
THE ROUTE TO PROJECT SUCCESS



IMPROVING PROJECT DELIVERY IN KUMBA IRON ORE

Client: Kumba Iron Ore Ltd.

Sector: Mining

Date: 2008

Location: Johannesburg, South Africa



Features:

- GOVERNANCE - Departmental structure and processes set up
- PROCESS - Integration of SHEQ requirements
- PEOPLE - Process data centrally accessible
- TECHNOLOGY - Interface that is simple to use
- COMPANY - Accurate and true reflection of actual financial and progress data

Background

Johan Steenkamp was Program Manager of the PRIZM Project for Kumba Iron Ore (Kumba), the South African iron ore subsidiary of Anglo American plc. The PRIZM Project won Kumba's in-house Laurel Award for outstanding achievement in June 2010. Kumba is a leading value-adding supplier of the highest quality iron ore to the global steel industry. The South Africa-based company is the fourth largest supplier of seaborne iron ore in the world, exporting more than 34 million tonnes per annum to steelmakers in Europe, the Middle-East, and Asia. Kumba has reserves of more than a billion tons of high quality haematite. It operates three mines, Sishen, Thabazimbi and Kolomela.

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The Challenge

Projects are not always successful because inefficiencies can lead to financial losses. However, the consistent application of standardized project systems does lead to direct benefits when executing projects.

The PRIZM Project in Kumba was extremely important for establishing the required elements of effective project management and delivery, as the foundation of the projects environment in the company.

PRIZM focused on an integrated deliverable for the projects environment, within the business environment of Kumba and the wider Anglo American Group.



The PRIZM Project won Kumba's in-house Laurel Award for outstanding achievement in June 2010 (above).

The PRIZM Programme consisted of more than 15 company projects, spanning a duration of two years, with multiple Project Managers operating in various locations, and all reporting to the Program Manager, Johan Steenkamp.

At this time, on average R5-billion (~\$451-million) to R6-billion (~\$541-million) per annum was spent on projects in Kumba, and approximately R150-million (~\$13.5-million) to R250-million (~\$22.5-million) was spent in operating expenses to execute projects. It was therefore important not to waste money on inefficiencies when executing projects.

As a result, the PRIZM Project was set up specifically with the objective of improving all the aspects of project delivery in Kumba.

Solution

Starting with the immediate problem of the lack of a formal "Projects Office", there was a need get all the Project Managers aligned in terms of practices, standards, and technology; get agreement on deadlines for the completion of the projects; and commit to a common and consistent platform.

Kumba already had a project process defined by KPMG, however, it wasn't being adopted by the Project Managers. Therefore, the technology requirement was a solution that would be quick to deploy, configure and easy to use with minimal training required.

CoLAB selected suitable software for both their own management of the Kumba project, and Kumba staff's management of projects in the company, going forward.

CoLAB used Post Vision Technology's Project Portfolio Office (PPO) on the Software as

a Service (SaaS) basis, as the primary project collaboration tool on the PRIZM Project.

CoLAB used PPO to manage tasks, allow effective team collaboration, manage issues and risks, and provide dashboard reporting.

As part of setting up the systems for a formal Projects Office, CoLAB identified an integrated suite of software for staff use, going forward. This included:

ADM, a comprehensive project lifecycle management methodology, was used in Kumba. This gave the staff instant access to all project lifecycle content via a SharePoint portal, called "Navigator". It was available in an easy-to-use automated workflow for the various phases and categories, of an asset development project.

CostTrack was chosen for costing and cost management, and SharePoint Document Management and EB Docs were chosen as Kumba's document management software.

For Project Scheduling, MS Project was selected for small projects and Primavera's P6 for larger more complex projects

Outcomes

✓ Speed & simplicity

The quick deployment, configuration and ease-of-use of PPO meant minimal training for users. SaaS allowed for quick way for Project Managers to move ahead with their projects as and when they needed to.

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✓ **Real-time data**

PPO's built-in metrics allowed Kumba to gain immediate visibility to *actual* project progress and expenditure, and standardise Progress Reporting.

✓ **Integrated reporting**

It made reporting on the progress dashboard consistent, integrated across projects, and simultaneously visible to a team that had to operate in locations across the country.

✓ **SHEQ standards**

Comprehensive standards and methodologies for maintaining Safety, Health and Environment Quality (SHEQ) during project execution, were built into ADM Navigator. This met the in-house SHEQ requirements of the Group, the "Anglo Safety Way", and the Kumba operations, Sishen, Kolomela and Thabazimbi.

✓ **Structure**

A complete Departmental structure for project management was established. This department developed generic structures for project teams deployed in various phases of projects. Considering the broad scope of sciences and activities involved in mine projects, this was essential to ensure improved resource and capacity planning.

✓ **Resources**

To empower members of the Projects Department, their responsibilities, career plans, change management involvement

and training were formalized. A blueprint for technology use was developed, dealing with all aspects of automation of project management, per knowledge area, e.g. Engineering, Metallurgy, Geology, Estimation, Finance, etc.

✓ **CAPEX control**

Considering the pressure to reduce and control capital expenditure, a project governance framework and governance forums were designed that were fully integrated into the Kumba corporate authority framework.

✓ **Integration**

All these various components aligned with the Anglo American group under the banner of "One Anglo Projects Way".

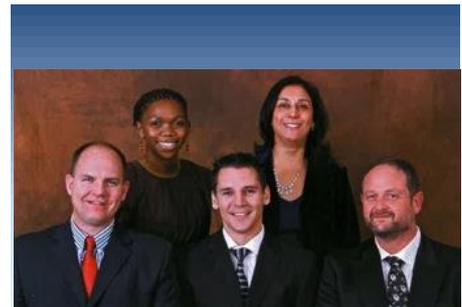
Client comments

"PPO provided the visibility required to run all the projects in the PRIZM Programme, allowing CoLAB to deliver a programme far exceeding [our] expectations." - Gareth Greer – PRIZM Programme Manager, Kumba Iron Ore

"I would like to take this opportunity to thank you all for your valued contributions in assisting with getting this project completed in record time to the quality it deserves, besides the many late nights that went into this. Your commendable rigour, diligence and positive attitudes are well noticed." - Paul Robinson – Manager, Centre of Excellence, Kumba Iron Ore (Program team member)

Contact

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Awardees at the 2010 Laurel Awards (left to right): Barend Cronje (CoLAB), Karabo Molefe (CoLAB), Rinus Leeuwner (Kumba Iron Ore), Nafiza Abdoola (Kumba Iron Ore), Johan Steenkamp (CoLAB)

