

**Sander Heinhuis**

**Putting the customer at the heart of everything we do  
In planning and execution**

Version 7 April 2014, 12.45hours

**Together we make the difference**

# Agenda

Putting customers at the heart of everything we do  
In planning and execution

1

Introduction to Tata Steel Europe

2

The benefits of a SoW planning approach

3

Marketing for an 'Engineering Sector'

4

Engineering services to demonstrate a value proposition

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Close

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## Tata Group

One of the world's fastest-growing and most reputable corporations



### Tata Group

- Spans 7 major industry sectors
- Operations in more than 80 countries and 450,000 employees
- Total revenues \$100 billion (58% from outside India)
- Ranked world's 11<sup>th</sup> most reputable and 17<sup>th</sup> most innovative company
- Tata Sons 66% owned by philanthropic trusts
- £170 million invested in community projects last year

# Tata Steel Group

One of the world's most geographically-diversified steel producers

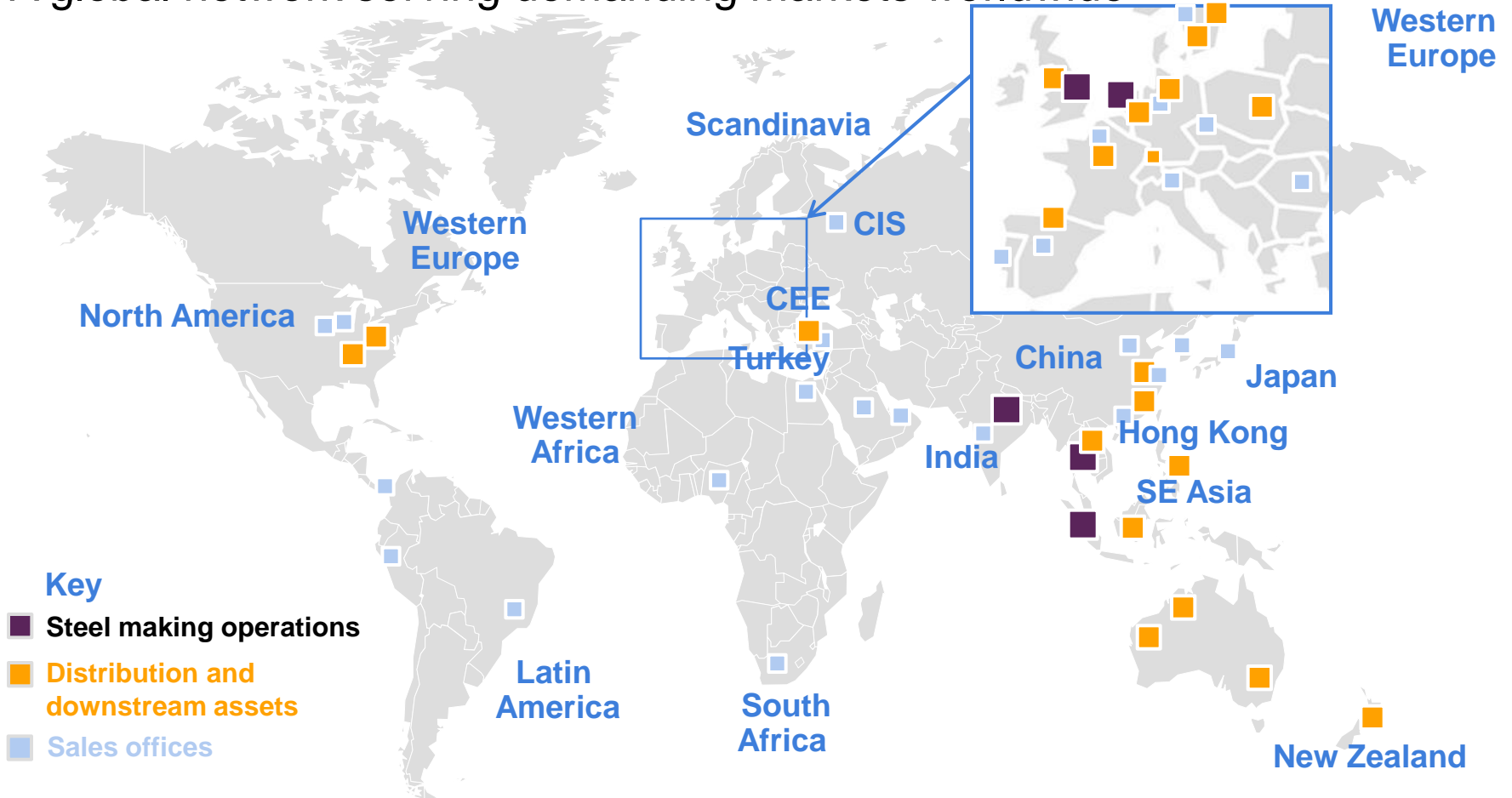


## Tata Steel Group

- Top 12 global steel producer
- Annual crude steel capacity of more than 29 million tonnes
- Around 80,000 employees
- Manufacturing operations in 26 countries across 4 continents
- Present in both mature and developing markets
- Turnover in 2012-13: £24.82 billion
- Fortune 500 company

