

CHALLENGES FOR THE METALS INDUSTRY:

USC CONSULTING
GROUP™

Empowering. Performance.

How USC Consulting
Group Can Help





If you're in the metals industry, you don't need us to tell you what your challenges are. You're living them every day, whether it's your supply chain, the ability to keep up with increasing demand, operating inefficiencies or COVID turning the world upside down. While these may be common, across-the-board challenges, no two companies in the metals industry are being affected by the same issues in exactly the same way.

That's why we're not a cookie-cutter operation.

At USCCG, we have more than 50 years of experience helping customers increase their efficiency, productivity and ultimately, their bottom line. But we don't go into an engagement telling a client what we think is broken and what will fix it based on what we've done for other companies in the past. We will not come into your shop with a playbook that says: "This is what we did for company ABC, so it'll probably work here."

When companies come to us, 9 times out of 10, they already have a pretty good idea of the challenges across their company workflows. Most are looking to us to help break bottlenecks in their operation, find ways we can help them do more with what they have, and many times, do more with less.

We roll up our sleeves and work with you to find the hidden opportunities within your operation that will allow you to minimize or eliminate bottlenecks leading to greater efficiency.

In this eBook, we'll go into a bit more depth about how we work, how we've pivoted our processes because of COVID-19, and some of the issues facing the metals industry today, including COVID-19, demand management, and supply chain management.

How we work

We don't just sell a canned, "out of the box" solution. We sell our methodology and our process that leads to a solution we construct and implement together. That's what's kept us relevant for more than 50 years and in these challenging times.



Our specialty is process improvement. We identify and eliminate wasteful practices and procedures across the supply chain. We understand that your frontline staff is a valuable resource, so we leverage their experience and expertise throughout the change process. We implement collaborative recommendations and then transfer the knowledge back to your staff. This enables the organization to continue the improvements we started together.

Listen. The first thing we do is sit down and listen to our clients. We want to understand from your perspective what challenges you are facing, and how we can be a good fit to tackle those challenges.

Experience. We get into your operation at the point of execution and see it with our own eyes. We talk to frontline workers, understand through their perspective, combined with fact-based observations and assessment where opportunities exist for improvement.

Get to work. We craft a collaborative approach to get after what we all think is there to get — greater efficiency, streamlined processes and the ability to do more with less.

That's our simple, go-to business model.

Issues

Here are some of the issues we've been working on recently with metals manufacturers.

COVID-19

This pandemic has changed every workplace, not only in the metals industry. For USCCG, what it comes down to is finding the COVID-based inefficiencies and hidden lost time that pulls you away from operating as close to your technical limit as possible.

COVID-19 has added a layer of complexity to everyone's business that can hamper operational efficiencies. Just getting on and off the shop floor now may involve temperature checks and other time-consuming safety protocols. Physical distancing may result in challenges getting people and materials to your business. Your supply chain may be affected by these same issues, causing a slowdown in getting the raw materials you need to and from your business. Everyone's productivity can be taken down a notch by these new protocols, problems and delays. But that's something you can't afford.

That's why it's so crucial to look at your operations now. Operating like that proverbial well-oiled machine will be the key to you not simply surviving this crisis, but thriving now and in the future.

COVID-19 isn't just affecting your business. It's affecting ours, too. We have developed different methodologies that we've used over the years to effect operational change and efficiencies for our clients. COVID-19 has caused us to rethink how we can help organizations effect change. We understand you need triage now. You don't have months to wait to gain greater operational efficiency. You need it yesterday.

The good news is, we are nimble enough to pivot in response to these changing conditions. We've adapted and streamlined our own processes to get you the help you need now.



For more information about how COVID-19 has created “new normals” for manufacturing, download our free eBook [“Times have Changed. USCCG Can Help You Adapt.”](#)



Demand management

When demand exceeds your ability to produce, what can be done? Upgrades in technology may well solve that problem, but few companies want to spend millions of dollars, even hundreds of millions, to re-outfit their operation with new machinery. That's where USCCG comes in. We're not about telling companies to throw out machinery that's working pretty well, and upgrade to state-of-the-art. Most of the time, that's a huge expense that's just not necessary. Instead, we do the hard work of rolling up our sleeves and finding hidden opportunities for improvements that don't require a huge capital expense. It's about doing more with your current assets.

