where once the company was content to manage its Middle Eastern projects from the relative comfort of its Houston head office and London operational centre, no longer. Rather, the company oversees the completion of projects from its offices in Dubai, Saudi Arabia, and Doha – the central hubs that grant KBR regional autonomy over its extensive hydrocarbons portfolio in the region. From here KBR brings both brains and brawn over the course of its turnkey approach to taking on and completing all aspects of a project, from start to finish.

Take its development of the GVA 10000, a floating production unit capable of being deployed within three years of the order being placed. The GVA unit was devised by KBR in the depths of the oil price crash that battered the oil and gas sector only five years ago, representing a solution to Gulf clients who wanted to sure that offshore production remained viable even during such difficult times - the unit

proved capable of producing 80,000 barrels of oil daily, 70-million cubic ft of gas, and 40,000 barrels of water, and was operationally viable with oil prices at just US\$40 per barrel.

KBR's involvement in the Saudi Aramco-Dow Chemical Sadara Jubail project in Saudi Arabia, remains its most significant undertaking in the region, however. With twenty-six cutting edge manufacturing plants able to produce three million tons of capacity annually, and a total investment of about US\$20 billion, Sadara is now the world's largest chemical complex ever built in one phase. Over the course of Jubail's final phases, KBR will continue maintain or increase worker numbers as part of the technical development team currently supporting Saudi Aramco-Dow Chemical.

For KBR to continue its upward trajectory, it is a case of carry on getting the basics right. Continue delivering world-class performance, continue exceeding client expectations and continue providing a superior customer experience. The company has every reason to be optimistic about what the future holds.

KBR



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THE QUALITIES OF A SUCCESSFUL PROCUREMENT LEADER

The future of supply chain management has moved beyond cost reduction and the timely delivery of goods to include an increasingly complex landscape dominated by legal matters, sustainability issues, and technological advances-- all of which are forcing businesses to rethink the way they operate and brand themselves.

The gate keeper at the center of this transformation is the procurement leader. Of all the challenges that can disrupt the supply chain, having the wrong person in this key position. The successful procurement leaders of

today need an unusual mix of skills and experience. Not only must they have technical procurement expertise and be able to manage and support suppliers, staff and an increasingly complex mix of stakeholders, but they must also be fluent in the evolving big data strategies and the technology that are reinventing the procurement process. As the dynamics of procurement evolve, procurement leaders must develop several key qualities in order to fulfill their roles effectively:

They have an understanding of the different viewpoints along the supply

chain. Collaboration has always been important for procurement leaders, but today it's even more essential as the workforce becomes more global and diverse. These leaders need to work well with a wide variety of people possessing different viewpoints, skill sets and goals and be able to build collaborative relationships. A good procurement leader understands where suppliers are coming from and figures out what is important to them. He or she is credible with senior stakeholders and knows how to speak their language. Finally, effective procurement leaders are also in touch with the major departments and category teams, picking up on strengths and weakness and anticipating staff challenges.

They take a holistic approach to procurement. When it comes to sustainability, procurement activity must be aligned with the core business goals and needs. Procurement leaders need to consider the big picture of the procurement process and how it fits into the functioning of the business. For this reason, cost reduction is not always an organization's number-one goal. Sometimes the most important factor is keeping supply chain disruption to a minimum or looking for suppliers that can provide loyal commitment.

They proactively respond to change. Procurement leaders need to be able to operate in a dynamic world in which companies and functions are constantly evolving. The emergence

and continued development of artificial intelligence, machine learning, as well as data mining, analysis and management coupled with advancements in communications technologies, have turned the business world on its head. Never before have so many basic operational business functions seen so much disruption in such a short amount of time. Procurement leaders must know how to make strategic decisions throughout the transformation and put systems in place to allow those decisions to happen quickly and effectively.

They are constantly learning. With every new technology and business process that is introduced to the organization, the role of the procurement leader changes. Procurement leaders need to have their fingers on the pulse of this change and know when it's time to seek out additional advice, knowledge or training. Without such an awareness and an openness to learning, these professionals risk being out of the loop, and if that happens, it threatens to hold the whole organization back.

Though it takes a significant amount of skill, talent, and expertise to effectively fulfill the role of procurement leader, there are many professionals out there who could make suitable candidates with the right training. The investment is worth it. A good procurement leader may not be as well-known as the company's CEO, but this person is practically the cornerstone of a well-run organization.



If a year is a long time in business and a decade a lifetime, then what might we call a century? Unsurprisingly, very few companies have managed to reach this milestone at any stage in the past, but over the last 100-years – a century during which the world has industrialised, then digitalised the fast-changing rules of the game have made longevity an even more challenging goal.

