

Case Study.
Australia.
Mining & Metals.

Mining the Future: A Strategic Approach to Operational Excellence

Challenge

Australia's mining industry, known for its significant contribution to the economy, faces an evolving landscape with both challenges and opportunities. In recent years the industry has been contending with fluctuating commodity prices, rising operational costs, a highly competitive and mobile labour market, as well as increased pressure to adhere to stringent environmental standards.

A global mining company with operations in Australia, specialising in precious metals extraction, faced critical operational challenges across its asset footprint. Despite its extensive portfolio, the company struggled with cost pressures that were impacting profitability:

- **Operational Inefficiencies:** Imbalance in process capacity leading to underutilised assets. Inefficiency in various forms existed across all sites, constraining overall productivity.
- **Visibility and Insight Gaps:** The company lacked consistent, integrated digital systems, resulting in poor visibility across (and within) operations. Existing systems lacked a clear vision for core measurement objectives and were isolated within the operating areas they serviced. These limitations hindered effective decision-making and resource allocation.
- **Inconsistent Practices:** Mining sites managed independently with each site having a different operating model. Standards and practices varied. These inconsistencies led to poor communication and inefficiencies.



- **Workforce Stability:** The tenure of senior leaders varied at each site. This resulted in distinct responsibilities at each site, particularly in technical disciplines. This in turn led to an array of practices across sites, increased reliance on contractors, forcing senior personnel to operate at a lower level than optimal.

dss+ Approach

Comprehensive Assessment with Tailored Solutions

dss+ worked alongside the leaders of the mining company to understand the situation and aligned on the need for a holistic approach that addressed both the immediate and long-term challenges.

A methodology was co-designed to rapidly identify operational inefficiencies and develop a prioritised resolution roadmap, enhancing the company's resilience to counter the evolving demands of the industry. This required a deep understanding of the company's operations and an emphasis on building a culture of continuous improvement. By focusing on these key areas, dss+ crafted with each site a comprehensive plan that would drive sustainable growth through operational excellence.



Partnering with dss+, the leaders of the mining company took on a bold and transformative journey, addressing its complex challenges through a multi-faceted strategy:



Thorough Diagnostics: dss+ conducted extensive site-level diagnostics. The program was designed to thoroughly evaluate the processing and mining operations at five sites. These reviews were fact-based and sought to identify and quantify bottlenecks and inefficiencies that hindered productivity. Each diagnostic utilised operational data analysis and consultations with client site experts, combined with internal dss+ expertise, to identify the value stream and pinpoint bottlenecks.

The insights gained from the diagnostics not only highlighted key areas for improvement but also provided the foundations for targeted workshops. These workshops were aimed at identifying improvements, ensuring the company could optimise its operations and achieve measurable performance gains.



Facilitated Idea Generation: Through collaborative workshops facilitated by dss+ at each site, operational improvement opportunities were prioritised, validated, and converted into viable improvement projects through further scoping and definition. These workshops resulted in the development of consolidated implementation roadmaps with clear KPIs and value release estimates, wholly owned by the sites.



Improvement Roadmap: Well defined project scopes, combined with a robust program management strategy, ensured transparent progress in implementing the priority initiatives. The focus on improving project management fundamentals, including problem definition, scope, resourcing and key milestones tailored to various operational levels, kept stakeholders informed and involved in every phase of the improvement effort.



Continuous Improvement and Training: dss+ provided ongoing coaching of improvement teams and initiative leads on project set up. In addition, program roadmaps were integrated within existing company tracking systems to ensure planning through to implementation was transparent and consistent across all the assets. This tailored approach not only equipped employees with the necessary skills to progress but reinforced a culture of adaptability and continuous improvement.

Impact

Empowering Sustainable Growth and Operational Excellence

The strategic interventions implemented by dss+ resulted in significant improvements across the mining company's operations:

- **Operational Efficiency Gains:** The process optimisations led to substantial cost reductions in the All-Inclusive Cost (AIC) across various sites, with savings at each site ranging from AUD \$69/oz to \$142/oz (3-5%). These benefits were enabled through enhanced overall productivity.
- **Overall Cost Savings and Value Creation:** The program identified an estimated total value of more than AUD \$100 million. Each site has developed its own pathway to control a portion of the All-Inclusive Cost (AIC) where previously the key operational levers were not as well understood.
- **Enhanced Operational Awareness and Informed Decision-Making:** Sites are now more acutely aware of their capacity and constraints. This allows for focused and informed decision-making across operations.
- **Focused Implementation and Monitoring:** There is an increased emphasis on monitoring the implementation of improvement projects across all sites, ensuring that changes are effective, and the benefits realised and sustained.
- **Executive Leadership Engagement:** The executive leadership team recognised a fundamental issue with the company's capital process, which had been adversely affecting major capital projects and overall production. This understanding of root causes is now driving essential reforms.

- **Empowered Business Improvement Teams:** Internal Business Improvement teams are now fully equipped to drive change. With initiatives clearly defined in terms of intended outcomes, scope, and performance metrics, these teams can execute with confidence and transparency.

By aligning operational practices with modern constraint-based assessment methodologies, the company has enhanced its competitive position by embedding sustainable and resilient operations to move down the cost curve.



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