



Case Studies In Creating Value

Steel and Metals

CLIENT: PECHINEY NEDERLAND NV

SCORECARD

- Saved €545,000 through reductions in maintenance, environmental damage, and labor costs
- Improved safety and quality
- Increased throughput and profits

Smelter Eliminates Bottleneck and Meets Goals

Pechiney Nederland NV (www.pechineynederland.nl), a subsidiary of Alcan, operates one of the biggest aluminum smelting plants in Europe. During an upgrade of the plant, it became clear that the rodding shop—a sub-plant dedicated to joining the current-conducting elements (anode and rod) used in smelting—was creating a bottleneck and would not meet production goals. Pechiney turned to Kepner-Tregoe to work with a maintenance team to develop a systematic reliability and maintenance engineering program, beginning with the rodding shop problems.

First Kepner-Tregoe helped the team identify and prioritize the quality problems, modifications, and maintenance backlogs causing equipment variances that resulted in breakdowns, micro-stops, and increased meantime to repair. A program of modification efforts and maintenance was focused on these areas. The program resulted in savings of €545,000 through reductions in maintenance, environmental damage, and labor costs, as well as safety and quality improvements. The plant continued to promote reliability through a new maintenance engineering department which has achieved additional improvements in throughput and profit.

CLIENT: BLUESCOPE STEEL

SCORECARD

- Met targeted reductions in overhead, direct labor, and yield/variable costs
- Realized average throughput improvements of 34% per business
- Achieved corresponding yield improvements of 4.1% per business unit

Steel Company Attracts Investment by Enhancing Performance and Profits

When BlueScope Steel (www.bluescopesteel.com), the leading steel company in Australia and New Zealand, was spun off from global resource leader BHP Billiton, its Steel Packaging Products Group turned to a program of Kepner-Tregoe Accelerated Performance Improvement to achieve a profit level that would attract investment needed for future capital requirements.

Kepner-Tregoe worked with the group to identify projects and lead teams in a suite of projects designed to accelerate performance and enhance profit by reducing overhead, direct labor, and yield/variable costs while increasing throughput. The suite of projects, driven by Kepner-Tregoe's systematic processes for project management, problem solving, and performance management, delivered the targeted goals on-time, transformed performance, and realized financial objectives. The Products Group improved throughput by 34% and corresponding yields by 4.1% per business unit.

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CLIENT: A STEEL MANUFACTURER

SCORECARD

- Solved a long-standing, four-year-old problem in a few weeks
- Saved \$3.2 million in annual yield

Steel Manufacturer Saves Millions by Solving a “Random” Problem

A leading steel manufacturer was pursuing a comprehensive campaign to control cost and boost its bottom line. Working with Kepner-Tregoe, the company identified a series of long-standing quality issues. One was an ongoing problem that the company had lived with for almost four years—damage to products on one of its coiled metal production lines. It was viewed as a random issue that occurred in a storage area, and cost-benefit analysis could not justify implementation of proposed solutions.

Kepner-Tregoe worked with the organization to readdress the problem, using KT’s systematic Problem Analysis. For a few weeks, data was collected for a full analysis based on a detailed problem specification. Analysis revealed that the generally accepted and difficult to remedy cause of the damage was impossible. Possible causes were narrowed down to a select few. Additional data was collected and analyzed, revealing that the damage was caused at a specific point in production when the product was transported. Padding to protect the coiled metal products during transit was installed and tested. A \$4,000 solution and an analytic approach to problem solving saved the business \$3.2 million in annual yield.

Kepner-Tregoe, Inc. collaborates with organizations worldwide to meet complex business challenges and achieve rapid, measurable results.

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