

# K WERT

32

EDITION 2014 | 2015  
THE KAEFER MAGAZINE  
FOR EMPLOYEES, CLIENTS  
AND PARTNERS



R E D

RECOGNISED  
EFFICIENT  
DIFFERENT

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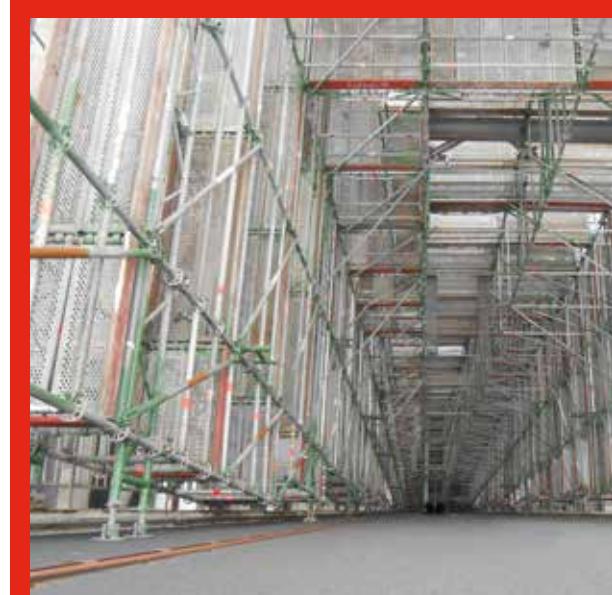
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Our View On Differentiation

# Dear colleagues and friends of **KAEFER**

In response to the market situation, we have decided that it is time to take our strategy to the next level by increasing our competitive strength by being recognised, more efficient and different.

But what does this actually mean? This year's K-WERT edition took on the challenge of giving both a simple overview and a deep understanding of our new competitive strategy, as well as its impact on our daily business. To reflect this new KAEFER environment, K-WERT has also updated its look.

The following articles will provide you with our personal points of view, but also with impressions and feedback we have received from all over the KAEFER world.

Not only will you find engaging stories about our projects and services that we execute worldwide, you will also read about personal achievements and challenges. Experiencing different points of view on the various topics which move the KAEFER world will give you an impression of what makes KAEFER recognised, more efficient and

different. With our mission to support our clients' success by delivering the most professional integrated services and solutions for the Industry, Marine & Offshore, and Construction business worldwide, KAEFER aims to be the recognised world market leader by positioning itself prominently in each selected geographic market. Continuously improving processes, practices, and perspectives, based on the question "How can we be even better tomorrow?" each of us – each employee, each entity, each country, and each region – plays an important role in successfully meeting this target.

We would like to thank all of our employees, clients, and partners for their continuous commitment and support and wish you all a successful 2015!

**Enjoy exploring this new edition of K-WERT**



Peter Hoedemaker,  
Chairman of the Board



Steen Hansen,  
Chief Financial Officer



Philipp Dalheimer,  
Chief Operating Officer





left to right: Peter Hoedemaker, Steen Hansen, Philipp Dalheimer

## BOARD OF DIRECTORS

We've had a year to observe the KAEFER Lean Journey in action. What are the lessons learned?

**Hansen:** We are making good progress. However, as expected, it is a challenging process because it requires people to change their routines and their behaviour and to get involved in thinking through the practices they've sometimes had for many, many years. Often, the ways of the past weren't wrong – there is simply opportunity to improve them. This applies not only to people working on projects, but also to all areas of the company. While we are not yet in a phase where we can report widespread measureable results,

it is encouraging to observe that the process is well underway.

**Dalheimer:** We've had a good start in the past year. We've made it through the first period of scepticism, and many people have now embraced Lean. We are currently in a state of enthusiasm, which is also accompanied by hard work. Next, we will enter the early "sustain phase" in which Lean will need to be implemented by line management on a daily basis.

Is there a project that particularly stands out as a success on the KAEFER Lean Journey?

**Dalheimer:** Several projects. A pilot project in Poland, for example, has had the most success so far in standardising work and in going to the furthest extent possible in terms of the pure Lean school of synchronisation and sequencing.

**Hoedemaker:** Lean helps everyone to view success as something dynamic and ongoing, as something that can be achieved again and again

in different ways. The motivation to follow Lean and make improvements comes from the everyday rewards it brings.

*"The motivation to follow  
Lean and to make improvements  
comes from the everyday  
rewards it brings."*

What are the challenges to implementing Lean?

**Hoedemaker:** I think we all agree that the biggest challenges to implementing Lean are the changes required in our thinking. We are well on our way, but it takes time to completely shift gears. We have to give ourselves time to get truly Lean and make sure that line management lives Lean every day. That is our priority at the moment.

**Dalheimer:** Another challenge lies in the most complex work areas, such as the offshore sector, where Lean presents new demands in planning.

The construction sector is another example. Here we have a different contracting method and often work with subcontractors. In these cases we have to factor in their methods.

**Hansen:** We tend to get very excited when we see a significant improvement in productivity of, say, 30-40%. However, the real challenge lies in improving an area or a project that is already running relatively well.

## How has Lean added value for the client?

**Hoedemaker:** Lean has already proven that it works, and there are cases in which it has helped us save time and stay on schedule. One of the most critical issues on projects is the timely delivery. With Lean we have been able to strengthen this. That is of great value to us and especially to the client. On the maintenance side, Lean creates reliability for the plant managers.

That adds value because they can plan better and reduce the time needed to shut down the plant, thus increasing the plant's productivity.

## Have there been setbacks? Has there been resistance to Lean? Are there areas in which Lean could not be implemented?

**Dalheimer:** There have not been any major setbacks because there is no area where Lean cannot be applied. Since Lean consists of a whole toolbox, it can be implemented to fit any situation at KAEFER. You can apply an entire range or only certain aspects of Lean. Even if we use it exclusively to focus on a site, we can create new transparency there and help people move

forward by setting goals and tracking whether or not they have achieved them.

## Why does KAEFER need Lean?

**Hoedemaker:** Well, aside from the satisfaction of improving the job that we do, there is true urgency to it. There is great economic stress in the market. Clients are very price sensitive, and the reaction in the industry is to lower prices, consequently reducing margins. Since we can't expect a rise in prices any time soon, we need to look at other ways to improve our margins and stay competitive.

profitability and competitiveness. This in return secures employment.

## What's next for KAEFER on its Lean Journey?

**Hoedemaker:** As mentioned, we are currently focused on the attitude towards the implementation of Lean, concentrating on training, facts, and persuasion. This is already taking place across the world, and Lean is being embraced by workers, line management, managers, and administrators. Engagement will be crucial for everyone and expected from everyone.

managers with processes and standards so that they can stand at the front convincing the workers that these changes will benefit them. For example, Lean helps recognise the value of the work done, organise the processes, and anticipate steps so that fewer adjustments are required along the way.

## Where do you see KAEFER's Lean Journey in five to ten years time?

**Hansen:** Lean will be far more integrated into the organisation. At the moment, Lean is more of a framework to implement the new approach and structures. This will change dramatically in the next few years as it becomes a part of the KAEFER DNA.

**Dalheimer:** Over the next few years, we will see Lean in action everywhere. The Lean toolkit will show results, foster interaction, and share best practices at all levels.

**Hoedemaker:** Lean will transform KAEFER from a company of many 'islands' of individual performers to a more efficient, united, and streamlined 'nation'. Lean will help us deliver the same quality and high standards around the world.

*"In five years, Lean will be a part of the KAEFER DNA."*

**Hoedemaker:** These changes translate into the highest possible quality standards for our clients. It will be noticeable in everything we do.

Another significant topic of 2014 was the end of the Quality Campaign which culminated in the celebration of PACT Day throughout the KAEFER world. What was the idea behind this campaign and big final event?

**Dalheimer:** Well, PACT Day was a very successful example of the commitment to quality at KAEFER. It celebrated the conclusion and results of the Quality Campaign, which was the first time that we came together on the same day worldwide to talk about one subject. PACT, which stands for Planning, Administration, Communication, and Technical Quality, managed to cement the definition of quality at KAEFER. This event was also a chance to review results and celebrate successes. It really helped unite the people at KAEFER and was extremely well received and organised.

How did the Quality Campaign help KAEFER boost recognition?

**Dalheimer:** It is important to identify two forms of recognition at KAEFER. One is internal and involves recognising the achievements of our employees. The other is the recognition of our clients that KAEFER stands for operational excellence. An important aspect of the Quality Campaign was that it encouraged employees to generate local initiatives. Every idea had its merits, and the process itself showed that initiative is valued.

In the new business strategy KAEFER is focusing on integrated services and solutions instead of on complete insulation solutions. Even the mission statement was changed to reflect this. What does this mean for the company?

**Dalheimer:** Our updated mission statement reflects the fact that KAEFER offers clients the most professional integrated services and solutions including Insulation, Access, Surface Protection, Passive Fire Protection, and Interior Outfitting. We have to capitalise on our range of strengths while maximizing volume. Our clients have shown great interest in these services, and we deliver them in any combination, worldwide at the same high quality level.

**Hansen:** This is an industry evolution. Clients have become more interested in a package of services. While insulation is still a core competency at KAEFER, our technical expertise,

How will the regional structure support this?

**Hansen:** The regional structure helps unify KAEFER and position us to run more responsively in relation to the market and to also stand united in delivering the same high level of quality everywhere.

What are KAEFER's strategic goals for the next few years?

**Hansen:** KAEFER has been through a rather strong growth phase in volume and in geographical expansion. Now we aim to consolidate KAEFER in order to stand strong for future growth. We are also currently in a strategic market where we have the benefit of being able to capitalise on major trends in energy efficiency and CO<sub>2</sub> reduction. This helps us fulfil our aim to be both efficient and environmentally conscious.

**Dalheimer:** We will also continue to consolidate our base, re-evaluate processes, and search for new market opportunities in our industry.

**Hoedemaker:** PACT Day really was three things: a conclusion, a confirmation, and a contemplation of what lies ahead.

**Hansen:** I think the great success of the Quality Campaign was that everyone gained an understanding that quality at KAEFER means a variety of things from doing a good job on the project, to prudent planning and administration, right up to clear communication. It redefined the many ways in which KAEFER can deliver high quality.

**Hoedemaker:** We were recently invited to the site by a client who outlined his company's high standards and then expressed his appreciation of the ways in which KAEFER fulfils these. He went on to tell us that good quality and efficiency are worth a premium to his company. This recognition affirms that we are on the right path.

worldwide presence, and financial muscle make us the best quality choice for integrated services and solutions.

**Hoedemaker:** A clear focus on integrated services and solutions is also a key element in our differentiation from the competition.

*“Our technical expertise, worldwide presence, and financial muscle make KAEFER the best quality choice for integrated services and solutions.”*

**Dalheimer:** In uniting capacities, we help individual organisations by leveraging regional strengths and synergies. This also helps us respond to the market by both seeking out and creating new possibilities.

**Hoedemaker:** As we fulfil our aims to be more efficient, to highlight what makes us different, and to enhance our recognition, it is and will remain our priority to create added value for the clients and employees with the goal of further increasing our competitive strength in the market.

# THE KAEFER STRATEGY

Increasing our competitive strength  
by being recognised, more efficient and different.

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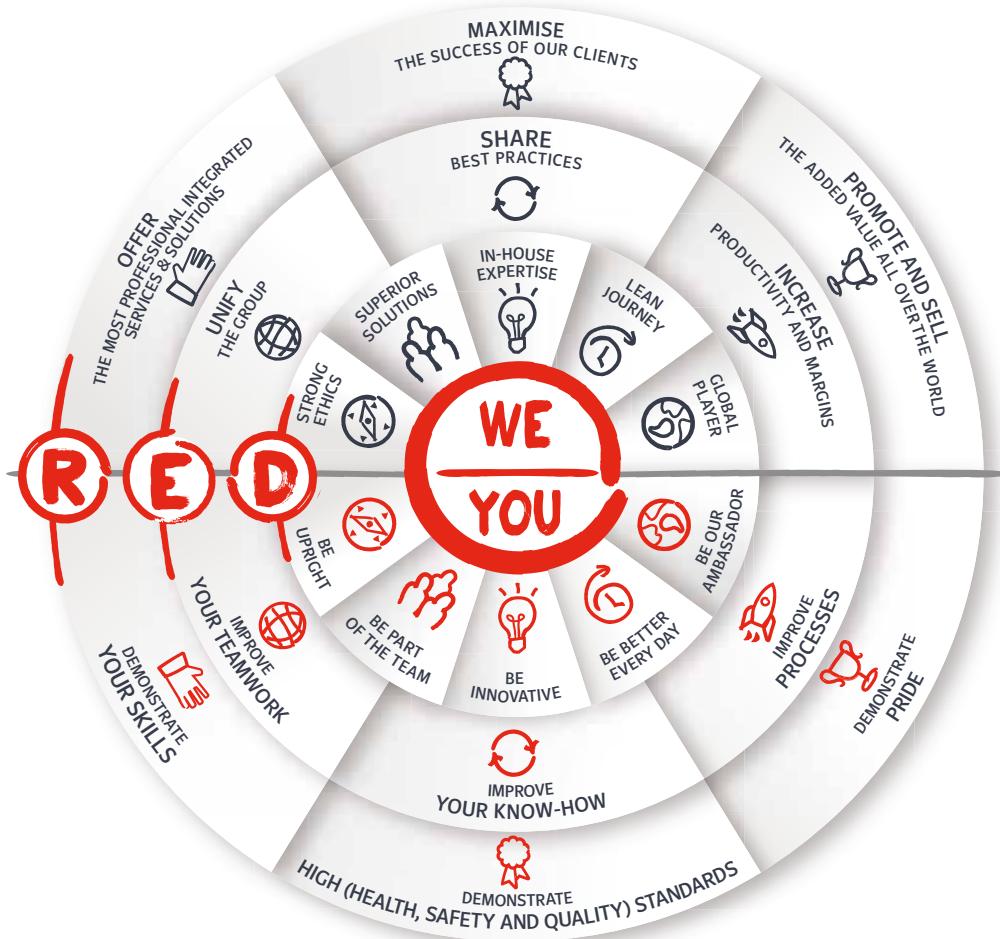
**RECOGNISED**  
= BOOSTING  
OUR EXCELLENT  
REPUTATION

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**EFFICIENT**  
= DRIVING  
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= IMPROVING  
YOUR DAILY WORK

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**DIFFERENT**  
= YOU ARE  
THE DECISIVE  
FACTOR

TOGETHER  
WE COLOUR  
KAEFER RED

# Recognition is ...



... boosting  
our excellent  
reputation.

# OUR VIEW ON RECOGNITION

*In an industry where your reputation is very often based on the execution results of your last project, it is a source of pride to KAEFER that clients return again and again. “Ours is not an industry in which companies can advertise their strengths with hip marketing and impressive packaging,” says Chairman Peter Hoedemaker. It is his view that recognition should be given internally to those who have contributed to the company’s success. Recognition is also received externally from the clients who choose KAEFER in a very competitive market.*

As KAEFER navigates a market that is constantly in flux and currently faced with the risk of shrinking margins, successes are hard won. And certain projects become legendary. Read about the accomplishment of the KAEFER C&D Sellafield or the Queen Elizabeth Class Carrier projects. Other projects fulfil and exceed KAEFER clients' expectations more quietly by meeting seemingly insurmountable challenges using KAEFER expertise and problem solving skills. While the completion of an IKEA interior outfitting project by KAEFER Construction GmbH is a project where the client recognised true KAEFER ingenuity, the SAMREF clean fuel expansion project by KAEFER Saudi Arabia earns top marks for HSEQ in a running petrochemical plant.►

**In an industry where your reputation is very often based on the execution results of your last project, it is a source of pride to KAEFER that clients return again and again.**



## Naming Ceremony of the “Queen” in the UK

There was much fanfare and pageantry to be witnessed at the Rosyth shipyard in Scotland last July. Five years after the first metal was cut on the vessel, and 33 months after the first section entered the dry dock, the Queen and the Duke of Edinburgh accompanied by the Prime Minister of Britain, attended the naming ceremony of Britain's largest ever military vessel: the Queen Elizabeth Class Aircraft Carrier. Over six years, KAEFER C&D fabricated and installed HVAC ductwork as part of the €62.5 million contract for two ships. On these projects, KAEFER C&D is subcontractor

for BAE Systems & IMTECH, who along with a number of other companies make up the Aircraft Carrier Alliance. This company was formed specifically to deliver complex and demanding projects of this nature. Approximately 45 km of ducting are used per ship, with around 500,000 man-hours expended on these activities in the completion of the first ship. The assembly of the second ship, which will be called the Prince of Wales, started in August this year and is scheduled to launch in 2017. When they set sail, these vessels will displace approximately 65,000 tonnes each.



## KAEFER received safety award from Bayer

In the context of building sustainable partnerships throughout the supply chain, Bayer has invited its global suppliers to attend the “Bayer Supplier Day” at the BayArena in Leverkusen. KAEFER, a key supplier since July 2014, was represented by the KAEFER Industrie GmbH. “The qualification as key supplier for Bayer is a major success for us and puts us in line with big, global, stock listed companies”, says Oliver Geschke, KAEFER Regional Manager Western Germany. Five awards were bestowed at the end of the event. KAEFER received the award in the category of “Contractor Safety”, which honors the exceptional works of KAEFER towards a safer working environment.

Sincere thanks go to all our employees at the Bayer construction sites!

*They think, act and work in a safety manner.*



## Going the extra mile: Sellafield Award 2014 for KAEFER C&D

At the 2014 Sellafield Ltd Supplier Forum, KAEFER C&D was announced as winner in the category of Supplier “Going the extra mile”. This was based on KAEFER C&D’s work as a specialist access and insulation supplier in supporting the Waste Vitrification Plant recovery project at the Sellafield site. KAEFER C&D demonstrated a proactive approach when introducing alternative forms of access, flexible working, and intelligent resourcing of materials and equipment. This resulted in significant cost savings to the client and was achieved with

zero accidents or incidents. This is an excellent example of the site-wide access and insulation framework contract working effectively. The Waste Vitrification Plant recovery project demonstrates how KAEFER C&D, as a specialist supplier, can build long-term partnerships and continue to develop the high standard of service delivery they already provide across the Sellafield site. The Sellafield facility, which is located in Cumbria in Northern England, covers an area of over 6 km<sup>2</sup>, making it the largest nuclear site in Europe.



