
THE ROUTE TO PROJECT SUCCESS



IMPROVING INVESTMENT OVERSIGHT IN ANGLO AMERICAN SOUTH AFRICA

Client: Anglo American South Africa

Sector: Mining

Date: 2010 to 2011

Location: Johannesburg, South Africa



Features:

- GOVERNANCE** - Investment decision-making aligned with Anglo American governance
- PROCESS** - Integration of investment projects into one, seamless process
- PEOPLE** - Investment data centrally, readily accessible
- TECHNOLOGY** - Interface that is simple to use
- COMPANY** - Accurate and true reflection of the actual financial status and progress of investment projects

Background

Johan Steenkamp was Program Manager of the Investment Committee Navigator Project for Anglo American South Africa, the South African holding company for Anglo American plc's South African operations (internally referred to as the AAPW – Anglo American Projects Way Navigator.) As one of the world's largest mining companies, Anglo American has operations on five continents where they mine iron ore and manganese; metallurgical coal and thermal coal; base metals and minerals – being copper, nickel, niobium and phosphates; and precious metals and minerals. In South Africa Anglo American mines, processes and markets

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four of these commodities, namely platinum, thermal coal, diamonds, and iron ore. They do this through four businesses in South Africa, which are Platinum, Coal, De Beers, and Kumba Iron Ore. Anglo American South Africa is organization responsible for all Anglo's mining operations in South Africa. This includes being responsible for investments in mine development projects, both to find new ore resources and to develop existing operations.

Prior to this project, Johan Steenkamp was Program Manager of the PRIZM Project for Kumba Iron Ore (Kumba), the iron ore subsidiary of Anglo American plc. The PRIZM Project won Kumba's in-house Laurel Award for outstanding achievement in June 2010.

The Challenge

Anglo American SA's Investment Committee has oversight of all the mine development investments made from South Africa, totaling millions of dollars annually.

Projects are based in South Africa, as well overseas as Joint Ventures. For example, at that time, a key investment for Anglo American was the Pebble Project in Alaska (which has a project CAPEX of \$400-million). Considering the size, complexity and risk of these investments, the proposed project management system had to work immediately and well.

The Investment Committee reviewed and tracked investments. However, the process was not cast in stone, the templates for submission and evaluation of projects kept changing, and the Committee was hampered by the lack of efficiency and standardization.

The Committee members, the most senior staff of Anglo American South Africa, were pressed for time and needed

and efficient, fast, easily accessible resource.

The Solution

Johan turned the Committee's investment reviews into project lifecycle reviews, using Navigator as an interface.

- ✓ He developed a graphical Navigation tool that is easy to operate and navigate with logical, useful information and templates that have been seamlessly integrated with other existing technologies and systems.
- ✓ Navigator contained all the tools the Committee members, and those responsible for nominations of project to the committee, would need. These included the procedures, processes, templates, stage gates, evaluation criteria, etc., for every project dealt with by the Committee.

Along with a Business Analyst to review the Committees existing requirements, the

project involved a small but important group of people.

The solution resulted in a pipeline of projects properly positioned and assured for delivery. A clearly structured portfolio of projects with appropriate accountability was defined with integrated governance established, resulting in the correct projects now being approved and positioned for investment.

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