

# YANACOCHA CHOOSE LOCAL BUDGETING SOLUTION

YANACOCHA, MAJORITY OWNED BY DENVER BASED NEWMONT MINING CORPORATION HAVE SUCCESSFULLY DEPLOYED THE ISOLUTIONS AMT MAINTENANCE LIFE-CYCLE BUDGETING SOLUTIONS AT THEIR FLAGSHIP YANACOCHA SITE AND ARE NOW DEPLOYING AMT AT OTHER SITES AROUND THE GLOBE.



Located high in the Peruvian Andes, Minera Yanacocha is a large gold mine consisting of five open pit mines, four leach pads and four gold recovery plants. Recognized as a leader in asset management, the mine operates a fleet of over 100 large haul trucks, moves approximately 1mt of ore per day and produces around 1.6 million ounces annually.



In 2006 Yanacocha set out to implement a budgeting system that would not only produce budgets but also provide greater visibility on its costs, identify risk areas and drive a process of optimizing their maintenance strategy.



Graeme Robinson, Mobile Maintenance Superintendent at Yanacocha explains "We were looking for more than just a system to produce accurate budgets. We also wanted it to be a tool for maintenance, something that would help us understand our cost drivers, highlight the risk areas and allow us to be smarter about the work we were doing. To do this the system would have to not only use our current maintenance plans to produce a budget but also provide us feedback on whether those maintenance plans are accurate and how can they be improved".

After an extensive evaluation, Yanacocha selected the iSolutions AMT software. It was first deployed for the mobile equipment and then all site assets, including the process plant, were incorporated.

"AMT's differentiating feature is its dynamic life-cycle costing. In real time it is picking up data from our ERP system and producing up-to-date life cycle forecasts for all our assets – it's like having a real time budget", explained Robinson.

"This not only helps us prepare and save budgets but immediately shows us the impact of decisions we make now on future costs and productivity. Rather than waiting for a cost over-run to occur, AMT flags the risk so we can prevent it. We can also analyze our variances from budget and understand how to improve our maintenance plans".

AMT is well known by the major OEMs for its functionality to manage maintenance agreements (MARCAs). However, mining companies and large contractors are now realizing the potential benefits they can achieve by adopting the same life-cycle principles.

As Graeme Elgie, Managing Director of iSolutions explains: "While the mining industry is enjoying record commodity prices it is also facing its biggest labour shortage in history and extended lead times for equipment. With these challenges companies are looking for ways to be smarter about the work they do, optimize the performance of the equipment they have and provide accurate forecasts of the resources they will require in the next 2 years. AMT is a good fit with these needs, can integrate with any ERP, be quickly deployed and provide a quick payback on their investment."

iSolutions is also enjoying success with AMT as a tool for feasibility studies. "The same principles apply and its flexibility to quickly provide detailed "first principles" analyses of different scenarios is making it very popular" said Elgie.

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