With this in mind, the Supply Chain Management Association (SCMA), who celebrated their 100th anniversary this year, can count itself a member of a very select club. Since it first opened its doors in Montreal as the National Association of Purchasing Agents (NAPA) in 1919, the organisation has grown over the years since to become Canada's principal association for supply chain leadership.

As the leading and largest association in Canada for supply chain management professionals, the SCMA is a non-profit body that acts as a national voice for advancing and promoting the profession. The organisation prides itself on its longstanding reputation for excellence, knowledge and integrity, and was the first supply chain association in the world to require that all members adhere to a Code of Ethics.

"The Supply Chain Management Association (SCMA) is Canada's largest association for supply chain management professionals," explained an SCMA spokesman. He continued: "We represent 7,500 members, as well as the wider profession, working in roles that cover sourcing, procurement, logistics, inventory and contract management. SCMA sets the standards for excellence and ethics, and is the principal source of professional development and accreditation in supply chain management in Canada."

Make no mistake about it, the SCMA's role in supporting its members is invaluable. The dramatic and rapidly changing nature of the supply chain function in recent years, brought about by rapid digitalisation and the increasing adoption of big data and analytics, means that supply chain professionals are increasingly looking to find new and innovative methods to stay ahead of the curve. On this front, the SCMA plays a key role.

Members that are seeking to boost operational effectiveness and innovation can use the association to learn cutting-edge techniques and acquire the skills and strategies needed to boost supply chain efficiencies. These benefits matter, and that's without mentioning the networking opportunities that are on offer:

"Our National Conference is Canada's premier event for supply chain professionals and the largest of its kind. Combined with regional conferences and local events, members have many different ways to build their professional networks. As well, social media will connect you with your peers. Exclusive to members is a mentorship program that allows mentors to share their wisdom and become inspired by the next generation of supply chain managers, and for emerging supply chain leaders to have help piloting





the ever-changing conditions of a modern supply chain career.”

To appreciate the importance of SCMA’s work to the Canadian business community it is first necessary to look at the figures. Consider this: the supply chain management profession makes a significant contribution to Canada’s economy and provides a critical competitive advantage for all enterprises. Latest research reveals that SCMA members control more than \$130 billion in annual spend.

And then there’s the direct impact that effective supply chain operations have on every aspect of our lives. The standard of living that we all enjoy through timely, cost-effective access to a range of innovative, high-quality goods and services is directly linked to the professional practice of supply chain management. The profession favourably strongly influences the social and economic success of, not only Canadians, but citizens worldwide.

So, what has been the secret to this association’s success, particularly in recent years amidst the great change that is buffeting supply chain operators? In the view of Christian Buhagiar, the SCMA’s President and CEO, there are a number of factors that come into play that he feels have underpinned its success over the course of his stewardship since 2017. On this, he said:

“Growth agendas, in my experience, require a different approach. The key is to establish a culture of ideas, speed, nimbleness and a willingness to try and fail. In my experience, leaders need to become the chief idea officers, ensure that decisions can be made quickly - both yourself and by empowering decision-making down to the frontline staff - create a team that is fast and agile, and instil an

entrepreneurial spirit that rewards the willingness to try even though at times one will fail. Here at the SCMA, we are using this philosophy to undertake a significant growth and change agenda, and we have been able to achieve a lot in a short period of time with a relatively small team.

Then there’s SCMA’s three-year plan – SCMA 2018-2021 Strategic Framework – that outlines four strategic priorities: expand learning initiatives to accelerate transformation and growth, be the voice of supply chain in Canada, engage with industry to unlock opportunities for supply chain success, continue the collaborative evolution of the Federation to achieve a relevant and vibrant SCMA.

The underlying goals of our current strategic plan are significant growth for the association and positioning for the SCMA as the key supply chain organisation in Canada.”

After what has been a buoyant 100th year, it is anticipated that the year to come will continue to bring further prosperity to the association and its members. To achieve this end, Christian is currently overseeing work on a number of projects that will ensure SCMA continues to add value to the supply chain profession and the members it serves for the foreseeable future.

“We are currently working on a project to identify competencies required for work in the supply chain at all levels. That work takes into account new requirements stemming from the increased and evolving use of technologies in the sector. Upon completion of the project, we will begin a thorough review of our educational programs to ensure that they address new employment requirements,” said Christian. “SCMA is also a member (and I am a member of the Steering Committee) of SCALE AI, an industry-led consortium

that will shape a new global supply chain platform, bolster Canada's leadership in artificial intelligence, and accelerate industry adoption of enabling technologies through collaborative and incremental projects as part of the Government of Canada's Innovation Supercluster Initiative. We will certainly share learnings with SCMA members."

