Competitors beware. Supply chain planning and optimisation software provider Quintiq has mining on its radar – and when it sets its sights on any industry, it does so with one sole intention: to become the market leader.

Quintiq was founded in 1998, with the name coming from the five computer programmers that started it (quint) and the intelligent solutions it intended to bring to market (IQ). While it is not the catchiest of names, its software and expertise has made it stick in the mind of executives from various industries.

The Netherlands and US-headquartered company has seen exceptional growth in the past decade or so (2009 notwithstanding). It already claims to be the market leader in the steel, aluminium, and aviation industries, but it is still growing. Chief operating officer Arjen Heeres, who has been with the company since 2000, estimated that it has been growing at about 30%-35% every year over this period. This has resulted in annual revenues rising to around US$100 million and the company’s headcount hitting 800.

Consolidation following the global financial crisis has had a big role to play in this growth, Heeres said. “There is huge consolidation going on and consolidation means you want to get synergy out of your consolidated operations. How do you get synergies out of it? By being more efficient and making better use of your resources and that’s where we can help,” he told Mining Journal.

Where does Quintiq differ from other software on the market though? “We break it down for the client to find out what makes them powerful in the market. We put all the business constraints, capacities and resources into the software to find out what is the best schedule. This software will then continually debottleneck given those goals,” Heeres said.

Above: Arjen Heeres expects that consolidation in the mining industry will continue over the next decade

Quintiq aiming for the top
Planning and optimisation company looks to make the most of the downturn

Daniel Gleeson
Assistant editor

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A path to better health

Lower insurance premiums and validated compliance with tighter safety- and environment-related regulations loom as factors that will influence the rate at which mining companies explore potential benefits of adopting new asset management standards, and specifically how deeply they delve into the world of ISO 55000.

But it will ultimately be see-through capital and operating cost benefits flowing from structured application of world’s best maintenance practices that will lure mining further down the path taken by the airline, power utility, oil and gas and manufacturing industries, according to an asset management software expert with US-based Bentley Systems.

Brian Flett, global practice lead with Bentley in Toronto, Canada, told Mining Journal greater confidence in standard-led heavy industrial asset availability improvements, and decreased plant downtime, would lead to more key decisions about capital and operations spending that were driven by new performance expectations.

“I think many companies are going to use ISO 55000 as a framework to drive the financial benefits – improving the value delivered for capital employed,” Flett said.

“Where are the capital asset owners spending large amounts of money on capital assets and who’s production is significantly impacted when those capital assets fail. We definitely have significant experience in mining and it’s definitely an industry where these same concepts apply.” – Staff reporter

Below: Arjen Heeres expects that consolidation in the mining industry will continue over the next decade
Another differentiator was the number of users that continually used the software after the initial purchase, according to Heeres. “If you look at the planning and optimisation industry and how many systems have been bought that are never used, it’s unbelievable. 92% of all the licences we have sold are being used and this has [so far] been the same in mining.”

Mining might only make up a small portion of the company’s business – Heeres estimates 10%-25% – but it is already shaping up to be a major growth industry for Quintiq.

A savvy partnership with 3D modelling and simulation provider Dassault Systèmes Geovia on a “complete mine to port solution”, which started in February last year, has added exposure to potential clients in Europe, Canada, Australia and elsewhere.

“We do the planning and the implementation and they can visualise the pit,” Heeres said. “I think it’s a valuable partnership.” He said the partnership had not resulted in dozens of deals being closed, but that it was talking to a few customers off the back of it. “In probably about three to five years we will be able to say: ‘Here are some completed projects with Geovia.’”

Conversations about further collaboration with Dassault have been ongoing, according to Quintiq.

Aside from this partnership though, Heeres said a change in mining mindsets has resulted in Quintiq’s rising popularity. “The way of thinking in the supply chain has changed from a workflow way of thinking to an optimisation way of thinking. The workflow way of thinking is: ‘I need to get something out of the mine, bring it to the lorry, go to the rail station, etc.’ [With the] optimisation way of thinking, you need to be aware of the workflow, but you are constantly thinking: ‘where do I have the bottleneck and can I optimise it?’”

This has resulted in the company getting its foot in the door of some of the major miners in Australia, where the majority of its mining business has been generated. “All major names in the industry are interested in improving the supply chain. If an industry is in a massive growth phase then they just want to buy resources. Then when it slows down, they realise that it’s not just growth that is important, they have to do it with efficiency. They start to talk about cost per tonne and realise that the ones that survive will be the ones with the lowest costs,” Heeres said. This is where Quintiq could help, he added.

He said mining, like many industries Quintiq had worked in, needed to improve its efficiency. “What we have seen in most industries is that there are many failures in the market and there are many failures in the mining industry. We like that as it is the same as many other markets.”

The prospects for this year are to close some deals with the top miners and also to provide a live integrated platform for mining, which can analyse the whole process from the moment the ore is dug up to the time it is shipped from the export port. “It’s almost there. We don’t have it live, but we know we have a competitive advantage as no other company has all those pieces that fit into one package,” Heeres said.

He added the company would continue hiring and training personnel to increase its mining expertise and reiterated the company’s philosophy. “We know that we lack certain knowledge, but we are working on filling those white spaces. We absolutely want to be the number one in mining. Today, we believe there is no number one as there are a fragmented number of suppliers. We want to be number one in the supply chain.”

And Heeres is confident that the growth in mining and the Quintiq business in general will continue for the next decade or so, backed up by more consolidation. “We feel consolidation will continue. Probably there will be more mergers with smaller companies merging into the bigger companies. The scale of things will only increase and if you increase the scale of things you have more optimisation potential and we can harvest that potential.”

A further integration of the supply chain in order to increase efficiency was also mooted as a potential business opportunity for the company. “If you know that more is going to be produced in the mine, then you can calculate what it means for the rail, the terminal, the vessel schedule, the discharge terminal and at the other end. At the operational level you can communicate down the supply chain and do something with your capacity level. These are small things, but if you know that you need an additional shift, or an additional vessel, you can make changes.”

While Heeres admitted he was not a programmer like the five founders who initially were interested in solving “complex puzzles”, he still got a buzz from speaking to potential users and changing their way of thinking. “There’s nothing better for me in life than going somewhere and having a dialogue with a prospect who initially says they are perfectly organised. Then after asking those framing questions, they suddenly start to realise the optimisation potential. It’s really quite fun to do that.”