

Press Release

RPMGlobal Launches the Industry's First Maintenance Cost Budgeting Solution

(BRISBANE, August 24, 2018)

RPMGlobal (RPM) has delivered a Maintenance Cost Budgeting (MCB) solution unlike anything the mining industry has seen. RPM's MCB solution fills a gap that the industry has struggled with for many years. MCB is not a product but rather a process and capability unlocked through RPM's Enterprise solutions that provide the ability to connect information from disparate systems.

MCB is about continually reforecasting throughout the year, not simply preparing a budget and forgetting about it. Commenting on the process, RPM's Executive General Manager of Product Strategy, Mr Michael Baldwin states, "The whole point of a budget is to measure and control costs through a defined time period. Without an accurate budget you have nothing to control." MCB lets you continually measure against the budget and reforecast as it changes.

"Budgeting is a control mechanism, how do I control my part of the business so that it fits within the company's strategic plan? Well in maintenance, I make minor changes very frequently that correct my course and steers me to the right destination," said Mr Baldwin.

RPM's solutions are SAP certified and are being used with PI, Hana Cloud and other cloud services as well as major enterprise resource planning (ERP) systems all over the world. The solution, which is SAP certified and capable of integrating with other ERP's, is currently being used at a variety of sites following successful implementation.

Maintenance planners utilise these solutions to provide accurate forecasts for not only each machine but the entire operation at the click of a button. Corporate management then have confidence that the numbers being used have repeatable, consistent logic behind them that is 100% in sync with their ERP and not simply a spreadsheet from someone's desktop.

MCB is a process that starts from a zero base to build a budget and continually updates as changes occur. Non-zero-based budgeting uses historical trends to determine future spend but in the maintenance world, future spend cannot be determined historically. Maintenance costs can change month to month and week to week, as the usage, age and condition of assets change.

MCB provides zero-based budgeting for a maintenance department by utilising live maintenance plans and strategies. Any changes to any maintenance activity automatically update the maintenance cost forecast so it is always live.

"There are still a lot of operations that take last year's numbers and add a percentage to determine next year's budget. Even if you apply some rudimentary calculations to more accurately forecast an amount, the strategy is still fraught with danger as the technique uses disconnected summaries of data to make an assumption that could have a massive impact on your bottom line," said Mr Baldwin.

MCB also takes budgeting accuracy a step further by incorporating departmental overheads such as workshops, employees, management and training, all of which are typically very difficult to track and budget within a specific department. RPM's solution provides these costs and when you combine this with zero-based strategy tasks you start to get a very accurate picture of the future. The solution allows you to forecast not only planned strategy tasks (those with a defined frequency and date) but also those without a frequency. These are the tasks that will occur, but at an unspecified time.

The final piece of the puzzle is linking machine hours back to the mine plan. If the mine's production plan is not being used to determine machine hours and therefore maintenance events, then it is effectively an assumption as to how that

machine will be used. RPM's scheduling solutions provide the expected usage of each machine through each period of the plan.

In the connected world, it is important to utilise connected data to improve and make our lives easier. MCB connects the required data sources and combines this information with a combination of preventative maintenance strategies to provide a live and realistic view of the maintenance world. Maintenance Cost Budgeting is a process utilising several tools that ultimately provides maintenance cost management for any operation.

To learn more about MCB or book in for a demonstration, contact your local RPM office.

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About RPM:

RPMGlobal Holdings Limited (ASX: RUL) [RPM] is a global leader in the provision and development of mining software solutions, advisory services and professional development. With history stretching back to 1968, RPM's experienced global team are the largest publicly traded independent group of technical experts in the world.

Listed on the Australian Securities Exchange on 27 May 2008, RPM is a global leader in the provision of software solutions, advisory consulting and professional development solutions to the mining industry. We have global expertise achieved through our work in over 118 countries and our approach to the business of mining is strongly grounded in economic principles.