In addition to this, the SCMA is busy preparing for its annual National Conference and Fellows Award Gala Dinner, which begins on Wednesday May 29th and continues to Friday May 31st in Montreal, Quebec, Canada at Le Sheraton Hotel. As Canada's oldest and largest supply chain conference, it is anticipated that this year's event will be a particular hit, with more than 500 attendees expected from across end-to-end supply chain, across all industries, and including professionals early in their careers to senior executives.

"The theme of this year's conference is Intelligent Supply Chains and we are putting together a wonderful agenda and stellar speakers from around the world - U.S., Germany, Austria already confirmed. We have a mix of keynote, panel and breakout sessions throughout the two days. Earlier this month, we began announcing the lineup - it's awesome, we're very happy to receive some of the confirmed speakers like Ramesh Chikkala, Tom Szaky, Louis Roy, Leslie Nicholson, Gina Chung, Susan Lund, and Hans Thalbauer, among others."





SCMA  AGCA

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TSU PROTECTION SERVICES

20 YEARS OF SAFETY MANAGEMENT.

TSU is a professional firm that handles protection of dignitaries and VIPs. Executive Insight Magazine has been speaking to TSU Protections Services' Chairman and Founder on what it takes to build one of Africa's leading private security firms and how they're proudly celebrating their 20th anniversary this year having established in 1999.

Mr. Chris Beukes has had an exceptional career within the SA Police Force and their elite special task force division. Upon leaving the SA Police Force in '99' he set up TSU Protection Services having seen a great opportunity to advise leading businesses and their top-level executives on how to remain safe on a day-to-day basis and travelling further afield across the continent. Not only are their consulting services regarding remaining safe paramount to the customer, but providing their multi skilled staff to maintain the plan is kept to and also entrusting them to provide safety in an unsafe environment.

There is no denying that the growth of Africa has been exceptional over the past two decades and with most countries across Africa experience Economic growth. However this comes at a cost which is the increase in major crime such as extortion or violent attacks can occur on a daily basis. With the expansive team operating across the most part of Africa, if you want to remain safe then look at TSU's record and how they strive to ensure customer safety.

TSU have a very strict background in making sure their security personal are trained to deal with any circumstances and are professional about it. With several of their clients being leading organisations within Africa, if there are any issues then it could cause a decline in trust and most importantly, customers and TSU's reputation. Having said this, TSU certainly don't need to worry about any of above as their history will speak volumes, to make 20 years in a highly competitive industry as security clearly is, they're certainly doing things right.







What is next for the African Security sector? With what seems to be more reform happening in some of the most suppressed countries across Africa, which under the correct guidance has endless commercial opportunities. Despite this, it will most certainly open the doors for international business investment and the possibility to create skilled individuals and a supply chain over time. Within the Supply Chain will be the paramount expert protection service for international executives travelling to and from the visited country.

To put it respectively, it's not just the African continent where this industry

thrives, there are requirements for this level of protection in every country all over the world, however there is understandably a great opportunity for TSU to reach the next milestone of 25 years with more customers and additional countries reached.

With the communication sector in Southern Africa of a very high standard, TSU operations can liaise with HQ and one another through an integrated system. This also helps the task at hand as any compromises could happen, but if these are found early enough it provides the protection staff the upper hand.



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VODACOM TANZANIA



LEADING FROM THE FRONT

As the digital revolution continues apace, Vodacom Tanzania is under greater pressure than ever to maintain its market leader position. However, great challenges also represent great opportunity for the company.



With economic growth in Tanzania still rising sharply, year-on-year, to the extent that it is now bridging the growth gap with neighbour and rival, Kenya, it is understandable that national optimism over what the future holds has never been higher.

Tanzania's ongoing transition into a market economy has seen the lights switch on over a rapidly changing Dar es Salaam skyline, and most importantly is helping to lift an ever-increasing number of Tanzanians out of poverty. To maintain this positive change, the national government is investing great energy and resources into realising its 2025 development vision – a strategy designed to regenerate and revamp underwhelming areas of the economy, particularly manufacturing and agriculture.

But whilst there is much to do to in terms of modernising and improving in these areas, the country's thriving telecommunications and digital

sector is a bright spot. Compared to a majority of nations on the continent, Tanzania boasts a communications sector that is first-rate. For nearly two decades it has played a key role in facilitating the country's rapid social and economic development over the past two decades – an achievement which in no small part can be attributed to the country's leading telcom operator, Vodacom Tanzania.