What are hidden opportunities, exactly? It's like we go into your existing management operating system and standard work procedures like a detective, looking for opportunities that will kick your efficiency up a notch. Opportunities that you may not see. Nine times out of ten, we find them by looking at issues that are generally accepted as "just the way things are."

A few examples:

- **Excessive cycle time. Cycle time to produce a part could be reduced by redistributing the work between processes so that more of the activities take place in parallel vs. in series.**
- **Excessive time for changeovers on a machine. There are activities that could be started and even completed before the changeover starts.**

We start the process of finding hidden opportunities by finding the answers to a couple of questions. Where is the problem? Is it technical or tactical? If it's technical, maybe it's time to bring in the engineers to improve on your machines' functions. If it's tactical, we look at your processes, the way you're using those machines and scarce resources, to find efficiencies.

We also take a hard look at the feasibility of your goal. If you're producing 900 tons per day and the demand is 1,100, can we reasonably get you there? Sometimes the answer is no. Sometimes we can split the difference and get you close to the goal. Sometimes we can hit that goal and then some.

At times, our recommendations for new efficiencies in your time-tested processes might ruffle some feathers, especially those of your crews on the frontlines, doing those jobs for a living. That's why we involve them from the beginning. We don't swoop in at the end of our process and hand them a playbook on how to do their jobs better. Instead, they help us write that playbook. Your frontline employees' buy-in is crucial to the success of any changes you want to make.



For a look at how we found more efficiencies in a copper smelting operation, read our case study: [“Copper Producer Increases Smelting Efficiency”](#) on our website.

Supply chain management

COVID has disrupted the global supply chain, shifting it away from China and Southeast Asia. If you're now getting product from other places, how do you know it's secure?

According to the Institute for Supply Management, purchasing managers at some of the largest manufacturing companies expressed ongoing unease about future shocks to their supply chain while they scramble to remedy current shortages. If your company is in a similarly tenuous situation, below are a few recommendations to help you shore up your supply chain risks.

1. Enhance communication with both customers and suppliers

Touching base with partners more frequently to avoid any confusion or misunderstandings is one of the best things you can do now in this uncertain supply chain environment. This is true for your customers as well as your suppliers. Customers who have low switching costs will find alternatives to your product if competitors are able to more promptly satisfy demand. Customer service level expectations have been lowered for many hard-to-get items during the pandemic, but if your product isn't prompt, communication should be. Courteous responsiveness goes a long way to ease customer impatience.

2. Focus on strategic sourcing

Strategic sourcing focuses on the development of long-term supply relationships for operationally critical products and services. Start by assessing the reliability of your current suppliers. Understand your relative importance to them as a customer, as well as the risks they are experiencing with their suppliers. Assess alternative vendors and your readiness to pivot quickly to a new supplier. If there are multiple vendors for a key material, inquire regarding their capability to handle increased supply requirements.



3. Stop, look and listen

No supply chain is perfect. Take time to walk the floor to see what could use some fine-tuning. Simply using your senses — looking and listening — can quite literally be eye-opening.

4. Analyze your inventory

Lean manufacturing and Just-in-Time (JIT) inventory principles have enabled manufacturers to significantly reduce operating expenses and increase profitability. However, JIT inventory inherently comes with increased risk of supply outages. During times of uncertainty, perform cost-benefit analysis by assessing the holding cost of increased inventory levels vs the likelihood and cost of production disruptions.



For more information about supply chain management, read our blog, [4 Ways Manufacturers Can Perfect Their Supply Chain](#)

We have more than 50 years of experience helping our mining and metals clients find hidden opportunities for more efficiency in their existing processes and machinery. But that doesn't mean we come into your operation believing we already know what your issues are and how to solve them. Instead, we take a more collaborative approach, rolling up our sleeves, doing the work, listening to you and your employees, and together, we can find and implement a more efficient way to get the job done with the assets you already have. That's the methodology that has kept us in business for more than half a century.

If you're interested in finding out more about how USC Consulting Group works, and what we can do for your business, please [get in touch](#). That call today could lead to a more efficient and profitable operation tomorrow.

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