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# LAKE VISION

Issue No. 2



## IMPACT OF GLOBAL ECONOMIC CRISIS

*by Chief Executive Officer of Lake Asphalt - Wayne Wood*

While the world economies and indeed the economy of Trinidad and Tobago are in a downturn, the impetus for growth, particularly in the international markets is infrastructure development, which includes significant expenditure on road construction and road rehabilitation. Thus for Lake Asphalt of Trinidad and Tobago (1978) Limited (Lake Asphalt), there is tremendous opportunity during this period to increase market share, to increase revenue and profits, and to expand our business. As we grasp the opportunities, it is also important to reorganize our business to ensure that we survive the downturn in the asphalt industry that is certain to follow.

*Article Continued On Page 1...*



*Chief Executive Officer - Wayne Wood*



# IMPACT OF GLOBAL ECONOMIC CRISIS

*by Chief Executive Officer of Lake Asphalt - Wayne Wood*

*Article Continued from Cover...*

Downturns are a recurring fact of life in every industry. While demand for asphalt around the world has increased, bitumen production volumes have been in decline due to upgrades of oil refineries around the world. Although the demand for natural asphalt and other road building materials have increased, it is a mistake to think that the company is safe because of current market demand.

During this downturn we need to strengthen Lake Asphalt as we capitalize on the opportunities. Lake Asphalt has had three (3) successive years (2006, 2007 and 2008) of profitable performance. The Balance Sheet is much stronger as accumulated losses of \$46m have been eliminated. The upgrade of our plant and other infrastructure is ongoing. New products have been introduced and our markets have expanded to Brazil, India and Africa in an attempt to stabilize our revenue.

Lake Asphalt has engaged international asphalt organizations and universities to revalidate the quality and performance of Trinidad Lake Asphalt (TLA) in today's market conditions. Standards for TLA have been approved and maintained at the American Society for Testing of Materials (ASTM), British Standard Institute (BSI), Trinidad and Tobago Bureau of Standards (TTBS) and other institutions in Asia.

We have continued our research and development effort locally at our Research and Technical Services Unit and engaged international organizations such as the National Center for Asphalt Technology (NCAT) in the United States of America and the Transportation Research Laboratory (TRL) in the United Kingdom.

The transformation of Lake Asphalt began in 2006 and while we continue to develop our business we need to focus on our core competencies and internal processes. We are reviewing and developing new procedures and introducing new technologies. One of the keys to the long-term success of Lake Asphalt would be improvements in productivity.

We will embark on initiatives to improve productivity and efficiency. We must alter work arrangements to improve efficiency and adopt strategies to reduce costs and motivate employees' performance as part of the process of increasing productivity and efficiency.

The productivity we seek to describe is about doing the right things better. It is about improved customer satisfaction, better working conditions, teamwork and communication and avoiding waste. Productivity, according to the Employers' Consultative Association is the measure of the performance of the system that transforms input into output.

To improve productivity we will not only focus on the organization of the production process, but on all other aspects of our operations including business development, engineering, research and development, technologies and human resource management.

We are making the first steps in the process of improving productivity. It is hoped that these steps would provide the stimulants to actions of each and every employee. We recognize the role of management and as such a number of initiatives have been taken in the following areas:-

- Improving Communication
- Worker Participation
- Establishment of a Proper Grievance Procedure
- Training and Skills development
- Introduction of Technology

**IMPACT OF GLOBAL ECONOMIC CRISIS ... Continued from Page 1...**

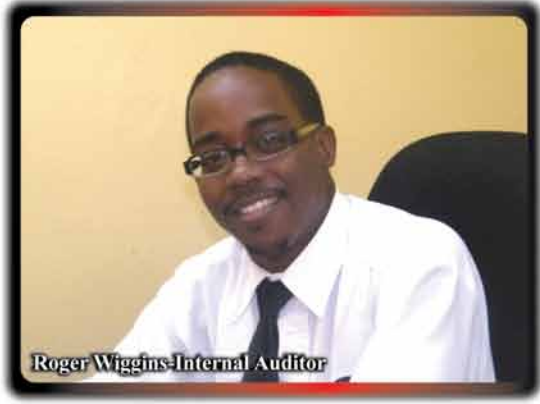
In the new Strategic Planning period 2010-2012, the Management and Trade Union must address the restrictive work practices that have developed over the years that prevent Lake Asphalt from realizing its full potential. The restrictions include limits on the volume of work that would be completed in a period of time (one still per shift), limits on the movement of workers, limits on management’s ability to allocate staff efficiently, completion of work or achievement of tasks only through overtime or restriction on the use of part-time and casual or contract works. Indeed there are many more practices that must be examined and changed if productivity is to improve. We must embrace change and transform the way we do our business.

