Client Reference

Mining Coal - Equipment, material and spares codification project (SAP)

Client Background

Our client is a respected open cast coal mining and processing plant situated in Mpumalanga. It is designed to beneficiate approximately 3.8 million tons of thermal and metallurgical coal per annum.

The coal is beneficiated through two dense medium separation circuits and product streams and supplies coal for the domestic and export market.

Key Challenges

- Our client experienced inefficiencies and challenges with the effective codification of equipment, material and spares for many years.
- There were no dedicated efforts or projects to drive the complete and comprehensive codification for items on-site.
- The Planning Department was responsible for codifying equipment, material and spares on an ad hoc basis. This proved to be very time consuming with limited efficiency.
- No process or procedure in place to ensure material master data is maintained. New equipment is commissioned without it being comprehensively codified.
- This has a significant effect on the efficiency of the planning department's ability to order equipment, material or spares. Only items with a material number can be ordered.

"The inadequate and incomplete codification of equipment, material and spares had a significant negative impact on the function and efficiency of the engineering planning office. This was predicted and highlighted from the initial AMIP assessment. This caused the team to be under tremendous pressure since codification had to be done on an ad hoc basis. As the ACC, we had no choice but to launch a dedicated codification project. " AC Manager

Value Add

- A dedicated equipment, material and spares codification project with a dedicated codifier was launched. The purpose is to drive the codification in a quick, structured and effective way to ensure sustainable material master data and information.
- The initial projected advantage of the project was the completion of 1440 items in six months; however, the drive expanded to complete approximately 1800 items in these six months. Previously, the same result would have taken the planning department (2 planners) 16 months to achieve.
- A cost reduction of approximately R367000.00 will be achieved.
- The focus will also be placed on critical spares to ensure availability of crucial equipment and spares. Overall the process and efficiency at which orders for equipment, material and spares on site will drastically improve, reducing the probability of delayed production stoppages and extended breakdowns.

Pragma Intervention

- Investigated and analysed the impact for an inadequate and insufficient codification of equipment, material and spares on site.
- Determined the exact requirements for a codification project with a project plan and certain deliverable and targets.
- Weekly tracking of codification progress and efficiency.
- Liaise with SCM and HQ codification services to ensure the process is aligned with client-specific requirements, processes, standards and procedures.
- Identified the most suitable person to manage the codification process. Someone that knows SAP, Pilog and the internal client codification process. Someone that has a trade and comes from a strong technical background and experience.

Tools and Technology

- Pareto Analysis
- Microsoft Excel
- Brainstorming sessions
- Focused Improvement
- DMAIC process
- Why-Why analysis to identify the root causes and possible contributing factors
- Mind-map building software for Why-Why analysis