

Announcement

Demand Chain Optimisation

10 February 2021

RPMGlobal Holdings Limited (ASX: RUL) [RPM®] is pleased to announce the release of its Demand Chain Optimiser (DCO) module within RPM's XECUTE® solution. DCO bridges the gap between operational planning and customer demand whilst optimising the flow of material required to satisfy customer orders all the way back to the mine for bulk commodity miners.

RPM's short-term scheduling solution XECUTE, enables miners to maximise potential value through intelligent integration by connecting the mine plan to other departments systems within the mining operation. The latest upgrade to XECUTE encompasses major functionality enhancements designed to improve the demand chain challenges experienced by the industry.

Commenting on the release, RPM's Chief Executive Officer Richard Mathews said "Mining companies understand the risks of not having an optimised value chain in place, with bottlenecks and constraints that limit shipped throughput causing significant problems for both the miner and the customer. This latest release of XECUTE is focused on bridging the gap between what the customer orders, and what the mine produces."

"RPM worked closely with a major iron ore produce in the Pilbara area of Western Australia to develop the DCO module. There was significant time spent refining the algorithms to ensure XECUTE fulfilled each customer's order by blending product from many stockpiles."

The unique functionality within DCO enables XECUTE users to define a list of specific product or cargo builds, the qualities and quantities required and the date by which the shipment must be completed. DCO's optimisation algorithms then allow the quality of each build to converge to the target in time for completion, avoiding off-specification penalties and demurrage costs. The algorithms further allow out-of-specification material to be blended to the required grade, increasing the quantity of saleable product available and maximising the NPV of the mining and supply chain operations. DCO removes many of the value chain challenges that can arise for miners with an integrated supply chain, such as coal operations or iron ore operations in the Pilbara.

Planners define quality targets and berthing dates for shipments and the optimisation engine determines the best way to achieve it. By automating a process that was previously iterative and time consuming, mine planners see the downstream impact of changes to mining or processing and can react quickly to changing berthing schedules or unplanned events.

"In order to ensure continuity of operations in changing market conditions, operations need to invest in integrated systems and processes that maximise planning efficiency and satisfy customer orders which is exactly what XECUTE achieves" continued Mr Mathews.

The release of DCO coincides with analysis by consulting firm McKinsey & Company* highlighting the importance of an integrated, pit-to-port mining value chain in unlocking greater operational performance.

RPM has also made improvements to the grade control capabilities within XECUTE by integrating with an operation's existing grade control process to allow rapid inclusion of grade control shapes and qualities to ensure that planners are using the most accurate information to plan.

Planners have the option to use the grade control shapes directly as mining areas, but also have the flexibility to define mining areas independently to take multiple grade control shapes in the one task or include areas that do not yet include grade control information.

Mr Mathews concluded by saying "Typical grade control processes force planners to use only the shapes that have already been defined, but don't necessarily allow the flexibility to dig areas that don't have those grade control shapes, and that's what we're doing in the latest release of XECUTE."

“Early feedback from clients has been positive as no other product on the market provides the same level of flexibility and sophistication when it comes to optimising the customer demand chain.

** The mine-to-market value chain: A hidden gem, McKinsey & Company*

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About RPM:

RPMGlobal Holdings Limited (ASX: RUL) [RPM®] was listed on the Australian Securities Exchange on 27 May 2008 and is a global leader in the provision and development of mining software solutions, advisory services and professional development to the mining industry.

With history stretching back to 1968, RPM has been trusted by mining companies of all sizes and commodities to support their growth. Our global expertise has been achieved over the past 50 years through our work in over 125 countries and our approach to the business of mining being strongly grounded in economic principles.

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