Benchmarking program paying off for precious metal miners

COMMENTARY

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The 2011–2016 metals bear market marked a historic inflection point for the mining industry. With a market capitalization exceeding hundreds of billions of dollars, the price of gold and silver declined by more than 50% in just a few years, challenging mining companies to reduce costs and improve efficiency. In addition, the industry was marked by a lack of innovation and a failure to share meaningful information among companies. The result was a stagnant industry, with low productivity and poor performance metrics. But in recent years, the mining industry has taken steps to address these challenges, and the results have been dramatic.

The key to unlocking the potential of the mining industry is benchmarking, which is the process of comparing the performance of companies to identify areas for improvement. Benchmarking has been around for decades, but it has only recently begun to gain traction in the mining industry. The key to successful benchmarking is to create a controlled performance-metric environment that is designed to put the right focus on the right performance metrics. This allows companies to compare their performance to others in a consistent and meaningful way.

In the mining industry, benchmarking can be used to improve safety, productivity, and profitability. By comparing the performance of companies, mining companies can identify areas for improvement, and then take action to improve their own performance. This can lead to significant cost savings, increased safety, and improved productivity.

To get started with benchmarking, mining companies need to identify the right performance metrics and create a controlled environment. This involves collecting data in a consistent and meaningful way, and then using this data to compare the performance of companies. Once this is done, mining companies can then use this information to focus their efforts on areas that will have the most impact on performance.

In conclusion, benchmarking is an essential tool for the mining industry, and it has the potential to unlock significant value. By focusing on the right performance metrics and creating a controlled environment, mining companies can improve their performance and drive the industry forward.

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