Vodacom Tanzania's impressive heritage can be traced back to the very inception of Tanzania's cellular service industry. After initially being awarded rights to operate a GSM cellular network and provide Public land Mobile Network Services (PLMN) in the country in 1999, the company began operating in August 2000 and has never looked back. Just four months after opening its doors for business, Vodacom Tanzania had promptly connected 50,000 customers, and by August 2004 it had connected one million.



Today, Vodacom Tanzania is the mobile and internet services provider of choice for 32% of the country's 40-million mobile subscribers, ahead of companies including Tigo Tanzania, a subsidiary of Sweden's Millicom, and a local unit of India's Bharti Airtel. With such market share, it goes without saying that the company remains the country's leading mobile operator, providing a wide range of communication services for its customers, from cellular voice and messaging, to data, cloud and hosting, as well as mobile financial services to over 12.8 million customers.

However, as any industry leader knows there is only one thing tougher than getting to the top of the industry – staying there. In a world that has experienced an incredible digital revolution over the last decade and a half, connecting customers to the digital society and keeping ahead of the curve, technologically speaking, is the priority for each and every major telco operator, whether they are operating in Africa, Europe, Asia or the Americas. This is something Ian Ferrao knows all too well:

“Vodacom Tanzania will continue to invest in cutting edge technology in-line with its vision to lead Tanzania into the digital age and

change lives through technology. Accordingly, Vodacom Tanzania will make sufficient investments in data networking, mobile financial services, and rural coverage to realise its vision.”

He continued: “Our vision is to lead Tanzania into the digital age. That comes down to four things: First, making sure every Tanzanian is connected to the internet, and given that phones are how most Tanzanians access the internet, we play a vital role there. The second is creating a truly cashless society, making mobile money as powerful as cash, creating a merchant ecosystem. The third is e-government. We're playing a crucial role in driving that, creating a knowledge-based society. The fourth is connected business - we've a role to play in driving the economy forward through an efficient environment, generating cost saving, and investing in video conferencing and cloud servers.

These are the four pillars of our vision for leading Tanzania into the digital age. We're also driving local content, giving Tanzanians a reason to be connected to the internet. Mobile money is about creating a wider ecosystem, and we've added savings and loans, and international money transfer services, offering more to create inclusion.”





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Achieving these ambitious goals is a challenge, especially in so competitive and price-sensitive a marketplace. With a number of rival mobile operators in Tanzania, Vodacom Tanzania is under immense pressure to keep prices low and protect market share, but product innovation is a no less important part of remaining competitive. The company's roll-out of M-Pesa - a mobile financial service, is one such example of this. Designed to allow customers to transfer and withdraw money, pay bills as well as buy airtime, and pay different services, from their mobile, this innovative service is an easy, simple, fast, affordable, and safe way for customers to move their money.

In terms of what's next for the company great structural change is on the horizon for Vodacom Tanzania. After a successful three-year period under Ian Ferrao, during which the company revolutionised the digital arm of its business and consolidated the company's place at the top of the market, Hisham Hendi took over as Vodacom Tanzania's new CEO - an appointment from within, following Mr. Hendi's successful stint as Commercial Business Unit Director.

On this, Ian Ferrao announced: "My final day here is at the end of July. I can tell you it has been an excellent three years. We have taken the company through a strong turnaround and we've listed it on the stock exchange and it is in great shape. I'm now looking forward to handing over to

Sylvia who will be taking over from the first of June, so we'll have a good amount of time to work together."

Certainly, the completion of the initial public offering (IPO) on the Dar-es-Salaam Stock Exchange, which made Vodacom Tanzania the second most valuable company by market capitalisation listed on the DSE, was a notable high point for the company. The IPO made Vodacom Tanzania the first to comply with regulatory changes requiring all of Tanzania's telecommunications companies to list at least 25% on the DSE, and more than 40,000 Tanzanian investors subscribed to the IPO and made-up 60% of the offer, with 40% going to international investors.

These are exciting times for the company, and going forward it is difficult to see anything other than a continuation of the Vodacom Tanzania's ongoing success. All the pieces of the puzzle in the place to ensure this.

"We have the widest ecosystem in the country for mobile money, we have more agents, double our nearest competitor, nationwide, and we're the most trusted brand in the country. Finally, there's our employee base. We've strong company ethos, invest heavily in our people and make sure we have the best people working for us."

The future is bright indeed.





