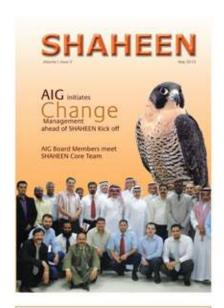
SHAHEEN

Volume I, Issue 2 May 2010









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SHAHEEN is published regularly by AIG for its employees, customers, suppliers, and business associates.

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Valuable Board Message

The directives of the Board of Directors to establish a fully-integrated business solution across all subsidiaries has officially kick-off on 15 May under the banner of Project Shaheen.

n behalf of the Board, I wish to convey my sincere appreciation for the cooperation and invaluable input of the management and employees of all subsidiaries towards

achieving success of this Project.

The Change Management survey, which was conducted ahead of the kick-off of the Project, provides hope and positive expectations for success. The questions of "want to change" and "need to change" registered high scores. The responses to "readiness to change" were not as high but this is expected given the team's little insight on the SAP details and require-

ments prior to the kick-off.

Nevertheless, I am sure that Change
Management participants and the
Shaheen Core Team, along with the
Steering Committee, will work hand in
hand to overcome any and all
challenges in the coming weeks.

We have strategically moved ahead with a project that should propel us to higher level and inspire us to achieve our goals.



Khaled Masri Deputy Chairman, AIG

I encourage everyone to invest their valuable efforts and support into the project.

We need to continue with this journey towards creating a fully-equipped, solid Core Team that will encourage employees and investors to participate in this novel endeavor. Hopefully this will help Astra Industrial Group reach new heights.

Shaheen vision

"AIG to have the best practice business process enabled by a state-of-the-art technology that will accommodate future growth"

he global economic competition has brought nearly all companies, from largest corporations down to micro establishments, to rethink and redirect their business roadmaps.

The balancing act to stay in business is an extraordinary challenge. Many could not make it and had to let go of their businesses.

The Board's brilliant decision to proceed with the Project is highly commendable.

It is a bold move in response to immense global business challenge. I appreciate the convergence of efforts by management and employees of all subsidiaries to come up with a fully-integrated business solution. The sharing of knowledge among all participants enriches everyone involved and leads to enhanced learning.

But the real challenge is how to turn all our collective efforts into a smooth implementation of the Project. It is in this juncture that everybody's cooperation is crucial.



Mohammad Al-Utaibi Board Member

SHAHEEN Message In our weekly review and the last steering commit-

In our weekly review and the last steering committee the project structure was finalized and approved, project charter is done

ipro team is here , scoping of the AS IS, is well under way and hardware and network is already ordered.

The project team has shown a great deal of commitment and readiness to work to achieve AIG goals. The core team needs to be focused on the project and their management must therefore support them and allow sufficient space to the team to deliver what is expected of them. This is a big change for AIG. However the consultant and the AIG seconded team to the project should play the most significant role to bridge the gap and take ownership of the project. Up to now the ownership in my view should improve and mirror the Board commitment and high expectation by walking the walk for a successful project and the realization of solid enabler to AIG sustainable growth. The leadership of all AIG Subsidiaries needs to be physically and visibly very active in promoting the project and rise to the challenge.

We are at the beginning of Project Shaheen. The pace of the project will definitely increase creating high stress levels in the team. For this reason seconded staff needs to be fully committed to the project with no distraction from their Executive and Line management. It is important to create a cohesive project team environment from the start. AIG staff selected for the project must be the right people for the project as the remaining project phases are going to be much more demanding.

As rule of thumb: "If there are trouble with any area of these large scale projects – process or ownership – during the project implementation, experience have shown the same issue will appear once the project go live". We are still at a relatively early stage where we can manage the project to success, but the window is extremely tight and with every one support the future outlook should be significantly better for all.



Selman Al Fares Board Member & Chairman Shaheen Steering Committee

Message from the Group CFO Investment in Successful project

At the outset, I would like to personally commend the Board for investing in such successful project for the entire conglomerate.