## IKEA LUV SHOPPING Lübeck: One-of-a-kind ceiling

### Challenges:

KAEFER Construction GmbH in Kiel was given the tasks:

- 1) To build a ceiling that would accommodate up to 60 mm of movement in the steel load-bearing frame.
- 2) To build a ceiling measuring 5,500 m<sup>2</sup> with 132 dome lights and polygonal and diagonal running friezes in half the time typically required.

### Facts:

- > ceiling with 60 mm movement
- > 5,500 m<sup>2</sup> ceiling
- > 132 dome lights
- > only 8 months to complete the project

### Background:

By the time KAEFER Construction was awarded the Interior Outfitting contract by IKEA Centre Group Deutschland, the complete project was already behind schedule due to the complexity of the steel load-bearing frame. The planned and commissioned rigid ceiling construction did not accommodate significant movement in the steel frame.

As a result, the initial start date of August 2013 could not be realised and KAEFER was only able



to commence with the dry wall installation in October 2013. The construction of the steel load-bearing frame ran concurrently as it had been slowed down by fog and frost. The due date for the project was June 2014.

### Solution:

KAEFER developed, planned, modelled, and presented two alternative solutions to the client that could both reduce construction time and accommodate the motion in the steel frame. The solution chosen by the client utilised step-seams in a gypsum-plasterboard construction, including an expansion joint at 8 m intervals thus avoiding time-consuming

seam filling and accommodating potential movement of the steel frame. An increase in manpower and man-hours resulted in record-time completion, and additional interior outfitting commissions were completed on schedule to the client's satisfaction.

### Conclusion:

Innovative technical solutions, a hardworking and highly skilled team, and carefully coordinated workflow management thanks to thoughtful planning all added up to a happy client and a proud KAEFER team.

► "KAEFER places great emphasis on Health, Safety, Environment, and Quality worldwide. Our notable achievements in this regard please us immensely as they benefit our workers and their families, but also demonstrate KAEFER's ability to deliver high quality results safely and efficiently – an added value to our clients," says COO Philipp Dalheimer.

## KAEFER places great emphasis on Health, Safety, Environment, and Quality worldwide.

Initiatives implemented and goals set at different KAEFER locations serve to motivate and recognise the achievements of individuals and teams who make a great effort to protect their own and each other's well-being. Sharath Shetty, HSEQ Manager at KAEFER Saudi Arabia explained the various campaigns in place that led to the achievement of goal ZERO at the SAMREF project. To reduce incident to 'zero', they addressed topics such as a traffic safety campaign to reduce accidents, working at height safety campaigns to caution about falling objects, as well as trainings and demonstrations on fire fighting systems to develop proactive approaches towards prevention of possible property damage

and injuries due to fire. On top of it, an integrated management system was deployed, which further developed the HSEQ culture among employees. "The goal was to better understand how procedures and a culture geared towards safety can benefit both workmen and supervisors," says Shetty. The campaigns started in June 2013 and by March 2014, the five million man-hours without Lost Time Injuries (LTI) milestone had been crossed.

At KAEFER Thermal in South Africa, Contract Manager Johann Torre and his team also have cause for celebration. Electricity provider Eskom's Tutuka Power Station under the site supervision of Elliot Mhlongo achieved 2,000,000

man-hours without LTI. While the Majuba station under the site supervision of Sipho Sambo KAEFER also achieved 2,000,000 LTI free man-hours, 1,500,000 man-hours without LTI have recently been exceeded at the Matimba station under the site supervision of Kobus Greeff. This year, however, the bar was set especially high when KAEFER LLC in the United Arab Emirates (UAE), under the watchful eye of Managing Director Sanjay Kumar and an established HSEQ team, reached 25 million man-hours without LTI. It has been just over six years since the last LTI. This achievement is unique, especially given that the huge workforce operates in harsh conditions in the desert.►

► “This is quite meaningful due to the fact that UAE has come a long way in the face of various challenges. We strongly believe in ourselves as a team that dared to merge and tune into the work culture of the UAE and KAEFER, with its high quality work demands and competitive environment,” says Kumar. According to Sanjay Kumar, commitment, loyalty, hard work, strong management support, and a quality approach to safe working are the threads that contributed to this success. “We never compromise on health and safety and would not fall short. We continue to excel in it by taking personal responsibility and motivating and encouraging colleagues to be diligent and vigilant every second, minute, and hour of the work day to safeguard ourselves and the company’s safety standards,” says Kumar.

It should come as no surprise, that the company-wide campaign ‘Think Quality’ also generated new initiatives cooperatively, which drew very positive responses. The campaign culminated in 2014 with PACT Day (PACT stands for Planning, Administration, Communication, and Technical Quality) and is proof of what can happen when many engaged doers and thinkers from around the KAEFER globe unite. The campaign recognised the expertise and efforts of KAEFER colleagues internally and aimed to motivate employees to innovate and improve processes throughout the company.►

**Commitment, loyalty, hard work, strong management support, and a quality approach to safe working are the threads that contributed to this success.**



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## ONE Team – ONE Quality PACT

March 11, 2014: The Quality Campaign 2013/14 was coming to an end, but there was one commitment still to be addressed, namely, to have everyone at KAEFER agree to the KAEFER Quality PACT.

**8 am NZST (GMT +12 hours):** Motunui, Waitorara, Wharerara: The PACT Day started with the KAEFER crews in New Zealand!

**10 am AWST (GMT +8 hours):** in Kwinana, the Australian KAEFER team was the next one to join in!

Singapore, Malaysia, Thailand, the Middle East, Southern Africa, Eastern Europe, Central Europe, Northern Europe, South America, and Mexico, hour by hour you could see how

KAEFER people from around the world were joining PACT Day and pledging their commitment to Quality.

**2 pm MDT (GMT –6 hours):** ALBRICO KAEFER was the last one to join in PACT Day!

From east to west, KAEFER managed to have 24 hours dedicated exclusively to Quality around the world. This was, indeed, another way to further promote one of our core principles: “We base our long-term client relationships and profitability on excellence in quality and continuous process improvement.”

And a great opportunity to show that altogether we are part of one KAEFER Team!



► Chairman Peter Hoedemaker feels that recognition is essential when delivering the most professional and integrated services and solutions. He declares: "We believe in our own success, but we also need to shout it from the rooftops!" Communicating our accomplishments and the value proposition KAEFER makes to its clients is a next important step for KAEFER to take.

"Generally speaking, our greatest challenge is getting decision-makers at the client's end to weigh the immediate costs against the savings achieved by long-term quality. This is the primary call out for our sales people around the globe," says COO Philipp Dalheimer. While the pricing of services and products is a crucial factor, "the quality of the relationship built or not built with a client weighs at least as heavily on the sales outcome and longevity of client loyalty," confirms Ole Biörnsen, Director Sales KAEFER Industrie GmbH, Germany.

With the Microsoft Dynamic CRM (Customer Relationship Management) software, KAEFER Industrie GmbH in Germany has found the right tool to help them strategically manage, prioritise, update, and report on an enormous volume

of information. However, Dynamic CRM is far more than simple plug-and-play software. To be fully effective, it must be deployed gradually, to stay in line with and support the company's evolving business objectives. Called 'Dynamic' CRM for a reason, the program adapts through continuous reporting and evaluation to the many and varied needs of the user.

Sound complicated? "It does require some adjustments in thought and processes. Some team members might be fearful of losing personal control of their territory, but they end up, in fact, gaining a better overview of it," says Biörnsen. He adds, "Successful sales are made by cultivating an open dialogue with your regional contacts. No one can take that relationship away if it is managed well. The CRM tool helps us do that."

Biörnsen values the program, which has been in use in his department since 2012, for its ability to help him prioritise and track communications, as well as access historical information on projects.

As a dynamic tool that can be implemented flexibly and to varying degrees, CRM also fits in well with the KAEFER Lean Journey. Biörnsen,

CRM is also said to help analyse results thereby providing measurable enhancements in transparency, productivity, and, ultimately, in company growth. Managers, according to Biörnsen, benefit most from CRM tool features that facilitate their reporting results and effective decision-making.

With or without a CRM system, sustainable relationships are very important to KAEFER as a whole. Whether nurturing the employment relationships through training and dialogue, actively engaging in environmental issues, or staying abreast of what is happening throughout the industry, sustainability is a central aim. That's why KAEFER also collaborates with institutions and associations such as the European Industrial Insulation Foundation (EiIF) and supports ongoing developments as well as research projects that help bring new techniques to the market.

Recent regional restructuring has also proven effective in promoting closer communication among management, employees, and clients. "Not only are our organisations better positioned to serve the needs of clients, but they can also respond more immediately to both opportunities and challenges," says Dalheimer. This immediacy is a strength that also translates into instant added value for the client.

This, of course, impacts on the recognition of KAEFER's quality and expertise which goes hand in hand with trust. This is a hard-won resource that the company takes extremely seriously. Its relationships with its employees, clients, and industry governing organisations go far beyond the surface. The long-standing emphasis on health and safety, quality and efficiency has earned KAEFER recognition and an excellent reputation industry wide. ■

## Generally, our greatest challenge is getting decision-makers at the client's end to weigh the immediate costs against the savings achieved by long-term quality.

however, emphasises that it is important to examine the needs and resources of one's own sales department before opting, perhaps unnecessarily, to use the CRM tool: "In our department, we find it has helped us to better manage our most essential resource: time."

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The second KAEFER Employee Survey – Coming to you in 2015!



Following the success of KAEFER's global Employee Survey in 2012, we are pleased to announce that the second survey will be ready for your valuable input in April 2015. In 2012, more than 70% of all KAEFER employees responded with their feedback and suggestions for improvement. As a result, KAEFER was able to evaluate outcomes and start realising changes and suggested improvements. For those who missed the last survey, you will be asked to weigh in on issues such as

- > Work and Teamwork
- > Rewards and Recognition
- > Culture, Ethics, and Diversity
- > The KAEFER Lean Journey
- > Line Management
- > Customer and Quality
- > Health, Safety, and Environment

Your opinion counts and your contributions will once again help make KAEFER an even better workplace.

# Groupwide development of employees & turnover

	2010	2011	2012	2013	2014
Turnover (Bn. €)	1.2	1.3	1.4	1.3	1.3
Employees	17,000	18,000	19,000	19,000	19,000

## International Management Meeting 2014

*Wayfarer, the only way is your footprints and no other.*

*Wayfarer, there is no way. Make your way by going farther. Antonio Machado*

In October, Burgos, a little town in the north of Spain hosted KAEFER's International Management Meeting 2014. Thanks to a change in rotation, meetings now convene every 18 months. The participants spent three days in a former monastery to update on the Group's latest developments, share information, and discover and learn about KAEFER's new competitive strategy. How to increase our competitive strength by being recognised, more efficient, and different was the main focus of this year's meeting. A long walk alongside the old pilgrim's path "Camino de Santiago", which goes through Burgos, confirmed the focus and commitment of KAEFER's top management to the KAEFER Lean Journey.

**Best Performing Business 2013:** KAEFER WANNER S.A.S., France

**Exceptional Performance 2013:** KAEFER Thermal Contracting Services (PTY) LTD., South Africa

**Best Development 2013:** KAEFER LLC, Abu Dhabi

**Health & Safety – Most Improved 2013:** KAEFER Thermal Contracting Services (PTY) LTD., South Africa

**Health & Safety – Best Performance 2013:** KAEFER LLC, Abu Dhabi

**Lean Award 2013/2014:** KAEFER Saudi Arabia, Project: SADARA Off Plot Pipelines

**Lean Award 2013/2014:** KAEFER Serviços Industriais Ltda., Brazil, Project: Lote 2



## 2015 Fairs

Meet us at:

**9-11 June**  
POWERGEN EUROPE  
Amsterdam, Netherlands

**20-22 October**  
OFFSHORE TECHNOLOGY DAYS  
Stavanger, Norway

**23-26 June**  
BRASIL OFFSHORE  
Macaé - Rio de Janeiro, Brazil

**27-30 October**  
GASTECH, Singapore

*Step by step, the Lean philosophy is becoming part of the KAEFER culture. With more than 40 projects in 2014 that have applied Lean principles, KAEFER is creating a capability of continuous improvement and increased efficiency around the globe. Two specialists in this area join this year's K-WERT with their points of view on Lean. David Mann, an expert*

*in "Lean Management Systems", with over 20 years of experience developing and leading lean business process conversions across a wide variety of industries and business functions talks about how to sustain Lean success. KATA Trainer Gerardo Aulinger joins the K-WERT with the question "To lead or to coach? Do both!"*

## Sustaining Lean success

# YOU CAN BE THE MISSING LINK

As a foreman or supervisor, you usually know what your team is working on. But as a manager, like your peers across industries worldwide, you are likely unaware of the frequent difficulties they must work through to complete their tasks. Before you disagree, let me explain why this is critical to the success or failure of Lean. Many Lean initiatives don't last and fall apart soon after the Lean team departs. But you can be the missing link that sustains Lean success. With Lean process design, most actual frontline work isn't much different. Materials, equipment, and objectives are mostly unchanged. It's your work that changes the most. It's not harder, but it's very different.

So, what is the nature of Lean? How are you the missing link? What leadership tools, practices, and behaviours sustain Lean?

Firstly, the Lean approach focuses on eliminating waste hiding in plain sight such as reworkings, workarounds, delays, wrong or incomplete information and material, excess transport, wrong inventory, etc. Lean analysis, design, and management all require you to perform three basic steps:

- 1. Go to the workplace.**
- 2. Look at the process.**
- 3. Talk with the people.**

Lean design standardises business processes and work methods. Lean aims to eliminate waste in

this business processes. Lean processes aren't perfect, just the best we know for now. Lean processes seek to expose problems and to improve for the better. Against a standardised process, deviations quickly stand out. Redesigned processes often conflict with established habits: "We've always done it this way." If new processes are not monitored with support processes and frontline workers are not encouraged in the new ways, old habits quickly return. Remember, Lean designs are usually improvements, but they are not perfect. Problems inevitably arise. Both factors call for you to focus closely on the process to expose problems and drive improvement.

Secondly, process focus is key for you as the missing link: the Lean Management System's (LMS) tools, practices, and behaviours enable you to sustain and extend the gains of Lean processes. LMS creates focus by comparing expected outcomes from a Lean process against actual performance using visual controls. LMS starts in the workplace with the workers recording actual versus expected performance. Unlike conventional practices, LMS seeks to capture frontline problems as they happen, interrupting, delaying, and frustrating those doing and supervising the work.

So, reduce time in meetings and at the computer, especially if you are working on a jobsite. Get to the worksite several times a day. Resolve small problems. Check the operation tracking

charts (visual controls) that capture and record problems. Met expectations? Good! Missed expectations? Why? Right quantity, wrong material? Note opportunities to tackle larger problems. Look at the process and methods. Talk with workers, especially when processes or methods deviate. Don't wait to discover that performance is off schedule, over budget, or below standard.

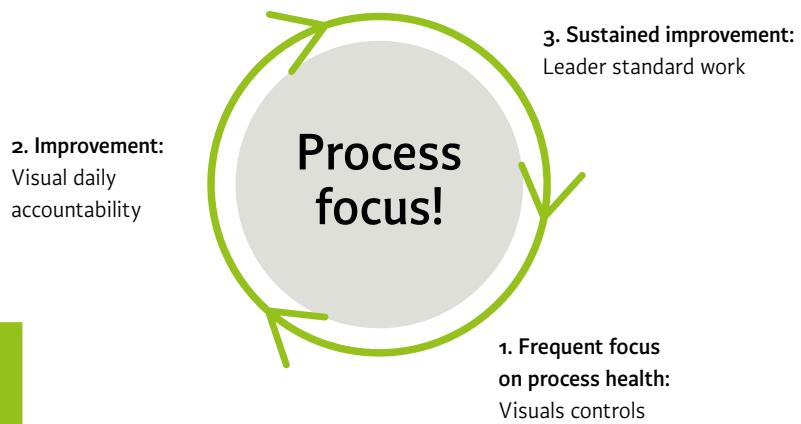
The next day, lead a brief stand-up meeting with team leaders and support representatives. Refer to problems on yesterday's tracking charts. Assign and post tasks on a problem/action list first to understand the causes then for actions to eliminate them. Who will do what by when? Ask about assignments due today. If completed – code green; if late – code red. This is accountability for assignments to turn problems into improvements.

Thirdly, create a daily routine. Your standard work as a leader is to be there with your teams

several times a day (for foremen or supervisors). Monitor worker and supply chain adherence to the standardised process, encourage following the process, explain its benefits, and ask for ideas for improvement. Read and initial the charts, showing they're important to you. Lead the daily accountability meeting to act on and eliminate problems and the frustrations they cause. Take on appropriate assignments yourself. Complete them on time.

In these ways, your focus on the process creates consistent execution, exposes problems and frustrations, and turns them into improvement. That's how foremen, supervisors, and managers sustain Lean, drive continuous improvement, and experience more success at work.

**The Lean Management System closes the loop on process focus and drives improvement**



# TO LEAD OR TO COACH? DO BOTH!

## The role of the line manager in continuous process improvement

True process improvement means innovating or developing new capabilities before anyone else possesses or masters these. To recognise whether we are truly innovating, the following questions would have to be answered with a resounding "NO":

- > Does the majority support your endeavour?
- > Does it already work?
- > Do you already know how it will work?
- > Can you prove that it will work?

True innovation is based on uncertainty and unpredictability, something that seems threatening to us and generally is difficult for an organisation to embrace. True innovation can only take place outside our comfort zone. It requires an attitude of significant confidence, optimism, stamina, tolerance, and willingness to learn. Most of us must first develop these skills and, to help us do so,

we need the right mix of leading and coaching. "Mike Rother explains in his book Toyota Kata that leaving the comfort zone and continuous process improvement can be based on two routines for employees and managers to learn," says Alexander Faber, Head of Corporate Strategy and Business Development and Global Lean Leader. He adds: "These two routines are the 'Improvement Kata' which is a routine of continuously improving processes towards challenging target conditions and the 'Coaching Kata' which is a leadership pattern of teaching the 'Improvement Kata'."

Learning and mastering the flexible and content-neutral "Improvement Kata" requires regular practice and failure under the guidance of a coach. In training, a coach works through topics that take the mentee to the very boundaries of his or her capabilities, and leave the problem identification and solving completely up to him

or her. A coach also gives the mentee room to explore in a non-judgemental and supportive environment and provides the tools and methods to work through the "Improvement Kata" both methodically and experimentally.

