



Improving Overall Equipment Effectiveness for a global steel producer

The Challenge

A global steel producer in the South American continent was falling short of its Installed Production Capacity of US\$1 billion by up to 45% and incurring losses in production of US\$120 million annually. The performance erosion had occurred due to many years of neglect on effective maintenance strategy of the plant and equipment compounded by poor employee morale and departmental conflict.

The Approach

Initial workshops were facilitated with senior team leaders to create momentum for a change by acknowledging the dissatisfaction with current performance when compared to other assets in the global portfolio. Business information was analysed and assembled to develop an exceptional programme for economic growth. This was branded –‘Melt-shop Operations Excellence Programme’. The solution incorporated processes, systems, and organisational development.

The approach would embrace the coaching and mentoring of all business leaders to an executive level, and working with the organisation’s workforce at an operational level, to implement the agreed business case and supplant new learnings.

The Actions

The programme was segregated into discrete (and highly integrated) work-stream activities across operations, maintenance and procurement functions led by trained client teams. These teams acted as catalysts for the wider organisational to enable work towards a common and meaningful goal.

Within these work-streams workshops were facilitated to determine actual root causes and sources of failure by educating these teams on the effective use of data such as MTBF, MTTR and analysis tools such as FMEA and Ishikawa.

To maintain the overall delivery of key improvement milestones a management control and reporting system was installed across all cross-functional teams to identify overall improvement priorities and to mitigate production risks.

The Results

The efforts created the emergence of ‘Opportunity maintenance’ and collaboration between the Operations and Maintenance teams, and this eradicated ‘zero production’ days. Optimisation of the existing SAP ERP system and transference of new knowledge affected Overall Equipment Effectiveness (OEE) for production levelling; the programme realised a profit benefit of US\$28 million in the first 6 months of change.