FLS Industries – Capital Market Day 2005

FLSmidth project “from idea to production”

By Mogens Roikjær, General Manager Turnkey Management

Future is now
FLS Industries – Capital Market Day 2005

• Agenda
  – What is a FLSmidth project?
  – Turnkey – a job for professionals
  – Tender phase of a FLSmidth project
  – Order processing phase of a FLSmidth project
  – FLSmidth project from idea to production
  – Q&A
FLSmidth project “from idea to production”
What is a FLSmidth project?
What is a FLSmidth project?

DECISION
- Short Listing of Suppliers
- Final Adjustments
- Tender Documents
- Tender

CONTRACT
- Engineering
- Manufacture
- Civil Design (Turnkey)
- Civil Works (Turnkey)
- Installation (Turnkey)
- Start-up
- Production

ACCEPTANCE (PAC/FAC)
**Turnkey – a job for professionals**

*FOB/CIF supply* (incl. supervision, commissioning and training)

**TURNKEY** = FOB/CIF supply

+ Total responsibility for one or more of the following elements:

- civil and structural steel design,
- civil and building construction works,
- supply and manufacturing of structural steel,
- installation (steel structures, mechanical & electrical)

The complexity and subsequently the *risk* increases by the number of elements involved and/or by the number of parties involved in the contractual set-up.
Turnkey – a job for professionals

- Complexity and Risk
- Civil and structural steel design,
- Civil and building construction works,
- Supply and manufacturing of structural steel,
- Installation of (steel structures, mech. & electr.)

Supply Contract

Semi-Turnkey

Turnkey Contract

Category 1

Category 5
Tender phase of a FLSmidth project

Approximately 3 months

- Financial, legal and commercial conditions
- Performance warranties and conditions
- Logistic information
- Technical specifications
  Illustrative drawings

3 - 9 months

- Contract draft
- Quotation
- Negotiations/
  modifications
- Contract
  award

Sales Pricing

Cost price estimates

- Equipment list
  Plant Layout drawings

Process design/
Flow sheet

Enquiry/
Tender
documents
Order processing phase of a FLSmidth project

- Process design
- Order list
- Manufacturing documentation
- Foundation & erection drawings and specifications
- Inspection and expediting
- Shipping docs. and dispatch
- Supervision of installation
- Commissioning
- Project Management
- Planning/Logistics/Order Management System = ATLAS
- Accounting / Invoicing
- Contract

1st year 2nd year 3rd year
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Q&A