However, a mentee cannot learn what he or she already knows, so the coach is responsible for providing a vision, a goal, and suitable challenges that lie outside his or her comfort zone. Since these are neither optional nor voluntary tasks, the coach must demonstrate firm but respectful and constructive leadership of his or her mentee. Since the objective is, after all, to increase confidence and build trust as well as reduce fears, the coach bears full responsibility for a mentee's success or failure.

*Source: Gerardo Aulinger, verbesserungskata.de*

# Our view on the

## Tarciano Rodrigues Costa

Site Manager – Brazil



*Where do you*

"Lean process improvement reduces hours and costs and increases quality for KAEFER but also saves on man-hours aboard platforms which is critical to the client."

*Where do you*

"Being a Lean site manager means taking on a number of challenges and big responsibilities. Being a Lean site manager means creating conditions that allow the team to achieve its objectives. To do this, it is necessary to understand KAEFER's Lean tools and philosophy and bring the team together in this direction. The team has to get involved; this is a must to achieve our goals."

*Lean in*

"I compare Lean with physiotherapy; you should improve day by day. Today you achieve better than yesterday's results. It is not easy because you need to work hard to get there, but the final result is satisfying. Then this result becomes the new reference point from which to improve more and more."

# KAEFER Lean Journey

## Scott Ramsay

Local Lean Leader – Thailand

see benefits?

"I've found that people in Thailand and other Southeast Asian countries like the idea and are keen to be part of it. Everyone wants to make their day easier and safer. Becoming more efficient in a day and improving work-life balance are aspects that affect people's morale and process."

see challenges?

"The challenge is to avoid technical language when communicating Lean. To communicate the right message, you need a whole new level of communication."

a nutshell?

"It means convincing people to adopt a whole new level of culture. It also means working safer and smarter. You should be able to go home on time and to go home happy."





Ramneek Datt



## The story of a man inspired to build up KAEFER in the Middle East

It was 20 years ago when Ramneek Datt, KAEFER's Regional Director for the Middle East and India, heard of a German company looking to start operations in the Middle East. "I was appointed as the first commercial employee, as a Contracts Manager by now Regional Director Central Europe Helmut Hecht," reminisces Datt, who celebrated his 20th anniversary at KAEFER on 1 June. It was a time when the majority of the KAEFER executives in the Middle East were European with a reporting head in Germany. Very quickly, Datt was appointed Abu Dhabi Branch Manager in 1996 and General Manager in 1998. A mechanical engineer by training, he has lived in the region for 34 years and currently splits his time between Dubai, Abu Dhabi and other countries in the Arab Gulf. He has been the driving force behind KAEFER's growth in the region

starting from when it was a smaller operation in 2000 with only 175 employees up to now when it surpasses 5,000 people. He counts Ian Parrott, former Managing Director for KAEFER in Middle East and now Strategic Advisor to the Group as a good friend and mentor: "He gave me authority to take bold decisions during initial years of development to build the company into a superior organisation. Today, the Middle East is one of the most successful regions and also the second biggest in the Group in terms of employees," says Datt. It is no wonder then that he was invited to be member of the Group Management Committee on 1 January 2013, which he says, is a great honour for an Indian national. Under Ramneek Datt's command, KAEFER was able to organically grow its businesses in the United Arab Emirates, Qatar,

Saudi Arabia, Oman, Kuwait, and Bahrain. Highlights of this time include a contract for ADGAS Das Island. "This project laid the foundation stone for KAEFER Middle East," says Datt. Another was the success on the Dolphin Energy project in Qatar as well as the recently completed Shah Gas Project in Abu Dhabi. Described as a "compassionate leader" by his team, Ramneek Datt also gives back and is involved in many philanthropic and charitable initiatives in the United Arab Emirates and back in his home country, India. A "proud" husband to wife Rashi to whom he has been married for 26 years and father to Richie and Raunak, Ramneek Datt says of the three things that keep him going are: "In order of priority, art of living (yoga and meditation), KAEFER and golf!"

## It is the team that wins the race

Staying ahead of the competition is something KAEFER takes very seriously. In doing so they also know how to stay motivated as a team. Employees at several KAEFER locations have formed sports groups that train and compete together.

When Johannes Gawor, an IT employee at KAEFER in Butzbach, Germany joked with his boss that he would lose 30 kg and compete against him and the 72,000 other participants at the JP Morgan Corporate Challenge in Frankfurt this year, he was a little bit surprised by the instant "you got it" he received in response.



Gawor started training immediately and met twice a week after work with colleagues in Butzbach and ate healthy, balanced meals. Making good on the challenge, Gawor shed 30 kg under medical supervision in time for the race. "Knowing that my colleagues were also preparing for this race really kept me motivated," he said. In the end it was the challenge and team spirit that supported him in achieving his goal.



Johannes Gawor



**KAEFER** FOUNDATION

KAEFER takes care of its people and this has become one of its core principles. When the company began to expand globally, so did its community obligations. In 2010, shortly upon acquiring KAEFER SOUYET, Chile was struck by one of the most devastating earthquakes experienced by mankind. When KAEFER employees were looking for a way to consolidate their efforts to help the many who had suffered begin rebuilding, the idea of the KAEFER FOUNDATION was born. By 2013, when flooding in Germany caused severe damages, the non-profit organisation was already in place to collect donations and help people in need through the initiative "Aktion Deutschland hilft", a coalition of renowned German aid organisations that provides emergency relief.

Now in its fifth year, the KAEFER FOUNDATION gGmbH focuses on giving support in the areas of

- > Prevention of HIV/AIDS, tuberculosis, and epidemics, and help for those suffering
- > Educational and vocational training measures and scholarships
- > Scientific research & development and innovation initiatives
- > Environmental protection, especially in the areas of climate change and energy efficiency
- > Development projects for children and youth
- > Catastrophe aid

The KAEFER FOUNDATION is a team effort, reliant on support from all the KAEFER branches around the world and is funded by donations only. Learn more about the initiatives and what you can do in the current KAEFER Sustainability Report.

# KAEFER IN THE COMMUNITY

## Charity trust in Saudi Arabia

As a responsible employer, KAEFER Saudi Arabia has always encouraged its employees to contribute towards the well-being of its surroundings and society. While most KAEFER employees in Saudi Arabia believe that one 'gains by giving,' these efforts and thus the impact of such contributions were once scattered and at times less effective. Understanding the power of collective

contribution, the welfare committee of KAEFER in Saudi Arabia, headed by Haider Ali Khan, Procurement Officer, decided to introduce multiple 'buy for a cause' kiosks across project sites in the country. The products are offered to all KAEFER employees in Saudi Arabia, and the profits from these kiosks will be directed toward various philanthropic and CSR activities.

"The money generated from the kiosks will be pooled with allocated funding from KAEFER for CSR activities, to be used for charity purposes," confirms Divakaran Kollon, Assistant General Manager – Operational, Human Resources & Administration.

## KAEFER C&D sheds light on environmental issues at the office.

On his travels in the UK, Shaun Taylor, Quality Manager and Sustainability Champion for KAEFER C&D, was inspired to adopt a light-hearted energy saving campaign he discovered in a hotel.

Humorously reminding people to turn off lights when the room is not in use, the stickers applied above light switches read: "This room isn't afraid of the dark. Using this switch saves energy." Meanwhile, these

stickers have found their way to offices throughout the KAEFER C&D, and some of the work sites and even the KAEFER Headquarters in Bremen have adopted them. Perhaps this small but thoughtful campaign will raise awareness of the everyday actions we can take toward saving energy, which not only helps the environment, but also saves the company money.



## Better company health with fewer sick days in Norway

Thorbjørn Jensen, Vice-President, Human Resources (HR), at KAEFER ENERGY explains that the management team in Norway set their sights on reducing the 3.1% short-term sick leave rate, which resulted in expenses of more than €1.5 million in 2013 alone. Managers and HR met with affected employees to discuss whether special arrangements could be made to get the person back to work sooner and followed up immediately with sick leave-takers to determine tasks they could work on that wouldn't aggravate their illness.

Sick leave rates were published on the intranet for every employee to see in an effort to improve focus and, according to Jensen, generate some internal competition. "After only seven months, we are now at 2.3% short-term sick leave."

"Most importantly, we let our employees feel they're being seen and heard by the company, and that their work is valued," says Jensen. Communication skills training for supervisors, constructive discussion and appraisal interviews with employees, and ongoing feedback from supervisors all contribute to this approach.

## "Beat the Heat" campaign

Around the world, KAEFER businesses run annual awareness campaigns calling attention to the dangers of heat stress. While workforces at KAEFER operations closer to the Equator suffer from temperatures that regularly rise up to and even exceed 50 °C, workers in northern countries have a difficult time with the effects of more sudden temperature rises, seasonally.

"It is important to run these campaigns every year to refresh memory and include new

joiners," says Afzal Khan, Regional Operating Officer for the Middle East and India. Accordingly, the KAEFER campaigns regularly remind workers of the importance of staying properly hydrated and taking regular breaks in shaded areas, as well as reporting symptoms such as dizziness or exhaustion, immediately.

This year KAEFER health and safety mascot, Max, joined the "Beat the Heat" campaign. An eye-catching character, Max helped get the message

across clearly and quickly, which has made him a popular figure. This is greatly appreciated and makes it easier to address topics that protect the well-being of KAEFER employees everywhere.



## Apprenticeship 2.0 – From Bremen to South Africa

Continuing their tried and tested collaboration KAEFER and the Sportgarten e.V. in Bremen again co-operated on two very successful projects in 2014 – one in Bremen and one in South Africa.

In Bremen, the second annual KAEFER-Trophy proved once more to be a sunny success. This unconventional approach to recruiting motivated and qualified apprentices helps KAEFER to address a selected audience and present information dynamically by pairing it with a casual soccer tournament at the Sportgarten e.V. This summer, more than 250 participating students from 14 schools in and around Bremen gained insight into the range of apprenticeships offered by both organisations and competed on the football pitch.

Having joined KAEFER a couple of years ago, drywall technician apprentice Sven Lüppen and industrial fitter apprentice Tom Franke took the next step and went to South Africa in February this year to immerse themselves into the work and home life of the iSithumba

Sportgarten in the Valley of Thousand Hills, close to Durban. Both were this year's holders of the scholarship from the Sportgarten in Bremen in cooperation with the Carl Duisberg Gesellschaft, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and the Verein Partnerschaft-Bremen-Durban. This scholarship has been received by KAEFER apprentices for the third year in a row. The two young men experienced a very different culture as they helped locals refurbish parts of the iSithumba Sportgarten by installing running water pipes and upgrading sanitary facilities. Working side by side during the day, the two young men from Bremen stayed with local host families who generously opened their homes to them. The experience fostered a greater understanding of local traditions and also gave the two a new perspective on life back home in Bremen. Both agree: It will not take long until they will visit their new friends in South Africa again.



## Change makers look out for children and the elderly

Employees of KAEFER in South Africa came together for Mandela Day on 18 July 2014 to "change the world for the better, every day".

They donated children's clothing and toys to Chubby Chums, a child protection organisation that looks after children left destitute by poverty, disease, and abuse. The organisation has 31 children's homes which look after 45,500 children, one-third of whom are AIDS orphans. Chubby

Chums ensures that these children have a home, a sense of belonging, safety, security, and family. In addition, ten KAEFER employees volunteered their time with the Elandsvallei Home for the Aged that looks after the needs of 44 elderly residents under the aegis of the Red Cross. As wished by the Home, blankets and socks as well as a treat for their morning tea break were donated.



## Saudisation drive

In 2014, the Saudi Arabian Government strengthened its mandatory Saudisation ratings. The aim of the program, called Nitaqat is to support and educate the local Saudi national workforce in various industries. Mohammed Alasfour, Assistant General Manager Human Resources & Administration for KAEFER in Saudi Arabia, ensures that the organisation is fully on board with this initiative, especially after a recruitment drive that took place in March 2014.

KAEFER currently has a 14% Saudi workforce (above the 10% required by government) and enjoys excellent relations with the Saudi Human

Resources Development Fund. This resulted in the signing of more than 12 agreements to hire more than 150 Saudi employees not only in jobs that require Arabic proficiency but in various professions and categories. Continuous training is provided to all by KAEFER.

Happily, there are also close to 30 women employed by KAEFER Saudi Arabia handling administrative duties. They have their own segregated workspaces, washrooms, pantry, and even stationery in the head office. Female employees can also participate in English language course and other skills training.



## Sustainability is rewarded

Recently, KAEFER Aislamientos in Mexico was awarded the prestigious ESR certificate for its sustainability efforts.

According to local HSEQ Manager and Sustainability Champion Dalila Pimentel, who helped initiate the project, KAEFER employees there wanted to do more for their community, while also helping to communicate KAEFER's continued dedication to think, act, and work sustainably.

Still, challenging tasks had to be accomplished in order to fulfil all the requirements of the ESR certificate. Altogether, it took KAEFER Aislamientos six months to successfully implement all the necessary measures.

KAEFER is very proud to have received this honourable certificate, but also is quite aware that the new challenge lies in continuing to keep up the hard work towards sustainability.

# KAEFER

## Photo Competition 2014

### A different point of view

Posters of meerkats curiously looking into various directions marked the start of the third KAEFER Photo Competition, enticing colleagues from around the world to take part.

It is amazing to see how many different pictures come together when you start collecting impressions, emotions, and nature's beauty from all over the world. This year's theme "A different point of view" invited even the most creative and professional photographer as well as all the passionate shutterbugs who just love to capture every moment. Many KAEFER employees participated in this year's photo competition from 1 June to 31 August in order to show their very own "different point of view". Pictures taken from different angles, of unique motives, and landscapes from the last holiday trip impressed the international jury. At the end it was a masterpiece itself to pick only 20 winning photos.

But one true thought remains when you look at all those beautiful pictures: The diverse photos that were sent in from every corner of the world mirror the diversity of KAEFER and its employees. With this in mind we are already excited for the next competition in 2016.



Himanshu Shrivastava



Bipin Mohan

**And the  
winners are...**

John Lin



Christine Luneau



Senthil Kumar Swaminathan

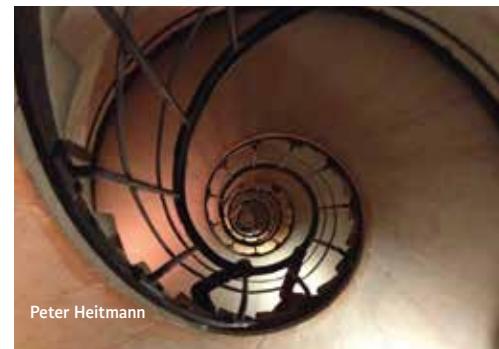


Marta Jakitsch



Quesnel Yann





# Efficiency is ...



... driving continuous  
improvement.

# OUR VIEW ON EFFICIENCY

*Ask ten people what 'efficiency' means to them and you will get the same number of different answers. Therein lies the truth about efficiency. It might mean shorter paths to one, faster task accomplishment to another, and fewer uncertainties to the next.*

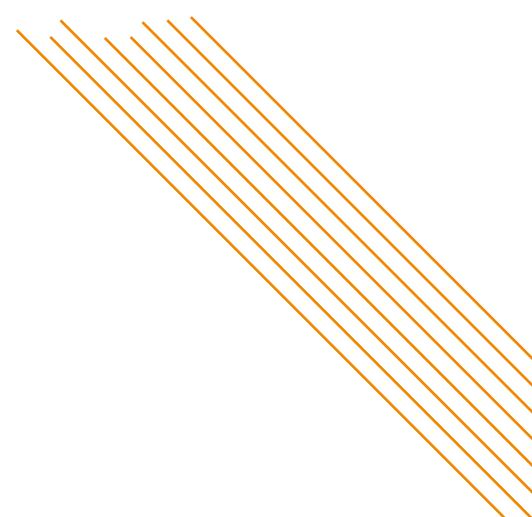
Clearly defining what efficiency means to KAEFER was both a driver and a primary goal in embarking on the quest for operational excellence on a global scale. The development of the KAEFER Process House, the corresponding Business Template, the associated harmonisation of IT processes and systems as well as the changes made in the procurement strategy, are all significant steps in becoming more efficient. And certainly this ambition also led to KAEFER embarking on its Lean Journey in 2013. Only one year later, the new set of Lean tools has helped many at KAEFER begin to identify and tackle inefficiencies, and to continuously improve processes, productivity, quality, and health and safety.

Whatever the driver of change might have been for each region, division, department, or site team, the awareness of the common goal of efficiency at KAEFER has grown significantly over the past year. As Fritz Gebauer, Manager of the Institute for Technology Management in Construction explained in last years' K-WERT issue, "Lean has similar objectives to conventional project management: Sticking to the time schedule, staying within the budget, delivering quality and refraining from wasting resources." He added: "Lean offers additional tools and introduces discipline in the collaborative process of meeting these objectives." A welcome result of the combination of actions has been the intensification in global collaboration at KAEFER.

Given a market environment that has become increasingly challenging in recent years, KAEFER faces particular issues brought on by its significant worldwide expansion. Without a consolidated effort in reaching common objectives, the diversity of standards, cultures, and portfolios could leave a diverse and fragmented group exposed in very choppy waters. Lean is enabling the company to navigate worldwide in strength.

**Lean is enabling the company to navigate worldwide in strength.**

"By truly getting Lean, KAEFER will function in an even more efficient way and leave the competition behind," says Alexander Faber, Head of Corporate Strategy & Business Development and Global Lean Leader at KAEFER. He adds: "The great thing about Lean is that everyone can contribute. The most difficult thing about Lean is that it requires courage to defy conventional beliefs and a "new" way of leadership." ▶



## Martin Kingsburgh – Local Lean Leader – South Africa

### Lean – A personal story



By now you have all seen or heard lots of positive facts and figures being circulated within KAEFER regarding our Lean Journey. It's all very exciting, and it's great to see a global change made within the company through our Lean initiatives. What I would like to specifically bring to your attention is that Lean is also changing people's mindsets and transforming the way they go about their daily business! I have seen the transformation, and it is truly inspiring. I wanted to share some examples of just that with you.

Firstly, an experience stands out to me as an illustration of the ingenuity of the site management in procuring the PPM boards, a common Lean tool, for the SAPREF Lean project in Durban. We had made many enquiries both locally and internationally to find a cost-effective source for these boards. We had all but given up when the KAEFER contracts manager for SAPREF, Rennie Chetty, informed me that his team had solved the problem. Willing to find a solution they came up with some white boards on wheels and simply attached analogue clock card holders with screws. The manner in which the site team provided a self-initiated, simple, cost effective solution embodies the spirit of Lean.

