

STRATEGIC ANALYSIS OF PROJECTS FOR SMALL AND MEDIUM SCALE MINING FIRMS: NEW CONCEPTS

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ABSTRACTDespite recent advances of economic methods for valuation of mineral and petroleum assets, there is a need for better mechanisms for evaluation of some important market and non-market effects that are not properly captured by those methods. These traditional methods based upon only on discounted cash flow analysis show some disadvantages in the present context of diffusion of new entrepreneurial strategies and in the uncertainty business environment. In these paper we present some new insights, which incorporate the uncertainty in the project evaluation process, and strategic themes, such as: sector analysis, strategic positioning, value chain, driven costs, scenarios building and correlated internal structure of the firm. A set of project design for small and medium scale mineral firms are used as a case study where a decision analysis mechanism is employed in a strategic evaluation analysis.