

Interview

Working Smarter, Not Harder

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With operational efficiency a key metric of success in the mining sector, many fall into the trap of attempting to optimise every facet of their process, according to Hendrik Lourens, owner of business optimisation consultancy Stratflow.

Speaking to National Mining Chronicle, Mr Lourens said the industry needed to work smarter, not harder, in attempting to solve the broad productivity challenges it faced, by identifying select areas for change which would flow on to the rest of the business.

“The industry agrees with the problems to address, but the strategy does not seem obvious,” he said.

“The recommendation seems to be time-poor mining executives need to renew efforts to satisfy all stakeholders and at the same time holistically transform their enterprises end to end to cope with the demands of automation and digitisation.”

Mr Lourens said this was a tall order and something he believed could not be achieved within the current management paradigm.

“Boston Consulting Group Partner Yves Morieux recently spoke about the increasing number of key performance indicators (KPIs) executives were being held responsible for nowadays,” he said.

“In effect these KPIs at the operational level are set as if the parts of the business operate in isolation and can be measured separately.

“To quote Yves, this drive for clarity and accountability triggers a counterproductive multiplication of interfaces, middle offices and coordinators that do not only mobilise people and resources, but add obstacles.

“People put their energy into what can get measured, at the expense of cooperation. As performance deteriorates, we add even more structure, processes and systems.

“This is what is killing productivity and what makes people suffer at work.”

Mr Lourens said the constituent parts of organisations got hit the hardest with these systems, which ultimately created confusion around the overall organisational goal.

“Employees cannot perform under these circumstances,” he said. “Ultimately, trust and engagement suffer.”

Mr Lourens said companies that tried to maximise the performance of all parts of their business without understanding where their true productivity bottlenecks lay would struggle to work efficiently, especially when attempting to implement new systems.

“We believe the most productive innovation is driven bottom-up, incrementally and continuously,” he said. “Big bang processes sometimes work if there is a profound understanding of the operation of the mine and where this will be implemented.

“In the case of automation and digitisation, these are often implemented across the board, overloading managerial resources. In these situations tangible results are slow to be realised and the momentum peters out.”

Mr Lourens said focusing on the various parts of a business without a system-wide understanding of how the whole functioned could lead to a raft of issues, including:

- Not knowing which information is crucial for the effective running of the overall system, or assuming each department generates vital information;
- Siloed data that causes communication issues;
- Not knowing how changes in the system alter where the crucial information resides;
- Measurement and reward systems not being in line with the newly implemented ways of managing and operating.

“We need to change the paradigm from ‘optimising everything’ to ‘optimising flow’,” he said. “This is what Stratflow’s Productivity Platform was designed to do.”

“We abandon the local optimisation or silo mentality and promote alignment and people engagement.

“We reduce interference and the number of control measures and enable those who know what to do – those who understand the impact of variation in an interdependent chain.

“We do the counter-intuitive; we put in buffers and protective capacity and stabilise the flow on a much higher level. We put the essential players in a room and we look for creative solutions using only a few of the vital measures that tell us what is happening in the production chain.”

Mr Lourens said this approach enabled companies to develop an effective culture and cohesive business structure.

“Out of collective ingenuity, energising from people’s beliefs and self-worth and a spirit of engagement, a new culture of excellence develops,” he said.

“In this manner all managers and employees know which information is crucial for running the overall system, which departments need this information and how changes to the system will affect this information.

“They will also know how to work proactively and react quickly to changes in the system, which skills are required, what systems are already in place and which ones have the potential to be adapted.

“Since employees are part of the process of ongoing improvement, there is no resistance.

“Without a change in the prevailing management paradigm, little will change.”