Steel manufacturing business model analysis

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The Problem

- **Challenges**: Inefficiencies in business operations.
- **Areas Affected**:
  - Demand planning and forecasting
  - Procurement
  - Inventory management
- **Impact**: High operational costs and suboptimal performance.

The Solution

Key interventions:

- Studying critical stages of the business model using detailed analytical methods.
- Isolating critical value drivers.
- Scaling back or completely eliminating inefficiencies.
- Tying processes together for real-time information transmission.

Solution Approach

How the solution was reached:

- **Analysing Demand Planning:** Identified inefficiencies in forecasting models.
- **Reviewing Procurement:** Evaluated procurement processes for optimization.
- **Evaluating Inventory Management:** Addressed excess inventory and stockouts.
- **Linking Processes:** Implemented an end-to-end system for seamless integration.

Results of Analysis

- **Savings achieved:**
  - Initial savings of 5-10% per process.
  - Overall savings approaching 50%.

- **Overall financial impact:** Hundreds of millions of dollars saved.

Conclusion and Recommendations

Conclusion:

- Data analytics is a powerful tool for uncovering and addressing inefficiencies.
- Significant cost savings can be realized through comprehensive process optimization by scaling back or completely eliminating inefficiencies.

Recommendation:

- Continued use and enhancement of data analytics techniques.
- Further integration of real-time information systems.
- Regular and rigorous inspections and to uncover hidden inefficiencies.