

# Smart Sourcing and Procurement of Grinding Media

For a global mining corporation with mining operations spread across the Americas



## Challenges

**Client embarked on mission 2020 that aimed to reduce operational costs, and increase the production and reserves.**

**Major obstacles in the mission included:**

- Localized processes
- Low visibility on spend areas
- Fragmented supplier base
- Low bandwidth to identify and run strategic projects

**Infosys BPM helped the client get closer to their mission 2020:**

- With the help of the MI team's report, the client engaged with the supplier and used the tool to validate the potential savings.
- Identified potential savings of 10% in the operational costs along with a potential increase in production, further driving savings.



## Solution

### Planning and execution

- The market intelligence (MI) team analyzed the high spend categories
- Researched the grinding media category used in the semi autogenous (SAG) mills and identified it to be a potential cost saving category
- Recommended to identify and evaluate low cost grinding media that can be used without any negative impact

### Developed a scalable total cost analysis tool in two phases:

- **Phase I:** Identified industry trends and new suppliers
  - Designed a supplier benchmarking criteria, focusing on the supplier's geographic presence, logistics capabilities, prior experience with mining companies, specialization in grinding media, media material in portfolio, and product pricing and revenues
  - Finalized a supplier with cost advantage of 8-10%
- **Phase II:** Framework to measure and evaluate savings
  - Developed a framework to evaluate total cost benefit of switching to an alternate supplier
  - Researched extensively to identify factors impacting total cost of ownership – wear rate of grinding balls, power requirements, and income from scrap sales