

Transforming a global player in stainless steel

Company Name: n/a

Location: France

Sector: Metals & Mining

Function: Sales, Customer Services, Finance, HR, Logistics, Production, Supply & Demand Planning

Business Challenges:
Remain competitive in the mature European steel market with new low-cost joiners from the Far East

Consulting Services:
Performance Improvement, Strategic Operations, Change Management

Capabilities: Business Turnaround, Organisational Effectiveness, Revenue Growth, Asset Management, Supply Chain, Lean

Client Quote:
"I had not come for a long time and I saw a real change in our organization"
Business Unit's CEO

Situation

With operations in more than 60 countries, this client is a global player in the steel industry. One of its major European plants produces cold rolled stainless steel. The plant had many strengths, but intense competition from low cost Asian producers seeking new markets in Europe, and higher structural costs due to its isolated position, meant there were real risks to its medium-term sustainability. It had to radically improve its operational performance in terms of productivity, costs, customer satisfaction and cash management. It also had to demonstrate a real ability to implement organisational and cultural change.

Approach & Delivery

Celerant Consulting was brought in to design and implement a 3 Stage LEAN Excellence programme that would increase volume and customer service and reduce inventory and costs:

- Stage 1: Working closely with the plant's steering committee, Celerant's experts used intensive Closework® approach to begin substantial cultural change. The result was an increase in performance, a reduction in costs and a clear demonstration that the required levels of stock and customer satisfaction could be achieved, with no degradation of other performances.

- Stage 2: Celerant completed its background work on restructuring the processes and control systems for product quality, supply chain and maintenance.

These changes were then implemented and an internal project team established.

- Stage 3: Celerant independently tested the internal resources and, on achieving success, built an ambitious budget based on all the improvements from the previous phases.

Results

Annual volume increased by 21% and costs per tonne were reduced by €22.

Inventories were rapidly reduced from €120m to €60m.

Service Level (IRD) increased from 68% to 85%.

Beyond these figures, a new spirit of teamwork and organisational agility has developed which means that the changes will be sustainable

Client Satisfaction

The Celerant project was a success. The management of the site is now confident that the sweeping changes that have been installed will allow the targeted site to maintain its market position.