

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