

What if you could...

...drastically reduce your dependence on subcontractors and lower costs, while simultaneously increasing furnace availability?

With Proudfoot, you can.

Our client operation had a turnover of R1,5 Billion, producing approx. 150 000 tons of silicomanganese, and in 2010 it delivered a profit of R120m (EBIT). Due to the worldwide decline in silicomanganese price, increasing competition from Chinese and Indian producers and declining demand, the company was pushed to review its cost of production and enhance its efficiencies. As a result, a large scale transformational project was initiated.

The CEO engaged Proudfoot to work with his teams, to address the shortfalls in results through a rapid assessment followed by the implementation of solutions.

*"The project was a success ..the financial indicators showed significant improvements early in the project, which were coupled with a general attitude change throughout the organization. **Within the first two months of the project new monthly production records were set.** In addition, new daily production records and furnace records were achieved"*

-The CEO



A TRANSFORMATIONAL APPROACH

- 1 Scope and scale** —a wall to wall operational analysis, including production, plant maintenance, engineering, energy management and supply chain in a 4 electrode's furnaces plant.
- 2 Assessment** -Applied a rapid assessment to analyze root causes for furnace availability issues as well as yield, energy consumption and operational practice issues, with the aim to reduce costs and improve equipment efficiency and energy consumption.
- 3 Findings** —11% of the capacity was lost due to poor electrode management, i.e. not adhering to electrode baking ramp-up pattern, inaccurate measurements, poor optimization of power inputs, excessive power loss during tapping, poor supervision and little coaching / capability development.
- 4 Implementation** —The project focused on production engineering maintenance as well as services areas to improve individual performance, equip management and supervisors through improved information & performance management, and skill development to enable problem identification and resolution, enhance problem solving skills, stabilize processes and increase outputs.
- 5 Leadership** -Transferring improved management skills to the client's team through Active Management development changing the way in which management's role is seen and initiating culture change within the organization.

REMARKABLE RESULTS

Building awareness of the issues and ownership of the change created the cultural shift the company required to overcome self-imposed paradigms. Increased capacity, reduced labor costs, machine downtime, improved execution of maintenance and increased yield and furnaces utilization resulted in:

20%	Electricity consumption Improvement
2.5%	Yield increase
25%	Overtime reduction
20%	Overall contractors' cost decrease
6%	Maintenance and repair cost reduction

"I was completely skeptical when we started this project, it was quite difficult to improve maintenance shutdown time and increase utilization over the given, we attained the goals thanks to you guys."

-Maintenance Manager