A DYNAMIC COMPETITIVE ANALYSIS MODEL FOR GLOBAL MINING FIRMS

by

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This thesis is the culmination and final product of a lonely and sometimes “selfish” crusade, which spanned a period of four years. As is the case with many such projects, it started with a view that “there is a story to be told”, and eventually evolved into an immense personal learning experience, confirming one’s insignificant existence in a macrocosm of knowledge.

Special appreciation goes to my promoter, Prof. Hannie Badenhorst when few people originally believed in the viability of the study, she had the courage to tell me to continue. Her positive, inspiring and thought-provoking comments throughout the study will always be a flame of inspiration for me on many of life’s “other” journeys.

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In the final instance, this thesis is dedicated to the memory of my late mother, Nelie, who taught me that life is a journey, and every day presents new horizons to explore.
SUMMARY

Owing to the impact of globalisation, mining firms face significant uncertainty and turbulence emanating from their global competitive landscape. A new breed of “dominant global firms” is emerging in a world of shrinking opportunity, where a few large firms will determine the future of the industry. Despite these realities, mining firms have in the past not been very astute in identifying and interpreting global competitive influences. Reliance on tangible assets alone will in future no longer ensure a sustainable competitive advantage. In such turbulent circumstances, competitive analysis, as part of a comprehensive competitive intelligence system, could result in competitive learning, which could enhance the ability of firms to attain a sustainable competitive advantage.

Empirical research in this study confirms that competitive analysis as conducted by mining firms is deficient, and in many instances, caught up in an “old world” approach. Such analyses tend to be too reactive for the dynamic and turbulent environment, as well as being too quantitatively oriented and are based primarily on the information that is most easily available. Accordingly, a rethink of competitive analysis is necessary, away from a narrow reactive approach focused on the quantifiable financial and operational realities of the competitive force being analysed, to include the conceptual DACSOMEF methodology, with its quantitative and qualitative dimensions. Determining the future intent of a competitive force should, furthermore, form the overall focus of competitive analysis, resulting in effective competitive learning.

The study also established that analysis findings and recommendations should be applied in a competitive theatre, in order to overcome the possible discontinuity between competitive analysis and strategic decision making. In addition, the analytical process should be based upon a supportive learning culture and the intimate involvement of key decision makers. Without such an approach competitive analysis will remain a static “old world” process.
Alternatively, the implementation of the analytical model could prove an invaluable input into the strategic management process of global mining firms in their quest to achieve new levels of competitive advantage, in an increasingly dynamic and turbulent competitive environment.
OPSOMMING

As gevolg van die invloed van globalisering ervaar hedendaagse mynboufirmas ‘n beduidende mate van onsekerheid en turbulensie, wat uit hul mededingende omgewing afkomstig is. In sulke omstandighede, waar geleenthede al hoe meer beperk raak, begin ‘n nuwe generasie “dominante globale firmas” verrys wat die toekoms van die industrie grootliks gaan bepaal. Ten spyte hiervan was mynboufirmas in die verlede te ongesofistikeerd om die mededingende kragte wat hulle beïnvloed, vroegtydig te identifiseer. Dit blyk egter dat mynboufirmas se oordrewe vertroue op tasbare bates in die toekoms nie meer genoegsaam sal wees om ‘n volhoubare mededingende voordeel te verseker nie. In sulke omstandighede, is dit belangrik dat firmas deurlopend meer van die mededingende omgewing moet leer. Mededingende analyse as deel van ‘n mededingende intelligensiestelsel kan in hierdie opsig ‘n belangrike rol speel.

Die empiriese navorsing van hierdie studie bevestig dat mededingende analise, soos dit tans deur mynboufirmas uitgevoer word, gebrekkig en “ouwêrelds” is. Sodanige analise is geneig om te reaktief vir die hedendaagse dinamiese en turbulente omgewing en verder sterk kwantitatief van aard te wees. So ‘n benadering tot analise word hoofsaaklik gevolg op grond van inligting wat maklik beskikbaar is.

Daar word dus aanbeveel dat mynboufirmas hul huidige benadering tot mededingende analyse moet aanpas van die eng fokus op kwantifiseerbare finansiële en operasionele analyse, ten einde die kwantitatiewe en kwalitatiewe DACSOMEF-sleutelinligtingsvelde in te sluit. In hierdie konteks is dit belangrik dat sterk klem gelê word op die toekomstige intensie van die instansie wat geanaliseer word.

Analisebevindinge en aanbevelings behoort voorts in ‘n mededingende teater gesimuleer te word, ten einde die diskontinuïteit tussen analise en die firma se strategiese besluitnemingsproses te oorkom. Dit is verder belangrik dat die DACSOMEF mededingende analisemodel, soos voorgestel in hierdie studie, deur ‘n leerkultuur en noue betrokkenheid van die firma se sleutelbesluitnemers gesteun word.
Sonder sulke steun sal analise in mynboufirmas ‘n “ouwêreldse” proses bly. Alternatiewelik kan die implementering van die model ‘n waardevolle bydrae tot die strategiese bestuursproses van mynboufirmas lewer. Dit kan firmas voorts help om nuwe vlakke van volhoubare mededingende voordeel in die kontemporêre dinamiese en turbulente globale mededingende omgewing te bereik.
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