

CASE STUDY



Zinifex Century Mine

Using VDT's to Drive Business Success

Background:

Zinifex Century Mine (ZCM) is a large base metal mine complex processing 5 Mtpa of ore based in far north Queensland. The operations comprise conventional truck/shovel mining through a contractor alliance arrangement, mineral processing and slurry transport of concentrate for shipping via Gulf of Carpentaria.



Forces for Change:

Several issues arose in early 2006 which pointed to a need to better define and manage key performance measures (KPI's) across the operation. Some of the issues included the need to quickly increase mining resources to undertake a pit wall cutback, high levels of employee turnover due to tight labour supply and the need to better align improvement projects with KPI's. To help meet these challenges, Zinifex and their mining partner EDI Mining commissioned Churchill Capital Consulting (Churchill) to develop Value Driver Trees (VDT's) for Mine, Process and Port; identify KPI's; and role accountability for these KPI's.

The Churchill Approach:

The staged consulting approach included:

- Identify Critical Success Factors by reviewing strategic and business plans for Mining, Process and Port.
- Develop the overall Mining and Process to Port Value Driver Trees (VDT's).
- Cascade the VDT's to each department aligning accountable roles to KPI nodes.
- Document VDT process and integrate with site information systems and SAP.

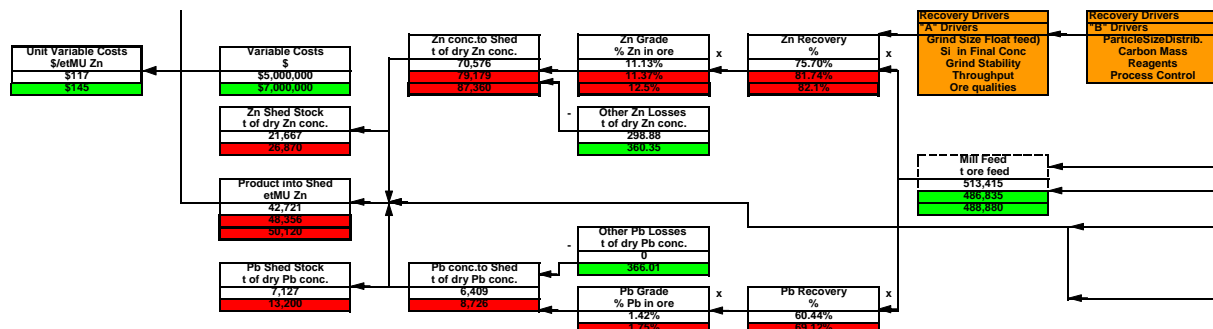
Particular features of the Churchill approach:

- Integrated approach from business strategy to communicating KPI's to the work teams.
- Facilitating owner and contractor teams to ensure VDT's supported alliance goals.
- Working with department teams to gain buy in from key staff to VDT KPI's.
- Ensuring VDT data measurement and management was practical before automating.

Results:

- VDT's developed for mine, process plant and port business activities.
- Better understanding between technical, maintenance and operational departments of their impact on each others KPI's.
- Costs linked to KPI's and improved understanding of business.
- KPI's aligned to role responsibilities.
- Better process plant recovery control as throughput increased.

“With the help of Churchill Consulting, Zinifex Century Mine implemented a Driver Tree project that provided us with a deeper understanding of what drives value in our business. The project has allowed more effective tracking and reporting of key performance indicators that are relevant to each of our work groups” Jeff Innes – Acting General Manager



Example driver tree