

When the Project Portfolio Grows 10x, the Organization Must Change Too

A regional perspective on preparing mining organizations for the next investment cycle in Chile, Peru and Argentina

By Jorge Saffie

South American mining is entering a new investment cycle. Chile is facing a major pipeline of copper and infrastructure projects; Peru continues to advance a broad portfolio of greenfield and brownfield developments; and Argentina is emerging strongly through large-scale copper and lithium investments. At the same time, global miners such as BHP, Antofagasta Minerals, First Quantum Minerals and Rio Tinto are advancing increasingly ambitious growth programs across the region.

This is happening in a market where copper remains strategically critical to electrification, renewable energy, transmission networks, data centers and the broader energy transition. The opportunity is extraordinary. But it creates a management challenge that deserves as much attention as the projects themselves.

The key question is not only: Do we have enough projects?

The more important question is: Are our organizations truly prepared to execute them?

Moving from three or four projects to fifteen or twenty is not simply a matter of adding people. And moving from a US\$50-60 million portfolio to US\$400-500 million does not mean multiplying the same organizational model by eight or ten.

Portfolio growth creates a change in complexity, not merely a change in scale.

The Risk of Scaling Without Changing the Operating Model

One of the most significant risks appears when investment grows much faster than the organization responsible for delivering it. Projects are added, engineering contracts are awarded, purchase orders multiply, construction packages are launched and the number of interfaces increases dramatically - while the organization chart, processes, competencies, controls and leadership model remain almost unchanged.

That is when predictable symptoms begin to appear. Senior managers become decision bottlenecks. Project managers spend more time solving urgent problems than managing forward. Engineering becomes reactive. Procurement receives requirements too late. Construction waits for decisions or information. Operations is insufficiently involved. Permits begin to affect the critical path. Scope changes increase. Claims accumulate.

Eventually, management asks why an attractive portfolio is producing delays, cost pressure and quality problems. In many cases, the root cause is not one individual project. It is the system attempting to manage the portfolio.

Before Multiplying Projects, Review the Entire System

When a company expects to double, triple or quadruple its investment program, it should conduct an early and rigorous Project Delivery Readiness assessment. In my view, at least eight dimensions need to be addressed.

1. Organizational Capacity

Headcount alone is not enough. The future portfolio must be translated into real demand for hours, disciplines, roles and timing. How many project managers, engineering specialists, planners, cost controllers, contract professionals, procurement specialists, permitting experts, construction managers and commissioning resources will be required - and when? Hiring after the portfolio is already overloaded is usually too late.

2. Structure and Governance

An organization designed for four projects is unlikely to be adequate for twenty. Growth may require project directors, portfolio managers, a stronger PMO, functional leadership, technical authorities, contract management and robust project controls. Decision rights must also be explicit: who recommends, who decides, who approves and who is accountable. At scale, organizational ambiguity becomes very expensive.

3. Leadership

Technical excellence does not automatically translate into the ability to lead large multidisciplinary teams across multiple projects. At greater scale, leadership becomes organizational and human as well as technical. Leaders must prioritize, delegate, manage conflict, develop people, make decisions under uncertainty and create an environment capable of handling pressure without turning permanent urgency into the operating culture.

4. Competencies

Managing sustaining capital is not identical to delivering a major capital project. Similarly, successfully delivering US\$10 million projects does not automatically prepare an organization for US\$500 million or multi-billion-dollar developments. Contractual complexity, interfaces, governance, risks, stakeholder expectations, constructability and commissioning all change. A structured competency assessment should identify what capabilities exist, what must be developed and what needs to be brought in from the market.

5. Management Systems and Project Controls

As portfolios grow, spreadsheets and individual experience become insufficient. Planning, cost control, forecasting, earned value, change management, document control, risk, contracts, procurement, dashboards, KPIs and early-warning mechanisms need to operate as an integrated management system. Senior management should see problems forming - not discover them after they have already affected cost or schedule.

6. Procurement and Contracting Strategy

This may become one of the biggest constraints in the next regional investment cycle. Mining companies will compete simultaneously for engineering firms, construction contractors, specialized professionals, electrical equipment, transformers, mills, pumps, piping, steel and control systems. Procurement cannot begin when engineering is complete. Contracting strategy, packaging, long-lead items, supplier capacity and contractor availability need to be considered from the earliest project stages.

7. Interface Management

As the number of projects increases, interfaces grow even faster: mine, plant, power, water, tailings, roads, ports, transmission, camps, permits, communities and operations. Each project can be individually well managed while the overall portfolio still fails because of poorly managed interfaces. At scale, Interface Management becomes a strategic discipline, not an administrative coordination exercise.

8. Culture and Change Management

The most difficult dimension to transform is often culture. An organization accustomed to smaller sustaining-capital projects may have developed behaviors that work perfectly well in that environment. A larger investment cycle requires stronger planning discipline, anticipation, documentation, faster decision-making, accountability, rigorous risk management and cross-functional collaboration. This does not happen automatically when CAPEX increases. It requires deliberate change management.

The Real Challenge of the Next Mining Decade

Chile, Peru and Argentina have an exceptional opportunity ahead. Electrification, the energy transition, digital infrastructure and the expansion of power networks will continue to drive demand for copper and other critical minerals. Yet there is an important paradox.

We can have the mineral resources, the projects and the capital - and still lack the organizational capacity to execute all of them simultaneously.

That is why one of the most important conversations mining boards and executive teams should be having today is not only: What will our project portfolio look like over the next five years?

It should immediately be followed by a second question: What organization do we need to build today in order to successfully deliver that portfolio tomorrow?

A portfolio that multiplies investment by five or ten requires an early review of people, leadership, structure, competencies, processes, technology, procurement, contracts, interfaces, governance and culture.

The challenge is not simply to build more projects. It is to build, before them, the organization capable of delivering them.

#Mining #Copper #ProjectManagement #ProjectDelivery #MiningProjects #CapitalProjects
#Leadership #Engineering #ProjectControls #EPCM #Chile #Peru #Argentina

Author's note: This article is an executive perspective on organizational readiness for rapidly expanding mining project portfolios. Investment examples and market context are intended to frame the management challenge; project values and schedules evolve as studies, approvals and execution progress.