



CASE STUDY ON JINDAL STAINLESS STEEL



1



Introduction

Analysis of retail segment for Jindal Stainless and strategy for its probable expansion.



2

3



Addressing the logistical challenges and strategies to increase the level of operational efficiency.

Development of online sales to increase sales in B2B & B2C sectors.



4

5



Analysis of retail segment for Jindal Stainless and strategy for its probable expansion.

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INDIAN STAINLESS STEEL INDUSTRY

Factors Driving Growth

- ❖ Shift from BS4 to BS6 emission norms
- ❖ Metro construction
- ❖ Healthcare infrastructure

Government Initiatives

- ❖ Trade Remedial Measures
- ❖ Steel Import Monitoring System
- ❖ Reduction of Corporate Tax
- ❖ Opt-out of RCEP

Last Decade

- ❖ CAGR of 8-9%
- ❖ Production of 3.74 million tonnes
- ❖ Higher price differential of 10-12%

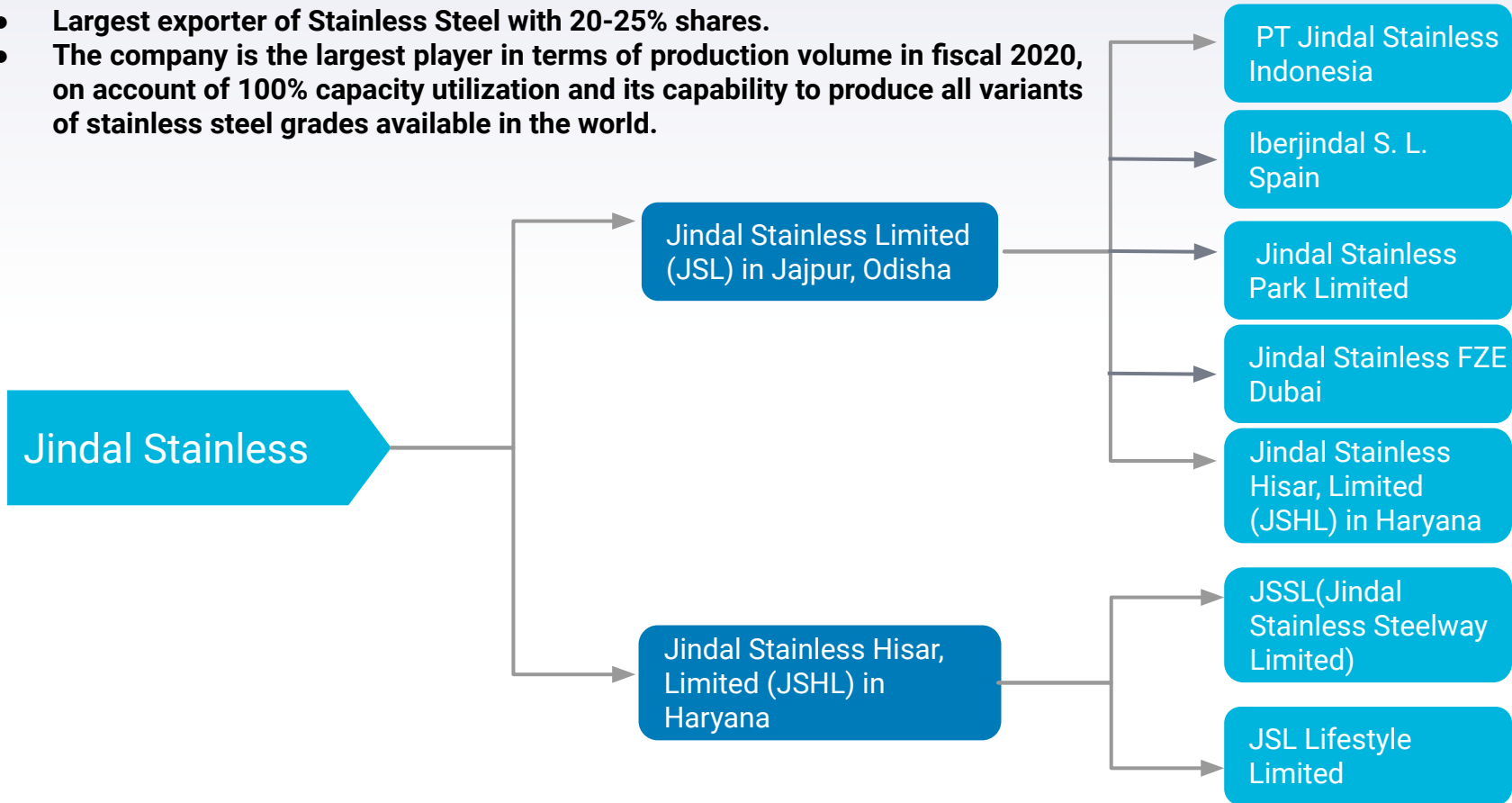
Export Overview

- ❖ dumping ground of goods
- ❖ Higher production in ASEAN
- ❖ 2.5% import duty
- ❖ ~69% of the imports from FTA countries



JINDAL STAINLESS & SUBSIDIARIES

- Largest exporter of Stainless Steel with 20-25% shares.
- The company is the largest player in terms of production volume in fiscal 2020, on account of 100% capacity utilization and its capability to produce all variants of stainless steel grades available in the world.