The integration through SAP, which shall effectively help standardize reporting, policies and processes based on the best practice across the Group, is expected to improve work efficiency by reducing time requirement for the preparation, processing and recording of business transactions as well as the preparation of

the financial reporting and will help in controlling and improving our current and future international subsidiaries.

Such output shall not only benefit the Accounts and Finance Group; it shall also benefit the management in running and controlling the business and use it to perform any needed corrective action by receiving on-line data.

Fly high, Shaheen!



Bader Ben Mohareb CFO



Khalid Al-Gwaiz Chief Executive Officer

ince then, a lot has been achieved, thanks to Shaheen's core team and the project management. Despite the

numerous challenges, the project was officially kicked off on the 15th of May as scheduled. Leading to this event is a massive effort to identify, organize and mobilize the core team from the various subsidiaries, and get them settled in Riyadh. This is one of the most important phases for the project preparation. In addition to the team members, the credit goes to the Subsidiaries' top management for agreeing to second a number of their professionals to the project despite the chronic shortage and expanding business demands. The team has now started the critical blue printing phase.

Although early to call it a success, I am pleased to see the project moving on with steady steps. As we all know, the task is complex. It requires team spirit, hard work and dedication.

nessage

Time really flies, especially during productive times. It was only a few months ago that the decision was made to go ahead with the ERP project, subsequently called Project Shaheen.

It is indeed reassuring to see all such ingredients are available within the team. No task of this magnitude is free of obstacles and challenges. We are starting to experience our fair share of the same. Such challenges are being dealt with and tackled head on. From what I see so far, I am confident that we will prevail.

We have a long and demanding road that we must travel, and we cannot do it alone.

I can assure you we are not alone given the internal and external resources amassed for the project as well as the tangible and quality support we continue to get from everyone. The effort and material contribution by everyone to the project's success has been nothing short of marvelous and is one deserving true recognition and appreciation.

Thank you all, and please keep up the good work!





Hans Greeff SHAHEEN Project Manager



Born in 1950 I see myself as a young 60-year old. Married to Elize for 37 years and the father of three sons and one grand-son.

fter graduating from the University of South Africa in 1969 with the degree majoring in Information Systems, I started my career in Information Technology in 1969.

In 1995, I made a career move leaving an Executive Management position in IT to the SAP world as a Program/Project Manager. I've successfully managed various SAP implementation projects in Africa including the SAP implementation project at Al Faisaliah in 2000/01. Over the past two years, I was the Head of the SAP Practice for one of the largest SAP Implementation partners in South Africa. I've resigned from this position to take on the position at Project Shaheen. Many people asked me why I gave up an executive position to do project management,

the answer is simple: I enjoy managing projects; It is my passion!

When not working I enjoy the outdoors. My interests include Trail Hiking, Scuba Diving and long distance running. Very recently I've completed the Comrades Marathon for the 13th time. This 89,7 Km-race is rated as one of the most difficult ultra marathons in the world. SAP implementation projects can be compared to running ultra marathons; it requires commitment in your preparation, detail planning, clear mile stones on your route and lots of endurance.

Project Shaheen has all of these attributes and I'm looking forward to successfully complete this very important project for AIG.

Santanu Kumar

Santanu Kumar Nath is a graduate in Mechanical Engg., post graduate in Industrial Engg. & Management, Six Sigma Black Belt and Business Excellence Assessor from premier institutes. He is born on 9th Jul. 1967 and started his career in M/s. Tata Steel, India in the year 1991. He has joined Astra Industrial Group in Apl'10. Prior to joining AIG, he has served 19 years in M/s. Tata Steel, M/s. Global Steel Holdings, Mittal's group and M/s. SABIC, Saudi Arabia. He was Vice President and Board member in M/s. Global Steel Holdings Ltd., Bulgaria.