GEOFF BIRD
GM Supply Chain at Santos

Sixty years at the forefront of O&G Supply Chain

The Santos logo is displayed in large, bold, blue letters in the bottom left. The background of the entire page is a photograph of an oil and gas site in a desert. In the foreground, two workers, a man and a woman, are wearing blue high-visibility shirts and white hard hats. They are looking at a large orange folder. In the background, there is a drilling rig, a white pickup truck, and some desert vegetation under a clear blue sky.

Santos



Blessed as it is with a rich abundance of seemingly every key resource that global markets crave, from minerals and metals such as iron ore, gold, uranium, and rare earth metals, to name but a few, to timber and agricultural exports, it is perhaps understandable that Australia is overshadowed, to some extent, as a potent oil and gas producing nation.

By measure of oil and natural gas reserves alone, Australia does not sit at the top table alongside more well-known countries, such as the US, Russia, and Saudi Arabia, but certainly it is there or thereabouts as an upper-middle tier producer. But of course, assessing a country's hydrocarbon credentials by measure of supply alone is a black and white way of painting a picture. Size is not everything; more does not always equal better.

As the catastrophic fall from grace of Venezuela and its once booming oil and gas sector in recent years has shown us, petroleum riches are no guarantee of wealth without the efficiencies and innovation that come as a by-product of effective private sector management.

Australia, as one of the world's leading pound-for-pound, mixed-market advanced economies, has a thriving oil and natural gas sector that in many respects punches above its weight. Over the past decade, the sector has contributed more than AU\$300billion to the coffers of the national economy – a figure which could increase markedly over the decade to come, following Australia's entry into the LNG market.

Santos, Australia's second-largest independent oil and gas producer, has itself contributed vastly to the regions in which it operates, generating wealth and helping to create jobs at both a regional and local level, and social benefits within the communities that host it. As a proudly Australian company, this is something that Geoff Bird, Santos' Supply Chain General Manager is particularly proud of, stating:

"We really pride ourselves on our interaction with communities, we're committed to the people and places in which we operate.

We want to make meaningful, long term contributions that make a real difference to our host communities and, in partnership with them, we want our activities to generate positive economic and social benefits. So yes, we definitely work closely with local businesses to identify and provide them with opportunities, and that includes targeted Indigenous employment and training, and pursuing opportunities to support local Indigenous business participation. This is certainly a focus area for the Supply Chain group.

Oil and Gas is an international business so there will always be a need to source some materials and services from international suppliers. However, those international suppliers who are successful in Australia have set-up regional offices employing local staff."



from international suppliers. However, those international suppliers who are successful in Australia have set-up regional offices employing local staff."

From the get-go, when the company was established in 1954, Santos quickly acquired a pioneering reputation for resourcefulness and innovation. These attributes helped sustain the company over the space of a decade until it made its first major discovery of natural gas in the Cooper Basin with the Gidgealpa 2 well in 1963, and the Moomba 1 discovery later in 1966 – breakthroughs that both confirmed the region as a major petroleum province, and Santos as a leading Australian industry player in the making.

More than six decades on, during which it has grown from being a plucky local startup into one of the Asia-Pacific's leading industry operators, the Santos brand remains one which is synonymous with innovation and operational excellence. The company feels strongly that its historic pioneering values remain integral to its modern-day success, but equally the company has consistently maintained its standing as a leading independent producer through its ability to stay ahead of the curve, technologically speaking.

"The biggest difference in procurement between 10 years ago and now is that technology has really moved along. People are used to buying things on consumer websites such as Amazon and eBay. So it's shocking when business to business procurement systems are a decade out of date.

A key pillar of our Supply Chain strategy is to provide tools and systems which are simple, easy to use and intuitive, with examples being the implementation of a new eProcurement Platform at Santos, and our use of virtual robots for performing routine repetitive tasks. However, we are only scratching the surface of what we can automate with robotics or streamline with modern cloud-based procurement systems.

One of the biggest changes in Procurement over the past 10 years is how we now think about our ERP system (SAP/Oracle). The trend now is for ERP systems to sit in the background as a database repository and then we use applications, some of which we can develop and customise ourselves, to perform tasks and get data in and out of the ERP system e.g. Catalogue inventory search."

Santos

Sixty years is a long time in business, and naturally the Santos of today is a different animal to that of its forbear. Where once Santos' core business almost exclusively centred around oil and gas discoveries in central Australia, today, the company is a far more multi-faceted outfit. Having made a number of large discoveries, mainly spanning the hydrocarbon-rich North Western and Eastern territories of Australia, Santos now acts also as a supplier and distributor of sales gas to all mainland Australian states and territories, ethane to Sydney, and oil and liquids to a domestic and Pan-Asian customer base. Taking into account the country's huge size, procurement and logistical efficiencies and excellence are paramount so as to ensure that products and services reach customers in the right place, at the right time.

