



# CoEE INVESTOR SPOTLIGHT: FLUOR CORPORATION

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In 2007, Fluor Corp. made the strategic decision to provide a \$2 million matching commitment to Clemson University, creating the Fluor Endowed Chair of Supply Chain Optimization and Logistics in Clemson's Department of Industrial Engineering. Fluor's \$2 million donation matched the \$2 million state award from the South Carolina Centers of Economic Excellence (CoEE) Program for a \$4 million total endowment.

Fluor's investment in the CoEE Program is allowing Clemson to recruit a world-renowned expert in supply chain research to champion activities in education, research, and industry outreach at the Center of Economic Excellence in Supply Chain Optimization and Logistics. It is also helping the university establish new educational programs to prepare the next generation of industry leaders.

## Why did Fluor invest in the CoEE Program?

**Scotti:** For several reasons. First, Fluor has traditionally been a leader in supply chain and logistics management in the capital projects (engineering and construction) industry, and we are always looking for ways to take supply chain and logistics management to the next level – for both Fluor and our industry alike. So when the opportunity arose to support the development of a center that would include education, research, and industry outreach, along with an endowed chair – all with emphasis and focus on our industry's specific needs and interests – it was very appealing. Our industry needs to progress, and although Fluor is a leader, we cannot do it alone.

Additionally, through our discussions with Clemson and the CoEE, we came to understand and value the potential benefits of applying industrial engineering tools, knowledge, expertise, and science to challenges we face as a company and as an industry.

It's also important to note Fluor's long and valued relationship with Clemson. With a major engineering and operations center just up the road in Greenville, we have always looked to Clemson as a source of innovation, engineering excellence, and a wealth of graduate talent.

Finally, the opportunity to leverage our contribution with matching funds from the State of South Carolina made this an even more compelling opportunity.

Why would a Fortune 500 company with more than 41,000 employees in 25 countries across six continents invest in South Carolina research? According to Fluor officials, Clemson and its engineering school are pioneers in innovative supply chain education and research. Through the partnership, Fluor and Clemson plan to significantly broaden supply chain research and focus, define and apply new tools and innovative concepts, and create new models that will enhance supply chain and logistics management in the capital projects industry.

Below, Senior Vice President and Chief Procurement Officer Jim Scotti shares more of the reasons Fluor chose to invest in South Carolina's CoEE Program.



Jim Scotti

## How is Fluor benefiting from its investment in CoEE?

**Scotti:** Without question, the partnership we have achieved with the Department of Industrial Engineering has created newfound opportunities that neither Fluor nor Clemson could have otherwise identified.

Specifically, the educational element of the CoEE has facilitated the development of a unique Master of Engineering (MEng) degree in Supply Chain and Logistics with a concentration in Capital Projects. This is a cooperative effort involving Industrial Engineering, Civil Engineering, Management, and the Graduate School. In a remarkably short time, we were able to progress from a vague concept to actually launching the first class in the fall of 2008 with over 40 students.

We are a global company and a global industry and this degree program has an equally global reach. The first class includes students ranging geographically from our office in Shanghai, to the United States and Canada, Europe, and even one student stationed on a project in Saudi Arabia.

We are also a diverse industry – with clients, engineering and construction contractors, and suppliers all playing critical roles. The initial class has students from Fluor, two other contractors, and one supplier. The 2009 class will be even more diverse with significantly greater representation from the client, contractor, and supplier communities.

## What does Fluor see as the potential long-term advantages of being involved with the CoEE Program?

**Scotti:** Again, the educational element will definitely have a significant and long-term impact for both Fluor and our industry. We are confident that as the graduates of the MEng program begin to apply their newfound learning, skills, and tools to our project execution processes, it will beneficially transform and advance our current supply chain and logistics practices.

As we move forward, we also hope that Fluor and other industry interests will be able to take advantage of the tangible research opportunities available through the center and the additional

resources available through the Department of Industrial Engineering along with their membership in the National Science Foundation Industry/University Cooperative Research Center in Engineering Logistics and Distribution.

We also expect that the enhanced visibility of both the engineering and construction industry and our capital projects client and supplier base will have an influence on the undergraduate and graduate curricula at Clemson, as well as attract new talent for our industry.

We look forward to a long and mutually beneficial relationship with the CoEE Program.



## About the CoEE Program

Established by the SC General Assembly in 2002, the South Carolina Centers of Economic Excellence Program receives an appropriation from SC Education Lottery funds to help Clemson University, the Medical University of South Carolina, and the University of South Carolina create Centers of Economic Excellence (CoEEs) in research areas that will advance South Carolina's economy and lead to high-paying jobs. The program also provides funding for CoEE endowed chairs, world-renowned scientists recruited to South Carolina to lead the Centers. Every dollar the state invests must be matched dollar-for-dollar with non-state funds from companies, philanthropies, or federal agencies.

For details on how your company can benefit by investing in the CoEE Program, please use the following contact information:

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