



SAP Business Transformation Study | Mining | CITIC Pacific Mining

How Do You Make Large-Scale Mining Operational and Financially Sustainable?

From its headquarters in Perth, Australia, CITIC Pacific Mining (CPM) secures a stable source of quality iron ore for the Chinese special steel mills owned and operated by its parent, CITIC Limited. Crucial to its operations is CPM's fleet of more than 200 light vehicles and movable assets, including generators and elevated work platforms. To optimize asset utilization, CPM must track the location and condition of these assets in real time. For that, it needs state-of-the-art software.

The SAP® Vehicle Insights application was the perfect solution. The software integrates with telemetry data from third-party tracking devices and CPM's SAP ERP application as well as with data from third-party systems. With assistance from the SAP Innovative Business Solutions organization, CPM was able to develop a cloud application extension that enhanced its capability to track and monitor light vehicles. This helped CPM streamline its claims for monthly fuel tax credits and improved the utilization and maintenance of its light vehicle fleet. CPM continues its innovation path by extending to other asset classes, and SAP Vehicle Insights grows with it, integrating with Esri software and monitoring driver behavior in real time. As a result of CPM's innovation, operational outcomes have improved, and stakeholders are happy about that.





“Knowing where and how our mobile fleet is being used at any given time provides huge scope to lower costs and deliver better operational outcomes. We’re excited about how we can apply this technology to other plants across our vast site.”

Ray Achemedei, General Manager, Information Services, CITIC Pacific Mining

SAP® Leonardo Internet of Things capabilities, the SAP Vehicle Insights application, and the light vehicle tracking cloud application extension developed by the SAP Innovative Business Solutions organization give CITIC Pacific Mining (CPM) real-time tracking and monitoring capabilities. This key enabler has helped CPM establish long-term sustainability. Thanks to informed decision-making and faster execution, it reduced operating costs and increased production.





Making the Mining Business Sustainable with **SAP® Vehicle Insights**



CITIC Pacific Mining (CPM)
Perth, Australia
www.citicpacificmining.com

Industry
Mining

Products and Services
Magnetite iron ore and integrated mining operations

Employees
1,500

SAP® Solutions
SAP® Vehicle Insights application, SAP Analytics Cloud solution, SAP Leonardo Internet of Things (IoT) capabilities, and the SAP Innovative Business Solutions organization

CITIC Pacific Mining worked with SAP Innovative Business Solutions to implement a system for real-time location tracking and monitoring based on SAP Leonardo IoT capabilities. Now CPM can put its Sino iron project on sustainable footing to become the lowest-cost large-scale magnetite miner in the world.

Before: Challenges and Opportunities

- Gain a real-time overview of vehicles in remote locations throughout a large geographical site
- Automate updates about vehicles, such as engine hours, driver behavior, and potential safety incidents
- Gain a total view of vehicle use across mining, processing, port, power, and desalination facilities

Why SAP

- SAP Vehicle Insights application, which integrates with any tracking device, CPM's core ERP software, and other third-party data, such as traffic or weather information
- Software integration with customer-specific development of reporting and analysis software
- Agile approach of SAP Leonardo capabilities to establish an innovative system for future use cases across lines of business

After: Value-Driven Results

- Higher fuel tax rebate claims by tracking vehicle location and reporting mileage every month
- Greater vehicle utilization
- Optimal use of vehicle hire
- Easy realization of new scenarios, such as safety or driver behavior analysis, and internal business models
- Pathway to reduced maintenance costs by changing to usage- and condition-based maintenance

“Our light vehicle tracking cloud solution is driving greater operating efficiencies and lowering our costs, helping underpin **our long-term sustainability. SAP Innovative Business Solutions was a great assist.”**

Ray Achemedei, General Manager, Information Services, CITIC Pacific Mining

8 weeks

To test, develop, and go live with the custom-developed solution

Real-time

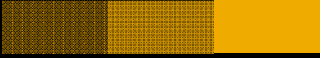
Visibility of assets in remote locations

+200%

Return on investment

Faster

Substitution of assets in case of breakdowns



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