When a major global coal miner wanted to improve its operational efficiency

We helped deliver annualised benefits of 1.5 million Bank Cubic Metres (BCM) of coal and $10 million Earnings Before Interest and Taxes (EBIT) within first year of the program

The Challenge
A coal mine operated by a multinational mining company had completed the transition from set up to operations, yet it was struggling to meet operational targets. Deloitte was engaged to assist the client in delivering and sustaining targeted operational improvements to help it meet its targets.

How we helped?
Working on site, Deloitte delivered operational improvements for the client through:

- Facilitating day-to-day business improvement activities to help achieve and sustain project objectives
- Reviewing the existing set of project management tools and templates and modify them where required to enhance applicability and ease of use
- Providing ongoing training and coaching to project stakeholders on the end-to-end project lifecycle and application of tools and templates to specific project situations
- Leveraging a Value Driver Model to re-calculate the forecast benefits from each project
- Developing a pipeline management tool to enable the client to prioritise potential future projects according to their expected impact
- Assessing project performance against agreed project metrics and monitoring actual BCM and EBIT impact for closed projects, on a monthly basis.

Value delivered
The project delivered forecast annualised benefits of 1.5 million BCM of coal production and $10 million EBIT, within the first year of the program’s life. In addition, a further 6.4 million BCM and $51 million EBIT of potential annual gains were identified.

The project also gave the client clear visibility of the level of BCM and EBIT benefit expected for each project, including a breakdown between the benefit on track for delivery and the benefit yet to be realised. This provided a powerful justification to continue the program.

The client was better equipped to make informed decisions on project selection and prioritisation as a result of the pipeline management tool and value driver model delivered and maintained by the project team.
Contacts

Marc Philipp  
Partner – Deloitte Consulting  
Tel: +61 2 9322 7096  
mphilipp@deloitte.com.au

Bruce Williamson  
Partner – Deloitte Consulting  
Tel: +61 3 9671 7772  
bwilliamson@deloitte.com.au

Jon Ma  
Partner – Deloitte Consulting  
Tel: +61 3 9671 6401  
jma@deloitte.com.au

Julian Dolby  
Partner – Deloitte Consulting  
Tel: +61 7 3308 7203  
jdolby@deloitte.com.au

Anthony Robinson  
Partner – Deloitte Consulting  
Tel: +61 8 9365 8057  
anthrobinson@deloitte.com.au

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