"The Santos Procurement Function is organised along category purchasing lines with category procurement plans in place for all major goods and services we buy. Our category leaders know their market, the main suppliers and who we are likely to source from in the future – that's their job," explained Geoff, who continued: "On the supplier side it requires good old-fashioned business development. Meeting with people in the Santos business to explain the services/goods they offer. I'm not a big fan of prequalification systems, which I don't think really work. Although I do see a role for registration systems to highlight smaller, local and indigenous suppliers which are sometimes hard to identify."

In his view, the foremost objective of a Supply Chain Function is to deliver

value to the business, otherwise Supply Chain is, in his words, just an overhead: I don't think quality and reducing cost are at odds with each other, not if you are focused on long term, sustainable cost reduction and your sourcing is aligned with this approach. I do however agree that when contractor selection is made, the less tangible 'quality' creates some debate versus the very tangible purchase cost. We are very clear in our processes that we want lowest overall total cost which includes less tangible factors."

In order to deliver value, the Supply Chain Function must be good at managing internal stakeholder relationships, relationships that are built on collaboration, trust, and mutual respect. As with any internal relationship, it can be difficult to get the balance right – the Function cannot be subservient to its customers, but neither can the tail wag the dog. Getting the right balance is not always easy, but when done well is fundamental to creating a modern Supply Chain Function that can significantly contribute to real bottom line value.

In light of past disasters, the oil and gas sector is now one which places great emphasis on protecting the safety of the environment, local communities, and employees. Whilst care is taken to ensure that they are neither cumbersome nor restrictive, qualification and consultation processes are conducted before suppliers are engaged, who are expected to comply with a Santos Code of Conduct, which incorporates our environment, health and safety policy and standards of business conduct.



In this regard, there is no sitting on the fence – on environmental and safety matters, there is a "go"/"no go" line in the sand for all Santos partners and suppliers, in that if they do not satisfy rigorous minimum safety or environmental standards, doing business is simply out of the question. "We simply don't work with them," Geoff said, forthrightly.

"Regular supplier performance meetings are held with our contracted service providers. Based on an assessment of risk and contractor performance, the meetings are held monthly, quarterly or six-monthly. The standard agenda includes a review of environmental, health and

safety performance, activity levels and forecasting, quality planning and review, and reliability."

In terms of what the future holds, Geoff is optimistic about the coming year. He concluded by telling us: "We've had a number of wins in 2018 such as the re-outsourcing of accommodation camps and travel management, the self-perform approach to onshore coal seam gas project execution, delivering over AU\$50M of bookable savings. A few wins like these then gives the Function a licence to challenge other areas of the business where costs can be reduced, using a strategic sourcing approach."





YAMANAGOLD

A MINING LEADER'S PROCUREMENT CENTRALISATION JOURNEY.

Yamana Gold have been making superb progress over the years across the South American market place, holding producing operations in Brazil, Chile, Argentina and their joint operation based in the North American mining powerhouse, Canada. It goes without saying the benefits Yamana Gold have bought to the tables of thousands of workers and their families is something every organisation in the sector should stand up and take notice of.

Yamana's Procurement spoke person, has told us very proudly that not only are the employees important to the business and their ongoing commitment to operational excellence across their sites, integrating with indigenous businesses within the Procurement function is also key to their growth too.

When setting up producing mine sites, it's vital that local businesses within the procurement function can benefit around these operations to, especially as they and their families were in the area generations before the mine site itself.

The way that this is done is by assisting in providing essential training and skill sets therefore allowing in the setting up of a successful entity. Once operational, the partner company can potentially grow by bringing in new members of staff and providing them with new skills in which they can flourish upon. The Mining industry isn't going to stop developing and with other organisations always looking to explore in regions renowned for resources, these businesses are already poised to assist future operations.





Today, even in an industry as rough-and-tumble as mining, every company is a technology company. The rapid and ever-increasing integration of technology into the very fabric of every facet of nearly every national economy has not only changed the demand dynamics of most commodities but also altered the face of the mining industry itself.

Mining is renowned for its conservatism, to the extent there is an old saying, 'miners like to be first to be second,' but the realities of a game which is how being played to new rules means that the industry can no longer continue to err on the side of caution. To take on the array of challenges facing it, such as more stringent environmental legislation, resource depletion, and volatile commodity prices, the very nature of the mining psyche has shifted.