He has versatile experience in steel industry in areas of Operation, Business development, M&A, Planning, Costing, Marketing, Supply



Santanu Kumar Nath

Chain, Six Sigma & Business
Excellence. He is recipient of many
awards and has authored a number
of papers on Vendor management,
Re-engineering, technology optimization, Cost Leadership Aspirational
Program etc. . He emphasizes on
nurturing a culture of improvement
orientation, professional competency
, absorption of new technology & best
practices with a definite commitment
to standards of integrity and ethics.



Core Team Arrival to Riyadh





Turki Almohammadi

Turki is an energetic, mature, outgoing individual with a penchant for interacting with people. His strengths are a positive mental attitude, excellent communication and negotiation skills, ability to grasp and learn fast, able to perform under pressure, ability to build, lead and work in team.

Shaheen management highly appreciates the participation and dedication of its core team members. The core team is composed of experienced professionals seconded from the Subsidiaries. The participants have transferred to Riyadh specifically for this purpose.

Developing Saudi Talent through Shaheen Project



Talal Albarrak

Talal Albarrak is graduated from the United States in finance major. He is "It's an honor to be part of the Shaheen project core team. It is an opportunity for any fresh Saudi graduate to share the success of Shaheen project, My goal is to lead AIC to be the first company in the globe".



SAP Change Management Program

Managing change becomes one of the most critical competencies your organisation can build. While organisations are continuously exposing their employees to change, they are keen on teaching the organisational managers, project managers, and team members how to effectively manage the people side of change.

hen 327 process improvement teams, consultants, and leaders were asked: "If you had the chance to do it again, what would you do differently?" the most common response was: "Utilise an effective and planned change management program."

Managing the people side of change

Managing the people side of change does not take a Ph.D. in psychology, or involve just 'touchy-feely' exercises. This is often the perception of organisations and project teams not exposed to what change management is, how to use it when introducing change and what the benefits are of a well-thought out strategy for addressing the human side of change.

The Change Management methodology utilised on SAP Implementation projects has proven that there is a direct correlation between realising the anticipated ROI and utilising an effective Change Management approach. Our approach and methodologies utilised are based on the utilisation of the following:

- Change Management experience in implementing ERP systems gained over 15 years;
- · ERP Implementation tools; and
- Researched Change Management "Best of Breed" international methodologies, processes, and standards.

The above are combined to develop a change management approach or strategy unique to each client.

Prof. Hamad A. AlKhamees

"Shaheen will definitely drive to make our organization lean and thin with fact based decision making. This will improve the communication, accessibility, information and above all organization agility"







Bandar Alotaibi – Deputy Managing Director of Astra Polymers appreciates that Shaheen will help him improve the integration with Suppliers and customers since most of them uses SAP platform to support their business.

Mufeed Hatab, GM of IBSF is looking forward to have a fully-integrated ERP in place at the shortest possible time that shall cut short business processes and procedures without jeopardizing quality, efficiency and income.





Jehad Atiyad, GM Astra Chem: hoping to be able to get the complete status of all Chem's subsidiaries in several geographical locations during early morning coffee to enable him to make quicker decisions.





AIG subsidiaries' General Managers explain their expectations from SAP system; they have shown super support to Shaheen

Average of all subsidiaries rating about change

Companies

Company Need for change Want and willing to change Readiness to change

Average

36%

839

3%

59%

Benefits of a well-managed change



- · Projects meet their objectives
- Projects stay on schedule and on budget
- Anticipated resistance is prevented or mitigated
- Unforeseen obstacles are reduced
- Increases overall adoption of the new way of doing things
- · Creates a 'track record' of success
- · Better utilisation of human capital
- Competitive advantage
- Bottom line: your business goals are achieved

Dammam

Change Management Certificates















Jordan Change Management Certificates











Rana Azzam Business Development Director Business Development Department

The SAP change management and Shaheen orientation provided us with full picture about project milestone and challengeable issues; if launched in the right atmosphere Shaheen project will be an important business enabler that will help us to grow with more solid foundation



Tala Abdallah



Zaid Azzam





Tabuk Change Management Certificates

"ENDING CHANGE PROCESS WITH A SMILE . . . RE THE CHANGE YOU WANT ASTRA TO BE."









khalid arranged for our change management workshop in Tabuk city perfectly.











