

Your Margin Isn't Yours.
It's the Market's.

Strong commodity prices are hiding weak execution. Here's how mining CEOs can turn variability into an operating advantage before the cycle turns.



Protect. Transform. Sustain.

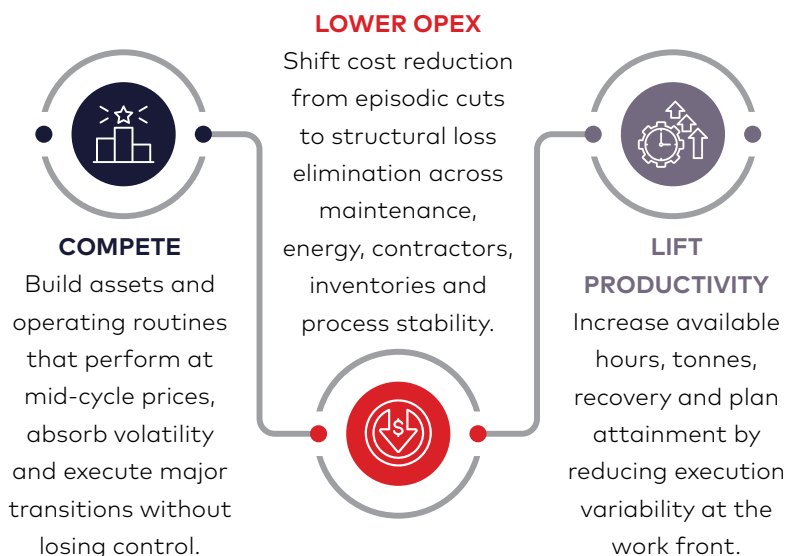
The price cycle offers a window, not a strategy

North American mining leaders enter 2027 with favorable prices in several commodities, yet with operations that are structurally more difficult and expensive to run. Lower grades, rising energy and labor costs, aging assets, supply constraints and scarce technical skills are lifting the cost base. At the same time, operational complexity is increasing the likelihood that one failure, one poor ramp-up or weak integration can erase months of margin.

The leadership question is therefore not simply how to capture today's prices. It is how to convert those prices into safe, predictable and repeatable production that remains competitive when the cycle turns. The most accessible value is often already inside the installed fleet, plant and workforce. It is trapped in lost availability, variable shift execution, poor schedule compliance, unstable throughput, weak recovery, rework and preventable risk exposure.

Record prices can mask weak execution. The companies that use this window to strengthen their operating system will carry the advantage into the next cycle.

The CEO agenda: three outcomes, one operating system



These outcomes should not be pursued through separate safety, maintenance, productivity and digital programs. They must be managed through one operating system that connects enterprise intent to daily work, integrates critical controls into production routines and makes deviations visible early enough to act.

Five questions every mining CEO should ask

- 1 Is our margin coming from price or performance?** Stress-test cash generation at mid-cycle prices and identify how much current margin depends on commodity uplift rather than operating improvement.
- 2 How far is each site from its own demonstrated best?** Compare current performance with best sustained rates for availability, utilization, throughput, recovery, planned-work compliance and cost per tonne, not only with budget.
- 3 Do our critical controls work at the work front?** Require direct evidence that controls are present, effective and used for the priority fatal and catastrophic risks.
- 4 Do our sites run the same way?** Test whether common standards, planning routines, escalation rules and leadership expectations apply across owned, acquired, joint-venture and contractor-operated work.
- 5 Do we have the capability to sustain performance through 2029?** Examine the pipeline for supervisors, planners, reliability specialists, trades and processing expertise, then protect and transfer critical knowledge.



The six levers that turn operating discipline into advantage

1

Integrate critical risk with production management

Treat control verification as part of how a shift is led, not as a parallel safety process. Incorporate critical-control checks, abnormal-condition management and learning from high-potential events into the same visual management and escalation routines used for production.

