

# ANYTHING YOU CAN DO, YOU CAN DO BETTER

## BACKGROUND

Our client is a premier Australian gold company. It is one of the largest gold producers in the world, with operations in Australia, Bolivia, Brazil, Canada, Chile, Ghana and other African countries, Indonesia, Mexico, New Zealand, Peru, Uzbekistan, Turkey and the USA. The Australian operations produce around two million ounces of gold each year through owned and owner-managed operations.

## OBJECTIVES

The company's senior executives decided to develop the in-house skills required to initiate and implement continuous improvements.

GPR Dehler was invited to assist and support general managers across the company's managed sites, with particular emphasis on improvements to safety and efficiency.

## KEY RESULTS

A group of the company's staff has been trained in change management skills and are putting their new skills into practice.

They have identified a significant number of improvements that will increase safety, eliminate or reduce deficiencies, lower costs and increase revenue. Several improvement programs have been implemented and many more are in the pipeline.



One of the key reasons businesses call in outside consultants is objectivity. Problems can be identified and solved without the obstacles of internal politics, individuals defending their territories or pet projects, departmental rivalries, personal history, individual career ambitions etc. An internal change management team, by default, loses that objectivity. Whatever baggage exists, tends to come with.

## THE GROUND RULES

GPR Dehler has been involved in organisational and operational improvement programs across the mining industry. It is a business and culture that we know particularly well.

To ensure as much objectivity as possible, we regarded it as vital to put in place a number of ground rules. Starting with the type of the company's personnel who would be part of the new team. It was decided that:

- Team members should be the organisation's upcoming middle and senior managers - the people whose skills we want to enhance.
- Between six and 12 months after the program commenced they should take up line management positions. They would be replaced by a new team who would undergo the same training and gain similar experience.
- Team members should not be involved in projects at mine sites where they have worked.
- Team members should not be involved in projects in their own area of expertise.

## THE SCOPE

The objective was to focus on improving the client's management skills – helping to remove inefficiencies and bring about change that would realise and maintain operational benefits. The change management team would work with mine site general managers to resolve their problems, propose reviews, build business cases for change and design and implement that change.

Our task was to help them acquire the skills and tools required to objectively evaluate the benefits of change and implement it in a structured manner.

## ALL GOOD PROGRAMS START WITH AN ACRONYM

The company named the new team CIBETS – Continuous Improvement – Business Excellence Through Safety. The initial team was drawn from across the organisation. It is envisaged that each site general manager will participate in the CIBETS team at some stage in order to learn new skills in continuous improvement methods.

## LEARNING TO CHANGE

Team members were put through an intense course on the principles of implementing change – learning both the technical component and the art/science of managing people through the change process. They were introduced to a range of processes and methodologies developed by GPR Dehler, as well as traditional consulting skills such as active listening and presentation techniques.

The newly found knowledge and skills were put to the test through a number of mock scenarios before being put into practice on live sites.

Two issues in particular took the company's staff outside their normal range of experience. The first is the compressed time frame in which change is implemented. The intensity of change programs requires a different approach to work; it is a rigorous process usually accompanied by strict deadlines and rapid decision making. It also exaggerates behaviour – both

good and bad, putting a strain on people management skills. The second is the lack of authority. CIBETS team members had to persuade – rather than order – their colleagues to make changes. They had to convince them of the current deficiencies along with the benefits to be derived from the proposed changes.

## THE EARLY RESULTS

To date the focus has been on Normandy's core operational activities – from exploration to the pouring of gold. A number of sites were put through an initial analysis. At each of those sites, without exception, opportunities emerged for significant improvements in planning, communication, systems and procedures and the development and clarification of roles and responsibilities.

As a result, a number of general programs were put in place; some have been completed, others are still underway. Among these are:

12 week rolling forecasts – improves the planning of longer term activities such as underground exploration drilling, the installation of major underground services and major equipment services and shut-downs. Although the benefits will be realised over the next 12 months, a number of planning deficiencies have already been identified and fixed.

Communication – teams have been established to improve communication between departments and link CIBETS activities.

RACI matrices - have been established. These clarify each step in the process, including:

- Who is responsible.
- Who is accountable for how it is undertaken.
- Who must be consulted before it is undertaken.
- Who must be informed after it is completed.

In addition to clarifying roles and responsibilities and ensuring detailed job descriptions are in place, the matrices help eliminate duplication between jobs and provide consistency in a fly in/fly out (FIFO) environment.

Critical Control Point management – has been introduced at three mills. This has improved the consistency of the milling process with direct benefits in throughput, recovery and cost. Clear instructions are now in place on the actions to be taken when the process goes outside of prescribed limits. Approximately 30 process control parameters have been identified and upper and lower limits set.

Integrated ROM Stockpile management – new processes have been implemented in two sites to deliver better control of blending into the processing plant. The new process has improved the way stocks are managed for tonnes, grade and cost; clarified roles and responsibilities for management of the stockpiles; improved blending to deliver consistent feed grades and ore types; and is minimising stocks to lower costs.

## AND SITE SPECIFIC PROGRAMS

CIBETS is delivering immediate and meas-

urable results at a variety of sites across the client's organisation. Among these are:

- Mill recovery improvements of 0.5 per cent and reduced rehandling of material - estimated value of around \$1 per tonne.
- Planned maintenance shutdowns completed in as much as four hours less than previous shutdowns - estimated to increase revenue by around \$750,000.
- Improved communication of future mine plans resulting in less rig moves and higher rig productivity.
- Improved communication of ore contracts ensure jumbo operators bore in the correct direction reducing instances of lost ore.
- Reduction in the length of diamond drill holes drilled past the geological targets - estimated annual saving of \$168,000

solutions, but in making those solutions work - often in a tough business and cultural environment.

GPR Dehler has an excellent record of implementing change programs in Australia, New Zealand, Asia, Europe, North America and Southern Africa. Everything we do is geared towards achieving results - not writing reports. We have the management and planning skills as well as hands-on consultants with experience to overcome obstacles and transform good ideas into effective and successful programs. Significantly, we do this with minimum disruption to our clients' business operations.

## ON YOUR OWN... WITH HELP

These first programs were run jointly by GPR Dehler staff and members of the CIBETS team. Over time this will change. A general manager has been appointed to CIBETS. He will take complete responsibility for developing and implementing programs, bringing together the appropriate team members and supplementing them with external resources when required.

## EASY ON PAPER

This project, like many of our engagements, looks straightforward on paper. The reality is far from it. Our skill is not just in identifying problems and designing