

Delivered additional profit of US\$ 1.15 million per annum by decreasing the cost of grinding operation

BUSINESS CASE

Organization Trends

- Grinding media are the means used to crush or grind material (ore, mineral) in a mill
- At the cement plant the amount of grinding media used during 2014 weighed 1,721 Ton and was worth US\$ 2.56 million
- Due to low profitability, the leadership of the organization is focused on reducing costs

CHALLENGE

What is the challenge

- Low ratio of sorted media to total media for raw and cement mills
- Inflated costs due to high consumption of grinding media
- Need for increasing the % of sorted media without affecting the grinding operation performance

Where is the challenge

- At Cement plant raw mills and cement mills

When was the challenge identified

- In June 2015

IMPACT

What is the impact

- Loss of profitability due poor sorting of grinding media
- 20,000 sq. ft. of additional space utilized by old grinding media
- Disposal of old and unusable grinding media was not done for the last 10+ years

How much is the impact

- Loss of profit of US\$ 2.56 million per annum

TARGET

What is the Target

- Increase the ratio of sorted media to new grinding media
- Decrease cost of usage of new grinding media by at least 20%
- Dispose old unused grinding media to free up floor space

How much is the Target

- Sorted media to grinding media ratio from 24.4% to 45%

OUTCOMES

Improved Profits

- Additional profit of US\$ 0.85 million / annum
- Disposal of old and unusable grinding media provided a discount of US \$ 0.3 million while procuring new grinding media

Operational Outcomes

- Increase in ratio of sorted media to grinding media from 24.4% to 50% i.e. an increase by 25%
- Supplier agreed to take back unusable grinding media, for their internal reuse, and provide a discount on the procurement of new grinding media

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