



Mining and Metals post COVID-19

How ESG, efficiencies, and digital transformation can drive recovery.

Slashing costs and suspending projects may have been necessary to keep Mining and Metals companies afloat during the COVID-19 crisis, but these strategies are designed for survival, not growth. Today, as the sector begins on the road back to prosperity, recovery can be accelerated through three key factors:

1. Environmental, Social & Governance (ESG).

Miners have long realised that their value proposition to communities, customers, suppliers and governments is a key factor in obtaining and keeping their License to Operate. And with new incentives such as the WA Government's funding for resource exploration starting to drive the pipeline for new projects, Miners are increasingly focussed on showing how their proposed projects create benefits for the communities living near the mine site. However, many new projects have failed to materialise, and operations have been disrupted by local opposition where Miners have been unable to demonstrate a positive impact on the communities they interact with.

Additional effort is required where an Australian Industry Participation Plan is required, while investors and customers are increasingly demanding sustainable supply chain practices. As such, Miners are reassessing their supply chains to seek out opportunities to source from local, Indigenous, and social suppliers. Doing so can help drive local economic development and flip the perception of a project from a burden to a boon for local communities. But does the procurement team have the ability and tools needed to discover suppliers in the region?

If a buyer tells you that they've decided to engage a supplier 800km away from the project site, how do you know they haven't overlooked a supplier in the local community? In many cases, buyers will default to engaging with two or three suppliers they have worked with for years rather than taking the time to search for local, social or Indigenous alternatives.

The answer is to use a supplier discovery portal. Miners require a digital solution where suppliers can register and buyers can identify and connect with those suppliers.

The road back to economic recovery can be accelerated through three key factors:

1. Best-practice Environmental, Social, and Governance (ESG)
2. Combating rising costs and productivity challenges, and
3. Better operational efficiency through digital transformation.



2. Rising Costs and Productivity Challenges

According to EYs *Top 10 Business Risks and Opportunities for Mining and Metals in 2021*, productivity and rising costs jumped 10 places to become the 3rd-highest concern of global Mining and Metals producers in the past year.

Impacts include supply-chain delays, volatile commodity prices, and workforce impacts including social distancing requirements and disruption to FIFO operations. As a result, Miners are seeking to offset these losses through cost savings and efficiency improvements.

These include:

- Accelerating the transformation of procurement and the supply chain
- Automating manual or time-consuming processes
- Seeking savings opportunities such as supplier consolidation
- Removing the risk of long supply chains by using local suppliers (also benefiting ESG).

3. Digital Transformation

While COVID-19 forced the suspension of many projects, it had the opposite effect on digital transformation. A McKinsey survey found that responses to the pandemic sped up the adoption of digital technologies by several years as businesses around the globe moved fast to migrate to the Cloud, enable remote work, and assure business continuity. But in procurement and supply chain, the benefits of digital transformation will never be realised without excellent data visibility.

Finding efficiencies, identifying cost savings opportunities and discovering local suppliers is almost impossible if the data that you need is siloed or scattered across phone calls, spreadsheets and emails. Miners therefore need to prioritise the establishment of a central repository or “single source of truth” for procurement and supply chain data to enable spend analysis, supplier discovery and more.

SaaS (Software-as-a-Service) provides a way to implement modern technology solutions in an affordable, fast, and low-risk manner; no matter the size of your company. Look for digital procurement solutions that are fit-for-purpose, integrate well with your existing architecture, cost-effective, fast to implement, and easy to use.

With the right solution you will not only gain the usual benefits of digital transformation (such as productivity efficiencies and cost-savings), but unlock essential value in terms of local, Indigenous and social supplier discovery.

Get in touch with VendorPanel to discuss how our platform can be used to drive ESG initiatives, efficiency savings, and the digital transformation necessary to speed your operation's path to recovery.

Get in touch today