JINDAL STAINLESS & SUBSIDIARIES

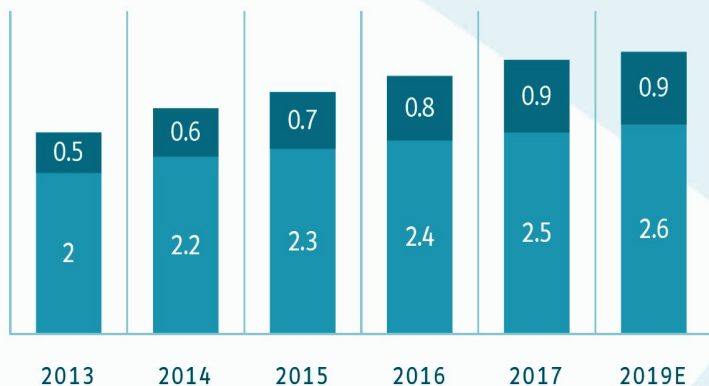


INCREASE IN DEMAND & FACTORS DRIVING THE GROWTH

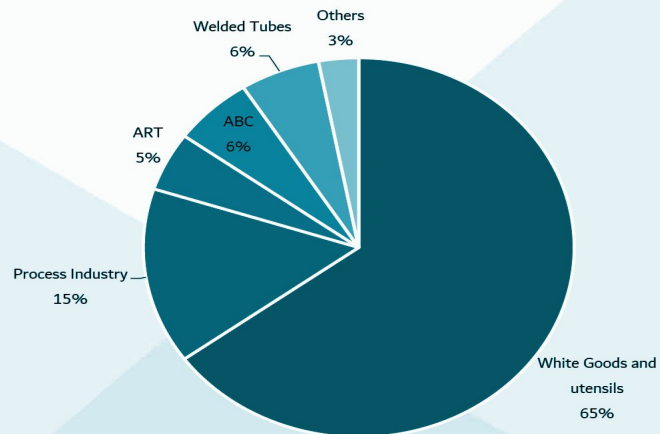
Indian Stainless Steel Demand

(Long Type and Flat Type Products in Mega Tons)

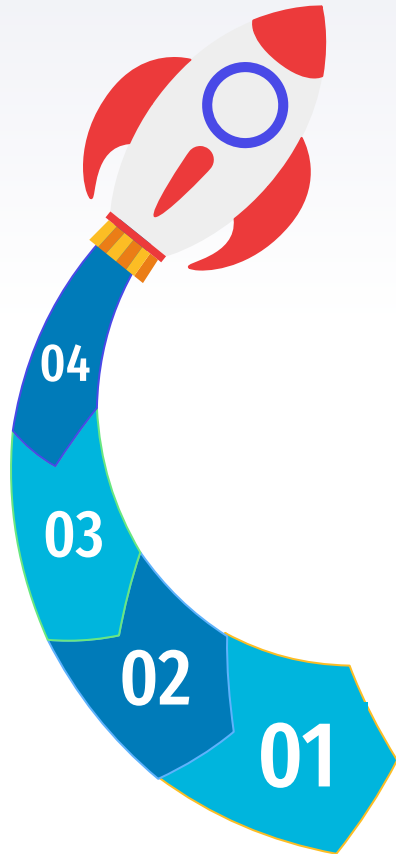
■ Long ■ Flats



Factors Driving Growth FY 19-20



PROBABLE EXPANSION IN RETAIL SEGMENT



MRTS, Commercial and Retail Complex

Expected to drive growth to large extent

Smart cities Initiative

Rapid growth in transportation sector with increasing demand for steel.

Construction Sector

With predicted 10-11% CAGR.

Rural Areas

Rapid development in rural areas.

CHALLENGES FACED BY JINDAL STAINLESS

01

Proper Infrastructure

To store inventory for high demand



02

Higher stainless steel cost

Due to additional intermediaries cost incurred.



03

Stiff Competition

From other newly formed MSMEs(Micro, Small & Medium Enterprises) providing steel at low cost.



04

Irregular Demands

This leads to mismanagement.



STRATEGY TO TACKLE CHALLENGES FACED

Guidance to MSMEs

JSL can provide technology and engineers to few MSMEs and semi-processed steel to others.