Dr. Mohamad Saleh





Dr. Maysara gave full attention to the Shaheen project from the beginning due to his deep excellent knowledge about automation, and his clear vision to

improve the functional integration. He is one of the top executive who has attended so many workshops and meeting even it was hard to him due to his busy schedule. Nevertheless Dr. Maysara is in medical treatment vacation and AIG management wishes him quick recovery soon.







































Selman Al-Fares Chairman of Shaheen, launched Project Shaheen; Khalid Al-Gwaiz, CEO, welcome the core team members. Ali Mezrawi, VP-Shared Services formally opened the kick-off.

Hans Greeff-Shaheen Project Manager and Praveen Garg-Project Manager of Wipro have given the core and Shaheen team members a comprehensive explanations of the project and its different assignments and responsibilities.





Same day other subjects were discussed and agreed with core team like:

- 1- Accommodation arrangement
- 2- Allowances
- Transportation
- 4- Working office
- 5- Laptops
- 6- Stationery
- 7- Light lunch
- Regulation and rules









Khaled Al Masri, Deputy Chairman of the Board and Samer Hendawi, CIO poses with some Shaheen Core Team members to show support and encourage to all AIG members.



Rolo B. Cena writes

stra Industrial Group (AIG), as it sets its best foot forward for 2010, is undergoing many major transitions to date, some of which involve clearly defined

meaning of corporate life, character and shape that carry them out.

Among the major and notable planned changes are the standardization of Human Resources Management Policies and the introduction of a new, fully-integrated Enterprise Resource Planning (ERP) Solution for the entire conglomerate.

Standardized HR Policies

As early as May 2009, AIG organized a meeting of all Human Resources In-Charge from all subsidiaries to discuss common grounds that would eventually become materials to create a standardized HR Policies. After the meeting, several steps have been undertaken to proceed with the project, including the creation of HR Committee, interviews with key officers and visits to all subsidiaries by the HR Advisor Emmanuel Rebueno.

Using the existing Administration / HR Policy Manual of Astra Polymers as one of the major sources or references for the AlG-wide Human Resources Policies Manual, the HR Committee is, as of even date, all set to finalize the standardized Policy for implementation across the subsidiaries. The product shall be fully implemented in the business year 2010.

Driving Integration through Holistic Change

The egress of 2009 business year, after the Mid-2008 US Financial Crisis that lasted almost until the end of the 2009 second quarter suggests the possibility of an equally profound change in business climate vis-à-vis economic life of every company as a whole.

"Information Tech-

effective tool that

fueling our growth

nology is a very

instrumental in

plans."

Enterprise Resource Planning (ERP)

With the current scenario that our Group is seen as a major regional industrial player, it is critical to have efficient and effective business processes across the group that can result to maximum return on investments while employing the highest standard of quality. Along this line, growth strategies that can keep all subsidiaries attuned to common ground and connections should be implemented to support the business growth: enterprise resource planning fully backed up by quality IT Infrastructure.

As Chairman Sabih T.
Masri stated in his
letter dated 19th
November 2009,
"Information Technology is a very effective
tool that is going to be
instrumental in fueling
our growth plans." As
such, the need to
streamline business

processes across the group is extremely necessary as well as the integration of an enterprise resource planning platform to support all operations thus providing operational visibility and excellence in financial control and reporting features.

Chairman Sabih T.Masri further demanded, "We are therefore embarking on an initiative to opt a best-fit integrated ERP platform that enhances our business operations and provides common view of truth between finance, operations and commercial functions. AIG is going to facilitate the process of putting up the enterprise-wide solution in place."