2

Make maintenance and reliability the primary structural cost lever

Move from reactive work toward risk-based, planned and condition-informed maintenance. Establish equipment criticality, credible work management, root-cause discipline and shutdown readiness. Track schedule compliance, wrench time, repeat failures and overall equipment effectiveness on the assets that govern tonnes and recovery.

3

Standardize daily management and frontline leadership

Install a common cadence of shift start-up, tiered meetings, short-interval control, escalation and leader standard work. Supervisors need time in the field, clear decision rights and practical coaching routines. The test is whether the plan survives contact with the shift and whether deviations are resolved before they compound.

4

Make technology serve frontline decisions

Use digital, automation and AI where they change a decision, remove delay or strengthen control effectiveness. Technology should support a stable management system, not compensate for its absence. Start with the operational decision, owner and response routine, then design the data and tool around it.

5

Control contractor value, not only contractor rates

Bring contractors into the same planning, performance, safety and learning system as employees. Define productivity expectations, mobilization standards, critical-control accountabilities and transparent measures of output, rework and delay. Commercial terms should reinforce safe productivity and schedule reliability.

6

Stabilize the process as grades fall

Connect mining, processing and maintenance through blast-to-mill thinking, grade control, constraint management, metallurgical recovery and advanced process control. The objective is not maximum activity in each function. It is stable end-to-end flow and more saleable metal from every tonne moved.



A 12-month executive action plan

PHASE	EXECUTIVE REQUIREMENT
0–60 days: establish the truth	Create an enterprise baseline for cost per tonne, OEE on critical assets, planned-work compliance, production-loss categories, plant recovery, energy intensity and critical-control health. Reconcile finance, operations and risk data so leaders work from one version of performance.
60–120 days: choose the operating model	Set non-negotiable enterprise standards for daily management, maintenance work management, production-loss accounting, critical-control verification and leadership routines. Define what is common across sites and where local adaptation is justified.
3–6 months: prove value at lighthouse sites	Select sites or value streams where value, leadership readiness and replication potential are high. Deliver measurable improvement through joint site teams, visible governance and weekly benefit validation. Build capability while changing the work.
6–12 months: scale and hardwire	Deploy the proven routines across the portfolio, integrate them into budgeting and performance reviews, update role expectations and incentives, and create an internal coaching and assurance model. Sequence deployment around major shutdowns, ramp-ups and integrations.

What success looks like by 2029

- Unit costs remain competitive under mid-cycle price assumptions.
- Output is predictable month to month, with fewer one-off recoveries and less dependence on heroics.
- Critical assets deliver more available, productive hours with fewer repeat failures.
- Plant throughput and recovery are stable enough to expose and resolve the next constraint.
- Fatal and catastrophic risks are controlled through verified field execution.
- The leadership bench and operating system can absorb acquisitions, projects and workforce turnover without losing discipline.

Use today's margin to build tomorrow's operating advantage

North American mining executives should act while balance sheets and commodity prices provide room to make structural changes. Waiting for the cycle to turn will force faster, cost action and make it harder to invest in capability, reliability and operational readiness.

The immediate move is a CEO-sponsored, portfolio-wide performance and risk diagnostic that produces three outputs:

- 1** A fact-based view of value leakage and EBITDA at risk by site and value driver.
- 2** A short list of lighthouse opportunities with quantified operational and financial outcomes.
- 3** A scalable operating model and roadmap that connects daily management, reliability, process stability and critical controls.

The question is not whether prices will come down. It is what shape your operations will be in when they do.

Start now: establish the baseline, select the lighthouse sites and build one operating system that turns consistency into competitive advantage.

How dss+ supports the agenda

dss+ works with mining leaders from the boardroom to the work front to reduce operational risk, improve execution and embed safety, productivity and cost performance into the operating system. The approach combines full-potential diagnostics, management operating systems, maintenance and reliability, frontline leadership, human performance and integrated operational risk management. The objective is measurable business value and the internal capability to sustain it.

Selected sources and knowledge base

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- S&P Global Market Intelligence, "Mine cost outlook 2026: Inflation, new supply reshape global mining landscape," 30 January 2026.



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About dss+

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