Covid effect on MSMEs

Due to COVID, large number of MSMEs are on the brink of shutdown.

03

05

Through this, JSL can expand its business in retail sector thus closing down on its competitors.

04

Meeting Specific Requirement

These MSMEs will then meet the specific requirements of the customer in less amount of time with more efficiency.

02

Partnership with MSMEs

JSL can enter into partnership with such MSMEs to reach grass root level of the country

01

01

Where partnering with MSMEs doesn't seem viable, we can open small warehouses which can store limited amount of inventory



02

These warehouses will cater retail sector within small districts within a certain area around itself.



03

Factories and warehouses which have been shut due to COVID-19 can be acquired by JSL and converted them into warehouses to extend their business to remote location.



04

Opening such small warehouses reduces logistic irregularities and delays caused.



05

Products can reach to customers in less time as compared to when the shipments used to ship from the major warehouses.



STRATEGY TO TACKLE CHALLENGES FACED

LOGISTICAL CHALLENGES FACED BY JINDAL STAINLESS

01

Operational inefficiencies hinder the performance of all value chain steps.

02

It is extremely difficult for companies like Jindal Stainless to keep their costs lower than competitors

03

This creates problems for Jindal Stainless in terms of decrement in On-Time-In-Full compliance dispatching and delivery.

04

Thus there is a decrease in overall service levels.

CHALLENGES IN LOGISTICS AND INVENTORY MANAGEMENT

Average inventory holding time is 7 days instead of 12 days.

Delivering order-lots of 5-10 MT to each customer, makes it a tedious process.

Most companies use outdated technologies.

Short lot orders (less than 18MT) are clubbed to form load of 35-40 MT.

Service Providers charge 5-6 times the typical freight rates for deliveries.

STRATEGY TO OVERCOME CHALLENGES IN LOGISTICS & INVENTORY MANAGEMENT



Artificial Intelligence

An AI system can be developed for maintaining the status of inventories in warehouses.



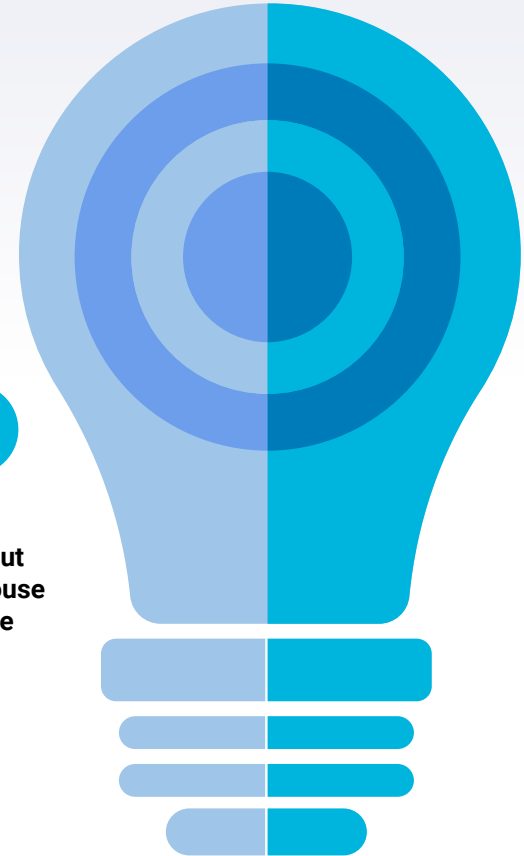
Hackathon

A good algorithm can be adopted by holding competitions/ AI hackathon which would attract leading data scientists.



Measures

This would certainly give company the feedback about the inventory in the warehouse so that they can readily take measures



STRATEGY TO OVERCOME CHALLENGES IN LOGISTICS & INVENTORY MANAGEMENT



CHALLENGES IN ONLINE SALES

E Commerce hasn't been accepted and developed as it is in other countries.



Indian stainless steel buyers still prefer old fashioned 'offline' style



China has emerged as a significant force to be reckoned with in e-commerce

DEVELOPMENT OF ONLINE SALES IN B2B SECTOR



FEEDBACK



To collect feedback from businesses through in-person interactions, surveys, e-mails etc

UPSELLING



To encourage the businesses to opt for better quality steel by spending just a little extra.

