

Industry: Mining & Metals

Location: Australia

Function: Operations & Corporate Finance

Challenges:

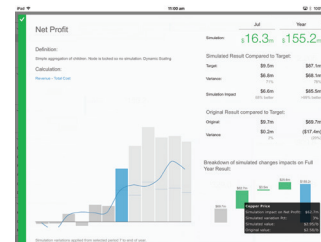
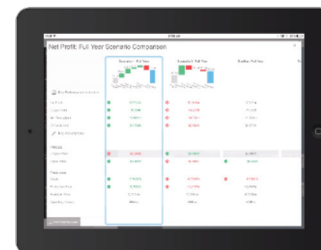
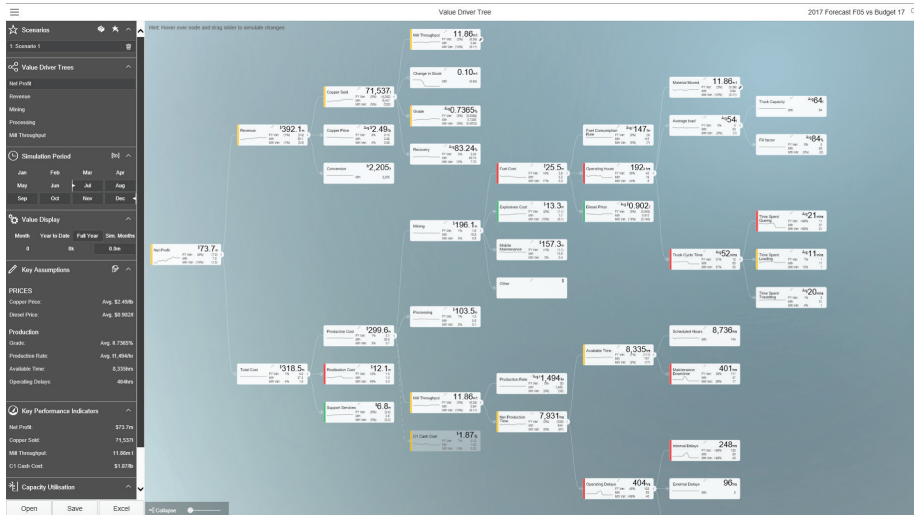
- Leveraged SAP Integrated Planning on HANA for bottom up planning. Some scenario capabilities and cost driver modelling but not a practical approach to build a full value model
- Various high level models in Excel but were facing the typical challenges: single period models; static; difficult to visualise as it wasn't dynamic; not shared widely and unable to scale

Highlights:

- PanAust is an Australian-headquartered copper and gold producer in Laos with pre-development and exploration opportunities in Laos, Papua New Guinea and Chile.
- Implemented initial Phase 1 project in three months. A value driver tree with 314 KPIs and drivers. One analyst from Corporate did complete definition assisted by one technical part-time resource. Phase 2 was implemented in three months, with the value driver tree expanding to 1400 KPIs & drivers. One analyst from Operations in Laos defined and configured the tree assisted by one technical part-time resource.

Objective:

- Phase 1:** Deliver a holistic value driver tree for the entire business to be able to simulate key value drivers to support what-if analysis during budgeting and reforecasting
- Phase 2:** Extend model to include detailed operational drivers for key operations
- Phase 3:** Extend model to other operations



“ Value driver trees provide real-time information and simulation capabilities that assist our business in understanding the financial sensitivities from a price volume perspective. They also assist the business as follows:

- Finance can easily get the NPAT impact from changes in cost drivers (e.g. metal prices) by just clicking in the Value Driver Tree.
- Scenario comparison during forecasting and budgeting process.
- Easily calculate the cost savings/opportunities or risk impacts to the Operations.
- The supply team analyse the benefits of a cheaper commodity price versus consumption usage.

We were able to model all the specific drivers and calculations requested by the business. The configuration of a value driver tree is simple and fast as long as you are familiar with your business model.”

Senior Finance Systems Advisor

