

Business Excellence Program



Peter Gough
Head of Business Excellence

www.newcrest.com.au



Newcrest BE Vision

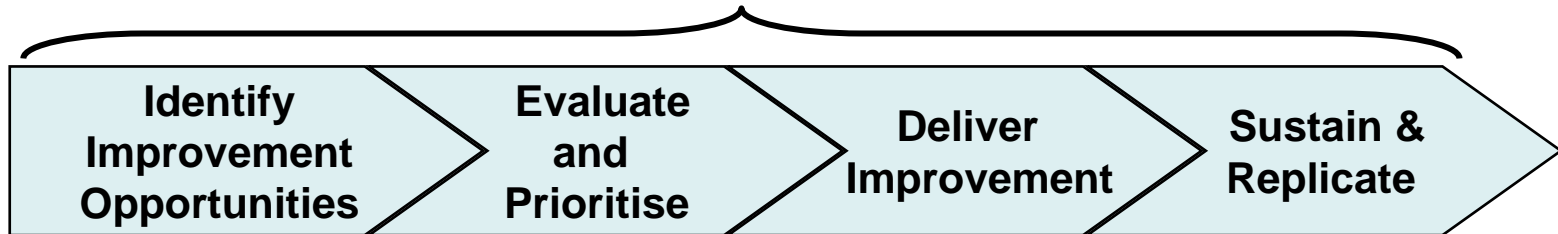


Business Excellence Vision



Newcrest BE Strategy

The Improvement Value Stream



Three Broad Phases:

1. Initiation – Building the BE Value Stream

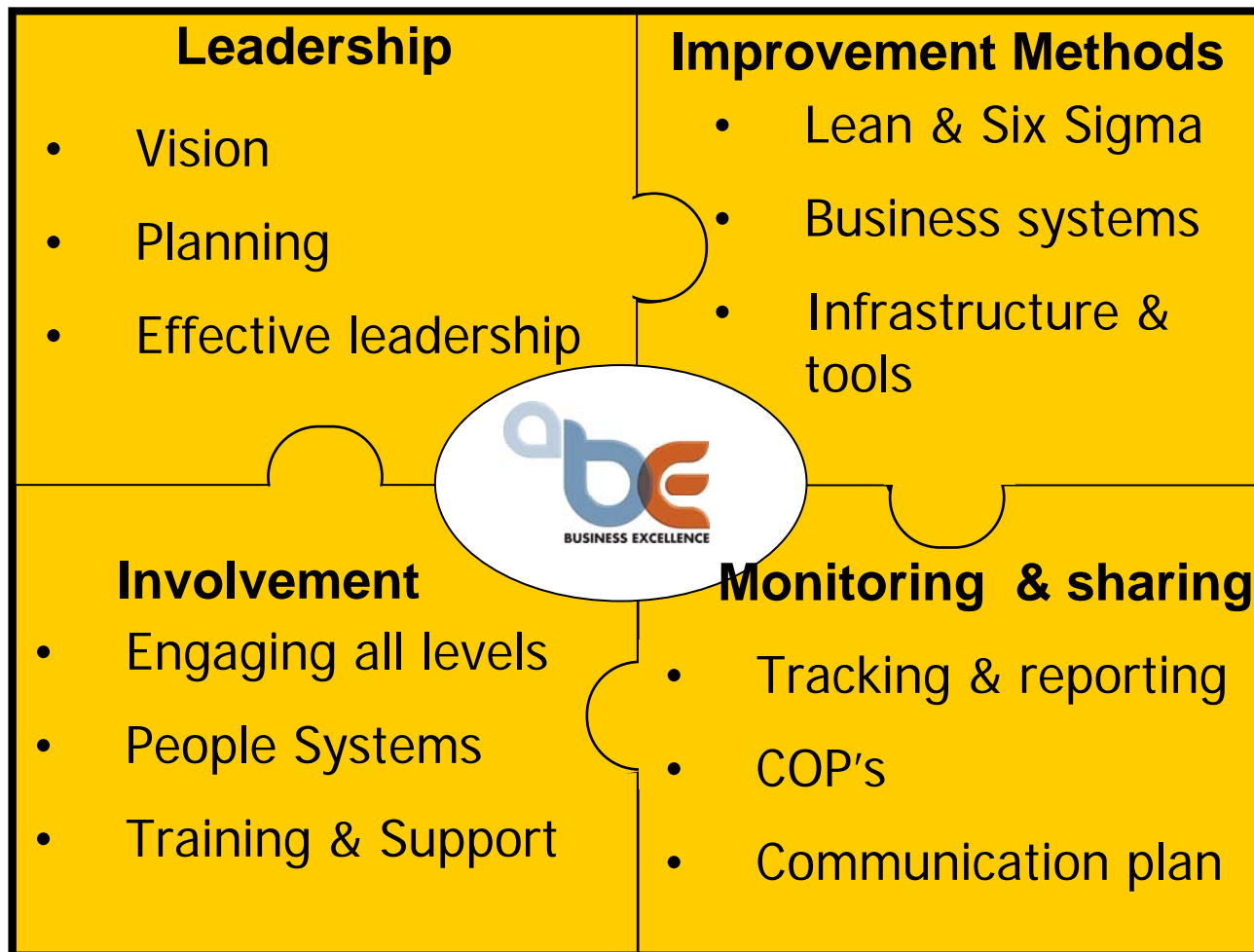
- Building: Infrastructure, capability, engagement, early wins
- Change management and communication program

2. Integration – Integrating the Value Stream

- Broadening Engagement
- Building and integrating BE systems and processes
- Newcrest Business and Operating Systems

3. Way of Life

Deploying the Strategy



Status – key engagement milestones

Capability

- Training (Lean Six Sigma)
 - 30 Black Belts, 80 Green Belts, 300+ Yellow Belts
 - Over 400 people (part time and full time) currently active
 - Involvement will increase rapidly with YB program and Lean deployment

Portfolio

- Projects
 - Over 80 projects in current portfolio
 - Systems in place ensuring more balance (cost, revenue, LTO etc) in 08/09
 - Will see an increase in shop floor, less tangible activity from Lean

Implementation

- Improvement activities and programs also underway in:
 - Exploration and Projects
 - Functional (Head Office) groups

Program Delivery

2007/08 (Year 1)

- Delivered: \$79M
- Building capability through Lean Six Sigma training
- Establishing systems, processes and tools

2008/09 (Year 2)

- Portfolio focussing more on cost
- Increased Confidence and Capability:
 - Increased rigour and tracking
 - Broader engagement and involvement
 - Improved 'Lead' indicators (completion rate, cycle time, % value capture)
 - Disciplined support/ leadership
 - More systematised
 - Tighter integration with the planning process

Examples - Success Stories

Project	Project Leader	Site	Value
Reduce Unplanned Truck Maintenance Downtime	Craig Brown	CVO	\$1.1M
Low Grade Low Pressure Process Water Pump Optimisation	Tom Mackay	CVO	\$1.1M
Optimise Drive Location	Rachel Benton	Gosowong	\$5.0M
Shotcrete Optimisation	Indra Febrian	Gosowong	\$0.8M
Winder Power Optimisation	David Mason	Telfer	\$2.8M
Reagent Consumption	Deddy Barata	Gosowong	\$US266K
Planning System Integration	Paul Thompson	Melbourne	Enabler