CASE STUDIES



73% of buyers used case studies in B2B purchasing decisions

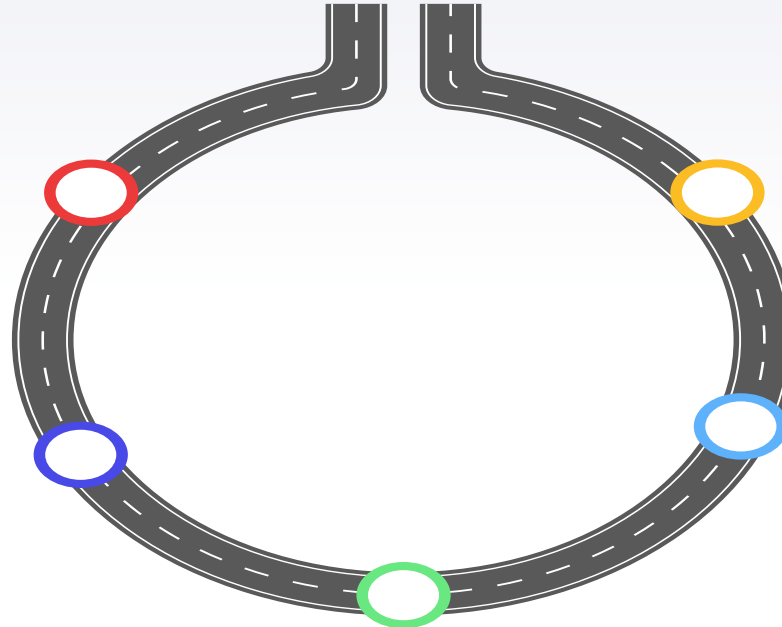
DEVELOPMENT OF ONLINE SALES IN B2B SECTOR

WEBSITE & APP

Making a website and app to create a strong online presence

MOOCs

Supporting online MOOCs of Mechanical Engineering can help creating an image among scholars.



WORKSHOPS

Online workshop on topics like stimulation and 3D printing among college students

SIMULATION SOFTWARE

Funding such softwares can help creating a base in Top universities of India.

HACKATHON

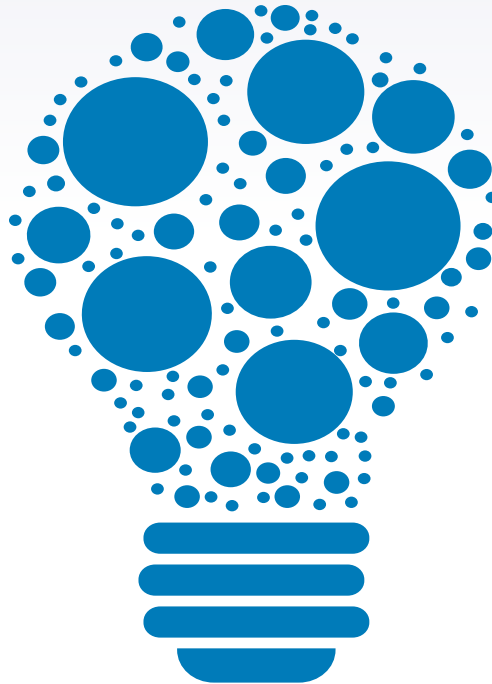
Organise a hackathon to make website and app with attractive cash prizes to get the best website made.

OVERSEAS EXPANSION OF JINDAL STAINLESS

Exports to countries like USA, Europe, Middle East, Africa & South East Asia

CAGR of 6.3% to be anticipated in 2020 - 2027

North America is second among the fastest-growing regions.



Inward FDI rate for Asia accounted for 9.1% in 2017.

Increasing inward FDI into Asia Pacific.

Automotive and aerospace industry of European market.

PRESENT CHALLENGES IN OVERSEAS EXPANSION

01

Higher competition from already established domestic players of that region.

02

The overseas exports are controlled through multiple channels, especially ports.

03

Several logistics issues like ports that suffer from low productivity, slow unloading, delayed stevedoring etc.,

04

Inefficient management of inventories like lack of appropriate digitalization of the supply chain nodes

05

Inefficiency and bottlenecks during supply.

STRATEGIES FOR OVERSEAS EXPANSION

Market analysis

The very first step will be to research the sector of that particular region and analyze the market dynamics



Analyzing the competitive environment

Before entering any market, it is wise to analyze your competitors and outperform them to own majority market share.



Foraying into developing economies

Economies like asia-pacific attract lot of FDI into infrastructure and industrialization. JSL can expand its market in these regions owing to growing demand of SS for development.

STRATEGIES FOR OVERSEAS EXPANSION

User Interface

User friendly UI on the website like support for local language and more localized contents.

Customer Care

More importance to customer support even in their native language.

Branding

Advertisement of the brand by conducting webinars/workshops/competitions/hackathon across various educational institutions and SMEs.

Sponsorship

Sponsoring various sports & televised events which are famous in that region



STRATEGIES FOR OVERSEAS EXPANSION

International Presence

Partnering with logistics company which have a good international presence.

01

Port Cities

Ensuring better connectivity with the port cities.

03

Warehouse in Foreign Land

Opening of local warehouse stores in regions with large amount of orders for better and fast delivery of goods.

02

THANKS!

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