There is value to improving productivity. Removing restrictive practices benefits everyone. It benefits employees by making it possible to improve pay and working conditions. Jobs may become more secure and less physically demanding. Working time can be reduced.

We seek the support of all employees in improving productivity at Lake Asphalt with the understanding that improved productivity will benefit management, trade union, workers, shareholders and the community.

# INTERNAL AUDIT

In Lake Asphalt we have specific business goals such as increasing market share, new product development, improving customer responsiveness, reducing costs, and so on. Progress toward these business goals can be undermined by risks, such as changes in market preferences, inconsistent product quality or poorly trained staff. Therefore both Management and the Audit Committee need to consider and implement risk management measures that would minimize the adverse impact the risks might have on the achievement of strategic business goals.



Roger Wiggins-Internal Auditor

**Where does Internal Audit fit into this?**

Internal Auditors have the expertise to assess risks and their potential impact on the business and evaluate controls that a company might have implemented to mitigate those risks. With greater knowledge of risk management, the domain of Internal Auditing has grown to encompass all areas of risk management i.e. “Enterprise Risk Management”.

**Key Benefits of Internal Audits: -**

- a) Identification and assessment of risks:** Internal Audit helps Lake Asphalt identify the risks and barriers they might face in the path to achieving their business objectives.
- b) Evaluating Controls:** Lake Asphalt can assess whether the controls and procedures they have put in place are adequate to mitigate the identified risks.
- c) Ensuring compliance with regulations:** A constant focus on this area through the Internal Audit function can help management promote a culture of “compliance consciousness” where compliance with regulations as well as internal policies and procedures occurs as a part of everyone’s daily work rather than as a separate process.
- d) Improve effectiveness and efficiency of processes:** As management extends the Internal Audit scope to include evaluation of enterprise risks, this can enhance the effectiveness and efficiency of processes.
- e) Provide comfort to Management, the Board and other Stakeholders:** Internal Audit provides assurance to internal and external stakeholders that the Company has an environment with internal controls that sufficiently mitigate the risks that a company might be exposed to and contributes towards meeting business objectives.

# Meet Our Board of Directors



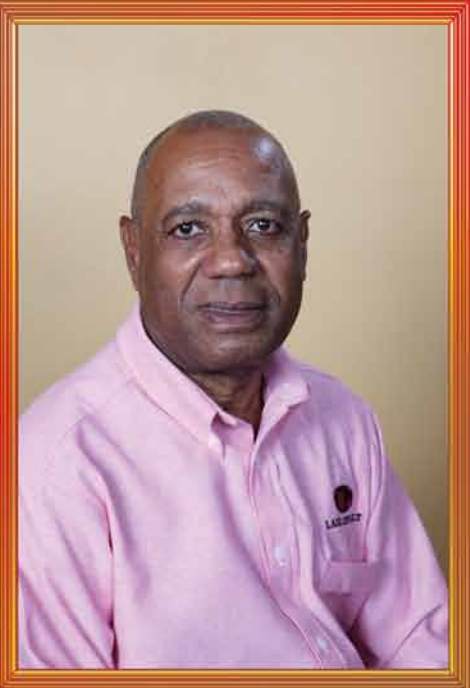
*Mr. Owen Hinds*  
Director



*Ms. Merlin Boyce*  
Director



*Mr. Anthony Richardson*  
Deputy Chairman



*Mr. Gene Forther*  
Director



*Mr. Raval Singh*  
Director

# Implementation of a Records Management Programme

In October 2007, Lake Asphalt commenced the implementation of a comprehensive Records and Information Management Strategy as dictated by the Company's Strategic Plan and legal and business requirements.



