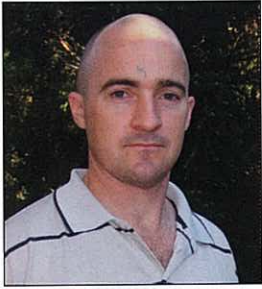


A different 'take' on consulting



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PARTNERS IN PERFORMANCE

The world of consulting and writing reports has entered a period of rapid change. Like ants caught under the beam of a young boy's microscope on a hot summer day, consultants are starting to feel the heat of increased managerial focus and a new industry driven by results.

MANAGERS ARE increasingly asking themselves, "do I want a report and a big bill or do I want the EBIT results, extensive skill building, new organisational "wiring" to lock in the results and a shared risk model where I can choose to pay for results if I want to?"

That's the difference between engaging consultants and 'resultants'. Most firms have brought in external consultants at some time to assist them in their drive to improve performance. This typically involves significant

idea generation and documentation, risk assessment and work planning. On paper, these ideas represent significant potential future savings. But there's the rub – they are ideas, not delivered results.

Consultants simply consult. They are paid to proffer advice; they have nothing at risk, and if your in tray is already full do you really need any more ideas?

Generally, a resultant approach will deliver results not reports, will be aware of the imperative to create a better business, will focus on sustainability and will be happy to base remuneration on results.

At a particular nickel mine recently, a group of resultants and their client's team achieved the best 4.5 and 6-month production

periods in plant history, whilst also locking in 6.3 per cent in annualised cost savings.

At another, integrated steel mill, throughput was increased by 52 per cent, and \$14 million in annualised improvement was achieved.

With carbon trading looming, another resultant-led team recently assisted an operation in reducing emissions from its blast furnace by 75 per cent.

In a recent survey carried out by Partners in Performance, the CEOs surveyed told us that at least 75 per cent of the value of ideas generated and "implemented" was lost due to a failure to translate those ideas into actual, sustainable results. That's where consulting fails to measure up as an industry. As one of my



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clients said to me recently, "it takes more than an Ivy League MBA and a Platinum Frequent flyer card to improve my bottom line."

Traditional consulting doesn't work to transform operations because most organisations:

- already have all the ideas they need;
- don't have an "execution culture";
- are too complex and interconnected to possibly change with nothing more than a bunch of good ideas;
- approach consulting engagements as projects with defined end dates, whereas operational improvement needs to be made sustainable by training people to do it as part of their jobs.

Execution is far harder than coming up with the idea. Instead of delivering a report that is shelved away, resultants work "in the line" – in their clients' businesses – to train their people how to deliver results as part of their daily job.

The message here is not simply that consultants should lift their games and move themselves along the execution continuum. The problem is the consulting model itself.

The consulting model assumes that clients are short of good ideas, as if generating ideas will shortly thereafter lead to EBIT improvements. But in many cases a shortage of ideas is not the problem - it's the skills, habits, processes, systems, procedures and norms that drive continual improvements out of the business.

If an organisation doesn't have an execution culture when the consultants turn up and hence ideas are drifting around unexecuted, no amount of new or recycled ideas will result in execution.

Being a resultant requires much more than simply incorporating implementation, buy-in and resourcing into one's thinking and doing. That's still just a consulting project. Resulting is about helping create a new high performing organisation with accountabilities, skills around execution and clarity on 'where is the money' at every level.

Being prepared to put one's money where one's mouth is an extra sign of commitment. It's about creating an execution culture that is built to last by addressing single point accountabilities (no overlaps, no gaps) and training the organisation how to hold people to account.

It's about training people to 'find the money' as a habit, daily, weekly, monthly and

making it easy to incorporate this as part of their thinking patterns; learning to free the diary up to focus on the big money rather than being busy on the things that occur every day; increasing pipeline velocity by having a prioritisation process around what each person will (and won't) get completed that week.

It's about measuring the KPIs and turning this into useful data; reviewing at all levels in the organisation; training the organisation to habitually assign specific actions and creating the habit of closing the loop on the actions.

Once business becomes familiar with resulting there will be no turning back because it is a fundamentally different approach, one which respects the knowledge and creative capacity within an organisation while at the same time focusing it on the priority issues, rewarding improvement and building a new sustainable high performance culture.

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