

Delivered additional profit of US\$ 0.19 million per annum by decreasing concrete cost per cubic meter

BUSINESS CASE

Organization Trends

- At a Concrete Batch plant, the average cost of Top10 concrete mix design was US\$ 42.1 per meter cube (from Jan to June 2015)
- The average standard deviation had risen to 3.62 MPa for the compressive strength of the concrete produced at the plant

Customer Trends

- Customer Complaints increased by 25% due to unpredictability in strength of concrete

CHALLENGE

What is the challenge

- Increased customer complaints affecting brand perception of the organization
- High standard deviation and poor quality of concrete leading to loss of customers
- High cement content in the concrete mix leading to increased cost of production for concrete

Where is the challenge

- Concrete batch plants

When was the challenge identified

- During 2013, 2014 and 2015

IMPACT

What is the impact

- Loss of profitability due to increase in production cost of concrete
- Loss of market share due to customer complaints about poor and unpredictable quality
- High variability in cement requirement at concrete plants
- Increased customer complaints

TARGET

What is the Target

- Increase customer satisfaction by 25%
- Decrease standard deviation of compressive strength of cement from 3.62 to 2.2
- Decrease cement usage percentage by 5% points in the Ready-mix, without impacting the quality of Ready-mix

OUTCOMES

Improved Profits

- Additional profit of US\$ 0.19 million per annum

Operational Outcomes

- Decreased standard deviation in compressive strength of concrete from 3.62 MPa to 2.1 Mpa
- Reduction is percentage of cement used in concrete production by 10%

Leaders of Tomorrow

- Belief system within employee towards sustaining the increased production levels and continued business impact

Customer Centricity

- Increase in customer satisfaction by 25%

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