

# With a focus on project management and raising capabilities, CEMEX USA can achieve \$64M in savings

## Operational Excellence in 2018

In a constantly changing, competitive world, we at CEMEX are tasked with continuously improving our business performance. 2018 is no different, thus we have set a goal to achieve \$64M in savings by working on what matters most to our business. To deliver these results, the Operational Excellence team will focus on project management and raising capabilities through the Yellow Belt and Green Belt programs.

The \$64M goal came from the leaders in each line of business based on the improvements needed to be successful. We will achieve the goal by leveraging the Plan, Do, Check, Act (PDCA) method.



**First**, we “Plan” what we will work on by executing strategy deployment from the top to the bottom of the organization using Key Performance Indicators to measure our success throughout the year.

**Second**, every project we “Do” is aligned to and positively impacts the KPIs.

**Third**, we “Check” project results by effectively using status boards at our facilities to monitor KPI performance. In addition, the status boards provide information to all employees so that everyone can see the positive impact of their efforts.

**Fourth**, we “Act” to execute improvements and sustain them over time.



In addition, there are three national initiatives the OE team is supporting this year:

1. TRUCK UTILIZATION
2. KILN EFFICIENCY
3. LABOR PRODUCTIVITY

Look to this quarterly newsletter for project highlights and updates surrounding these three opportunities. This quarter, the first spotlight is on truck utilization.

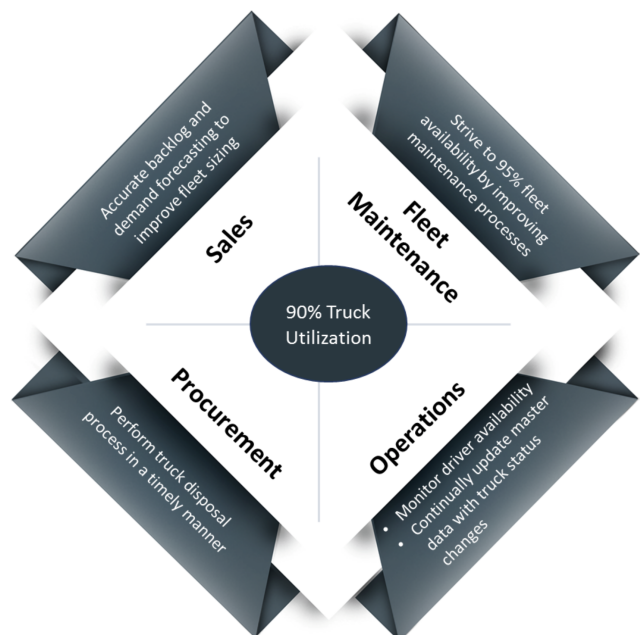
## Opportunity Spotlight: Truck Utilization

In ready-mix, the equipment productivity goal is to achieve 81 percent truck utilization. A team, consisting of a representative from each region, has been assembled within the Ready-Mix US Operational Excellence Track. The team is utilizing Continuous Improvement tools and processes to improve and track progress as they navigate through the many nuances of our business. Clear and constant communication across all departments will be key to improve operations, fleet utilization and productivity.

**Mo Lafavers leads the Ready Mix US OE Track team with the following regional team members:**

- |                       |                          |                             |
|-----------------------|--------------------------|-----------------------------|
| + TORI ROBINSON, WEST | + SONNY FOOR, MID-SOUTH, | + ROMEO TREVINO, CONTINUOUS |
| + RICK RACKLEY, TEXAS | + SCOTT MORGAN, FLORIDA  | IMPROVEMENT                 |

It is important to remember that improving truck utilization will not just be a maintenance and operations function, it requires a CEMEX team effort from all departments in each district. Let's look how each team contributes to achieving the 81 percent truck-utilization goal:



## Strengthen Capabilities of the Organization

To identify, develop and execute projects, specific knowledge and skills are necessary. These are the capabilities the Operational Excellence Team will continue to emphasize and strengthen throughout all levels of CEMEX and each of the “belt” roles, which include Yellow Belt, Green Belt and Black Belt. CEMEX’s goals for each belt is as follows:

### **Yellow Belt (Audience: all salary exempt)**

Develop a common language and strong Continuous Improvement foundation across the organization

+ 2018 GOAL: ~1,800 CERTIFIED

### **Green Belt (Audience: Yellow Belts with leadership potential)**

Apply CI foundation and advanced skills to project management that deliver results

