BIZCOMMUNITY

Trends to look out for in the steel production sector

According to recent GDP reports, the downturn in the manufacturing sector - including iron, steel, non-ferrous metal products, metal products and machinery - has contributed a total of 11% to the overall 51% decline. Although the domestic steel market has been regressing for the past few years, Neil Reddy, business strategy and projects manager at Veer Steel Mills, believes a slight upturn in enthusiasm has been perceived as industry role players endeavor to stimulate the industry through diversifying capabilities such as renewable energy.

“Breaking ground in renewable energy is possible through collaborating with an already established energy-related organisation. For instance, Eskom’s revitalisation strategy in alleviating pressure and reaping the benefits of independent alternate power supplies across the country presents the opportunity for both the public and private sectors to capitalise. In this current trend, we’ll see more companies advocating for brand value service delivery and market share,” says Reddy.

Bolstering brand value

According to Reddy, maintenance is the life source of the manufacturing sector. “In order to maintain and improve brand value, companies need to meticulously analyse factors adding value to brand growth. Though it is wise to learn from the missteps of predecessors, small mills should not benchmark their aspirations on market leaders of yesteryear with capital growth that attempted to be the saviour of other dwindling manufacturers, much to their peril.”

Growth is secured through correctly sizing up the industry and ensuring there are opportunities being created consistently. In this current environment, the industry has seen key roleplayers band together to create sales and products for all of Southern Africa in order to sustain brand value for the continent as a whole.

Focus on service delivery

Companies across the board have upped the ante in terms of quality, as streamlined service delivery is a competitive advantage. Excellent service delivery requires the congruence of both internal and external factors, such as extensive quality checks internally, compliance, and adhering to the frequent ISO level checks and standards. Compliance is no longer just a checkbox exercise but an industry standard of success, says Reddy.

“While the industry is still very much competitive and challenging, the consensus is still to ensure you’re compliant with set regulatory boards. There has been a shift in operations where the local government is no longer reactive but proactive. We’ve seen in various reporting methods to ensure industry giants were held accountable for lack of compliance,” says Reddy.

Maximising market share

Many sector participants have made the necessary investments to expand their market share in the face of long-standing industry giants losing their monopoly. To gain further footholds in the industry, prioritising brand value and service delivery are prerequisites. Reddy states, “All players will reap the benefits of stimulating the local steel industry in collaboration with various other sectors. As the industry moves as a collective, the overturning of reliance on cheap imports and focusing on a localised steel trading infrastructure, from the sourcing of the raw materials to the metallurgy beneficiation, will broaden our market and quickly help us interpret commercially viable products.”

To avoid misfortune with hefty fines, non-compliance and subsequently the loss of brand value and damage to your supply chain management affecting your service delivery, it is imperative to not only remain compliant but to channel resources into the upskilling of workers to support best practice, he says.

“With forecasting rallying an introduction to automation and the fourth industrial revolution, market players must upskill workers to ready them for new technology and its operating systems to create opportunities for new revenue and even greater returns,” concludes Reddy.