The Secretaries to the various Departments were designated Records Coordinators and were given the responsibility to conduct the investigative phase of the project which was essentially the Records Survey and the Records Inventory. The information derived from this Phase was then used by the Consultant - Lorson Resources Limited to develop the following:

- A Records Retention and Disposition Schedule
- A File Classification and Indexing System
- A Vital Records Protection Programme
- An Inactive Records Management Programme
- A Policy and Procedures Manual

The Coordinators were then given the task of converting their existing records into the standardized file classification system. To date, the files in most Departments have been converted and efforts were now focused on the development of a Records Centre.

As a result of this project, the following benefits are anticipated:

- Reduced time spent searching through volumes of unnecessary records to obtain the ones sought;
- Improved accessibility and retrieval of records through the elimination of unnecessary/duplicate records;
- Elimination of lost, misplaced or misfiled records;
- Reduced demand for storage space;
- Increased productivity through the reduction in time and effort expended on looking for files

This project represented the precursor to the establishment of an electronic records management system which will be in keeping with the Company's thrust to become a technology driven, innovative company.



# Health and Safety Week 2009



Lake Asphalt held its first ever HSE week from Monday May 11th 2009 to Friday 15th May 2009. The intention of the week of activities was to generate a greater sense of awareness amongst employees of the company to applicable Health, Safety and Environmental best practices and protocol. In keeping with the theme for National Safety Week 2009, *"Health and Life at Work, a Basic Human Right"*, a number of activities were organized to foster a positive mindset towards HSE both in the workplace and at home.

The opening ceremony saw speakers from the OSH Agency of Trinidad and Tobago, Mr. Devenath Roopnarine, from the Defense force, Major Celestine, former National Footballer, Mr. Anthony Rougeir and Lake Asphalt's Corporate Services Manager, Ms. Sati Jagmohan along with Team Leader HSE, Mr. Darrell Rambhai.

All presenters delivered motivating renditions on the theme for the week and stressed the importance of employees adopting an uncompromising approach towards HSE.

The week encompassed substantial activities, which included PPE displays from Safety Plus Limited, Frank Mouttet Limited, Ramdeens Industrial and Safety Supply Limited, NATCO, TOSL Engineering Limited and Environmental products displays from ROSE Environmental and Kaizen Environmental Limited.

The Ministry of Agriculture conducted a workshop and had a display on Hydroponics and Grow-box technologies and employees got first hand knowledge on simple techniques that could be used to produce their own food at home.

Over 100 employees were given free comprehensive eye examinations courtesy Value Optical, together with helpful guidelines for maintaining healthy eyes in the workplace. Nurse Billouin provided blood sugar and blood pressure testing to all those employees who were interested. The Head Nurse from the La Brea Health Center was also invited to hold a workshop on Sexually Transmitted Diseases and their effect on the immediate community.

The week culminated in grand style with employees from various departments participating in a "Cook-out" competition. The event was an immense success with employees being able to sample delectable dishes from the Production, Engineering, Security, Finance and Casual Departments. The Finance Department emerged the overall victors taking the Trophies for best-dressed chef, tastiest dish, presentation, hygiene and most coordinated team.

Spectators to the 'Cook-out' were encouraged to participate in a friendly 'All-fours' competition as well as a miniature Health Fair which was established on the Administration Grounds. Employees were able to obtain free medical consultations, product samples, chiropractic adjustment and even a full-body detoxification that were done on location. In essence, the objectives of the week were achieved. Employees were reminded throughout the course of the week that although HSE Week will be held once per year, good health, safety and environmental practices should dwell with us throughout the year. We look forward to HSE Week 2010.



Lecture on Health



Safety & P.P.E.