Zola Mbombo (Zo) is our cleaning lady at Head Office in Johannesburg. One morning, she walked into my office and handed me a newspaper article about a new airline that had begun servicing the route from South Africa to the spectacular Victoria Falls in Zambia. She was abuzz with excitement as she pointed to the fact that a representative of the airline



was quoted as saying he wanted to run a Lean operation. It was at this moment that I realised awareness about the KAEFER Lean Journey has begun to permeate the organisation. Zo had not attended any of our formal Lean training sessions, yet she had made the connection between what we at KAEFER were trying to achieve and the efforts of that airline. This reminded me of a story I was told about culture at Boeing. Someone once visited the Boeing plant in Seattle, Washington and interviewed one of the cleaners. He asked her, "What's your job at Boeing?" Without hesitation, she replied, "That's simple; I help build the world's best aircraft!" This humble cleaner knew that her small part in the organisation served to achieve the vision set out by the leadership of Boeing, and she was proud of her contribution. Hopefully all our staff will one day have the same vision of Lean!

My most inspiring moment on this journey though has been attending a Lean workshop facilitated by Terrence Chiliza, our Scaffold Logistics Supervisor from SAPREF. He demonstrated exceptional leadership skills and a sound grasp of the Lean concepts of 5S and flow as he explained our Kanban logistics system to our crews in their mother tongue, isiZulu. This for me stands out as a moment when we can actually see the seeds that we have sown during our Lean discussions and workshops have blossomed. We have reached our target audience of getting people on site to see the value of Lean.

My greatest desire for the people at KAEFER is not that they adopt a new set of tools to perform their work, but that they "learn to see" opportunities to further improve the value they bring to our clients and eliminate the unnecessary waste in our operations. Upwards and onwards we go on our Lean Journey!

► Far from being a complex intellectual exercise or technical challenge, Chairman Peter Hoedemaker asserts, Lean is about transparency and adopting a new attitude. "It is about re-organising what is already there. The first step was and still is to clearly see what we have," he says. He adds, "Only then can you change it for the better or use it as a best practice on other projects."

Transparency is not only one of the benefits of the KAEFER Lean Journey, but it is a necessary step in becoming more efficient. Transparency also serves to inspire client trust because it helps to respond to their needs more efficiently and effectively. Given that a powerful driver at KAEFER is, of course, client value, the benefits of transparency serve stakeholders on all fronts.

**inspire client trust because it helps us to respond to their needs more efficiently and effectively.**

**Transparency  
also serves to**

**inspire client trust because it helps us to respond to their needs more efficiently and effectively.**

## Ravi Prakash – Local Lean Leader – Saudi Arabia

### Our Lean Journey in Saudi Arabia



"Being a Lean Leader means to convince people that it's not that we want them to do more work but to work smarter. After going through Lean training, the hardest part has been to change people's behaviour – changing habits takes time. It also takes patience."

#### Challenges have been:

**Geographical Conditions:** Distances between projects range from 10 to 1,000 km. As the Local Lean Leader, it's quite tough to schedule the work within a tight time frame.



**Extreme Climate:** The very hot and humid climate makes both work and life tough during working periods. Especially during the holy month of Ramadan, the processes and progress are both reduced.

**Sand Storms:** These come to us like an unexpected guest and force all activities to come to a standstill.

**Attitudes:** For most people working here, both blue collar and white collar workers alike, bridging the difference between Asian cultural expectations and Lean methods is a real challenge. During the introduction, it seemed that people saw Lean as a tool for extracting more effort from them rather than as a tool to make their lives easier. We are slowly convincing them that it is about making their lives easier.

## Pedro Vazquez – Regional Lean Leader – South America

### Our Lean Journey in Brazil



We started in November 2013 with a Lean implementation pilot project at P32, an offshore floating platform belonging to Petrobras. The scope of this project was the complete interior outfitting for the renovation of large areas (27 cabins, 2 large bathrooms, galley, pantry, cold rooms, and a dining room).



#### Some figures:

- > 198 days for completing work
- > 48,500 man-hours without LTI's
- > 3,300 m<sup>2</sup> of painting
- > 2,500 m<sup>2</sup> of wall panels
- > 2,500 m of piping

Since this first pilot in P32, the Lean methodology has been continuously implemented not only in various offshore projects, but also onshore. A good example here is the maintenance work at a pulp mill for the client CENIBRA. On top of it, in KAEFER's office in Macaé, ten of our own engineers as well as subcontracted professionals who work on engineering tasks increased efficiency and quality through the implementation of the Lean methodology because it was also applied to engineering services. By now, the Lean Journey is very well on its way in Brazil!

With Lean, the promotion of 'client value', which is conventionally defined as anything the client is willing to pay for, is reached by reducing certain type of waste to achieve even higher productivity and quality standards. Waste is not always a simple matter, according to Faber. Defining company processes as falling under three categories, he explains: "There are activities that are purely value-adding, those that are not value-adding but still necessary, and those that are not value-adding and unnecessary." Faber goes on to state that by applying the Lean principles of flow, "takt", pull, and zero faults, not only can waste be eliminated to increase process productivity at KAEFER, but performance as well as health and safety standards are thereby improved.

## It is not just about reducing costs. More accurately, it is about spending wisely.

"One of the main issues of implementing Lean is encouraging everyone to get involved in their own way – big or small," adds Hoedemaker. There are many ways to improve efficiency. For instance, Corporate IT aims to make its contribution by harmonising and standardising IT systems worldwide (see page 30). In the interest of realising synergies, the Corporate Supply Management Team has recently been restructured (see page 31). "We are building a new meaningful function with elements of strategy, as well as global and local services," says Jasmin Bäumer, Head of CSM at KAEFER. She adds

that her department, for instance, also works closely with the colleagues involved in the set-up of the KAEFER Business Template to enhance the transparency and facilitate analysis of spending patterns. In the end, this allows KAEFER to realise economies of scale and to identify price benchmarks. It is not just about reducing costs. More accurately, it is about spending wisely. ▶

# Easy time recording saves time and minimises errors

Time recording on worksites has been mostly a manual process involving paper or Excel sheets. The information is then entered into payroll systems in a redundant way and, as a result, the time recording is prone to delays and potential errors. This is set to change with a web browser-based easy time recording process being piloted by KAEFER Integrated Services Pty Ltd in Australia for the INPEX-operated Ichthys LNG worksite beginning August 2014.

Australian colleagues are currently setting up master data for a rollout in the last quarter of the year supported by Corporate IT (CIT) and external programmers. This project is closely linked to the KAEFER Business Template initiative to harmonise business standards and processes. "If the SAP system and other systems such as the communications system are in place, it is fairly easy to set up this time recording system," says Reinhard Denker, Head of Application Management (CIT). "There is no need for other KAEFER companies to reinvent the wheel."

The data itself is entered in a lightweight format by site managers and co-ordinators day by day, and though not

apparent, is stored in the background SAP system that can generate reports. This allows validated hours to be signed off by a client or assigned by human resources to a payroll run. The system makes it easier to allocate extra hours and allowances, create wage codes for hard conditions, and to deal with absenteeism. In a place like Australia where payroll runs are done biweekly, it is a great advantage to have such accurate and real-time information.

"Site managers and coordinators can do their job in a more efficient way using this system. Besides, users don't need to be very tech savvy," says Penny Staebler, Payroll Administrator at KAEFER Integrated Services Australia. "The data is transparent and timely, and the results achieved in a better time frame avoid redundancies and errors," says her colleague Adrian Han, who works in Finance & Accounting. Conducted in English, the pilot has already shown to be a success, and other KAEFER companies have demonstrated their interest to implement it.

► Even before fully implementing the Lean philosophy, KAEFER in Saudi Arabia set in place innovative cost reduction exercises through various quality improvement initiatives. One of those was to optimise the usage of machinery and internal equipment. As part of a vehicle management system for the fleet of 93 vehicles, each driver was made accountable for his vehicle rather than the vehicles being part of a pool. Proper and timely maintenance was carried out to increase operational efficiency and reduce risk and costs. This has resulted in a 25% reduction in maintenance costs per vehicle.

Another initiative was to restructure the existing inventory system of project consumables (Tools & Personal Protective Equipment) both in the offices and on site. In the past, a minimum inventory had to be maintained of individual items. This optimisation has resulted in a reduction in the variety of consumables by 7% and in a reduction in the number of purchase orders generated by 10% towards the end of 2013. Not surprisingly, inventory management has become easier, says Anto Thomas, Assistant Manager – Director's Office, KAEFER Saudi Arabia. The average ratio of number of items versus their value has been reduced by 65%, and the amount of administrative costs has been reduced by 12%. "The biggest advantage is that now we have quick access to the information on exactly what is where and what it costs us," he adds.

Certainly, there are many ways to go about reducing waste and saving money. "Sometimes it is just a matter of reminding ourselves that we, as individuals, can each make a difference," adds Faber.

**Sometimes it is just a matter of reminding ourselves that we, as individuals, can each make a difference.**

Perhaps another sign that the interest in efficiency and in a Lean mentality is gaining momentum is a classic Lean tool that is being spotted more often across the KAEFER globe: the Planning & Performance Management board. "This tool visualises process performance and therefore helps to manage it," says Faber. He adds: "The advantage of a tool like this is that it can be modified to the specific needs of any process – from the worksite to the boardroom."

►



PPM Board

# Gaining transparency in procurement



Last year, CFO Steen Hansen introduced a new procurement focus by making use of the procurement synergies within KAEFER, while making processes leaner. The Corporate Supply Management (CSM) team took on this task and has been intensively working on developing a corresponding strategy.

“Ensuring transparent procurement processes and implementing a Lean organisation model for procurement within the Group are our strategic tasks,” says Jasmin Bäumer, Head of CSM, and adds: “This will include the roll-out of Category

Management in order to deliver the financial targets as well as securing compliance through re-evaluating and optimising existing rules and standards.”

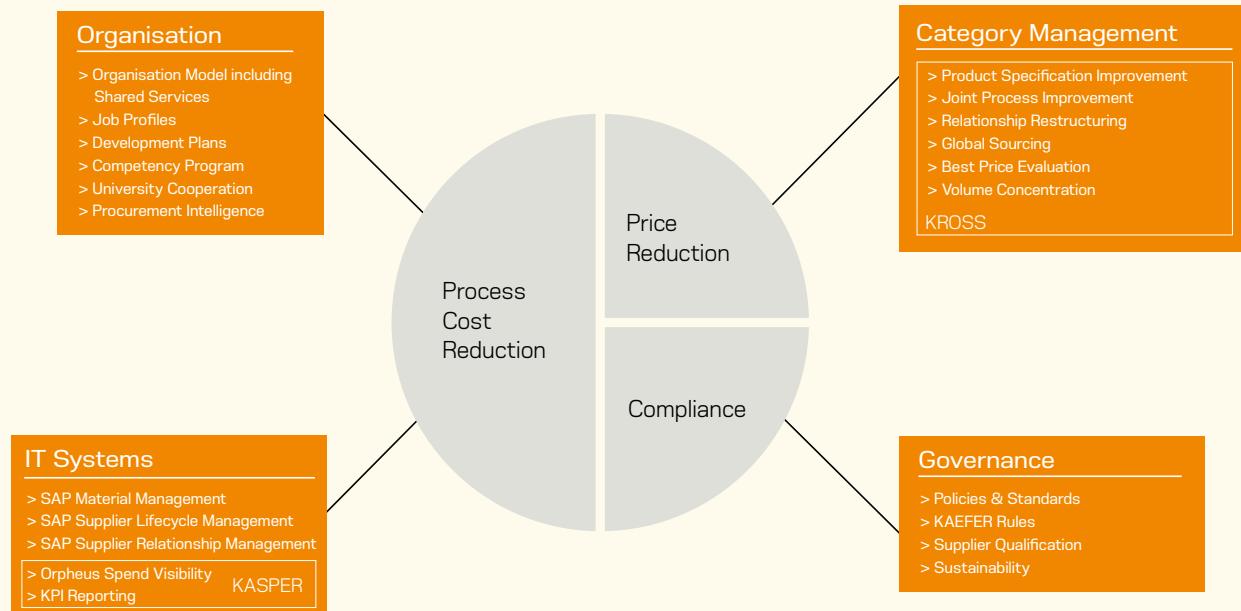
Since an initial workshop done with KAEFER purchasing managers from around the world in January 2014, Jasmin Bäumer and her team have been on the road, travelling to different business units to learn about their needs.

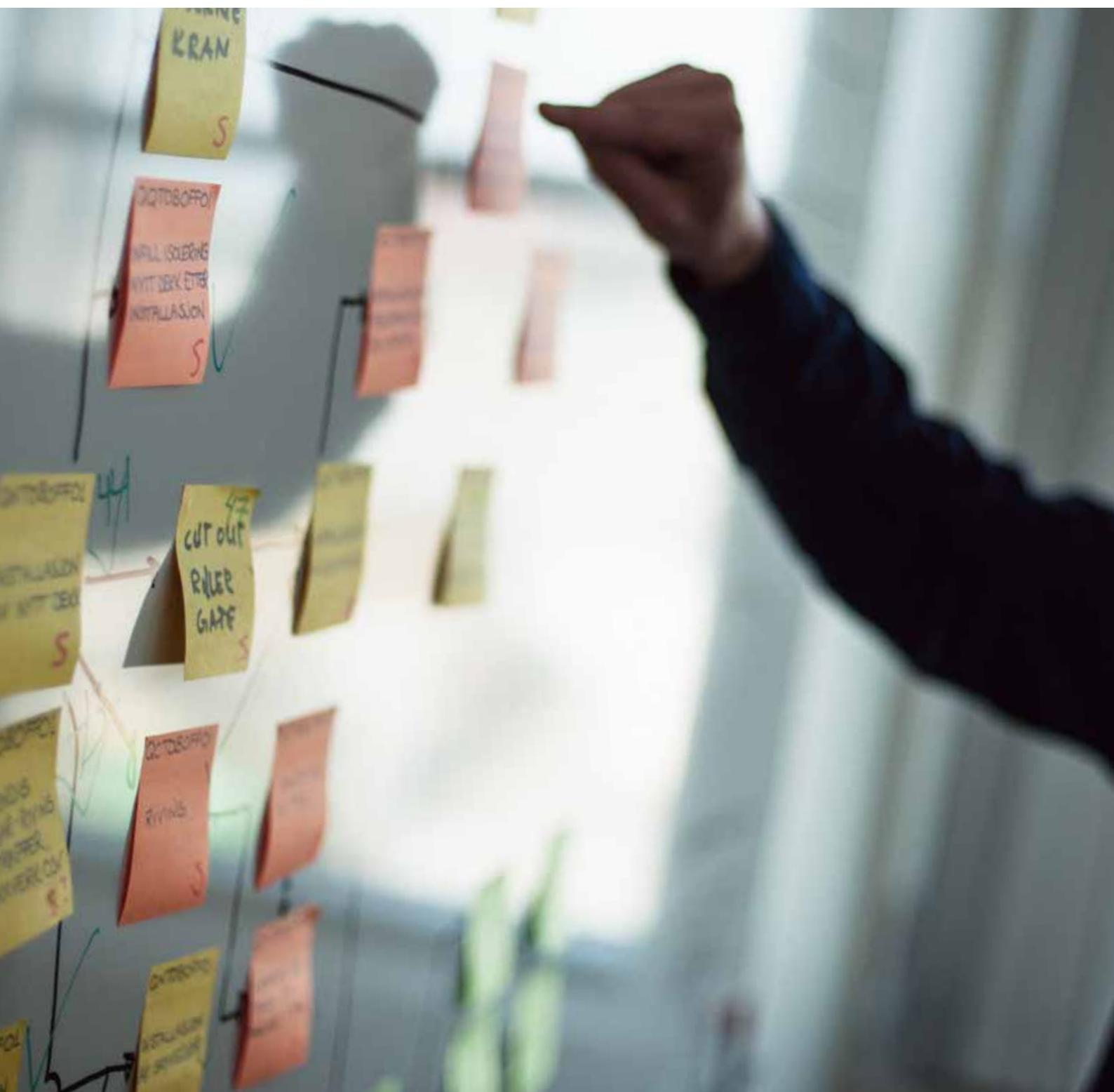
So far, the team has drawn on best practices in the various countries KAEFER is in, on industry expertise in the corporate team, and on analyses

of how competitors structure their processes. There are plans to cooperate with universities to design the best procurement model for the industry. This approach will have standardised local, regional, and global roles. “It is about sharing responsibilities in an aligned way, not about moving all decisions to corporate,” says Bäumer. Working closely with the teams involved in the development of the KAEFER Business Template, CSM has linked the new way of working and transactional buying to SAP, which will bring more clarity. By analysing the data and comparing benchmarks, it will be possible to see where money is spent and in which category. “This will help KAEFER to identify the synergies and, in the end, obtain better prices for the Group,” explains Bäumer.

Until the KAEFER Business Template is rolled out worldwide in 2015, the implementation of KASPER, a spend management software, will help to bring this transparency to spending patterns. “All KAEFER countries will have access to our global system,” says Paul Schön, Processes & Methods Expert at CSM. He adds: “This will facilitate regional initiatives driven not only by countries and regions, but also by Headquarters.”

Since a considerable part of KAEFER’s turnover is purchasing spend, it is imperative to re-evaluate and improve processes as well as to create more transparency in procurement to be able to spend more wisely in the end, especially when setting the clear target to become more efficient. The implementation of a global savings methodology and validation process in 2015 will secure a proper process.





► The Project Life Cycle (PLC) is another implemented tool that has increased efficiency in every aspect of KAEFER's project-oriented business. Over the past seven years, it has become the global standard at KAEFER for project management and has been introduced to project managers as part of the Project Management Qualification program. According to Alexandre Rezende, Global Manager – Project and Process Management, Lean tools have already helped optimise processes within the execution phase of the Project Life Cycle. As Lean becomes further integrated, the tools can also be utilised in the three other phases which are startup, planning, and closure of a project.

Global standards in handling diverse processes, such as PLC application to project management, take on new significance in connection with KAEFER's continuous growth over the last few decades. They aim to harmonise, standardise, and simplify organisational structures and process and master data accordingly with the goal of moving towards a global, transparent, and more efficient organisation.