Creating an AIG-wide IT infrastructure is a complex task. A conglomerate-wide awareness on the project should yield expected buy-ins from all subsidiaries regardless of ranks. Undertaking the initial steps can be crucial; implementing such a noble project requires team-based effort to achieve the target.

The clear and present danger

Change has been very difficult. Modernday management scientists have identified one major roadblock to Change: Corporate Attitude.

> The broad spectrum of "attitude", which of course encompasses the character and behavior of the company and the individual, determines the way the company or the individual shall handle planned or introduced change. In most cases, resistance is apparent among those employees who served the company for quite

a period or to those whose ages do not reconcile with the advent of technology.

Corporate attitude, which should be sensibly and sensitively addressed to alongside with employee attitude, can overpower the latter. The former can be an indicator of the successful implementation even if the project is on its planning stage yet regardless of whether or not the employee attitude is in tune with the corporate. Corporate attitude speaks about the ultimate support from the Top Management and line managers, overall acceptance by the staff, as well as authority and budget.



Once Corporate Attitude becomes overly aggressive or extremely weak, it cannot overpower the indifferences of the employee attitude in which case, the project may fail. Corporate Attitude should propel employee attitude in accepting change process in which case, it should only be at its best implementable and comprehensible level.

Therefore, it is critical for the management to look into the corporate attitude deeply by analyzing its corporate agenda to keep it attuned to the employee attitude, in relation of course to the project and its impending implementation. The need to integrate at the same time the study of the employee attitude into the corporate should be considered for control and accountability purposes. When this action is overlooked, then consequently these two attitudes may clash and may produce negative internal commotion.

Management Support, Authority & Budget

Management support is not limited to the mere proclamation of the project and the creation of the Team who shall handle the nitty-gritty of the project. It includes empowerment of the Team with blanket authority based on the undertaking originally mandated by the Board. The Management should be able to back up

"AIG's inherent strength lies in industrial and geographic diversification that serves to ensure business stability and enhanced performance."

order to maintain the integrity and credibility of the Team. The Team's integrity and credibility should be the concern of the Management if successful implementation is ultimately its objective.

More to management support, budgetary constraints should also be the concern of the management. Enough budgets to cover the infrastructures, manpower requirement and the incidental expenses should be allocated and approved.

The fully integrated conglomerate

As Chairman Sabih T.Masri stressed, "AIG's inherent strength lies in industrial and geographic diversification that serves to ensure business stability and enhanced performance." These two apparent strengths should favorably conjunct with each other to create a synergy that can propel change process.

While all subsidiaries may believe that working on their business processes using their own system works as planned, fully integrated system, policy or procedure is still the best way to further enhance the strength our conglomerate is known for.

its recommendations and decisions also in As a diversified conglomerate, the need to streamline business processes and integrate enterprise resource planning infrastructure should be on top of the line as this, once implemented across the subsidiaries, will bring about the harmony that would standardize business activities and processes in general. Full integration should also cater the need to address the geographic diversification that concerns the management.

> As the Board involves everybody to participate actively in this initiative. Chairman Sabeh T. Masri finally urges that "Arriving at the best fit enterprise-wide IT solution for a conglomerate like ours is a complex task. Your usual dedicated involvement is solicited in selecting such a platform that maps with our processes and instill best practices of the industry that our subsidiaries belong to. Further, I wish to emphasize the organization responsibility vested in you in transforming our company through change management initiatives that will streamline our processes and introduce operational excellence, thus unlocking value from this strategic investment."

Wipro Continuous Effort



heSAP Practice Head of India and the Middle East visited AIG owing to its being a strategic Wipro customer. This is due to AIG's diversity.

Ajith emphasized on making this project a grand success and a bench mark for the other medium sized projects in Kingdom. He also said that he will monitor its progress on a regular basis. His ownership to the project was visible when he made two of the senior Wipro members change their original plan and visit Jordan on the eve of SAP session on 8th and 9th June.



