

Supplier relations: one supplier's perspective from the other side of the fence

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If your mining operation is like most Canadian-based mining operations right now, you are finding yourself knee-deep in production issues. The days of exploration and raising capital are distant memories (if they even were your responsibility at all). Now it is real and live and your senior team is racing to learn and become experts in practically every facet of the operation overnight. The seemingly simple concept of taking a mineral resource out of the ground and sliding it into the market for a profit has become a full-out education on optimizing equipment, process operations, financing, maintaining permits and licenses and certificates of approval, complying with multiple government regulations etc. All at once you find you are no longer just in the mining business; you are also in the waste management business, the human resour-

ces business, the process design and engineering business, perhaps even the drinking water and power transmission business.

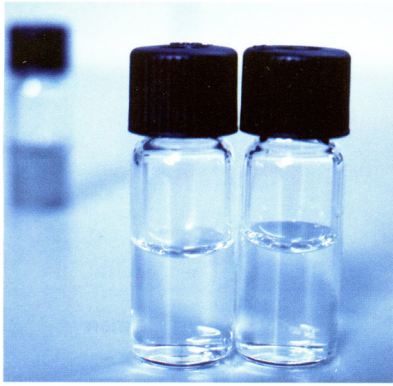
At this point in the evolution of a mine, there seems to be two main trains of thought, with a sliding scale somewhere in between. One looks to build expertise in-house across all these operational silos; basically become experts in everything. Can this work? We've seen it done and yes, it can, but there is usually a huge cost involved. If you're big enough then maybe that is the fit. Another successful strategy looks to outsource some key functions and build relationships with a network of suppliers that will make your operation a success.

A VIEW FROM THE OPPOSITE SIDE

If your mining operation deals with suppliers at any level (and undoubtedly it does),

then please read on. The following is what we see as a leading provider of accredited environmental lab services and a key supplier to mining operations; it's a view from the other side of the fence. After working with the mining industry for almost fifteen years, we've summarized five key things we'd like you to consider to ensure your list of approved suppliers is not just some administrative form that sits with your purchasing officer. Here's what we'd like you to know:

1. Get to know your supplier – if you don't know their name, can't recognize some faces and aren't sure about their full service offering, then something is drastically wrong. As a lab, we try to get to know each of our clients and their operation. But remember, this is a two-way street. Our greatest success stories come from clients who see us as a true extension to their business – as clichéd as it sounds, your supplier truly is in business to serve your business. Get to know them.
2. Share information – we can't stress this enough. Sharing information often allows a supplier to offer a solution before it is even a problem. It allows a supplier to suggest services or capabilities that perhaps you weren't even aware about. In some cases it's allowed us to catch things like a mining client testing for metals under the Metal Mining Effluent Regulations but not asking for the digested form of the test. A good supplier knows their business and will catch this error provided the mining company shares details like what regulation under which they are testing.
3. Don't go it alone: ask for help – this follows nicely from point no. 2. Don't be shy



to discuss problems with your key suppliers. Our lab has been fortunate enough to work closely with many of our mining clients at this level, often providing things like custom method development to hone in on a chemical processing issue, or the ability to pick the brains of PhD-level chemists as though they were part of your operation. We also see this particularly in the area of data management solutions – as a lab we have your data and can pretty much parse it any way you want, often at no cost, so by knowing that data management is an issue for many mining clients, we are often able to provide an easy fix.

4. Provide feedback – suppliers need to know from time to time how they are doing. In some ways, you know our competitors better than we do because you are being courted. No business relationship is static and feedback is the mechanism that often drives change.
5. Challenge the paradigm – what we mean here is don't stop thinking at the level of company→supplier. Some of the best business ventures were collaborative efforts between a principal operation and a supplier that could nimbly support or enhance it. This might create a whole new revenue stream for your operation without the strain of full ownership. Often both parties benefit.

Testmark Laboratories is a full-service environmental testing laboratory based out of Garson, Kirkland Lake (under the name Accuracy Environmental Labs), Sault Ste. Marie and Mississauga. Visit us at www.testmark.ca or call 1-888-282-0422. ☒

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