Safety Supplies



Agriculture - Display of Hydroponics & Grow Box



Blood Pressure Testing with Lake Aphalt's Staff Nurse



Vision Testing with Value Optical



Blood Sugar Testing with Lake Aphalt's Staff Nurse



HSE Cook Out Casuals



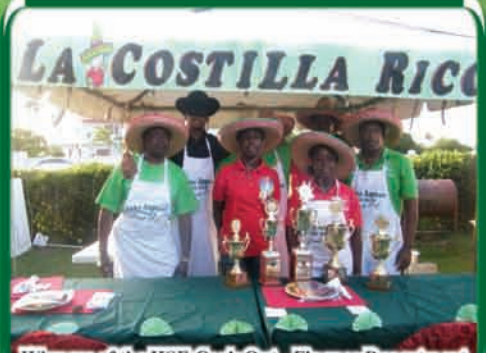
HSE Cook Out - Security Department



HSE Cook Out - Production Department



HSE Cook Out - Engineering Department



Winners of the HSE Cook Out - Finance Department



Serving Food at the HSE Cook Out



All Fours Competition at HSE



Interested at the Health Fair



Presentation made for Nurses Week



Advice Given at the Health Fair



Patrons Enjoying the Afternoon

# The Impact of Absenteeism on Productivity

In economics, productivity refers to measures of output from production processes per unit of input. It may be conceived of as a measure of the technical or engineering efficiency of production. While productivity is the amount of output produced relative to the amount of resources that go into production, efficiency is the value of output relative to the cost of inputs used. Productivity improves when the quantity of output increases relative to the quantity of input.



In macro-economic terms, the level of production in an economy determines the rate of economic growth. At the micro level, productivity determines the level of profitability of the Company which in turn impacts on the level of prosperity of the employees.

The Company's overall level of profitability depends on the efforts exerted by everyone in the Organization. A negating factor on productivity is absenteeism in fact, absenteeism kills productivity. The unplanned absence of employees for significant amounts of time away from the job increases the cost of inputs used in that the labour cost to produce a given level of output would have doubled. In addition, absenteeism puts an unfair burden on the majority of employees who do present themselves for work and ultimately hinders customer satisfaction.

Studies have shown that at least fifty percent (50%) of all employee absenteeism are not caused by bona fide illness or other acceptable reasons. This can result in severe disruptions to the work flow since critical jobs may not get done resulting in the Company not being able to compete effectively in the marketplace.

## Lake Asphalt Participates in Productivity Improvement Project



As the issue of productivity takes center stage at Lake Asphalt, efforts have been focussed on ways to improve the level of efficiency throughout the Company. In the context of a labour intensive Company such as Lake Asphalt, the objective is to increase the level of output in relation to the number of hours worked.

At present, Lake Asphalt is participating in a pilot project entitled "Improving Labour Productivity Through Internal Corporate Social

Responsibility Initiatives in the Manufacturing Sector" – an initiative of the Trinidad and Tobago Manufacturers Association with funding being provided by the Inter American Development Bank. The objective of the project is to identify the constraints to productivity within the Organization and develop interventions to eliminate or reduce the constraints.

To date, the Consultant for the project – Dr. Andre Vincent Henry has had several meetings with the Management Team, the branches of the Union as well as joint meetings between both parties.

It is expected that by the end of the project, specific measurable interventions would have been implemented to provide empirical evidence of the change in productivity in relation to the interventions.

# Training and Development



Employees Receiving Ambulance Training

As Lake Asphalt continues the thrust to drive the transformation of the organization through the development of the human resources, several training initiatives were embarked upon as follows :

## 1) AMBULANCE TRAINING

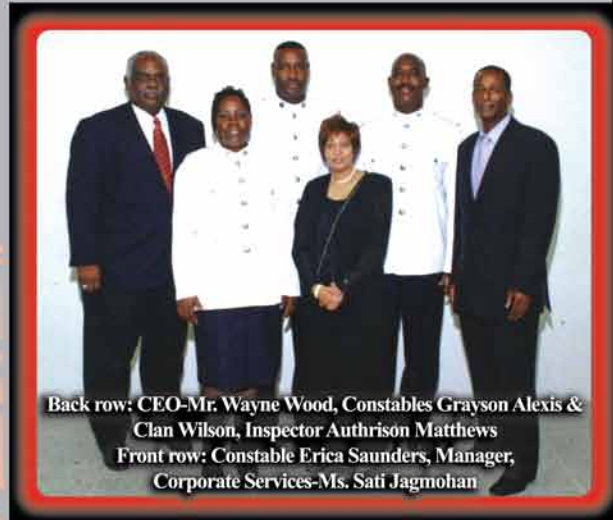
Ten (10) members of staff were trained in areas such as standard first aid, managing mass casualty incidents, assisting with childbirth and the protocols associated with ambulance driving.

## 2) FEMALE AMONG THREE OFFICERS TRAINED

During the period 2008 November 24 and 2009 April 25 Estate Constables Grayson Alexis, Clan Wilson and Erica Saunders participated in an Induction Training Programme at the Trinidad and Tobago Police Service Academy.