This is also the aim of the KAEFER Business Template project. Since the middle of last year, Daniel Oestmann from Corporate Consulting and Auditing (CCA) has been running this project under the guidance of CFO Steen Hansen. In order to develop a system that manages the data

of the majority of KAEFER subsidiaries in a harmonised way, Oestmann leads the core project team, which consists of several process experts as well as IT consultants. All of them work closely together with groups from other company-wide project initiatives such as the development of the Management Information System (MIS) and the Scaffolding Management Tool. Best practices are shared and feedback is given on the concepts created by various specialists and the country teams of local process experts.

In the beginning, a whole host of processes needed to be tweaked and Enterprise Resource Planning (ERP) systems needed to be brought

into the fold of a global SAP system, a process that is now almost complete.

Oestmann explains that there will be many significant changes, one such example again being the purchasing process. It is being streamlined from the initial requisition all the way through to the reporting of the figures in the financial accounts and the group reporting, which will be supported by a new SAP Supplier Relationship Management (SRM) system.

It goes without saying that such a large task comes with its own challenges. "We started the process by figuring out and understanding how people do their job. We then identified which processes can be harmonised and agreed on a common way of working in order to move ahead," says Oestmann. Moving away from paper processes to system-supported handling also impacts job roles. Tasks people undertook in the past might disappear, whilst new tasks are being created as a result of the new processes," he adds.

These changes, as well as those made through Lean, require rethinking and retraining. This is something that normally does not happen overnight. Being well aware of that, trained Lean Leaders are supporting Lean projects, which were launched in 2014.

**We started the process by figuring out and understanding how people do their job. We then identified which processes can be harmonised and agreed on a common way of working in order to move ahead.**

**If we all recognise our ability to increase efficiency and are given the right tools to do so constructively, we will secure KAEFER's continued leadership in the industry.**

"As they pass on the tools and knowledge gained from their own experiences, the trained Lean Leaders are very influential in helping develop Lean capabilities and culture at KAEFER," says Faber.

The first round of Lean Leaders has already completed their training at the KAEFER Academy, and over 400 employees have already enrolled in local Lean trainings. They will all be provided with the necessary knowledge, guidance, and toolbox to implement Lean principles and practises within the business. They and the ones to follow will ensure efficiency and operational excellence on the project site in the long term. "Our next focus will be the further qualification of our line managers so that they can successfully fulfil their leadership role and drive continuous process improvement," says Faber. He adds: "Creating a Lean culture requires a specific and, maybe for many line managers, a "new" way of leadership." In the year ahead, and with the help of many new Lean Leaders, KAEFER will continue launching Lean projects all over the world. Peter Hoedemaker reports: "Line management training is well underway, and from Thailand to France and Brazil we have started seeing persuasive results in increased efficiency and client satisfaction."

Overall, the sentiment prevails that running an efficient worksite, office, or project is a matter of mentality and of proper preparation. As Hoedemaker puts it: "If we all recognise our ability to increase efficiency and are given the right tools to do so constructively, we will secure KAEFER's continued leadership in the industry." ■

# Cross-border collaboration is a win

## Troll A module in Thailand

If you need a module in the neighbourhood quickly, who are you going to call? KAEFER, of course. KAEFER ENERGY Norway and KAEFER Engineering (Thailand) Ltd recently joined hands for a unique collaboration to build a module for Norwegian oil company Statoil's Troll A platform in the North Sea.

The module is part of the Troll A platform modification project. A natural gas platform in the Troll oil fields off the west coast of Norway, Troll A is said to be the tallest structure that has ever been moved to another position.

KAEFER ENERGY has already worked on the M12 and M13 modules at the Aibel yard in Haugesund, Norway, after the completion of steelwork in Poland. Recently though, long delays in the M11 module meant that Aibel Norway allocated it to their colleagues in Thailand in July 2013 to ease the tight schedule. They, in turn, called on KAEFER in Thailand to supply and help install 2,200 m<sup>2</sup> of acoustic cassettes, each measuring 1,000 mm x 500 mm.

"We had never installed acoustic cassettes or worked for this client before," says Arphakorn Charoensuk, Project Manager at KAEFER Engineering (Thailand). However, with the supply of the cassettes and expert support from KAEFER ENERGY as well as a whole lot of team effort, they pulled it off with flying colours. "Once we did it, it wasn't as difficult as it looked in the beginning," says Charoensuk.

While work on this project was in full swing KAEFER Thailand had approximately 100 operators, and KAEFER ENERGY Norway had another 15 supervisors present at the Aibel yard at Laem Chabang in Thailand. In February 2014, Aibel requested more manpower to help the insulation contractor meet the deadline. So, in addition KAEFER was asked to insulate six vessels, to undertake the cladding for these, and to do all the tubing insulation. These were all delivered on schedule, and in keeping with stringent NORSO<sub>K</sub> specifications developed by the Norwegian petrochemical industry.

"This project could not have come about if not for KAEFER ENERGY's relationship with Aibel Norway or the close cooperation that we have with KAEFER Engineering in Thailand," says Torleif Susort, Project Manager, KAEFER ENERGY. "This is a good example of the benefits of having KAEFER 'close by' all over the world." All's well that ends well. In mid-April 2014, the completed module was towed back to Norway, where KAEFER ENERGY installed boxes for valves and flanges, a task which lasted two weeks.



# Conversion and upgrade of the Kröpcke Center in Hannover

**Owner and/or client:** Mars PropCo

**Executing company:** KAEFER Construction GmbH, Germany

**Scope of work:** Interior Outfitting and doors

**Description:** Conversion of a commercial building within the city centre's pedestrian zone. Approximately 11,000 m<sup>2</sup> of plasterboard ceilings in the retail space, with cove lighting and various height jumps, 2,000 m<sup>2</sup> of mineral fibre ceilings, 1,000 m<sup>2</sup> of metal blade ceiling and increased corrosion protection.

**Time frame:** August 2010 – November 2012, May 2013 – May 2014

**Special:** Considerable logistics effort due to the central location.



## Challenge on the Baltic Coast

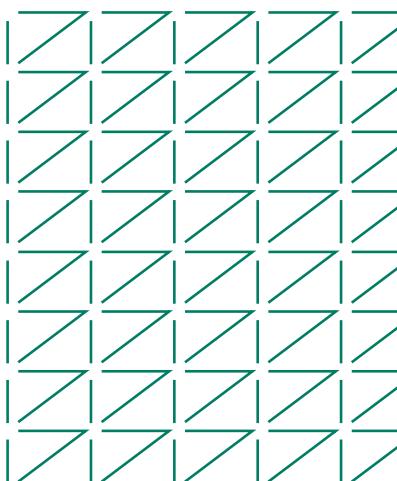
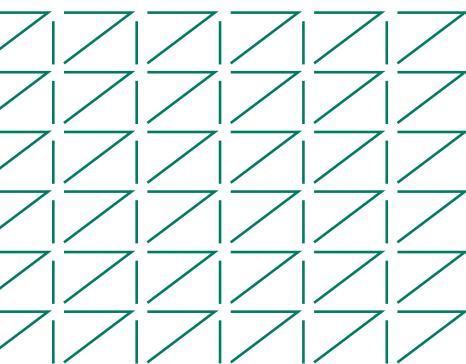
### LNG project in Poland

Another example of fruitful groupwide collaboration is the liquefied natural gas (LNG) import terminal at Świnoujście on the Baltic Coast.

The KAEFER project team for this plant is truly international. Not only are employees from KAEFER in Poland and Spain involved, but so are colleagues from KAEFER's Corporate Competence Center Liquid Gases (CCCL) in Germany.

Colleagues from the pre-insulation workshop in Australia have also successfully contributed to it. The terminal, a facility to off-take and re-gasify LNG, has been built over the last two years by a consortium led by Europe's largest oilfield service provider Saipem SpA of Italy, a direct client of KAEFER. When complete, it is expected to satisfy 50% of Poland's annual gas demand.





## Gorgon LNG

### Pipe Spools Projects

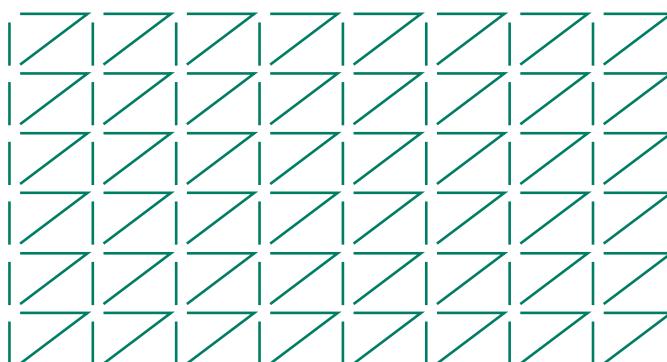
KAEFER NOVACOAT Pty Ltd has completed a giant project at Barrow Island, which is 50 km off the northwest coast of Western Australia. The Gorgon LNG Project is operated by Chevron Australia and is one of the world's largest natural gas projects.

The task for KAEFER was the repair of the surface preparation and the application of protective coatings for 57 Gravity Base Modules and fabricated topside steel modules, which form a 2.5 km long jetty for transport. It also included

abrasive blasting and painting of 3,800 off pipe spools made of carbon and stainless steel.

Starting in June 2012 and ending in September two years later, 40,000 litres of coating material and 15 tonnes of Chartek 1709 were used to complete this mission.

In the end, the teamwork of 98 men at peak time successfully finished this €19 million project, while facing strict marine sanctuary regulations as well as harsh and fierce climate conditions offshore.



# Mobile towers overcome scaffolding challenge

## Challenges:

Some of the stringent safety standards of the Sadara Chemical Company were new to KAEFER in Saudi Arabia. For instance, both the scaffolding team and experienced safety officers had to have approved certification from third parties such as Bureau Veritas or TÜV Nord. Moreover, gate passes were only issued to scaffolders once they had completed special work at height training.

## Solution:

Skilled and experienced employees were chosen to handle the work at height challenges and participated in a one-week refresher training. To install hanging scaffolds, KAEFER erected temporary mobile towers from the ground up which were engineered in-house and approved by the client.

“We are happy to have come up with innovative solutions to address Sadara’s stringent safety standards and deliver quality results on time and without incident,” says Arif Choudhary, Assistant Manager – Operations, KAEFER Saudi Arabia.



## Offering integrated services worldwide

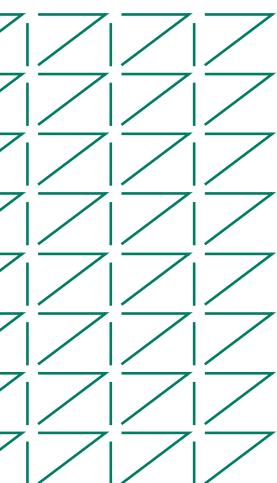
KAEFER organisations are specialised in operating globally in demanding environments. Over the past 18 months, KAEFER OPUS Ltd, a subsidiary of KAEFER C&D Ltd has been providing a multi-disciplined service to the Italian firm ENI Saipem on board of some of the world’s biggest construction vessels. Our operatives conduct specialised weld and non-destructive testing (NDT) inspection along with scaffolding, rope access, and coating services on coveted construction contracts located in the North Sea, the Gulf of Mexico, the Mediterranean Sea, and in Asia.

Clients include Statoil, BP, ConocoPhillips, Total, Pemex, and Chevron. To date, these contracts account for around 200,000 man-hours without

a single Lost Time Incident (LTI) and will continue into 2015 with additional contracts in Australia, South America, and in the Black Sea.

A significant feature of the work at KAEFER OPUS is that all of its experienced workers from inspectors and scaffolding professionals to coating specialists are multi-skilled and trained to fulfil the entire range of tasks. This enhances the quality and efficiency of the integrated service offer.

Also, since the client operates globally in very demanding environments, careful planning of logistics and manpower is paramount. Lean principles in planning are used.



# Market News

## Quality is in the details



Founded in 2009 as a shipbuilding company specialising in complete accommodations on board of maritime vessels as well as offshore platforms, KAEFER Shipbuilding Contracting Romania has seen a remarkable development in

terms of turnover and profit while diversifying into new markets and trades.

It recently played an essential part in the blasting and painting work on the ASD 2810 Hybrid tug commissioned at the end of 2013 by the Damen shipyard in Galati, Romania. The painting was applied under strictly controlled conditions within the shipyard and consisted of two-part, heavy duty epoxy paint systems of the highest quality.

“Once more, quality is in the details,” says Catalin Francu, Managing Director of KAEFER Shipbuilding Contracting Romania.

## Growing market in Morocco

KAEFER in Morocco has been served by the Casablanca office for a few years now, but an increase in the number of projects has necessitated the opening of a new and bigger office in the city. In addition, another new office and warehouse have been opened in the port city of El Jadida, where a few clients including the massive phosphate company Chérifien des Phosphates (OCP) are located.

OCP has about 18 divisions that are working with KAEFER in Morocco. They include Jorf Lasfar

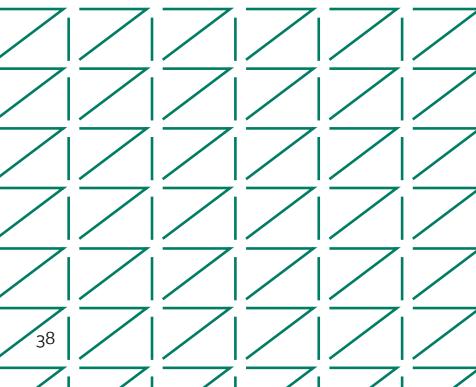
Phosphate Hub (JPH) where 8,000 m<sup>2</sup> of scaffolding was installed on two floors. On OCP projects, where most of KAEFER's scaffolds in Morocco are concentrated, the company has installed everything from towers, balconies, entrances, and racks to scaffolding for tanks. KAEFER was also involved in surface protection and electrical and instrumentation work for the OCP ODI Phosphate P1 and P3. On the insulation front, KAEFER is working with OCP vapour on the INTECSA and Ammonia Projects.



## Access in South America

The scaffolding departments in Chile and Peru are off to a new start with the appointment of dedicated and experienced leaders and staff. Several projects have been executed so far in both countries, and the feedback of satisfied clients is encouraging to the local teams. As part of this effort, approximately 600 tonnes of system scaffolding material has been acquired.

That came in handy in 2014, when KAEFER SOUYET in Chile supplied material and scaffolding services to the Ventanas and Tocopilla Thermal Power Plants for the client Andritz. More than 1,000 tonnes of material were used at peak times for both projects during the 12-month project duration. KAEFER was recognised by the plant owner for its safety excellence in these projects.

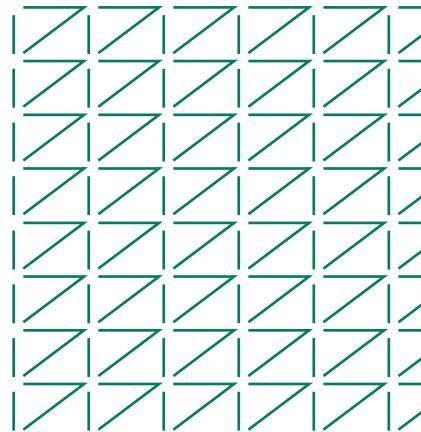


## KAEFER in Spain enters nuclear market



The nuclear industry in Spain has notoriously difficult barriers to entry and is dominated by two of KAEFER's competitors. Unlike the success other KAEFER affiliates have had with nuclear clients, for example, KAEFER WANNER in France, nuclear was not a part of KAEFER Spain's core services until recently. However, that is set to change with the awarding of the first maintenance contract for the Ascó Nuclear Power Plant for the design, supply, and installation of cable trays with passive

fire proofing, as well as with the awarding of a new sink project in the Cofrentes Nuclear Power Plant. "The expectation is that these maintenance contracts will lead to more significant work with nuclear clients," says Iñigo Bujedo, Managing Director of KAEFER Servicios Industriales in Spain.



## TSA Coating is a new solution offered by KAEFER in Saudi Arabia

In 2014, KAEFER Saudi Arabia added Thermal Spray Aluminium (TSA) coating services to its existing industrial coating division. TSA coating is one of the methods of choice worldwide to prevent corrosion under insulation (CUI).

"The introduction of TSA coating to our operations has enhanced KAEFER's established presence in the local market," says Atiur Rahman, Divisional Manager – Industrial painting, KAEFER Saudi Arabia.

With this solution, KAEFER had the potential to expand its business in Saudi Arabia with SABIC and ExxonMobil at the specialized Saudi Elastomers project in Al-Jubail,

where CUI is prevented by TSA coating. A total area of 7,500 m<sup>2</sup> of TSA services and associated field welding work and touch-up has been awarded to KAEFER.

Aside from the quantum of work, the challenge was to carry out a job that is new to KAEFER Saudi Arabia and achieve targets in the extreme heat. The machines are all sophisticated and are designed to work in a closed environment under moderate temperatures. KAEFER Saudi Arabia and its crew, however, took the opportunity to heart, and with appropriate training the project has been successful and is nearing the final stages of completion.



# Project Highlights 2014

## Marine &amp; Offshore

## Hook-up contract for continued growth



**Owner and/or client:** Statoil

**Executing company:** KAEFER ENERGY AS, Norway

**Scope of work:** Insulation, Access, Surface Protection, Passive Fire Protection, Interior Outfitting, and HVAC

**Description:** All relevant hook-up and completion work, including management, engineering, planning, procurement, onshore fabrication, and offshore construction for the Valemon Platform, Norway.

**Time frame:** January 2014 – December 2014

**Additional information:** Long tradition and competence of executing hook-up and the commissioning of topside projects. There are more projects in this important area for continued growth.

## Industry

## Biggest refractory application in Qatar to date



**Owner and/or client:** RasGas

**Executing company:** KAEFER LLC, Qatar

**Scope of work:** Refractory

**Description:** 5,600 tonnes of refractory application

**Time frame:** January 2013 – May 2014

**Additional information:** The refractory application for RasGas is the biggest to date in Qatar by a single applicator. The project achieved the “Goal Zero Target” in HSE.

## Industry

## KAEFER – a reliable and trustworthy contractor



**Owner and/or client:** CEZ Group / ALSTOM Power

**Executing company:** KAEFER SA, Poland

**Scope of work:** Insulation, Access

**Description:** Delivered and executed 68,000 m<sup>2</sup> of heat and acoustic insulation and 96,000 m<sup>3</sup> of scaffolding on the boiler house of the new unit 660 MW

## Industry

## Journey towards success through extreme conditions



**Description:** Using K-FLEX ST pipe section insulation material, chiller-water insulation, and scaffolding work of 126,538 m<sup>2</sup> as well as associated support welding work and paint touch-up at the Ras Al Khair Desalination Plant.

