



# Developing a mine management operating system supported by performance metrics

Building and implementing the tools to drive sustainable performance improvements

## The challenge

This client is an intermediate gold producer with a portfolio of four producing assets and two significant development projects. The company has mines in the US, Mexico and Australia with interests in Chile and Canada. Maine Pointe was engaged to improve performance at an operating open pit mine where the cost of gold was the highest in the company. Our analysis uncovered a number of areas for improvement including:

- Daily goals were based on realizing the mine plan, not the true capabilities of the equipment under current conditions
- Vehicle scheduling and control was poor

- Supervision in mine operations and maintenance, was reactive, with little or no follow-up
- The CMMS within SAP was used only when purchases were required. This provided for a poor equipment history and little accountability
- Inventory in the warehouse was maintained manually with no formal replenishment triggers resulting in many stock-outs and expedited freight charges

Additionally, leaderships had no real insight into performance as no metrics existed.

## The solution

Maine Pointe's team of industry and practice experts worked side-by-side with our client's team to:

- Design and deploy a fundamental S&OP process, including new tools, metrics, meeting cycle and behaviors
- Implement daily and monthly dashboards with actionable KPIs
- Improve the effectiveness of order management and increase the attention paid to customer pickup request dates
- Identify and prioritize paid-for, but underutilized, modules of IT system
- Improve insight into process issues and ability to accelerate corrective action
- Provide the client with a longer view of upcoming business cycles to identify future sales and production opportunities

To support and sustain the changes required to drive continued improvements in the future, we helped the client develop and implement a sophisticated Management Operating System (MOS).

## The results

- Increased productivity by 12% measured in ton miles and by 26.7% in tons hauled
- Reduced queuing and lost time around start of shift and breaks by over 50%
- Mine life projections were reduced by almost 2 years which will virtually eliminate all operating expenses (except leaching) for that period of time
- Increased the average time between unscheduled downtime instances
- Reduced stock-outs on stock items to fewer than one per week
- Reduced queuing and lost time around start of shift and breaks by over 50%

***“Maine Pointe developed cross-functional teams, and worked closely with our personnel, to achieve sustainable savings across a broad spectrum of non-capital spend. The practical and pragmatic approach of the Maine Pointe team has laid a solid foundation for ongoing improvements within our organization.”***

Client President and CEO

Want to optimize supply chain and operations at your mining facility?

Need help to harness the power of data analytics and gain actionable insights?

Talk it through with one of our executives.

Email [info@mainepointe.com](mailto:info@mainepointe.com) to arrange a call

## About Maine Pointe

Maine Pointe is a global implementation-focused consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in both EBITDA and cash across their procurement, logistics and operations to enable growth. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business. We call this **Total Value Optimization (TVO)™**.

Maine Pointe's engagements are results-driven and deliver between 3.5:1-12:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. [www.mainepointe.com](http://www.mainepointe.com)