

Mintec vision intact after four decades

Richard Roberts, [19 January 2010](#)

FORTY years is an unusually long life for a mining technology company. It is at least a couple of lifetimes for most mining IT companies. US-based Mintec has defied convention with a very conventional business plan.

The Arizona-based company, which is celebrating its 40th anniversary this year, has had a single mainstay product for most of its existence – adding vital ‘plug-in’ technology and key extensions to the flagship offering in the past year or so – and sees itself as simply being in the business of providing technical support to users of its mine planning software. They include many of the world’s top mining companies.

Mintec has (and does) eschewed acquisitions, hasn’t contemplated a move away from its private ownership structure, and has developed globally on the back of mining company demand for its products. No venture capital, no public funds, no government grants, and no alliances with other software or other firms to sell and support MineSight software around the world. Yet the company is no plodder.

“This train is moving along pretty well right now,” says Mintec’s Vancouver-based president, John Davies. And he’s not kidding.

The company’s total staff numbers have more than doubled in the past four years and now total more than 140. Revenues have grown 20-30% year on year for the past five years (except 2009) and the outlook is for further strong growth in 2010.

Mintec has 73 employees in Tucson, Arizona; 14 in Perth, Western Australia; 18 in Vancouver, Canada; and 19 at its offices in Chile and Peru. About 40% of staff across the globe are engaged in “client services”, 30% in product development, and 30% in administration and marketing.

“Our approach has always been to focus on our core technology – geo-modelling, mine planning/engineering and operations support – and fund all our growth through cash flow,” Davies told *HighGrade*. “That has worked for us well for 40 years.

“Our growth has been organic and steady. We have never laid off any personnel in those 40 years for financial reasons. And our plan is to never do that.

“Our technology staff, like every company in this business, are the key to our success. They are our intellectual property, and we will do everything we can to maintain their expertise and loyalty. Acquisition of a third party means merging different technologies and different cultures and we are not convinced that is a good thing. We author all our own software, and don’t resell anybody else’s. This means the buck stops with us, with no finger pointing except back to ourselves.”

Davies has been president of Mintec for five years, having spent about 25 years working with the company. He has degrees in geology and geophysics from the University of British Columbia in Vancouver and worked for 10 years at Cominco (now Teck) implementing computer applications in exploration and operations. Cominco bought Mintec software in 1982 and Davies was a user of the product for four years before he joined Mintec as a support engineer. He became general manager, then VP development before taking over the company reins.

Founder Fred Banfield (aka "Chairman Fred", says Davies) remains involved with Mintec as company chairman. He stepped back from daily operational decisions but still reviews strategic directions and likes to direct development of key long term planning products.

"I used to say we [Mintec] were high-tech in a low-tech business, but that is not the case anymore," Davies said.

"The mining industry has been slower than others to uptake some technologies. However, the presence of sensors on all equipment, GPS replacing traditional surveying, and 802.11 [wireless bandwidth] in the pit, means communications and data interchange are driving a lot of exciting innovation. Certainly our growth is being driven by the need to integrate data at operations, as well as provide solutions and workflows to traditionally overworked and under-resourced users at the mines.

"The challenge for mining companies is to maintain expertise, keep up training levels, and move ahead on longer term planning projects, when short term objectives are consuming most of the staff's time. We see lots of opportunity here in providing solutions that will assist our clients in these short and long term tasks, as well as provide continual training as staff cycles through the client's sites."

Davies said the recent mining boom drove part of Mintec's growth.

"Obviously a large portion of success for all vendors is the overall increase in demand for metals, driven by various markets," he said. "I would like to take the credit for all our growth, but the whole industry has been on a tear. Even with the industry down-blip in 2008, we added 19 people during the year.

"The factors that we can control include keeping our focus on our core technology, and not diverting our energy into non-mining activities; recognising service model that emphasise rapid and quality response on client support calls; and expanding into markets where we don't just make sales, but where we can provide after sales support, and develop a long term relationship with the client."

Mintec has regional agents in some markets, but only where the sole focus of the agent is to represent MineSight in sales and support.

"Our experience is that other non-financially related companies do not have the same agenda we do in terms of marketing and service level policies," he said.

Indications were that the company's 40th birthday year might be a happy one.

"Just in this month alone, our sales are at a record level," Davies said. "It's as though the GFC never happened.

"We are pushing out our new operations support package, MineSight Axis, which provides a solution in four critical areas: drill and blast, grade control, production management and

reconciliation. We also have two new short/medium term engineering tools: MineSight Haulage and MineSight Schedule Optimiser.

“So, we see continued growth in sales, increasing staff to handle the support and implementation load, new developments in modelling, engineering and operational support, and carrying on as we have in the past.”

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