Anagold accentuates opportunity through the management of risk

Anagold Madencilik operates the world-class Çöpler Gold Mine in Eastern Turkey, which produced its one millionth ounce of gold in August 2015 and with the completion of the Çöpler Sulfide Expansion Project will have a +20-year mine life. Anagold is majority owned by Alacer Gold Corp, a Canadian corporation with its primary listing on the Toronto Stock Exchange.

Striving for gold

When the new project leadership team was appointed in 2014, one of their first undertaking was to assess what risk management strategies the company had in place. They discovered that risk management processes within the organisation were not suitable for a project of this size and complexity. The existing systems would require a high administration overhead when applied to a project environment, which would have led to poor adoption of the systems by the project workforce.

The project leadership team at Anagold commenced searching for an effective solution that could deliver a disciplined approach to driving value from the risk management process. Anagold had contracted strategic advisors JukesTodd for commercial and risk management services on the Çöpler project and they recommended Active Risk Manager (ARM) to the leadership team. After assessing the solution, Anagold selected ARM based on its ability to highlight and manage opportunity as well as risk.

We wanted a solution that could deliver a consistent approach to risk management but had the flexibility to support the operational practices of the workforce. ARM stood out as the solution because it delivers a balanced view of risk, highlighting the gains as well as the potential downsides. The opportunity management capabilities drew us to the solution, and overall ARM delivers a superior user experience. It is excellent at keeping track of project risks and compliance requirements, alerting owners of their actions and ensuring we are accountable for the delivery of effective risk mitigation strategies.

John Ebbett, Project Director for Alacer Gold.
Managing risk across a mobile workforce

The Anagold leadership team identified that for risk management to be integral to the project they would need a solution that had limited barriers to use and could deliver an integrated approach to risk management across all solution users, whether office based or remote workers. ARM Risk Express ticked all the boxes, it is intuitive to use, requires limited to no training and can be accessed from a laptop, smart phone or tablet. Risk owners are able to check their dashboard to see if they have any actions to complete and Risk Managers are able to see updates in real-time.

Anagold uses ARM Core for the Risk management team, and Risk Express across the project team, with various levels of access. The Risk management team use ARM for the identification, analysis, management and control of risk and compliance. However, all users have the ability to flag emerging risks within the system to be assessed and efficiently mitigated.

Ebbett explains: “The JukesTodd ARM solution has an excellent array of tools for advanced risk scoring and analysis that has helped us to prioritize risk mitigation activities across the project without the heavy burden of administration. This has aided the smooth adoption of risk management strategies across the project organization and embedded a disciplined approach to the assessment and management of risk.”

Accentuating opportunity through the management of risk

Mining companies operate in one of the most regulated and competitive industries in the world. The projects necessitate vast capital outlays and involve managing various risks throughout the project life cycle. However, the management of risk isn’t just about identifying and mitigating negative impact.

ARM scores risks on both qualitative and quantitative measures; identify the emerging risks and highlighting risk connection. This is achieved through the collation of all opportunity data from employees on the frontline who are best placed to see the upside options, and makes this information instantly available through dashboards and reports. This functionality has enabled the Anagold team to take an upside view of risk and identify opportunities throughout the project, delivering opportunities with financial benefits of several millions of dollars.

The enhanced reporting functionality within ARM Risk Performance Manager (RPM) under the direction of the JukesTodd team, has enabled the project team to produce a single holistic report of the current project status. This one-page summary is presented to the company’s Board of Directors at monthly meetings and is used to communicate upside opportunities identified from the information stored within the solution. This has proved very popular with the Board, delivering a high level of business clarity.

Ebbett concludes: “There is an inherent level of risk in any mining project as many outside factors can impede success, however with effective strategies in place, risk can be managed. With big gains, there are often big risks and ARM with support from JukesTodd has given us the functionality to manage risk and the insight to quantify opportunity. Anagold now has an effective project risk and compliance management solution that underpins our risk approach and enables us to maximize opportunities. We have been using ARM for less than a year and the insight provided has delivered immense value to this project and has helped to raise the profile of project risk and the importance of managing it across the broader organization.”