



Rusu  
Consulting



INTERNATIONAL  
MINING AND  
RESOURCES  
CONFERENCE + EXPO  
ONLINE



An interview with  
Mirel Rusu



Rusu Consulting



Rusu Consulting is an independent logistics consultancy specialised on bulk materials supply chains.

What is Rusu Consulting?





Rusu  
Consulting



What services does  
Rusu Consulting  
provide?

Rusu Consulting prepares and delivers logistics studies for mining projects at all development levels.

From scoping study to definitive feasibility study.

For established mines, we develop logistics optimisation studies, often in collaboration with an engineering consulting company.

We also cover the logistics – supply chain management segment of due diligence studies working at times with large consultancy firms or directly with the investing entity.





Yes. We provide peer reviews of other logistics studies.

We often find that due to the lack of practical experience of running road or rail operations, some of the assumptions of other logistics studies are erroneous.

As an example, one of the studies reviewed assumed the average speed of the trains at the theoretical maximum speed on a corridor with significant issues, resulting in a unrealistic train cycle and estimating the rail operation costs at a very low level, creating a false sense of project deliverability.

Investors need estimates as close as possible to reality.

Does Rusu Consulting provide peer reviews for logistics studies developed by third parties?





Yes. Sometimes these exercises are referred to as optimisation studies where we look at the existing haulage contracts, shipping agreements, assess the suitability of the logistics assets, observe the loading and unloading processes, the stockpile management and we look at the port operations.

For instance, in one such assessment just changing the type of container had the potential to improve the bottom line with a few good millions dollars per annum.

Replacing the type of wagons, using containers with a different tare or switching the road trailer type can have an unexpectedly large positive effect on the bottom line.

Does Rusu Consulting provide supply chain audits to established mining operations?





The prospective client approaches me with a well-defined scope and after confirming the details of the scope, including the deliverables and the timeline I put together a study business proposal, forward it to the client and once that is signed and agreed upon the work starts.

I'd get in touch with the below rail owner to understand the existing traffic on the rail network, I look at the mass and length train limitations, I'd liaise with the port authority to understand the unloading capacity and limitations, the ship-loading capabilities, the available land and storage within the port precinct.

For road operations, I communicate with the local and statal authorities to ascertain the maximum road unit payload and configuration.

Using proprietary models I determine the estimates, and compare them with the quotes obtained from the rail and/or road operators. I may also look at alternative ways of transportation such as barges or overland conveyors.

The information is then compiled in the study highlighting the estimated CAPEX and OPEX, and recommending future action points.

How does a logistics study take shape?





Most of the time it does.

However, when the project had very good prospects, I was be asked to assist during the haulage contract negotiation or the port services contract negotiations.

Once the study is delivered does the role of Rusu Consulting end?





It depends on the study level and the complexity of the scope.

I've charged for scoping level logistics studies as low as 5-6 thousand dollars, but I've also had contracts exceeding 100 thousand dollars.

The length of the engagement varies as well.

Sometimes I work at a project a year or more, other times it takes me just 3-4 weeks to deliver a study.

How much does it cost to engage your services?





When we talk about projects at PFS or DFS level an undervaluation of the logistics costs could translate in funds sunk by the investors in projects that were not viable from the get-go, and alternatively, if the logistics costs are overvalued the project's prospects lose a bit of the attractiveness.

It's truly important to get the estimates as close to reality as possible. When looking into a project's PFS or DFS pay attention what is the ratio between the percentage of the logistics costs from total costs and the space allocated to logistics in the study.

If the logistics related costs are 50% or more and the study has 100 pages of geology and only one of logistics that is usually a sign the projects owners didn't put a serious effort into investigating the issue.

The cost of logistics - the cost of loading at the mine site, transport, unloading the product at the port, stockpile management, storage, ship-loading and shipping makes 70-80 percent of the amalgamated operational costs, for some commodities. Every dollar saved in logistics translates in significant sums on the bottom line.

For existing operating mines this may be the difference in making a profit or a loss.

Why do you think reliable costing estimates for logistics related activities in a mining project development is important?





Academically, I'm backed by a graduate diploma in economics, a masters in international studies and a masters in supply chain management.

I've spent the first 10 years of my career in Europe, Africa and Australia in export-import and international shipping and the last 20 in bulk logistics.

Early and mid 2000's I worked for an Australian rail owner and operator and since 2008 I'm managing my own business, contributing at more than 30 projects on five continents.

Finally, who are you, Mr Rusu, what are your credentials?





Rusu  
Consulting

