



better results through cooperation

### Case Study

#### **Anglo Platinum Corporation and Sandvik Mining and Construction - South Africa**

This is a developing collaborative partnership between the largest platinum producer in the world and an international supplier of mechanized (trackless) mining equipment.

About two years ago Anglo Platinum, in reviewing the way it executed its projects, decided to select a small number of preferred suppliers in the field of mechanized mining equipment with whom it would develop what was called a “value-managed relationship”. One of these was Sandvik Mining and Construction, one of Anglo Platinum's premier suppliers of haulers, roof-bolters and drilling rigs. JCP (SA) was invited to facilitate this process.

The intention was to move the relationship to a new level of interaction that released greater innovation and value for both parties than the traditional contractual arrangement. The end goal envisaged is a commercial agreement that reflects a collaborative, win-win relationship in which both parties are achieving their goals - reduced cost per ton mined (Anglo Platinum) and a greater profit from its involvement (SMC).

The process started with JCP facilitating a workshop where the mutual goals of this relationship and what each party expected of the other were agreed on. The first outcome of this was the formulation of a Statement of Strategic Intent, outlining the purpose, intent and collaborative principles to which each of the parties was committing itself. This was signed by the Executive Director: Mining of Anglo Platinum and the President of SMC. A Steering Committee was appointed, representing both parties, to guide the process and to workshop a full Charter (elaborating on the Statement of Intent) and to then move towards a commercial agreement.

The next step in the process is to formalise a draft framework agreement that will be debated within the Steering Committee before being taken back into each of the two organizations for support. Once this is finalised a full-scale commercial agreement will be negotiated by the partners to govern their relationship.