As a company with form for staying ahead of the curve, the Canadian gold producer, Yamana Gold, has gone to great efforts in recent years to ensure that strategic thinking is innovation-centric. By integrating new tools and digital technologies into its operations, particularly in the supply chain, the company has already succeeded in adding value by improving operational efficiency.

"The objective since the beginning has been transformation; it's a transformation journey the company is going through," explained Yamana Gold's Procurement spoke person. In the past 3 years the Procurement team has embarked on a mission to not merely fine tune the company's Procurement function but revolutionise this critical area of business. The spoke person continued:

"The procurement function had historically been highly decentralised, but the decision was made to begin centralising areas of our supply chain operations where it made sense to do so. Yamana keeps operations local where possible, of course, but taking a more corporate approach to supply chain management in this way has gone some way to modernising our operations. From starting from scratch, from decentralisation to centralisation with our process procedures and tools, we've changed the way we do business and improved the way we manage our relationships with suppliers."

The adoption of a leaner, more centralised procurement model in this fashion has proved fruitful for Yamana, especially in terms of achieving efficiency through cost savings and the





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Orica has a diverse workforce of around 11,500 employees and contractors, servicing customers across more than 100 countries. Our purpose is to make our customers successful, every day, all around the world. We take pride in operating safely, responsibly and sustainably. Together, these enable us to grow and create enduring value for our shareholders.

NEW TECHNOLOGY

Orica has developed some revolutionary solutions for mining, among them is WebGen™, the world's first wireless initiating system that communicates through rock, air and water to initiate blasts reliably and safely, removing people from harm's way.

Orica achieved 34% reduction in waste dilution for improved ore recovery and 20% improvement in mucking productivity based on WebGen™ application at Musselwhite, Goldcorp in 2018. Orica is also working to enable its technology on the surface mining that will deliver greater flexibility to the open cut mining sector in coming years.

implementation of measures designed to streamline the procurement process.

The new procurement process is a three-tiered system, operating at site level, country level and corporate level. Yamana Gold always seeks to ensure that each individual mine site, whether in Brazil, Canada, Argentina or Chile, works with suppliers at a site and country level, allowing it to not only support local communities and the local economy but also so that it can benefit from the synergies created. Broadly speaking, suppliers of services and consumables, like diesel, for example, are locally or regionally-based, but the acquisition of niche, specialist supplies are acquired globally.

Take tunnel development work or shift sinking, for example, or the acquisition of the world-class equipment and parts needed to maintain production in-line with the highest international standards – only world-class international suppliers such as Caterpillar or Sandvik can meet these requirements. Naturally, responsibility for managing this calibre of falls to the corporate level.

For any business in any industry, a polished, smooth-functioning supply chain is imperative. In an industry so competitive and unforgiving as mining, however, where the network of suppliers, transport and logistics systems, production facilities, and warehouses are responsible for extracting, processing and transporting huge quantities of resource, there is no margin for error. Every component part of the supply chain function must operate efficiently and cost-effectively, and every supplier must deliver to the highest standards.

"We have operational excellence initiatives at Yamana," they continued: "We have implemented tools that measure price, volume and exchange rate impacts – this is called PVX. Then we look at consumption as well, and we also have our SRM (supplier relationship management) systems in place.

We take measure but we can't monitor 100% of everything that is always happening, this is impossible because we have thousands of suppliers. Instead, we really measure our key service suppliers, particularly for equipment and maintenance which is crucial. Parts too. When you have a liner in the mill, for example, they are expected to last 6-months. We make sure we have replacements ready because it can shut down plant operations if they go down and we aren't ready. These are the kind of critical things we must discuss, measure and keep tabs on.

Another thing that is also important for an industry with a global sourcing strategy is to have a good mix of new and long-standing suppliers, which allows them to boost competitiveness while also ensuring quality. Yamana must be careful, however. If you replace sources of good key parts and equipment with another supplier but their parts are worse in quality than promised, sure, you save US\$500,000 but you lose millions later if operations suffer."

