



Celsa was created in 1967 by Francisco and José-María Rubiralta, starting out as a small rebar re-rolling mill. In thirty years it has become the parent company of one of Europe's largest producers of Long Steel Products.

The Group has total annual sales in the region of 2.7 billion euros, with an output of some six and a half million tonnes of steel a year employing a work force in the region of 5,000 employees.

Today, as one of Europe's most diversified steel groups, the emphasis is still on bringing in new technologies, achieving quality in its products and making improvements to its service offering while preserving the environment.



RISING SUB-CONTRACTOR COSTS

Celsa in the UK is the largest producer of reinforcement in the United Kingdom and one of the largest manufacturers of other steel long products.

The facilities in Cardiff, acquired by the Celsa Group in early 2003 after the collapse of Allied Steel & Wire, consist of a Melt Shop and two production facilities: one for reinforcing bar and wire rod and one for merchant bar and light sections.

In total, over 900,000 Tonnes of finished product are produced and delivered, mostly in to the UK market, each year.

In January of 2007, Celsa commissioned a new Meltshop to increase capacity of over 1.1 Million Tonnes per annum. At the same time they negotiated a five year service contract with MultiServ to supply equipment and labour to support the Meltshop operation. MultiServ were engaged to supply equipment and labour to deal with all of the Scrap Handling, Material Handling, Slag Handling, Processing and Recycling and ancillary services critical to the smooth operation of the new Meltshop. As part of a joint Celsa/MultiServ performance review Mteq was engaged to determine true resource utilisation.

With a strong track record for delivering results whilst working in close partnership with their clients and a reputation for achieving significant results in Vendor Management in the UK Steel industry, **Mteq** were selected as Celsa's preferred implementation partner.

THE CHALLENGE

The **P4i** (plan for improvement) included:

- Brown Papers – Mapping Management Systems & Processes
- Area Observations
- Statistical Analysis
- A survey of Manager and Supervisor management values which enabled **Mteq** to define the project deliverables.

Delivery of the implementation schedule provided both Celsa and MultiServ with:

- Contract pertinent KPIs and performance measures which facilitated effective contract management and the possibility for both parties to drive further cost reductions
- The tools to drive improvements in control at the point of execution
- Effective Management Systems and performance review mechanisms
- An increased focus upon cost effectiveness and process efficiency
- Optimised operational efficiencies under the Meltshop contract which have benefited both Celsa and MultiServ

During a five month Implementation phase **Mteq** worked in close partnership with Celsa and MultiServ management to develop and install:

- Standards – “Work to Time” relationships to be used in equipment Capacity Planning, Labour Resource Planning & Performance Reporting
- Equipment Capacity Planning
- Labour Planning and Crewing Guides
- Daily, Weekly and Monthly KPI and Variance Reporting
- Management Review Mechanisms

Management System elements were supported by on the floor and one-on-one coaching of both Celsa and MultiServ management. This was to ensure that they would derive the full benefits of this implementation by using the KPI and Variance Reporting to optimise service level and delivery on performance improvements.

KPIs such as % Utilisation, % Effectiveness and % Productivity reported on a daily, weekly and monthly basis, became the “Lead indicators” used by management to drive performance on a day to day basis. The daily and weekly review mechanisms in place were used to identify performance and resulted in changes to processes and procedures in the Dust Plant and Slag Processing and Recycling

“...the data operator logs and the KPI reporting have helped us to identify issues in the Dust Plant and Mineral Site, ultimately helping us to improve process and procedures in those areas.”

Andrew Howell-Smith, Scrap Manager

operations.

DELIVERY OF REDUCED COSTS

As a result of the project both Celsa and MultiServ have benefited from the improved visibility of service levels and performance.



BENEFITS AND VISIBILITY

Through this Project, **Mteq**, in partnership with the Management team at Celsa and MultiServ, delivered an ROI over 600% in improvements over the remaining MultiServ contractual term and reconcilable on the bottom line.

In addition, Celsa and MultiServ have better visibility of operations performance levels. They have the KPI data they require to review contract performance and service delivery.

Going forward, Celsa will have far more robust data on the equipment and labour resources required for the provision for these services.

MultiServ, have the tools in the form of a Management System that will not only enable them to drive improvements in performance but also report to Celsa, with far more confidence, their achievements.

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