The Shaheen Orientation Workshop participants from Jordan and Iraq concluding the affair with content.

Several key business officers from AIG, Tanmiya for Steel Industries and Al-Anmaa for Construction Materials Production, Ltd attended the Shaheen Orientation Workshop conducted by Astra Industrial Group (AIG) with Wipro on the 8th of June 2010 in Jordan.

Story...



It was a usual day dropping my children in the school, and notice a very prestigeous person standing in front of school gate on a sunny weather, shaking hands and greeting all the incoming students & teachers. It was curiosity that pushed me to approach him and ask what he was doing.

It was fascinating to know when he introduce himself as the (School Principal), and saying that It was my daily routine shaking hands and greeting with all my students and teachers.

Such this practice delivered a value message to all his teachers, students and parents. With time respect, appreciation, encouragements, education and finding myself writing this encouraging story.

li Shamara, Chairman, Al-Shamara Group showed keen interest in Shaheen initiatives by coming over to meet all participants of workshop. key business owners expressed challenges in the execution of SHAHEEN Initiative. Ali Al-Mezrawi and Bader Al-Mohareb from AIG along with Parthasarathy K. and Mutahhar Khan from Wipro articulated benefits of SHAHEEN Initiative, made key business users aware of program.

Ali Al-Mezrawi emphasized benefit of centralized system for achieving operational efficiency in geographically dispersed ASTRA Group as scalable and Integrated system as enabler for growth target. Bader Al-Mohareb emphasized planning and execution capabilities of the system. Ali Shamara offered to provide experienced core team members for SHAHEEN Initiative as suggested by Bader Al-Mohareb. Commitment Management TANMYIA Steel forms one of the key success factors that would make SHAHEEN Initiative successful. TANMIYA Business Owners" readiness level has increased after conducting SHAHEEN Orientation Workshop.

Victor Sabella, Manager of Finance & Administration of Al-Anmaa qualified

the Workshop to be "Marvelous Workshop conducted by AIG" and "liked by participants". V. Sabella deserved a special commendation for arranging the venue, the food and other logistical requirements for the Workshop.

He added: "All participants expressed their appreciation on the workshop done. They indicated their readiness to cooperate in understanding the program. They shall be happier when it is adopted and implemented as explained in the workshop. This program shall contribute much to the interest of the company and its employees especially if it can satisfy all department and sections' requirements currently and in the future. The rest of the employees, when they knew about the workshop and it main goal, also expressed their desire to join and learn about such Management Tool that will improve their performance and enhance the company's existence in the industry worldwide."

Finally, Sabella would "like to express my gratitude for the nice workshop and we hope that you succeed in the adoption and implementation of such a highly sophisticated program which shall serve ALL the companies, its subsidiaries and the employees involved in learning how to use it.



Implementing SHAHEEN Project, will introduce significant change and we will reap the benefits of an ERP solution.



Engr/Nawaf Al-Rashidi Senior Production Manager Tabuk Pharmaceutical Mfg. Co.

The commitment from AIG top management will definitely guarantee successful project implementation which will integrate business proccess and systems within AIG group. Selection and management of consultants and employees, and training of employees on the new system will increase their skills and reinforce their experience.

This step from the AIG to use SAP is a quantum leap to the future of the group and will contribute significantly to upgrading the group to keep pace with global developments. This will reflect positively on all the AIG group of companies and employees in general.



وبالإضافة إلى ذلك، سـتزوّد SAP مجموعة أسـترا

الصناعية بحلول الخدمات الذائية للموظفين، وإعداد

الرواتب والإيقاء بمتطلبات البيئة والصحة والسلامة

achieve gen

ستقودنا نجو

لتحقيق التم

على امتداد أع

Our Business AIG Phrma Phrma Chem Chem Polymers IBSF IBSF Steel Chem Chem Polymers Chem Polymers Chem Chem Tanmiah