



FutureSense delivers financial insight for African Rainbow Minerals



Futuresense, a Johannesburg-based performance management specialist and Oracle Gold partner, has developed a financial intelligence solution for diversified mining group, African Rainbow Minerals (ARM). Replacing spreadsheets, the Oracle Hyperion Strategic Finance (HSF) solution will provide vital financial information and the ability to compare various development projects currently in progress at ARM, as it seeks to expand its operations.

"As a diversified mining company going into a growth phase, we want to invest in projects that will add the maximum value to shareholders. The Hyperion Strategic Finance toolset plays a critical role in determining where to invest across our diversified portfolio of coal, copper, platinum, manganese or iron ore," says Martin Nicholson, Manager: Project Evaluation at ARM.

Until recently, business analysis was conducted with the support of independent financial models. However, this was a time-consuming and error-prone process. "Furthermore, integrating all information into a portfolio of projects was onerous," Nicholson notes.

Futuresense director Steven Hyslop says the company created three generic models, which are applicable across ARM's business units. He explains: "There is a Smelter, Mining and Precious Metal HSF model. With the nature of ARM's business, any new project that ARM is considering can use any of these models to analyse the business from a financial perspective."

The complexity of the models is considerable and encompasses business rules and variables such as income tax, royalties, carbon tax, funding and valuation calculations. However, with considerable groundwork invested in the models, it takes mere days to apply a suitable model to any new operation to evaluate its financial and comparative feasibility.

"Through Futuresense's work, HSF delivers rapid scenario simulations and sensitivities across all business units, while providing the ability to instantly roll results up into a Group view. It improves executive decision-making and time-to-decision, with a high degree of integrity and confidence in the numbers," he explains.

The results of the initiative are clearly seen, Nicholson notes. "We have confidence in the underlying structure of the models. When inputs are made, it is no longer a concern as to where and how those inputs will affect the overall output of the model, but time is used to analyse the result.

"HSF provides the ability to compare and rank individual projects, a view that was formerly difficult to achieve with the various separate spreadsheets. The solution provides the intelligence to understand which projects and business units will provide a better return on investment. Using HSF is a big step towards improving our business – and, eventually, herald a change in the way in which we conduct business," he concludes.

Contact Us

T: +27 11 463 9335

E: sales@futuresenseza.com

