

## Review »Metal Meets« – 3rd Round

**On 21 February 2019, leaders of the metals industry met for the third time in CologneSKY to get to grips with the “Agile” concept in this year’s Metal Meets.**

After an introduction by Marc Hartmann, Senior Partner of B&C, three presentations on “Agile Strategy” (Ms. Prof. Dr. Kerstin Seeger, Performance Consulting), “Flexibilization of a Producing Organization” (Mr. Janaki Weiden, Saint-Gobain Bearings) and “Leadership Responsibility in Agile Transformation” (Mr. Dr. Ulrich Albrecht-Früh, Munich Leadership Group) stimulated intensive discussions about the three operating principles of agility:

- » Short work units
- » Only few tools and prioritization of “timeboxing”
- » Intensive, hierarchy-free team work



B&C made the topic “Agile” very practical and from the range of thematically diverse presentations and panel discussions, I could take away interesting aspects on the topic, which I consider very helpful for the successful handling of the future operations in the Salzgitter Group.

Burkhard Becker, Executive Board Member and CFO, Salzgitter

After a lively networking lunch the discussion was further enriched by the afternoon session, which focused on the question “Which tools can support agile working practices?”. B&C showed some interesting examples what “BI tools as tools for agile management” enable us to do today and

what we can expect from them in the future. Metal Meets participants were asked to complete an anonymous survey and the results were also shown during this presentation. Most respondents saw the primary benefits of the use of BI tools in providing a well-grounded basis for decision-making and fast control and regulation.

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Bronk & Company has once again managed to provide an interesting, multifaceted forum on a very current topic. In today’s business environment agility is an essential element of every modern organization to enable it to react flexibly, quickly and proactively to current and very volatile changes in its supply chain and market. For a “state of the art” S&OP approach, agility is therefore business critical!

Thomas Anstots, Head of Sales, BA Europe, Outokumpu

In the following very active panel discussion, the speakers from various industries (Alex Antony: CIO in an engineering company, Guntram Grönitz: Agile Coach in the telecommunication industry, Dr. Guido Stebner: COO of DEW) and the participants of the event exchanged their personal experiences regarding the use of agile management methods. The final presentation of the day, held by B&C, demonstrated how “Data Science” may support agility in the supply chain. In particular, the process and a specific tool to professionalize sales forecasting were presented as key elements of S&OP.



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The event was particularly interesting for me, as it covered generally but also particularly with the presentations “Agile Strategy” and “Agile Supply Chain”, exactly those issues which we are currently intensively pushing forward in our organization. I could take away a lot of helpful points from the presentations and discussions.”

Christian Bieber, Head of Operating System & Asset Management, Kloeckner Metals Operations

The successful day was completed with Kölsch beer, finger food, a spectacular view of Cologne at night and the first topic suggestions for Metal Meets 2020!

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With the choice of speakers, B&C prepared the topic “Agile” very well and examined it thoroughly from all perspectives. Personally, I found the input on how agility may be supported by BI tools very interesting.

Andreas Manthey, Head of Process Management, HKM

GMH Recycling  
GmbH



With the help of B&C, GMH Recycling GmbH has introduced an OEE system for non-ferrous scrap treatment in its Dortmund facility. This will help to focus the view on performance, availability and quality ratio of the aggregates and provide specific starting points for performance optimization.

Lhoist Germany  
Rheinkalk GmbH



B&C is cooperating with Lhoist Germany – Rheinkalk GmbH to optimize the planning and scheduling processes and systems ranging from S&OP to scheduling. The aim is to further improve supply chain performance and increase customer loyalty.

## Material Flow Management (MFM) – an important, but often neglected supply chain component

### **Personnel and transport vehicles are important resources, which ensure a stable and efficient supply chain performance.**

If these resources are not managed correctly waiting times ensue, which may lead to the stand-still of production facilities, thus causing unnecessary costs and also directly influencing delivery reliability. The typically high integration of production facilities in the metals industry increases this effect very clearly.

In the case of an automated material flow the aim is a complete synchronization and optimization of transports with the activities in the areas goods receipt, production, internal transport and loading. Even today, manually operated transport vehicles are often used in the metals industry and systematic support is only used in the administration of transport orders. At most this ensures continuous material tracking, but not route optimization of supply to the production facilities by optimally utilizing personnel and transport vehicles, as it can be achieved with an automated MFM. It also provides additional benefits in the following areas:

- » Direct adjustment of the transport order management to changes in the 'As Is'-situation or the detailed schedule respectively
- » Increasing transparency to support decision making for all responsible parties
- » Possibility to accurately account for material inventory at any time
- » Directly measurable increase of the operating margin

### **First steps with considerable effects – active MFM also possible without automation:**

If the existing and still functioning infrastructure provides an obstacle to the introduction of an automated solution, a first optimization is still possible with a manageable effort and the concepts of automated MFM can also be introduced partially in a manual system:

Other than in an automated solution, detailed transport orders are transferred by interface to a PLC and displayed on the workers' terminal. The management and tracking of the transport happen directly via barcodes, QR codes, transponders or indirectly via a tracking system (laser sensors, GPS, tags, etc.).

Confirmation of the transport order, which in an automated solution takes place in form of a telegram from the PLC to the MFM, is replaced by manual entry through the workers. In many cases even this manual entry may be omitted, as long as the MFM, with the help of relevant plausibility checks (e.g. comparison of positions and loads), clearly recognizes the completion of the transport order and immediately provides the worker with the next transport order.

An MFM also provides secondary benefits, which are not immediately obvious:

- » Consideration of all current restrictions, such as lock-down of the scrap yard, restrictions on yard access or materials, scrap handling
- » Optimized choosing of destination

and routes of transport, as well as vehicles, sequencing of following vehicles etc.

- » Optimization of transport resources under consideration of order status and position of transport vehicles
- » Optimum utilization of available capacities (idle time) for logistic-optimizing "clean up operations"

### Conclusion

The introduction of an active MFM holds considerable potential for EBIT and supply chain performance, as can be seen in this example of a B&C project: a medium-sized steel processor managed to increase the run time and at the same time the operating margin by 4.9% and to reduce the throughput time by 4.7%.

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