Through blending the effective integration and leveraging of new technologies, particularly in the digital and big data-analytics spheres, with dynamic strategies and process, and of course a gifted, collaborative employee base, Yamana Gold is amongst the

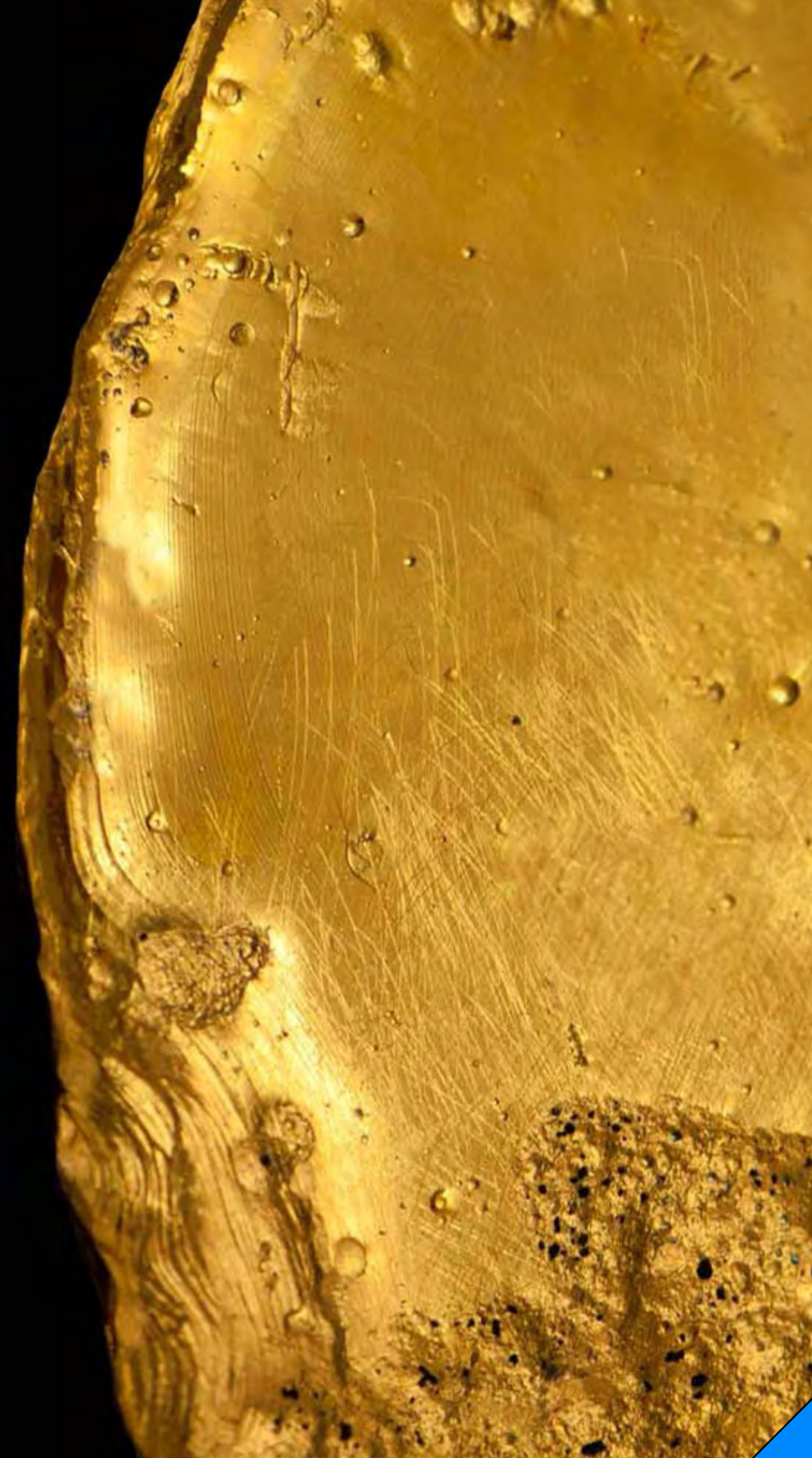


vanguard of miners that are driving progress in the sector. Progress is a multifaceted objective, however, their Procurement spoke person has noted, that while great strides forward have been made in dragging the mining industry into the 21st century with regards to business strategy and outlook, the industry still lags well behind other industries by measure of the proportion of women in leadership positions.

There are old sayings, I don't know where they started, that imply women are dangerous in mining because they bring bad energy underground when they are nearby and cause accidents. This is very 19th century! When their Procurement spoke person was visiting the mines in Brazil one time and was underground, they remember thinking I wanted to be trained and I wanted to

go underground, and the workers were laughing and joking and telling me these kind of stories. It's not just in one country where you hear these stories, you hear these kinds of stories in many countries," Breaking down diversity barriers that have long discouraged or outright prevented people from achieving their full potential as a result of gender or race is one of the most prominent topics of conversation in business today.

Much like the rest of the business world, Yamana Gold and the mining sector at large are in something of a state of flux. It is difficult to predict what the future of the industry will look like, but what is certain is the old ways of doing things have gone the way of the dinosaur. The world is changing for the better – progress cannot be waylaid or resisted, it can only be embraced.



EXECUTIVE INSIGHT

MAGAZINE