

## Case Study:

# Gold Fields – Increasing the Signal to Noise Ratio

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| Case Study Profile:   | Gold Fields   |
| Location:             | Headquarters in South Africa with primary US office in Denver, Colorado, and facilities worldwide |
| Industry:             | Mining exploration and business development   |
| Coemergence Solution: | ACIS® for mining  |

## Summary

Formed in 1998 from the merged gold interests of Gold Fields of South Africa and Gencor Limited, Gold Fields Ltd. is one of the world's largest gold exploration and development companies. As part of one of the world's oldest global industries, Gold Fields is well versed in the techniques and processes necessary to compete and grow.

Global companies like Gold Fields face mounting pressures to maintain production and provide for the sustained growth needed to meet the expectations of shareholders. Identifying new opportunities before competitors is key to Gold Fields, which intends to use every bit of intelligence and information at its disposal.

Determined to address the global challenge of filtering through masses of information and data to find strategically relevant items, Gold Fields turned to Coemergence. To increase Gold Fields' signal to noise ratio, Coemergence's ACIS® solution is capturing early warning signals hidden within the continual flow of critical real-time information and providing valuable clues and strategic insights. Gold Fields is able to filter through the noise to obtain what is relevant to their specific needs. Through automated alerts, ACIS® seamlessly allows recognition of changes in the business environment enabling action with sound knowledge. The solution's facilities for extracting relevant components from multiple perspectives to obtain a single integrated view of possible opportunities and threats, has positively impacted Gold Field's decision making capabilities.

## Mining – A global industry

The mining industry is facing increased demand, shrinking reserves, fewer exploration targets in increasingly higher risk regions, and few economic projects. The industry has gone through an unprecedented period of consolidation. Many smaller companies have been swallowed up by Majors, and even Majors have had to merge to remain viable, such as BHP Billiton, and Gold Fields. The bidding frenzy among Inco, Falconbridge, TeckCominco and Xstrata is yet another example of increasing competitive activity. In the process, projects across the globe are becoming consolidated under single company banners. Opportunities and threats are being sought out and faced from all corners of the earth.

## Gold Fields Ltd.

Gold Fields Ltd. ([www.goldfields.co.za/](http://www.goldfields.co.za/)) is one of the world's largest unhedged producers of gold, providing investors with maximum leverage to the gold price. The company employs some 43,942 people. Bent on international

expansion, Gold Fields has formed exploration partnerships with companies around the world such as Committee Bay Resources in Nunavut; Orezone Resources in Burkina Faso; and Sino Gold in China.

Notwithstanding all the electronic systems now available, nothing beats the immediacy and trust built by having people in-country. Gold Fields exploration organization therefore has offices in Denver covering North America; Santiago for South America; Perth for the Australasian region; and Oxford to cover both Africa and Eurasia.

### **The critical information challenge – The great intersection**

In today's business environment, it's important to be able to discover new opportunities before they become widely known, to see and understand them where others do not, and to act before competitors. Every company, large or small, has access to the same basic public information, creating a level playing field. In this increasingly complex and competitive business environment, how can companies create a sustained competitive advantage?

The answer lies within the rich deposit of industry intelligence and information residing in your staff, your peers and associates. Everyday, Gold Fields has hundreds, if not thousands, of points of contact with sources of intelligence and information that, if explored and developed, can lead to new opportunities. Their challenge is to be able to access this knowledge resource in ways they haven't been able to do before, evaluate and act on it, and move faster to acquire the assets that strengthen the company's strategic, competitive position.

Gold Fields is working with 3 core principles:

1. The need to find relevant information to recognize opportunities.
2. The need to flatten corporate structures which facilitate internal cooperation rather than competition. . Information needs to be assembled and made available to those who geographically are best placed to utilize that data.
3. The need for quick, informed decisions and actions. No matter how good the information and how precisely it is distributed to the relevant part of the organization, there is so much external competition, that rapid action is critical. Thus both at the local level, as well as in the Head Office environment, corporations need to be geared up for quick responses.

One source of information is face to face interaction at conferences and elsewhere, with people who represent projects and opportunities from many countries. A single Canadian Junior exploration company, for example, may have two projects in Burkina Faso in West Africa, three in the Andes, and a couple of small mines in central Canada. When any Gold Fields staff member meets with representatives of this Junior, they have to have a way of recording their impressions of these projects so that staff in Santiago, Denver and Oxford are immediately updated regarding the Juniors' activities in their region.

Gold Fields also scours the mining press focused primarily on key regions of interest. When they trip over something of potential interest to another region, the information is passed over to where it is locally assessed.

The "great intersection" ideal is to have all relevant hard (which is numeric) and soft (interpretive) information, residing in a common place, which can be accessed from across the globe. This provides the springboard for corporate action.

### **Hearing the whispers**

Gold Fields goal is to constantly enhance the signal to noise ratio.

There exists a mass of information - Internet, journals, public and non-public domain data, industry chatter, rumors and insights. Filtering through the noise to get at the valuable critical information needed is like trying to hear a whisper in a room filled with noisy people.

One way Gold Fields is addressing this issue by culling for relevant information in published sources:

- Reading between the lines of published text-based information; and
- Adding comments from personal knowledge, expertise and insight.

Gold Fields searches news by key words to get a relevant set of results. But it's not enough just to have a list of relevant news articles. They read between the lines, so to speak, to get at what's really relevant in the news. The company shares this expertise with others and places it along side all the other information at hand providing a rich context for analysis, decisions and actions.

Another Gold Fields approach involves taking into account the flow of information globally.

- Information exists in a global network.
- Local information can have global impact.

- We don't know where key clues will emerge.

Any one can encounter a clue to significant developments anywhere in the world, let alone in their own backyard. Piecing this together with hard data and all the other pieces of soft information gives Gold Fields a more complete global picture. Just like the weather, local and global information are part of one system.

### **The ACIS® Advantage**

Gold Fields found Coemergence's ACIS® solution met several key requirements to gaining competitive advantage through increasing the signal to noise ratio.

- Establishing a one-stop-shop for critical real time information.
- Potential for realizing opportunities otherwise missed by getting information into the hands of the people who need it.
- Finding patterns, relationships and context in information by bringing together the pieces of the real-time competitive business puzzle.

ACIS® is used as the explorationist's home page to keep on top of news and information exchange.

ACIS® represents an innovative approach to exploring, discovering, capturing and acting on strategic information by tapping into the rich resources hidden in the mass of conversations, industry news and chatter, and other information flowing through your company. By collecting and blending multiple sources—internal and external, published and unpublished, hard and soft—knowledge grows, patterns develop, puzzles are solved, and timely and effective action can be taken.