**Time frame:** July 2012 – July 2014

**Additional information:** Despite very basic road and accommodation infrastructure and extreme weather conditions, the project was successfully completed.

## Marine &amp; Offshore

## Industry

## New Chartek clients for KAEFER



**Owner and/or client:** TOTAL

**Executing company:** KAEFER Servicios Industriales SAU, Spain

**Scope of work:** Passive Fire Protection

**Description:** Chartek fireproofing application on structure at the Optara site in Antwerp, Belgium.

**Time frame:** April 2014 – December 2014

**Additional information:** KAEFER is considered to be a specialist in Chartek projects as another Chartek project was successfully completed for Chevron Australia, and two prestigious Chartek contracts for IDESA (€1.3 million) and another for TOTAL Optara (€ 2.8 million) have recently been awarded to KAEFER Spain.

## Industry

## Powering ahead with Lean



**Description:** 294,331 m<sup>2</sup> of thermal insulation, scaffolding, and 480 tonnes of refractory application on two boilers, four turbines, and three desalination plants.

**Time frame:** September 2012 – September 2014

**Additional information:** Challenges such as a high technical framework and working in confined spaces. Rabigh Power Plant was selected as the pilot project for implementing Lean in KAEFER KSA.

## Marine &amp; Offshore

## A difference of night and day in refurbishment



**Owner and/or client:** Fjord Line

**Executing company:** KAEFER Oy, Finland

**Scope of work:** Interior Outfitting

**Description:** Turnkey delivery for 4,800 m<sup>2</sup> of public spaces in the MS Oslofjord ferry

**Time frame:** February 2014 – May 2014

**Additional information:** Biggest ever turnkey refurbishment contract for KAEFER Oy. Modification of the ship from a night ferry into one for day traffic. Close cooperation between the project team, the yard, and the architect.

## Industry

## Shutdown success in two weeks



**Owner and/or client:** Saudi Aramco  
**Executing company:** KAEFER Saudi Arabia Ltd.  
**Scope of work:** Insulation, Access  
**Description:** Shutdown and maintenance project at Riyadh Refinery  
**Time frame:** April 2014 – May 2014

**Additional information:** The work was successfully carried out on a 24-hour cycle in two shifts for two weeks during which time all the maintenance had to be done, as well as the replacement of equipment and insulation.

## Industry

## Perseverance pays off



**Owner and/or client:** Eskom, South Africa  
**Executing company:** KAEFER Energy Projects Pty Ltd, South Africa  
**Scope of work:** Insulation  
**Description:** Boiler heat and sound insulation work on the Medupi Power Station Units 1 to 6.  
**Time frame:** June 2014 – April 2017  
**Additional information:** With the first bid being submitted in April 2010, a long and challenging journey is now paying off as the project will also be used to implement the Lean philosophy to further eliminate waste and improve productivity.

## Industry

## The start of a relationship with very high standards



**Owner and/or client:** Zeeland Refinery  
**Executing company:** KAEFER Nederland B.V., Netherlands  
**Scope of work:** Access  
**Description:** Scaffolding and insulation carried out during maintenance shutdown at the Zeeland Refinery, which has a maximum capacity of 180,000 barrels of crude oil per day.  
**Time frame:** August 2013 – August 2014  
**Additional information:** Production at the Zeeland Refinery was halted for more than six weeks, and at the peak of the shutdown almost 3,000 workers were on site.

## Marine &amp; Offshore

## Fireboxes as a cross-border cooperation



**Owner and/or client:** Statoil & Eni  
**Executing company:** KAEFER ENERGY AS, Norway  
**Scope of work:** Insulation

**Description:** Measuring tailor-made fireboxes onsite, as well as the delivery and supervision of installation.  
**Time frame:** April 2014 – November 2014  
**Additional information:** KAEFER ENERGY subcontracted the production of fireboxes to KAEFER SA in Poland. Because KAEFER ENERGY already has orders from Samsung and Hyundai for further boxes, a long-term cooperation between Poland and Norway is underway.

## Industry



## Outstanding performance leads to recognition

**Owner and/or client:** Bechtel / S.M.O.E  
**Executing company:** PT KAEFER, Indonesia  
**Scope of work:** Insulation  
**Description:** Cryogenic insulation for piping and vessel for prefabricated modules of Train 1 & 2 of the APLNG project.

**Time frame:** October 2013 – October 2014  
**Additional information:** Outstanding crew performance and ground supervision. KAEFER was chosen to be the sole supplier for labour and was contracted, directly by the main client, half way through the project.

# Project Highlights 2014

## Industry

## Heights of success at M'sila

**Owner and/or client:** LCM (Lafarge Cement de M'sila)  
**Executing company:** KAEFER Eurl, Algeria  
**Scope of work:** Insulation, Access  
**Description:** Removal and securing 700 m<sup>2</sup> of thermal insulation from the condition tower of unit 2 and erection of 100 tonnes of scaffolding up to 75 m high at the M'sila cement plant, 250 km south of Algiers.

**Time frame:** August 2013 – March 2014

**Additional information:** A partnership with the client was established for the study, preparation, and completion of the work. KAEFER maintained a presence on site for additional work that might arise, improving the capability to manage work with a high level of technical difficulties.

## Industry

## Team work and collaboration in Kazakhstan

**Owner and/or client:** 9FB gas turbine in Tengiz, Kazakhstan.  
**Executing company:** General Electric (GE)  
**Time frame:** March 2014 – September 2014  
**Additional information:** A partnership with the client was established for the study, preparation, and completion of the work. KAEFER maintained a presence on site for additional work that might arise, improving the capability to manage work with a high level of technical difficulties.

## Industry

## High-tech asbestos removal at EDF thermal power

**Owner and/or client:** Electricité De France (EDF)  
**Executing company:** KAEFER WANNER S.A.S., France

**Scope of work:** Asbestos Removal, Insulation, and Access

**Description:** Scaffolding and asbestos removal of 40,000 m<sup>2</sup> at the former thermal power plant in Richemont

**Time frame:** March 2014 – July 2015

**Additional information:** To meet the new and even more stringent regulatory requirements for dust levels, mechanical etching techniques were developed using a Brokk demolition robot.

## Industry

## Successful noise protection under a tight schedule



**Owner and/or client:** E.ON Kraftwerke GmbH

**Executing company:** KAEFER Industrie GmbH, Germany

**Scope of work:** Construction design, production, delivery and assembly of noise protection

**Description:** Construction of sound-insulating walls for 12 transformer bays (with a total of 28 baffle silencers and 24 doors) of the rail tracing current converter system at the Datteln Power Station.

**Time frame:** October 2013 – February 2014

**Additional information:** A new converter with the required noise protection had to be up and running within a very tight time frame due to the planned shutdown of the old power source. KAEFER's comprehensive range of services enabled the project to continue without delay or revenue loss for the client.

## Construction

## When good work pays off - DRV Deutsche Rentenversicherung



**Owner and/or client:** DRV Deutsche Rentenversicherung Bund  
**Executing company:** KAEFER Construction GmbH, Germany  
**Scope of work:** Construction, Passive Fire Protection

**Description:** Total of 42,960 m<sup>2</sup> of fire protection installations for support beams, columns, and trapezoidal sheet metal blankets. Delivery of fire protection solutions and interior construction in close coordination with the construction management.

**Time frame:** November 2012 – December 2013

**Additional information:** We are now executing a significant amount of fire protection installations for the same client.

## Construction

## More space for more treatment possibilities at Siloah HOSPITAL



**Owner and/or client:** Klinikum Region Hannover GmbH

**Executing company:** KAEFER Construction GmbH, Germany

**Scope of work:** Interior Outfitting and sophisticated technical doors

**Description:** Construction of the KRH Hospital Center in Hannover with two basements for treatment rooms and five floors with 535 beds in total. Approximately 30,000 m<sup>2</sup> of plasterboard walls Fo to F90 and approximately 23,000 m<sup>2</sup> of plasterboard-, metal- and light-ceilings in hallways and patient rooms.

## Industry

**Dynamic Data Centers****Owner and/or client:** T-Systems**Executing company:** KAEFER Montage GmbH, Germany**Scope of work:** Insulation, Passive Fire Protection, Documentation**Description:** Execution of 10,000 wall penetrations with passive fire protection for two data centers accommodating cloud data server**Time frame:** May 2013 – February 2014

## Construction

**A pilot project with a manufacturer of pumps and systems****Owner and/or client:** WILO SE**Executing company:** KAEFER Construction GmbH, Germany**Scope of work:** Interior Outfitting, Passive Fire Protection, air-handling ceiling system**Description:** Reconstruction work in the administration building office space**Time frame:** June 2013 – November 2013**Additional information:** A pilot project was completed for an air-handling ceiling system in combination with the WILO pumping system.

## Industry

**ESG receives a four year maintenance contract****Owner and/or client:** Vattenfall Europe AG**Executing company:**

Europäische Sondergerüstbau GmbH

**Scope of work:** Scaffolding**Description:** Scaffolding work for maintenance and shutdowns**Time frame:** April 2014 – December 2018**Additional information:** Europäische Sondergerüstbau GmbH is a subsidiary of KAEFER.

## Construction

**High demands on logistics meets aesthetic standards at Söderstromtunnel Stockholm****Owner and/or client:** Trafikverket, Stockholm, JV Söderstromtunnel (Züblin)**Executing company:** KAEFER Construction GmbH, Germany**Scope of work:** Passive Fire Protection**Description:** Planning, delivery, and installation of fire protection for walls and ceilings, 14,500 m<sup>2</sup> of Promatect T-boards.**Time frame:** March 2014 – June 2014**Additional information:** High demands on logistics and aesthetic standards. Short execution time and execution partly in multi-shift operation.

## Industry

**ESG contracts master agreement with oil refinery****Owner and/or client:** PCK Raffinerie Schwedt**Executing company:**

Europäische Sondergerüstbau GmbH

## Industry

**Dolphin Shutdown 2014-2018, Qatar****Owner and/or client:** Dolphin Energy / Descon Engineering Qatar LLC**Executing company:** KAEFER LLC, Qatar**Scope of work:** Insulation, Access, Surface Protection, Passive Fire Protection, and Refractory**Description:** Overall scope of five shutdowns over five years includes: insulation - 19,828 m<sup>2</sup>; scaffolding - 218,090 m<sup>3</sup>; painting - 22,643 m<sup>2</sup> and refractory - 376 Mt.**Time frame:** 2014 – 2018**Additional information:** The contract goes over four years and will be executed annually in January and February

## Marine &amp; Offshore

**Interiors on dream ship****Owner and/or client:** TUI Cruises**Executing company:** KAEFER Oy, Finland**Scope of work:** Interior Outfitting**Description:** Turnkey delivery of spa and observation lounge areas in TUI Cruises Mein Schiff 3 (MS3)**Time frame:** January 2013 – June 2014**Additional information:** The spa area includes several new features like cold showers, heated benches, and a total of seven different kinds of saunas.

The pipeline express:

# KAEFER LEAN PILOT PROJECT IN POLAND



The insulation of pipelines on the Elektrownia Połaniec project in Poland was chosen as a pilot to examine the potential benefits of Lean in "eliminating waste" on KAEFER projects around the globe.

The Lean objectives for the project, which consisted of the insulation of a 7,200 metre pipeline, included a further increase in productivity and the implementation of a shorter production cycle, while adhering to quality as well as health and safety targets.

The first step was to prepare the employees on site. During a 2.5-hour basic training, differences between value-adding and non-value adding activities, different waste types, and the Lean principles "just in time", "flow", "cycle", "pull", and "zero faults" were explained. Next, there was a "waste walk", which the Lean Leader generally conducts together with project and site management. Its objective is to observe work processes and record areas in which there is room for improvement. Based on these walks, the different types of waste on the site are identified and discussed with the supervisors, foremen, workers, and site management.

On this project, some of the problems identified were: flawed logistics of material supply and delivery, tasks and tools that required excessive time and force, and teams that worked too independently.

To better organise a quite repetitive work which is common in these kind of projects, there was the idea to resemble it to a train. Quickly the concept of a "pipeline express" was born. Different work steps were divided into work packages of equal length and distributed over five working teams, which were called "wagons".

In order to move alongside the pipeline with the "takt" (pace) of a train, work speed had to be synchronised among the teams. In other words, each team needed to finalise its activities within the same time frame so as not to hold up and collide with the wagon behind it. The optimisation process required trying out and timing different team scenarios before identifying and implementing the ideal one.



"A significant objective in improving the "takted" production flow is to define the work process, teams, and workloads per team ("wagons") thoroughly together with the site team. Paired with professional equipment and tools we improved not only the productivity for the workers tremendously, but also the safety," says Miroslaw Chodzikiewicz, Local Lean Leader in Poland. He adds that this included improving logistics and reducing material sorting and handling time.

*Optimal logistics and material preparation can be described by the five Rs: right piece, right time, right place, right amount, and right quality.*

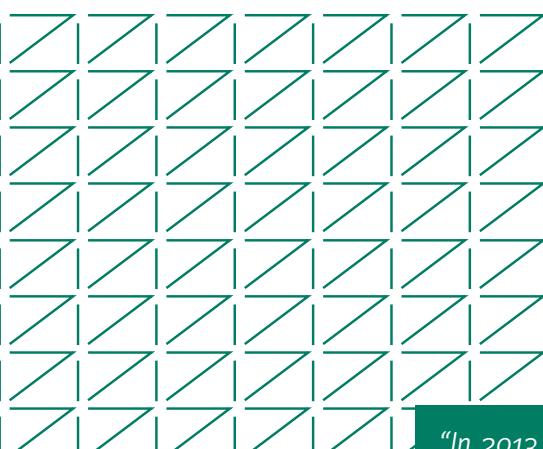
Many of the changes made were very straightforward and included repositioning supplies for better access, customising tools to each task, and combining steps to include immediate clean-up.

"We had a motivated team, and once the areas of improvement had been identified and solutions found, it was clear for all team members what needed to be done next. Ultimately, the results speak for themselves because the set objective was exceeded by far," says Grzegorz Faliszewski, responsible site manager.

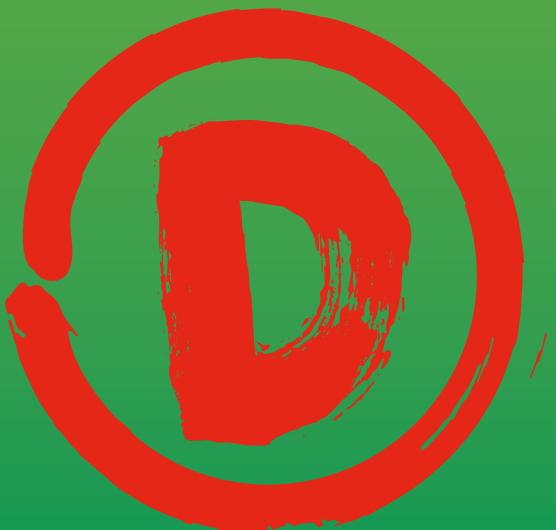
"No one on the project had prior experience with Lean, so it was all the more satisfying to observe such persuasive results," adds Alexander Faber, Head of Corporate Strategy & Business Development and Global Lean Leader at KAEFER.

*"In 2013, we conducted seven Lean pilot projects covering all regions. In this way we have explored the opportunities and challenges of applying Lean to our job sites. In 2014, we took another big step towards the implementation of Lean by building up and training a global organisation of Lean Leaders. In addition to this, we have conducted over 20 local training events to train line managers in Lean construction, principles, and tools. As a result, over 40 Lean projects have been executed around the world in 2014."*

Alexander Faber



# Differen- tiation is ...



... creating extra  
value for clients  
and employees.

# OUR VIEW ON DIFFERENTIATION

KAEFER's success can be attributed to its focus on differentiating itself within the industry by offering clients excellent quality and value in integrated services and solutions worldwide. The factors that contribute to setting KAEFER apart include excellent safety records, efficiency, and expertise in execution. In today's market environment, every tender is a tight race. Despite its past successes, KAEFER is determined to work even more efficiently, forging a path that sets new standards and increases its competitive strength.

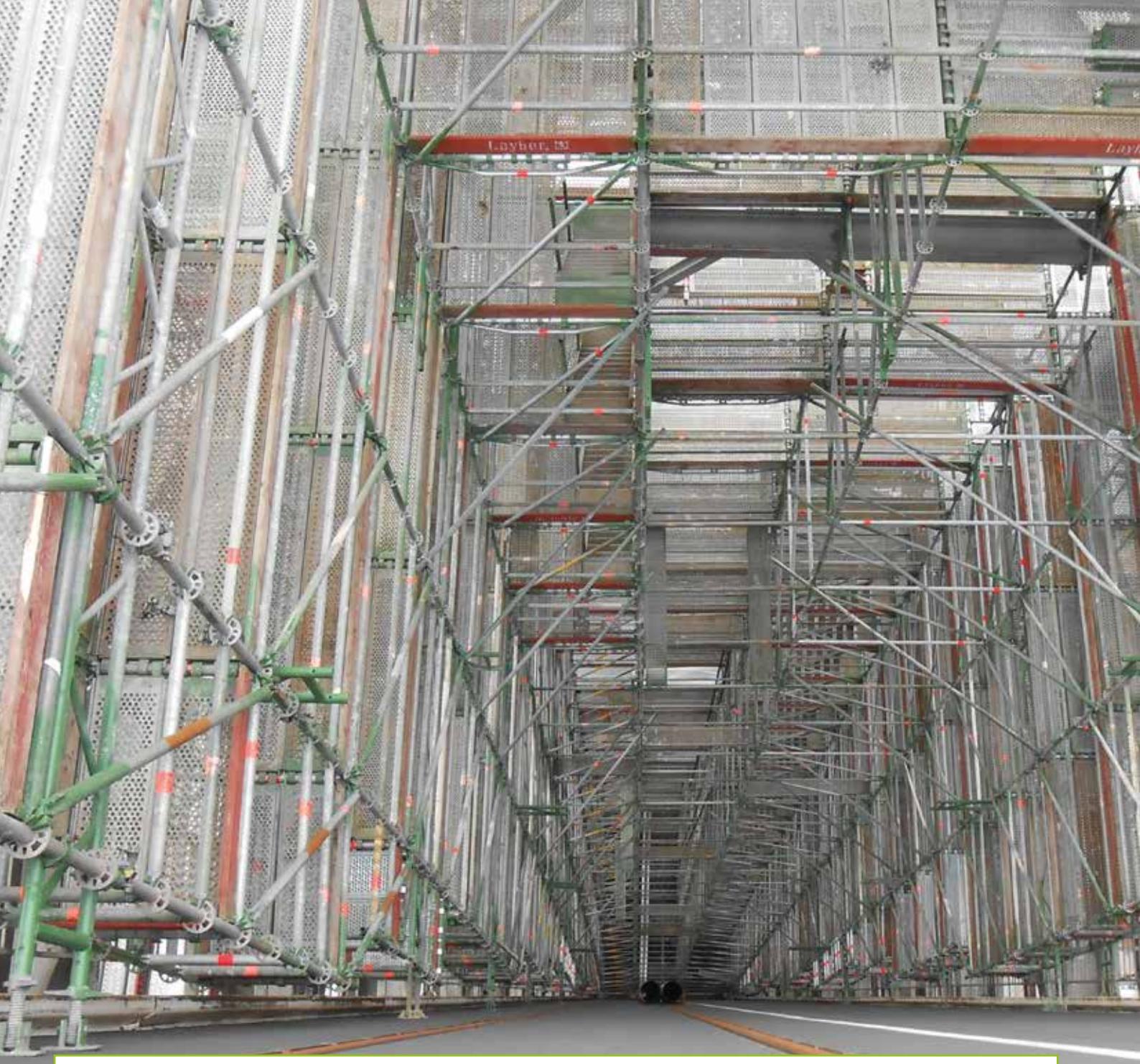
**In today's market environment, every tender is a tight race.**

This is a huge task for a company that has expanded across the globe in such short time. However, this is also where core values, strategy, innovation, and teamwork come in and where addressing the client's needs matters most.

