

A Mining MACHINE

As a producer of heavy-duty mining machinery, systems, and direct services, Joy Global knows that success takes hard work. Despite the global slowdown in mining, Joy is diversifying to ensure continuing success of the business in difficult times.

Images by Fullframe Photographics

In 1884, Joseph Francis Joy was 12 years old and starting work at a coalmine in Maryland, USA. As he got older, he started teaching himself mechanical engineering via mail order, and experimenting with ideas for coalmining machinery. This early start in mining would lead to Joseph creating Joy Mining Machinery, a company that is now a global leader in underground high-productivity mining more than 100 years later. Also in 1884, Alonzo Pawling and Henry Harnischfeger started an engineering business in Milwaukee that in 1920 introduced the first high performance rope shovel. Today P&H is unequivocally the premier rope shovel manufacturer in the world.

Together today as Joy Global, the company produces underground and surface mining machinery and systems, supplying many countries worldwide through a direct service model. Jason Savage is the president of the Australasian branch of Joy Global, which originated in the 1950s. Jason has worked for Joy for his entire career. "I started with Joy in South Africa when I was a student and worked in the electrical engineering environment studying and working in parallel until I earned my masters degree," Jason says.

"I worked through various roles in electrical engineering before

moving into a product management leadership role. In 2002, I moved to the USA in a global controls and automation management role, shortly thereafter being promoted to director for global electronics and electrical development. I spent a couple of years in Pittsburgh, before moving back to South Africa as the regional sales director. This is where I really gained my diversity in terms of experience. I spent a couple of years in sales before moving into manufacturing/operations, and three years later managing director in the South African arm of the business. South Africa was the first region to successfully integrate its surface and underground divisions into a single 'One Joy Global' organisation during 2010-2011."

In 2012, Jason accepted the role to integrate and run the surface and underground businesses in Australasia, and has been in Australia ever since. "That's really the story of how over almost 30 years I have had substantially different experiences every two to three years within Joy, which has made it a very exciting business to work for," Jason reflects.

When Jason first came to Australia to head up Joy's operations, the business was thriving. "We were right on the back end of the mining boom, and the Australasian

organisation had grown into a substantial part of the global business," Jason says. "Even in today's difficult market, we still have a very strong presence and market share based on the safety, reliability, and performance of our products and the reliable service we provide."

To succeed in Australia, Jason says, companies must be extremely conscious about the safety of their products and services. "In the Australian industry, mines are very focused on safety; it's one of the safest mining environments in the world. Mining companies in Australia as a whole don't want to deal with suppliers that do not exhibit a total focus around safety. We align ourselves and work very closely with customers to build safe operating systems into our processes, equipment, and mining systems."

Due to the decline of the mining industry, Joy Global has had its fair share of challenges in recent years. "We had a lot of optimism, and the mining industry was very bullish about future prospects; industry and government were very positive on the outlook for commodities in the mining industry. Commodity oversupply exceeding demand has led to continual erosion in confidence that impacted the Australian industry faster and harder than many regions around the world. We very rapidly moved into a >

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cycle of cost reduction and efficiency focus, even though we were executing significant major projects we had in backlog. It has been a challenge maintaining our support and service presence in an environment that has seen the industry's capital and service spending drop by 30 to 40 per cent. We are very proud of the fact that our service, according to our customers, has actually improved in this difficult environment, and over the past two years we have had some of the best new and rebuilt longwall and rope-shovel install and start-ups ever."

In order to maintain its market share and remain a preferred choice for its customers, Joy has been investing in technology and smarter ways to improve productivity and reduce costs in mining. Joy works with a number of suppliers to make this happen, and Jason really values these relationships. "We have some unique partnerships, both here and globally, where we work as a

team on technology solutions to solve mining's toughest challenges," he says.

"We're developing new technologies for automating equipment, for making the equipment smarter, and enabling our equipment to capture and share data into our Smart Services Centres so that we can monitor and transform data into information that will drive to action and results. Joy Smart Solutions aims to identify our customers' major constraints and help them achieve the most out of our equipment, systems, and their operations. The fastest way to get to market is to work with people who have the right expertise. We have numerous unique partnerships around the world with suppliers and other companies across different industries who we work with to develop solutions for our customers.

"As mines strive to be more competitive, one of the major challenges is cost. Our industry is driving to increase performance,

and requires equipment to be ever more reliable and productive in order to have the biggest impact on cost. We and our partners have to be flexible in terms of where we move capacity to and from and where we can get the most efficient sources of supply. It's very much our strategy to work with our supplier base to find the best cost-sourcing solutions."

One of the factors that makes this change easier in the market and the pressures it brings is having a great team of people. "I speak regularly about the quality and passion of our people, we have many really great people at Joy Global. Here in Australia and around the world, there's a culture of very long service in our business. What really sets us apart is our ability to provide expert support and having great, passionate people who identify strongly with Joy Global's values and problem-solving mindset."

For the future, Jason is positive. He knows that the industry is changing, and says Joy is changing with it. "In Australasia, we recognise that there is some way to go. We are confident that we are at the bottom of the cycle," he says. "In the long term and even in this difficult period, Joy has continued developing new products, acquiring businesses, entering new markets, and investing in new state-of-the-art service centres. We are taking our capability and expertise to new markets, such as hard-rock mining.

"We have some incredibly exciting technologies in the pipeline, applying energy-storage solutions across a broad range of new products. We have hybrid diesel-electric products that are going to bring significant reductions in cost to material movement in hard rock and in surface mining. We are developing technologies that will enable many customers to eliminate trucks in their operations, further reducing the

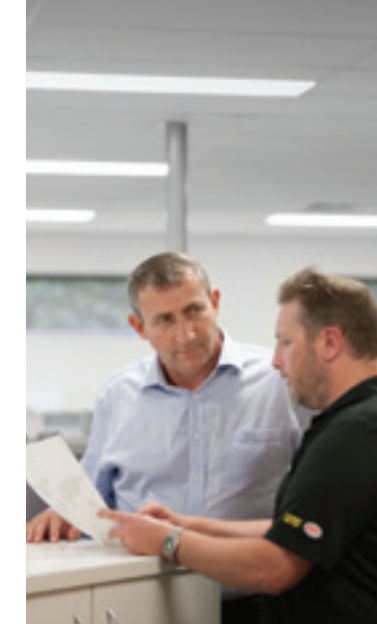
amount of mobile equipment and consumption of fuels—all very high-cost drivers?"

Jason also knows that in an ever-growing world, the production of energy will be important, and that the move towards clean-coal technologies will be ever present. "Historically, we have been very dependent on coal; more than half of our business has come out of coal," Jason explains.

"We strongly believe that coal will continue to grow. It is a source of energy that is essential to future growth because there are billions of people across the world today who live without adequate access to energy. We believe that coal and the application of clean-coal technologies are a big part of the future and will still be very present in that part of the commodity space. But we do want to diversify and bring our technology and philosophy to new commodities and hard-rock mining applications.

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- Jason Savage



"All of this is enabled by our smart connected products and direct services through Joy Smart Solutions. The future is very bright. I think the market is tight, but Joy is diversifying and opening up opportunities. It's such a complex, changing environment and there are always new products, great technologies, and a relentless search for growth, so you never stop learning." •

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