The programme included training in the fields of Criminal and Traffic Laws, Police Duties, Laws of Evidence and Procedure, Forensic Awareness and Crime Scene Management, Drill, Firearm Tactics Training, Human Relations Management, Social Sciences and Humanities amongst other disciplines.

At the graduation ceremony held by the Academy on 2009 April 04 were: Wayne Wood – Chief Executive Officer, Sati Jagmohan – Manager, Corporate Services and Authrison Matthews – Estate Police Inspector. They witnessed the presentation of Diplomas to the Officers by Mr. James Philbert, Commissioner of Police (Ag.).



Back row: CEO-Mr. Wayne Wood, Constables Grayson Alexis & Clan Wilson, Inspector Authrison Matthews  
Front row: Constable Erica Saunders, Manager, Corporate Services-Ms. Sati Jagmohan

Apart from very good performance reviews, our Officers were credited with infusing their mental and emotional strengths in the psyche of their one hundred and ninety (190) trainee counterparts, who also successfully completed the journey and passed out on 2009 April 25.

Meanwhile, the rest of our Officers benefited from in house Refresher Training conducted by Glen Roach, former Deputy Commissioner of Police. The course provided information that allowed for the successful execution of the Company's security plan, in which there was collaboration with the State Police, for effective management of the La Brea/Guapo area during the 5th Summit of the Americas.

Training continues to be an important element of the company's objective to reorganize the department in order to provide more effective security.



Training for the 5th Summit of the Americas

# FORGING AHEAD WITH PELLET TECHNOLOGY AND THE DIVERSIFICATION OF PRODUCTS

Pelletized technology represents the future of Lake Asphalt. As a result, a significant amount of investment continues to be made in this area.

During the month of March, the Head Research and Technical Services (HRTS), together with the Engineering Superintendent, visited the manufacturer of our Pelletization Plant in the United States of America to progress work on the development of new types of pellets as well as to explore the availability of different types of plant equipment.

During the visit, the HRTS was joined by the Chief Executive Officer of Lake Asphalt, Mr. Wayne Wood and Lake Asphalt's United States based patent Attorney and discussions were held on joint patent issues.



Discussion with Gala Senior Officials regarding a joint patent and a partnership arrangement for pellet plants.



Gala's John Bolton (left) and Lake Asphalt's Engineering Superintendent - Kenny Pope-Cupid (right)

## LAKE ASPHALT EMPLOYEE DESIGNS ASPHALT CRUSHER

We are proud to announce that Mr. Kenneth Roberts – Assistant Engineering Superintendent with the assistance of Mr. Kenny Pope-Cupid – Engineering Superintendent has designed a locally engineered crude asphalt crusher. This invention will improve the overall processing of asphalt.

In its natural form, crude asphalt will usually be mined in large chunks which are difficult to process. When crushed into smaller pieces, efficiencies will be achieved in the handling of the asphalt as well as the boiling time at the stills.

The crusher is easy to operate with little or no formal training required. It has the capability of producing 10 tonnes per hour thereby reducing the number of buckets and time needed to produce 100 tonnes of refined asphalt from approximately 18 hours to 12 hours.



Mr. Kenneth Roberts Assistant Engineering Superintendent with his locally engineered crude asphalt crusher.



Mr. Roberts presented a Paper on his invention at the Seventh Latin America Caribbean Conference for Engineering and Technology

# BEDROCK

## Lake Asphalt's Annual All Inclusive Back In Times Fete



Bedrock Banner



Having A Good Time



Another Selection Of the Crowd



Yvette & Crew

# B E D R O C K



All Part Of The Decor



A Selection Of The Crowd



Kees Dieffenthaler Serenades ...



Lake Asphalt's Crew

# LAKE ASPHALT'S VISITORS

## TRADE DELEGATIONS FROM NIGERIA AND GHANA



Nigerian Visitors



Mr. Kuame Janculi – African Energy Consortium Limited

## TRADE DELEGATIONS PANAMA.



Trade Delegations from Panama

## TRINIDAD'S CHIEF OF DEFENCE FORCE.



Brigadier Edmund Dillon-Chief of Defense Force, seated center, right, visits Lake Asphalt during HSE Week.

# LAKE VISION