+ 2018 GOAL: ~250 CERTIFIED

### **Black Belt (Audience: new team of CI Leaders)**

Facilitate high-impact projects and coach Green Belts

+ 2018 GOAL: ~40 CERTIFIED

“ We feel by aligning all our people, our path to Operational Excellence will create more value, to them and CEMEX. ”

— KEITH DUGAN (AREA MANAGER)

“ Yellow Belt training has provided me with a more comprehensive understanding of the methodology used to reduce costs, minimize waste, and increase overall efficiency. ”

— MARC SCHMIDT (PRESCOTT READY-MIX DRIVER)

## Complete your Yellow Belt certification online

We're excited to announce the Operational Excellence Yellow Belt training is now completely online! You can now access all training materials to prepare you for your leadership role in deploying and applying the CEMEX Operational Excellence model.

**By clicking the link below, you will be able to:**

- + ACCESS ALL LEADER AND YELLOW BELT MODULES
- + REVIEW THE NEW YELLOW BELT NEXT STEPS MODULE
- This module describes the steps participants need to take to demonstrate their newly acquired Yellow Belt skills, and provides steps to identify yourself as a potential CEMEX Green Belt candidate

### + TAKE THE YELLOW BELT EXAMINATION

- The last part of the Yellow Belt curricula is the Yellow Belt Examination. To achieve your Yellow Belt certification, you must achieve a minimum score of 80 percent. The exam features are:

- + 30 QUESTIONS
- + 45-MINUTE TIME LIMIT
- + UNLIMITED ATTEMPTS

In 2018, achieving your Yellow Belt certification will be a requirement in your IDP (if not already achieved).

**Note:** If you have already attended Leader and Yellow Belt training, you may proceed directly to the Yellow Belt examination. The modules are always available for a refresher or if you have difficulty passing the exam.

## Celebrating Success

We are proud to announce the newest group in CEMEX USA who have raised their capabilities and delivered results! Congratulations to the following teams who have completed their Yellow Belt training. Their sessions included learning the Operational Excellence tools and methodologies, including exercises which involved applying those tools at their site.

PRESCOTT READY-MIX PLANT  
LEMON COVE QUARRY

BLACK MOUNTAIN QUARRY  
MOORPARK QUARRY

ROCKFIELD QUARRY  
LAPIS SAND MINE



Here are some comments from  
members of the Prescott Ready-Mix team



“ In order to drive the OE culture, we felt it necessary to train and certify everyone in Yellow Belt. We have experienced what a strong OE culture can produce over the last two years; this training was just our next step in achieving Operational Excellence. ”

— BRANDON TOWN (DISTRICT MANAGER)

The list of Green Belt certifications is also quickly growing. Green Belt is designed to drive Operational Excellence into everything we do at CEMEX, while producing financial results that impact our strategic goals. **Congratulations to our latest group of certified Green Belts:**

<b>Norwood</b> , Rodney	Clinchfield Cement Plant	Manager Production
<b>Martinez</b> , Hunter J	Balcones Cement Plant	Manager Quality Control
<b>Bowen</b> , Gary K	Brooksville Aggregates	Manager Aggregates Plant
<b>Pace</b> , Timothy W	Woodstock Admin	Manager Maintenance
<b>Ragsdale</b> , Ramon M	Arizona Regional Office	Manager District Operations
<b>Locastro</b> , Peter	Rockfield Quarry	Manager Aggregate Area
<b>Squiers</b> , Brian R	White Mountain Quarry	Manager Aggregates Area
<b>Ramirez</b> , Vincent Lloyd	West Sac Terminal	Manager Operations
<b>Johnson</b> , Travis E	SCAL RMX Fixed Maint Shop	Manager Maintenance
<b>Hill</b> , William D	Tucson Area Office	Manager Ready Mix Area
<b>Walz</b> , Christopher C	Southern Cal Reg Office	Leader CI Support

Lastly, congratulations to our newest Black Belts. This program demands intense training, leading business-critical projects that deliver impact to the business KPIs, and coaching business leaders as they apply the Operational Excellence methodology on their own business-critical projects.

**Congratulations on your achievement!**

**Guillermo Garcia**, CI Leader Logistics  
**Ivor Reid**, CI Leader Transport  
**John Whitley**, CI Leader Knoxville Cement

**Jason Stillwaggon**, CI Leader Palm Beach/Treasure Coast  
**Robert Jason Rine**, CI Leader Southwest FL ReadyMix