"Continuously improving our processes, prioritising the client's needs, organising ourselves transparently, and handling innovations in services and solutions in a dynamic way is key to differentiating ourselves in a very competitive market," says Chairman Peter Hoedemaker. Improvements can take many different forms. Sometimes a mere tweak can considerably enhance transparency, or sometimes something as simple as the renaming of a core business has a similar effect. For example, the former "Scaffolding" business has long included more comprehensive services than the term scaffolding, so it was renamed "Access Management" to better represent and serve the needs of clients.

Besides that, this will ensure a consistent message on the scope of services KAEFER offers. In another example, communicating clearly and interacting on a regional as well as local level allows KAEFER to take on projects that are as small as the thermal modernisation of apartment blocks in a Polish housing cooperative, or as comprehensive as the full spectrum hook-up of the Valemon Platform in Norway, which involves Insulation, Access, Surface Protection, Passive Fire Protection, and Interior Outfitting for a global player such as Statoil. In other words, KAEFER is able to act locally as well as leverage its worldwide network of expertise to offer a broad range of complex work at a consistently high quality.►

**KAEFER is able to act locally as well as leverage its worldwide network of expertise to offer a broad range of complex work at a consistently high quality.**



## Access Management - A growing core service at KAEFER

KAEFER started out in scaffolding a long time ago, and now the business area currently accounts for around one-fourth of the group's turnover and provides many more services than pure scaffolding. To better represent the scope of services KAEFER offers, it was only a logical consequence to define it as a core business and rename it "Access Management". To support this new approach, the Corporate Access Management (CAM) department established in the Headquarters has set out to improve networks to understand the best way to optimise costs and offer the best access solution, be it traditional scaffolding, rope access, or any other type of access. Another key challenge in this regard is the need for external awareness of the competencies present inside the Group. The engineering and design skill sets within KAEFER are excellent, but clients are sometimes not fully aware of them.

"Among others we have great engineering departments in the UK, France, Spain, the Netherlands, Belgium, and in the Asia-Pacific region," says the Head of CAM Arnaud Lejemble. "It is a huge advantage to find experts

inside the Group for a specific project anywhere in the world." At the same time, there is a focus on optimising the full Group's assets and capabilities; KAEFER is now set up so that it can move equipment from country to country. To this end, a common asset inventory management tool has been developed internally together with the KAEFER's Corporate IT Department. The plan is to have it implemented by the end of 2014 to further identify synergies and extend best practices. New projects worldwide will require even more and stronger access management now that clients will be asking for bigger and more complex designs and innovative access solutions at a cost savings. One example is the client EXXON Mobil, which puts different plants and units into one and the same tender. KAEFER has to move quickly and offer the full package because there is enough capability in-house to be able to respond to the client and follow this market trend.



► Its flexibility allows KAEFER to put forth a strong added value to an increasingly global client base. It does so by capitalising on its own regional synergies and strengths. An example of this is a €33 million contract awarded to KAEFER in Thailand. In this project, fire and cryogenic proofing were supplied and applied for the Ichthys onshore LNG facilities. "The cooperation between KAEFER Engineering (Thailand) Ltd and STP&I, one of the leaders in steel structure, piping, fabrication, and erection in Thailand, was a direct result of KAEFER's past work with STP&I," says Kevin Tan, Finance & Controlling Manager at KAEFER Asia Pacific North.

The work is executed by KAEFER subsidiary Prostar Marine Services Pte. Ltd. over a 30-month period in three separate STP&I locations in Rayong, Chonburi, and Laem Chabang. It is the single largest project awarded to an individual contractor by STP&I and is also KAEFER's biggest project award in the Asia Pacific North Region to date. It is, in fact, the largest project in the history of Prostar Marine Services Pte Ltd and a significant accomplishment since KAEFER became a majority shareholder in the company. In addition to this, KAEFER Integrated Services in Australia has been commissioned to provide scaffolding assets comprising management, design and engineering, scaffolding material supply, and installation services for the utilities and off-site areas for the Ichthys onshore LNG facilities at Bladin Point in Darwin.

Of course, the coordination of projects of this scope and their complexity demand technical and management expertise as well as clear and detailed planning. "On the surface, ours is basically a relatively low-tech industry," says Chief Operating Officer Philipp Dalheimer. "The entry barriers are not very high, so our greatest capital is the expertise of our employees supported by effective processes," he observes. "But even in a low-tech environment, innovative KAEFER solutions developed in coordination with the Corporate Technical and Research department are making the difference." ▶

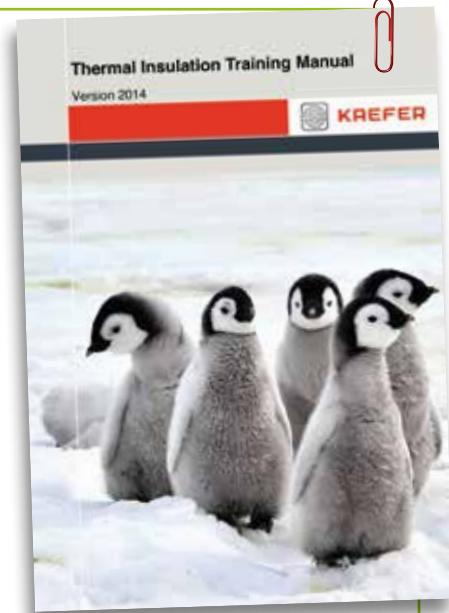
## Our greatest capital is the expertise of our employees.

### Ensuring KAEFER quality standards worldwide: The KAEFER Thermal Insulation Training Manual

As a result of the combined effort of many insulation experts across KAEFER companies, at the end of July, KAEFER published the new KAEFER Insulation Manual for training blue collar workers which is a set of instructions for one of our core businesses which is valid worldwide: Insulation. The manual consists of six booklets that outline six skill levels from very basic to very advanced. These can be used individually to train and test our people up to the required next level. The appropriate skill level can be determined to match the needs of a current project in accordance with the KAEFER Insulation Skill Matrix, which will help secure compatibility and transferability throughout KAEFER. Where necessary, the manual will be adapted to local regulations and contractual

requirements with the support of Corporate Technology and Research (CTR), but the content is considered to be the minimum standard for all KAEFER companies worldwide.

The manual is meant to ensure that a high standard of quality is maintained among all insulation workers at KAEFER. Next on the agenda is a similar training manual for surface protection workers. KAEFER experts are currently discussing the framework and skill levels upon which it will be based. The first edition is planned to be out in 2015 and will set another milestone towards ensuring high KAEFER quality standards worldwide.





## KAEFER Welding Quality Certification:

**Signed. Sealed. Delivered.**

KAEFER Industrie GmbH, KAEFER Schiffsausbau GmbH, and the Corporate Competence Centre Nuclear form three welding engineering clusters in Bremen that are now governed by a new set of EU industry regulations.

Stephan Remensperger, Responsible Welding Supervisor at the German Quality & Safety Department in Bremen says: "While across the EU, certification and governance of welding engineering is being redefined to regulate a diverse landscape of international markets and standards, KAEFER's long-standing tradition of exacting professional training requirements and internal regulation has consistently maintained a high standard of safety and quality." He adds, "Some of our clients as well as other industrial partners such as mechanical engineering, shipbuilding, and acoustic insulation have, by and large, long required similar certification."

As of 2014, construction companies throughout the EU will be required to provide clients and the public with certification of their conformity with safety and quality standards. Fortunately, KAEFER won't need to make any great changes to its internal quality management infrastructure to conform to these new regulations. "For those who don't comply, the repercussions will be severe," observes Remensperger. Companies could lose tenders or contracts, compensation, receive fines for construction delays, and, of course, lose follow-up contracts. In case of accidents or damage, non-compliant companies would forfeit insurance coverage, face civil and criminal charges, and receive building legislation reprisals." Remensperger reflects on the changes confidently: "At KAEFER, we have no reason to worry about the additional requirements. Our clients have always responded positively to our ability to show that we have our paperwork in order." He adds, "Quick delivery of verification of our high standards and top-notch quality earns us a reputation of reliability."

► Staying abreast of innovations as they happen is crucial to KAEFER's competitive advantage. Few people know that KAEFER currently appears as the owner or inventor and applicant for 227 patents in the publicly available records of the German Patents and Trademark Office, DEPATISnet.

Jürgen Schmoldt, Head of Department Technical Guidelines, Standards, Patents has instituted a system that tracks new patents filed with the European Patent Office in all areas of professional and technical interest to KAEFER.

"In cooperation with the company's patent attorneys in Bremen, we've created a research profile which lets our experts know what everybody else in their field is doing in terms of intellectual property," says Schmoldt. "The applications sometimes come from competitors, sometimes from partners, and sometimes from clients."

Targeted and systematic surveying of market innovations is invaluable in maintaining a competitive advantage as well as when it comes to spurring KAEFER on its own innovation approach. One element of this is structuring organisations within the company in such a way that continuous improvement can be fostered. For this reason, the former KAEFER Export department was converted into the Corporate Competence Centres (CCC) back in 2008. The focus areas, Liquid Gases (CCCL); Mattresses (CCCM); Nuclear (CCCN); and

Renewables (CCCR) each maintain and further develop their own expertise and have the flexibility to not only serve KAEFER worldwide, but also clients individually, as needed.

The CCCM, for example, preserves existing knowledge of insulation mattresses while staying current on the many changing industry requirements. The CCCM works with modern CAD systems or laser scans that allow it to design individual, tailor-made mattress systems that can be installed and removed in extremely short periods. Based on this, CCCM has not only cultivated relationships with global clients such as Siemens, Alstom, Polysius, and, recently, General Electric in the areas of steam turbines, gas turbines, and conventional insulation systems. In the past year, CCCM also engaged in project collaborations with its colleagues from Germany, United Kingdom, and France.

However, international cooperation also requires careful navigation of regulations which is made more complex by differences in law or practice, not to mention language. Walter Houboi, a specialist at the German Safety & Quality Department in Bremen, has first-hand experience with a topic that reflects this perfectly: The handling of hazardous materials. In response to what he saw as an unnecessary complexity of guideline cataloguing, he developed a register that simplified access and maintenance of documentation vital to the use of these essential, but potentially lethal materials.

"Both filing and searching for the current 450 different user specifications, was a time-consuming task," says Houboi. As projects become more international, the differences in German, EU, and UN modes of identification and registration add new complexities. He adds: "Taking the best from each existing system, we decided to create a more intuitive database that used international pictograms and grouped materials according to ingredient, hazard, and safety measures. We made it available in 22 languages and update it monthly to include changes in regulations or materials." The idea is that all KAEFER regions can model their own catalogues on this prototype.

Walter Houboi, who has worked at KAEFER for 25 years, saw the need for such an innovation even prior to becoming a specialist in the field of occupational health and safety. He started out at KAEFER as a fitter working on-site and was later a site and project manager in the area of asbestos removal. Houboi's story exemplifies the benefits to KAEFER's long-term perspective with regard to employment and training. The ability to identify areas of improvement and to generate innovative solutions goes hand in hand with a broader frame of reference in time and work experiences, both of which are highly valued at KAEFER.►

**identify areas of improvement and to generate innovative solutions goes hand in hand with a broader frame of reference in time and work experiences, both of which are highly valued at KAEFER.**

## Refreshing the Leadership@KAEFER statements

For the past seven years, Reinhild Heider, Corporate HR Manager at KAEFER, has received nothing but positive feedback in regard to the guiding principles outlined in the Leadership@KAEFER statements. "Many leaders have the colourful poster hanging in their office as a daily reminder of the key messages they would like to pass on," she says. However, so much has changed at KAEFER in the last few years. There was the beginning of

the Lean Journey, the introduction of a regionalised structure, the first employee survey, the new KAEFER strategy, and so it was time for an update or, as Heider puts it: "Time to refresh the message."

The changes are based on input gathered from interviews with a variety of stakeholders, most prominently from Leadership Development Program participants and regional contributors at all levels of management. The final

statements were the basis for discussion at a Group Management Committee (GMC) Workshop in September and subsequently approval by the Board of Directors.

As part of the new KAEFER strategy, the refreshed Leadership@KAEFER statements reflect another step in our united efforts to become recognised, more efficient and different.

► Developing a culture of individual and cooperative initiatives is also an overarching aim in the KAEFER Lean Journey. Already, we see evidence that this has started to take place. Recently, for example, Local Lean Leader Ravi Prakash at KAEFER Saudi Arabia created a new tool with the aim of reducing waste and optimising work processes working with polyisocyanurate or PIR, a thermoset plastic that is used as rigid thermal insulation. "Not only the handling of the material became easier, but time is also saved, and the number of hand movements is reduced, which is also good safety-wise," Prakash says.

"Health and safety are the foundation of our success, and excellent results in this field are directly linked to operational excellence and, thus, sustainability," says COO Dalheimer. This year, organisations throughout the company have yet again shown great inspiration in addressing issues of health and safety and in raising awareness among workers to take on responsibility even more proactively. He adds: "The message that safety procedures and the correct use of safety equipment are also the responsibility of each individual was well received and fostered more vigilance within teams and among co-workers."

From personal safety log books and reward systems, to slogans printed on safety vests or posters with reminders featuring the HSE and Quality mascot Max, the bottom line speaks for itself: For the second year in a row, KAEFER has achieved its goal of reducing the number of overall incidents by 20 %. In setting and reaching such an ambitious benchmark, we are clearly defining this as a KAEFER competitive advantage.

A long-term view stands out in an age of disposable resources. KAEFER differentiates itself by planning rather than reacting. It considers investments into proper care and training of its

employees to be as valuable as those made into high quality equipment and efficient processes. As Peter Hoedemaker frequently says, "We can't afford to be just a little bit better; we must be a lot better than the competition!" This conviction translates into a lasting commitment to continuous improvement across KAEFER as a whole.

## Health and safety are the basis of our success, and excellent results in this field are directly linked to operational excellence and thus sustainability.

Leading within the industry requires a clear view of the road ahead and planning accordingly. This includes staying ahead of changing requirements by industry governance and adjusting internal practices and structures accordingly.

Especially as KAEFER expanded its global presence, it proved its belief in long-term

**We can't afford to be just a little bit better, we must be a lot better than the competition!**

commitments as it integrated subsidiaries maintaining their individual history. And as it embarked on its Lean Journey, KAEFER invested in comprehensive training at all levels instead of taking a top-down approach. The success of these endeavours becomes a matter of pride. This approach stems from the company being family-owned and from a history of being guided by strong ethical values, a sense of tradition, as well as a spirit of continuous evolution; this makes KAEFER different. ■

### The Sécuri'Max Challenge – Fostering the KAEFER safety culture

All employees know by now that KAEFER takes their health and safety very seriously. Over the years, a number of measures addressing specific concerns have grown into a comprehensive HSE culture at KAEFER.

In many ways, this means that a change of attitude has taken place. For instance, there has been the shift from risk response to risk identification and prevention in the preparation phase of a project. And there has been a departure from a hierarchy of responsibility and a move towards the inclusion of every team member in being vigilant and communicating potential health and safety issues before they arise. In support of this culture, KAEFER WANNER developed a special initiative called the Sécuri'Max challenge. With the help of the KAEFER HSE and Quality mascot Max, this initiative was launched among its 220 site managers and 1,200 workers in April of 2014.

"Sécuri'Max both encourages and rewards a shift in awareness and action among our workers," says Thérèse Lardeux, HSE Director at KAEFER WANNER. Each month, the site managers and team leaders award a "green card" to the employee with exemplary safety behaviour. "This is, in itself, a shift. Workers are used to experiencing penalties for infractions, so recognising positive safety behaviour is generating considerable attention to the issue," adds Lardeux. The exemplary worker's name is added to a box from which a prize winner is drawn at the end of the month. The monthly prize is a gift voucher, and the winner is then eligible to enter the semi-annual company safety competition. Here, a jury consisting of the top management, local HSE managers, and the HSE Director, elect the best safety performer, honouring and rewarding him or her again.



KAEFER is confident that the success of this action will inspire teams around the world to take local action in support of their health & safety culture. Showing our workers that we care and value them is a cornerstone of our company culture.





# KAEFER

## Anniversaries 2014

Thank You!

