



Dundee embarks on an ambitious Supply Chain Transformation Program

The impressive copper smelting facility in Tsumeb, Namibia was purchased by Dundee Precious Metals Inc. in 2010. Over the last decade efforts were focussed on upgrading the facility and adding new state of the art assets. The board concluded that the supply chain needed to be upgraded as well to achieve their world-class ambitions. Dundee teamed up with Gordian to successfully navigate through the transformation journey.

Towards a "fit-for-purpose" supply chain

Having ambition is great, but you must be realistic. It only means something when there is clear recognition of the current situation. Dundee management showed solid courage and realism when qualifying the ambition at: "Fit-for-purpose". Among other things, this ambition implies:

- The right balance between working capital, availability and costs
- Decisions are made on facts not on emotions
- The supply chain is able to anticipate the growth and diversification of the business
- All supply chain processes are lean; all types of wastes are minimized
- The supply chain clearly contributes to transformation objectives



Using a comprehensive, front runner approach

Gordian proposed a broad approach consisting of four work packages:

	WORK PACKAGE	EXPLANATION
1	Supply chain and procurement strategies	Providing the necessary strategic anchor points for all supply chain functions
2	Supply chain process development	Creating a "soldiers handbook" containing all relevant, and clearly document supply chain processes
3	Master data cleaning	Categorizing and cleaning the complete catalogue using proven conventions for grouping and descriptions
4	Spare parts optimisation	Determining optimal forecasting and inventory levels for all cleaned items

Symbiotic to this program is the implementation of a new ERP system (Maximo), creating one truth in all processes including Production and Asset Management.



The success of any transformation program does not only depend on the quality of the deliverables, but also on the level of adoption. To ensure the latter, we started using a "front runner" approach right from the start. These early adopters take part in the development of new processes and will make sure the bigger part of the organisation will follow. Needless to say, these front runners are vital players in the program.

To provide the front runners with guidance and support, a solid governance system was introduced including clear ownership on board level.

Achieving promising results during the journey

We are in the middle of our transformation journey. To keep momentum in the program, results must be obtained on a continuous basis. That is exactly what we are doing. A snapshot of the results so far:

- The majority of supply chain processes have been redesigned
- Roughly 4000 fast and medium moving spare part items have been categorised and cleaned
- Some 2500 parts forecasting and inventory parameters have been imported into the ERP system

Nobody said the journey would be easy. And it is not, certainly with the incredible impact of COVID-19. But the results are promising and both Dundee and Gordian are determined to succeed in realizing the fit-for-purpose ambitions.

"This has not been an easy journey, but then again, if it was anyone could have done it... The professional Gordian team is quick to adapt and move forward. This made it easy to take on multiple packages within this project, ultimately reducing the overall project timelines."
Leonhard HinterHolzer, Senior Manager: Supply Chain Transformation



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