

Assignment 4: Logistics concept, CODP, pull/push and KPI's for AM

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•Describe the organization of ArcelorMittal according to the logistics concept. Explain every part of the logistics concept for ArcelorMittal.

Answer:

Logistics Objective:

1. Control and minimize the emission of CO_2
2. Achieve innovation on product towards customers' need (having impact on the procedure of producing, causing the redesign of producing line maybe, which belongs to internal logistics)
3. Guarantee the quality of product
4. Diversify product type
5. Recycle steel scrap into steel-rebuild
6. Minimize the waste during producing
7. Reduce the lead time of customer order
8. Improve delivery reliability

Structure:

1. The internal producing procedure is a convergent structure before the steel product start to diverse, because if you stand on the perspective of steel making, there are flows of raw materials keep

Control System:

1. Monitor and control features like quality of raw material, semi-products and all types of final products
2. Self monitor and control of departments of each producing step, on

Information system:

1. Information shared within each producing department on raw material and data generated from the production
2. Information flow between the upper and lower departments about

Personnel Organization:

1. Management
 - a) Financial manager
 - b) Production manager
 - i. Producing line designment
 - ii. Material management
 1. Manufacturing
 2. Procurement
 3. Material handling
 - c) Marketing manager

<p>flowing in by different steps.</p> <p>2. After continuous casting into slab, the structure becomes a diverfent on for there generate many product types. Also, it never affect the operational responsibility of making steel.</p> <p>3. The external delivery process is a chain structure, because AM shifts its delivery responsibility to other transporting companies if it hires them.</p>	<p>formulas and standardability</p> <p>3. Monitor on the efficiency of producing and emission</p> <p>4. Monitor on R&D process</p>	<p>the attributes of semi-products</p> <p>3. Ordering system to track raw material orders and final products deliveries</p>	<p>d) Logistics manager</p> <p>i. Order receiving management</p> <p>ii. Final product distribution</p>
<p>Logistics performance indicators:</p> <p>1. Accuracy rate on receiving and delivery</p> <p>a) Are the receiving document written clearly, number correspond to the order?</p> <p>b) Are the delivering document written clearly, number correspond to the order?</p> <p>c) Are the labels printed clearly and detailed enough?</p> <p>d) Are the products packed as the customers required?</p> <p>e) Are the lower department receiving the same amount as the upper department sent out?</p>			

2. Timeliness on mission accomplishment
 - a) Is there any delay on raw material receiving?
 - b) Is there any delay on final product delivery?
 - c) Is there any delay between producing departments?
 - d) Is the checking on orders in and out cleared daily?
 - e) Is the daily plan of delivery made accurate, reasonable and demand fulfilling?
3. KPI on safety operation
4. KPI on producing steps and qualities of final products like physical and chemical attributes

•Where is the CODP situated in the process of ArcelorMittal? Are there multiple CODPs? Explain your answer.

Answer:

If you stand on the point that those producing lines are fixed in the factory, then there can hardly be a CODP except the make-to-stock CODP within the process of AM. Only one I know maybe the CODP is that because of the demand from customers of auto industry that they have to open and blanking the steel into the shape they need, AM is investing with their customers on factory is to accomplish this work. This is somehow similar with assemble-to-order CODP with only the final step based on the customers' order.

However, if we view those different producing lines, hot rolling, cold rolling and galvanizing, as operating for the different types of orders from the customers, which indeed, by where slabs are made, there is a CODP similar to make-to-stock(central), after that the end of divergent producing lines can be viewed as both engineer-to-order CODP, for AM is making innovations to fulfill the order of customers, and make-to-stock(local) CODP.

•Is there a pull or push system at ArcelorMittal? Explain your answer.

Answer:

For the blast furnace cannot stop once opening until the end of its life, it keeps producing liquid iron all the time which is hardly be able to affected by the orders, the steel producing process is a pull system. However, after the steel coils or plates or any other types are done, if there is any refining step that operates only when certain orders come, started by that point, there is a push system.

- Which KPI's are relevant for ArcelorMittal in order to reach their logistics goals in your opinion?

Answer:

Mentioned in the table of the first question.