### Australia

#### KAEFER Integrated Services Pty Ltd

#### 10 years with the company

John Burgess  
John Chambers  
Peter Younger

#### 20 years with the company

Michael Graham

#### 30 years with the company

Vasfi Kerimofski

### Belgium

#### KAEFER België N.V.

#### 10 years with the company

Huseyin Bektas  
Eric Besson  
Fatih Cinar  
Tuncay Cinar  
Ronny Cruijsberghs  
Danny Dieltjens  
Francisco Martinezhita  
Francois Moens  
Marc Stoop  
Johan Van Roey

#### 20 years with the company

Vincente Serrano

### Brazil

#### KAEFER Serviços Industriais Ltda

#### 10 years with the company

Carlos Alves Rodrigues  
Jose Armelino Dos Santos  
Jose De Souza Fernandes

#### 20 years with the company

Bras Crizostomo De Oliveira  
Jailson Tadeu Nunes Valfre  
Jose Janilson Nunes Walfre

### Chile

#### KAEFER SOUYET S.A.

#### 10 years with the company

Mónica Aguilar  
Daniel Espina  
Exequiel Lobos

### Germany

#### BTS GmbH

#### 10 years with the company

Andreas Beyer  
Thorsten Brockmann  
Sven-Peter Heidholt  
Detlef Naber  
Dirk Theisen

### KAEFER Construction GmbH

#### 10 years with the company

Angela Haack  
Adam Kowolik  
Kevin Lichtner  
Philipp Ogilvie  
Markus Weisner

#### 20 years with the company

Igor Zachoval

#### 25 years with the company

Harald Bätjer  
Jürgen Wieters  
Bernhard Zynda

#### 30 years with the company

Rolf Frank  
Sabine Manig  
Joachim Schöttke

### KAEFER Industrie GmbH

#### 10 years with the company

Alexander Blaschke  
Martin Cawi  
Michael Henn  
Jürgen Joujan  
Nikolaus Paul  
Friedhelm Schneider  
Daniel von der Heyde

#### 20 years with the company

Ralph-Olaf Bendt  
Oliver Konze  
Kai Kurtenbach

#### 25 years with the company

Andreas Beszon-Sengstake  
Abderrazak Bouiyoaran  
Bernd Büttner  
Franz Josef Frerich

#### 30 years with the company

Torsten Kretschmer  
Franz-Josef Kupski  
Thomas Manthey  
Sonja Nösinger  
Christoph Reimann  
Andi Röttger  
Frank Siefkes  
Wolfgang Steinmetz  
Dietmar Theisen  
Klaus Voigt  
Jure Vranjkovic

#### 30 years with the company

Alf Detlef  
Michael Gebbert  
Jens Hafer  
Michael Hanninger  
Wolfgang Lange  
Max Nelz  
Ralf Niermeier  
Olaf Pfotenhauer  
Michael Rottland  
Horst Tegeler  
Theo Wiedmaier  
Andreas Wilken

### KAEFER Isoliertechnik GmbH & Co. KG

#### 10 years with the company

Dirk Brand-Saßen  
Stefanie Kante  
Nicolas Koch  
Nils Ritterhoff  
Alexandra Wessel

#### 25 years with the company

Walter Houboi  
Jürgen Nürge  
Dieter Weber

#### 30 years with the company

Peter Fahrenholz  
Gerd Wolpmann

### KAEFER Montage GmbH

#### 10 years with the company

Martin Görg  
Nandor Kemenczky  
Andreas Krause  
Thomas Kühmstedt  
Ahmed Mohamed  
Nico Müller  
Olaf Narweileit  
Fred Schwieger

#### 30 years with the company

Manfred Mahlke

### KAEFER Schiffsausbau GmbH

#### 10 years with the company

Piotr Banas  
Tessa Carlsen  
René Haarweg

#### 20 years with the company

Anja Feindt-Hellwig  
Gabriele Fronk

#### 30 years with the company

Marcus Berger  
Manfred Brunssen  
Norbert Rapp  
Michael Schulte  
Karin Skörup

### Malaysia

#### KAEFER (Malaysia) Sdn.Bhd.

#### 10 years with the company

Venkateswara Rao Chinimilli  
Mohd Tahir Jamhari

### Netherlands

#### KAEFER Nederland B.V.

#### 20 years with the company

Manfred Hofgen

### 30 years with the company

Gerard Bos  
Mathieu de Beyn

### Norway

#### KAEFER ENERGY AS

#### 10 years with the company

Frode Abrahamsen  
Bjarte Birkeland  
Anne Brakstad  
Magne Buanes  
Jarle Christensen  
Andreas Claussnitzer  
Wieslaw Detka  
Milos Djurdjic  
Fatmir Gashi  
Karsten Gudmundset  
Jan Roar Halvorsen  
Kjell Hermansson  
Rune Hocking  
Andreas Johannessen  
Rasmus Kjesbu  
Morten Kjølbråten  
Arnfinn Kloving  
Sebastian Krupa  
Waldemar Artur Kubicki  
Fritz Werner Larsen  
Kåre Limevåg  
Ronny Lund  
William Milejko  
Narve Mulvik  
Karle Oksdol  
Ulf Palovaara  
Kim Pettersen  
Ole Ivar Seem  
Axel Andre Simonsen  
Jonny Sjursen  
Espen Skeie  
Benjamin Smith  
Matts Johan Thunberg  
Raymond Tjordal  
Jonny Vangen  
Ole Andreas Viktil  
Rune Alte Weiseth  
Maciej Zajdel

#### 20 years with the company

Jone Andersen  
Geir Yngve Andreassen  
Eirik Hansen  
Glenn Kvilaugsvik  
Nils Rune Runestad Thime

#### 25 years with the company

Eivind Berg  
Roger Brekke  
Frode Eikeland  
Helge Flatøy  
Helge Gaustad  
Helge Helgesen  
Tor Arild Kommedal  
Nils M. Molvik  
Rolf Magne Pedersen  
Einar Terje Tveranger  
Karl Magnar Vågenes  
Bent Roar Wik

### 30 years with the company

Erik Okkerstrøm  
Charles Valentinsen

### KAEFER Construction AS

#### 25 years with the company

Toril Haugen

#### 30 years with the company

Glenn Børre Gulliksen  
Kåre Øverby

#### 35 years with the company

Ketil Arnesen

### Peru

#### KAEFER KOSTEC S.A.C.

#### 10 years with the company

Javier Armas Aguirre  
Zosimo Aschalla Aramburu  
Alvaro Aschalla Cordova  
Cesar Cordova Izaguirre  
Roeli Diaz Perez  
Fidel Herrera Aschalla  
Carlos Alberto Quipo Espinoza

### Poland

#### KAEFER SA

#### 10 years with the company

Marek Baran  
Marian Budys  
Stanisław Bulcewicz  
Tadeusz Cierniak  
Andrzej Frączek  
Henryk Goliżewski  
Sławomir Grubka  
Adam Gurgul  
Roman Jędrzejczyk  
Wiesław Konefal  
Marian Machniak  
Iwona Maciąła  
Jan Marmol  
Szymon Pikuł  
Krzysztof Przybyła  
Danuta Rasz  
Sławomir Strzeszewski  
Damian Szala  
Jan Truchan  
Paweł Warzała  
Łukasz Woroń  
Łukasz Zdunek

#### 20 years with the company

Nikodem Bandola  
Zbigniew Dobosz  
Sławomir Grudziński  
Marek Hamowski  
Tadeusz Janowski  
Wiesław Jodłowski  
Edward Kaluża  
Dariusz Kęsy  
Jarosław Korczakowski  
Bernard Lebryk

Ewa Mielczarek  
Bogumił Niedziałkowski  
Tomasz Rakowski  
Paweł Siwek  
Anna Sobecka  
Wiesław Tłuchowski  
Jurek Zaremski

**25 years with the company**  
Adam Bakalarz  
Marek Bernart  
Wojciech Bońkowski  
Sławomir Borowski  
Dariusz Fryska  
Grzegorz Grubka  
Andrzej Jaskuła  
Jarosław Jędrzejewski  
Józef Kmiecik  
Bogdan Kołodziejski  
Jacek Majchrzak  
Dariusz Miąskiewicz  
Tadeusz Musiał  
Dariusz Pecelerowicz  
Sławomir Pędrak  
Roman Rogalski  
Sławomir Widło  
Mariusz Wiśniewski  
Bogdan Zakrzewski

**30 years with the company**  
Kazimierz Chaim  
Bogdan Dołowy  
Jerzy Gaśiorek  
Henryk Kozłowski  
Marek Łeska  
Jerzy Piotrowicz  
Jerzy Pyzik  
Waldemar Rapant  
Tomasz Sommerfeld  
Norbert Tomczyk

#### South Africa

**KAEFER Thermal Contracting Services (PTY) LTD.**

**10 years with the company**  
Linda Luthuli

**20 years with the company**  
Dlalangaye Jama  
David Khumalo  
Patrick Ramashia

**30 years with the company**  
Sipho Ngobe  
Elias Sekgale

**35 years with the company**  
Tony Bongwe  
Daniel Mafatlé  
Velenkosini Mthethwa  
Sipho Zulu

#### Spain

**KAEFER Servicios Industriales SAU**

##### 10 years with the company

Francisco Espinosa Delgado  
Javier Fernández Carbajo  
Juan Carlos Fernández Martínez  
José Fuentes Navarro  
José García Aguado  
María José García Vaquero  
Miguel Ángel Higueras Ruiz  
Federico Moreno Casado  
Joseba Onaindia Urriolabeitia  
José Antonio Pedreño Pérez  
Antonio Piñón Galindo  
Francisco Rodríguez López

##### 25 years with the company

Gonzalo Igualada Pérez  
María Lourdes Rabasó Cabré  
Ángel Rodríguez Mompeán

#### Qatar

**KAEFER LLC**

##### 10 years with the company

Vijay Kumar  
Ram Bahadur Midun  
Man Singh Nath

#### UK

**KAEFER C&D Ltd.**

##### 10 years with the company

Nathan Bamford  
William Cocksedge  
Jonathan Coyne  
Laurence Davies  
Colin Graham

Jonathan Grantham  
Robert Gray  
Lee Greenfield

Bernadette Guy  
Robert Haywood

Julie Holland  
Julie Horrobin

William Howard  
James Johnstone

Harry Laverick  
James Lowery

Richard Marson  
William Martin

Mark Moore  
Keith Reid

Caroline Stafford  
Jonathan Vaughan

Philip Wilkinson  
Roger Wilkinson

Richard Wynne  
Gerard Young

#### 20 years with the company

Dawn Briggs  
Richard Carling  
David Cutts  
Stuart Miller  
Ian Shaw

#### 25 years with the company

Tony Dillon  
Martin Kitching  
Sheila Stevens  
Andrew Westran

#### 30 years with the company

Charles Carson  
Kevin Donnelly  
Graham Lee

#### United Arab Emirates

**KAEFER LLC**

##### 10 years with the company

Kau Bahadur Gurung  
Jayarajan Nechikadan

#### 20 years with the company

Ramneek Datt  
Kasam Abdul Rehman Inamdar  
Regimon Pappachan  
Mohammad Kalimullah Shah  
Srikant Yadav

#### We remember:

**Australia**  
Arnel Antonio

**Germany**  
Gerhard Ammersken  
Hans-Dieter Bach  
Rolf Beisse  
Rainer Berger  
Klaus Böhm  
Vinko Bosnjak  
Manfred Bruns  
Paul Debast  
Heinz-Dieter Dielen

Hans-Georg Evermann  
Rene Gadau  
Heinz Grikschas  
Winfried Heimann  
Klaus Höfler  
Nikola Jovandic  
Martin Kiehl  
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Rüdiger Lütt  
Gerhard Manthey  
Walter Meyer  
Bernd Orlowski  
Hans-Hartmut Rademacher  
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Werner Schönicke  
Slave Slavesci  
Ursula Sonnewald  
Nedeljko Stipanovic  
Herbert Stöckl  
Vangel Talevski  
Dragan Tatic  
Hans-Joachim Völsen  
Heinz Wachtendorf

**Netherlands**  
Koos Buijs

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**Poland**  
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Józef Muszyński  
Jan Wawrzak

**Spain**  
Ángel Rodríguez

**UK**  
Michael Traynor



# KAEFER

## Anniversaries 2014

Thank You!



**Ernst Becker**  
KAEFER Industrie GmbH  
Germany  
Fitter  
Joined 01.02.74



**Jörg Hauschild**  
KAEFER Industrie GmbH  
Germany  
Industrial Insulator  
Joined 07.05.74



**Jürgen Brinkhus**  
KAEFER Industrie GmbH  
Germany  
Estimator  
Joined 01.08.74



**Heiko Hirnschal**  
KAEFER Industrie GmbH  
Germany  
Project Manager  
Joined 14.10.74



**Torsten Henning**  
KAEFER Industrie GmbH  
Germany  
Foreman  
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**Thomas Nieder**  
KAEFER Industrie GmbH  
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Manager  
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**Rainer Sponholz**  
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**Gerhard Stolle**  
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**Dieter Tesch**  
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**Klaus Besmehn**  
KAEFER Schiffsausbau  
GmbH  
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Fitter  
Joined 09.05.74



**Helmut Grauerholz**  
KAEFER Schiffsausbau  
GmbH  
Germany  
Commercial Employee  
Joined 01.06.74



**Heiner Poppen**  
KAEFER Schiffsausbau  
GmbH  
Germany  
Fitter  
Joined 22.01.74

Dear colleagues,

It is always a pleasure for me to see how many long-standing employees are part of the KAEFER team. Your dedication, engagement and loyalty drives our success and makes me very proud. Thank you very much for your commitment!

Sincerely,




**Stanisław Latarski**  
KAEFER SA  
Poland  
Steel Constructions  
Painter  
Joined 01.09.74



**Edward Latarski**  
KAEFER SA  
Poland  
Thermal Insulation  
Fitter  
Joined 15.05.74



**Henryk Małecki**  
KAEFER SA  
Poland  
Tinsmith  
Joined 20.06.74



**Wiesław Urbanek**  
KAEFER SA  
Poland  
HSEQ Specialist  
Joined 12.09.74



**Jerzy Waszk**  
KAEFER SA  
Poland  
Tinsmith  
Joined 15.11.74



**Zdzisław Ziętara**  
KAEFER SA  
Poland  
Construction Machines  
Mechanic  
Joined 04.09.74



**Andrzej Cieloch**  
KAEFER SA  
Poland  
Thermal Insulation  
Fitter  
Joined 30.07.74



**Andrzej Ignaczak**  
KAEFER SA  
Poland  
Thermal Insulation  
Fitter  
Joined 01.09.74



**Marek Kacperski**  
KAEFER SA  
Poland  
Sheet Metal Worker  
Joined 28.05.74



**Juan Delgado Flor**  
KAEFER Servicios  
Industriales SAU  
Spain  
Insulation Worker,  
Arrigorriaga Branch  
Joined 01.02.74



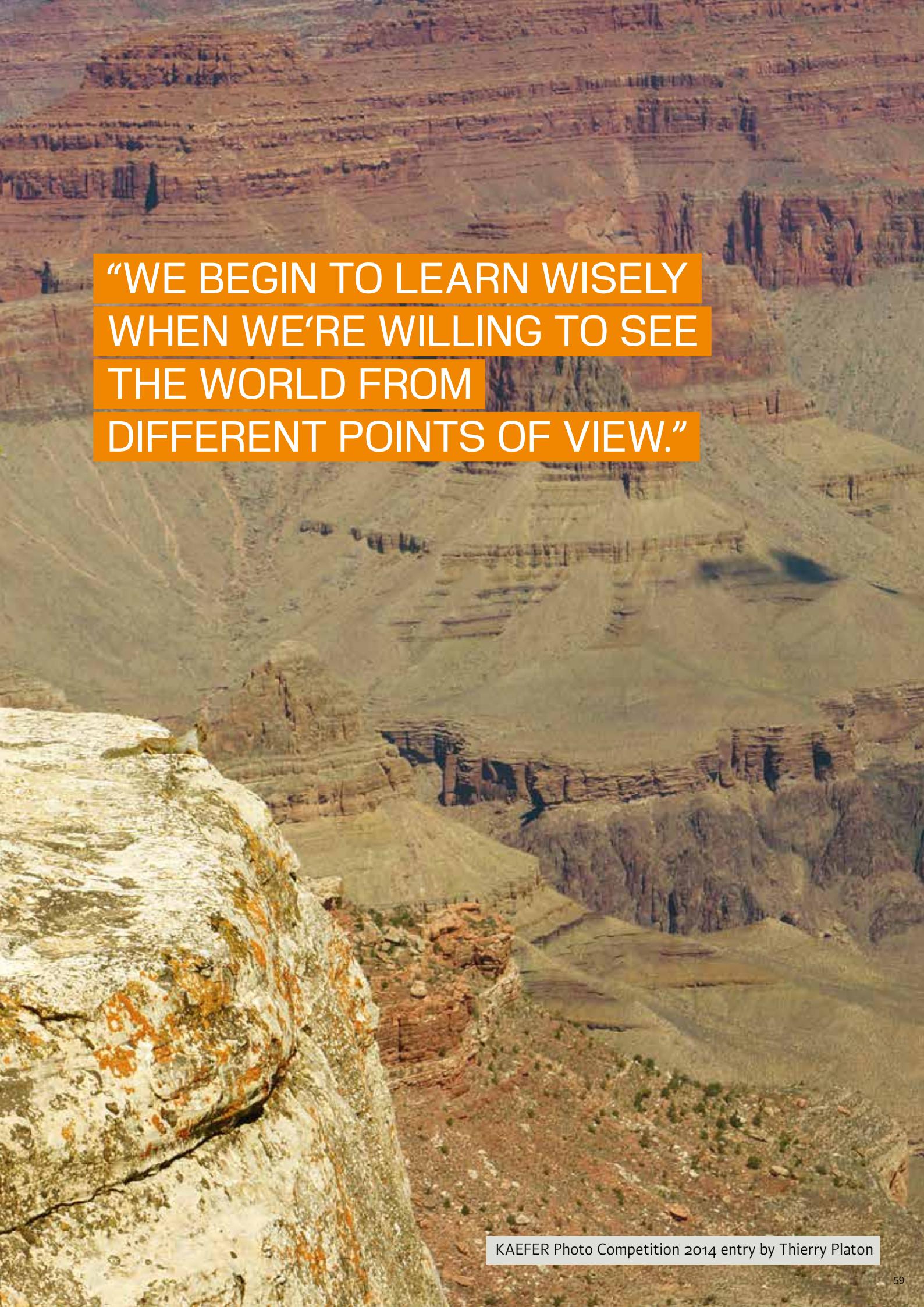
**Jesús Luis García Souto**  
KAEFER Servicios  
Industriales SAU  
Spain  
Insulation Worker,  
Arrigorriaga Branch  
Joined 14.05.74



**Graeme Cayford**  
KAEFER Integrated  
Services Pty Ltd  
Australia  
Leading Hand  
Sheetmetal Worker







“WE BEGIN TO LEARN WISELY  
WHEN WE’RE WILLING TO SEE  
THE WORLD FROM  
DIFFERENT POINTS OF VIEW.”



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**KAEFER**



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