# Tata Steel Group

A global network serving demanding markets worldwide



# Tata Steel: Europe's second largest steel producer

Products and services that create advantage

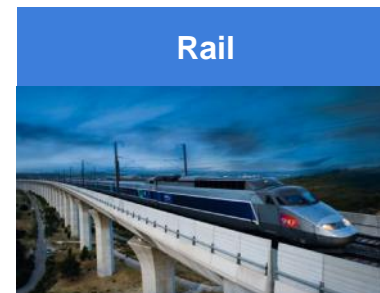
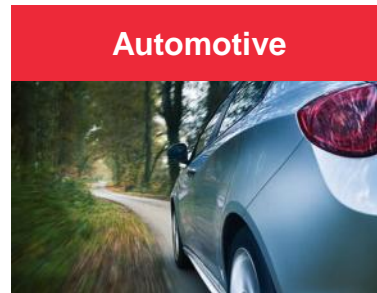


## Our advanced capabilities

- Comprehensive range of high quality steel products and related services
- Manufacturing sites in the UK and the Netherlands, Germany, France and Belgium
- 17.9mtpa crude steel capacity
- Supplying a range of demanding markets
- Presence in over 35 countries
- Approximately 32,500 employees

# Our key markets

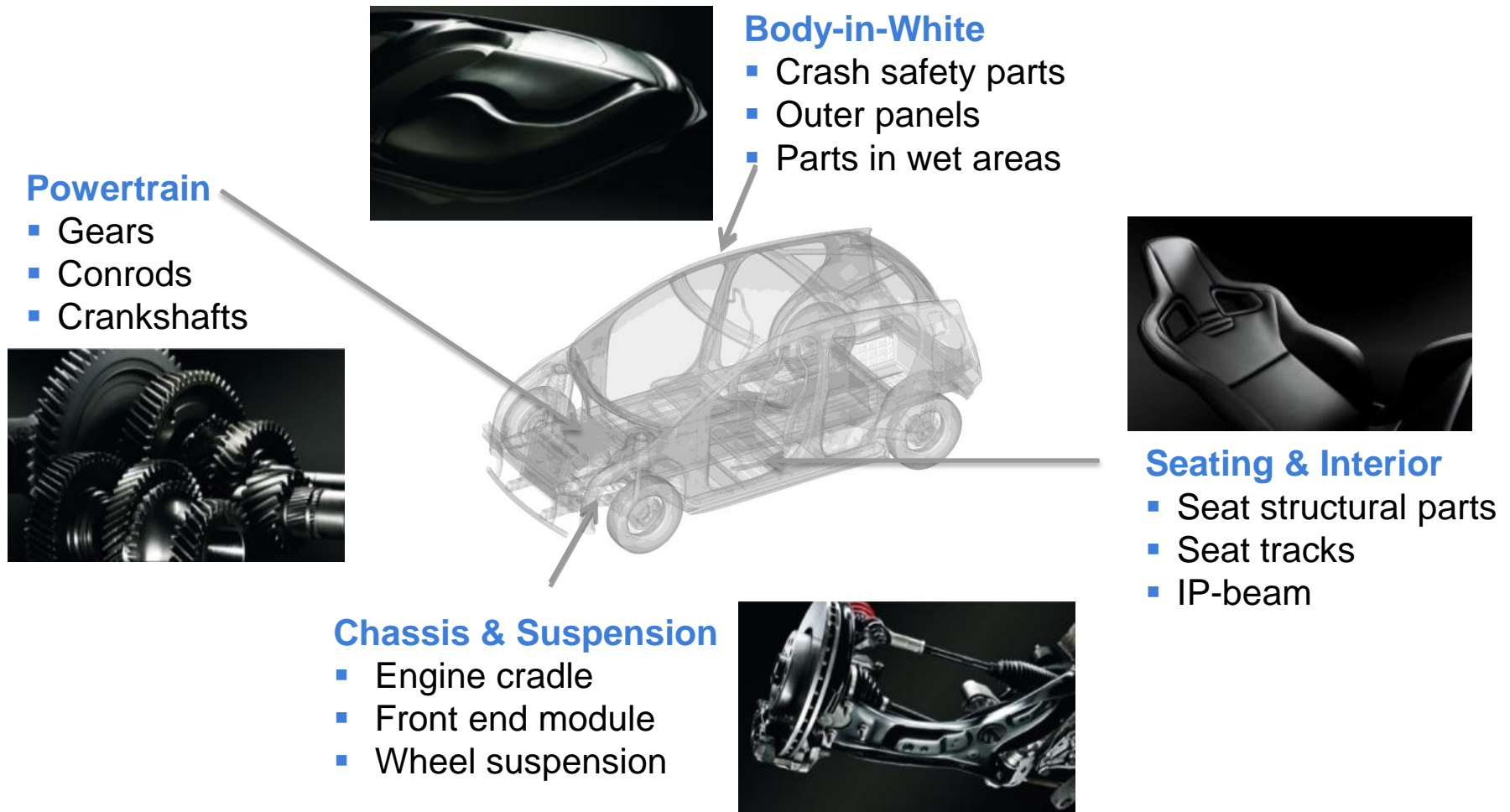
Serving the most demanding markets worldwide





# Unique range of advanced steels for the automotive industry

Multiple product range from one source with dedicated customer service



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## Our historic strategy process

**Sales plan**

**Market share objectives**

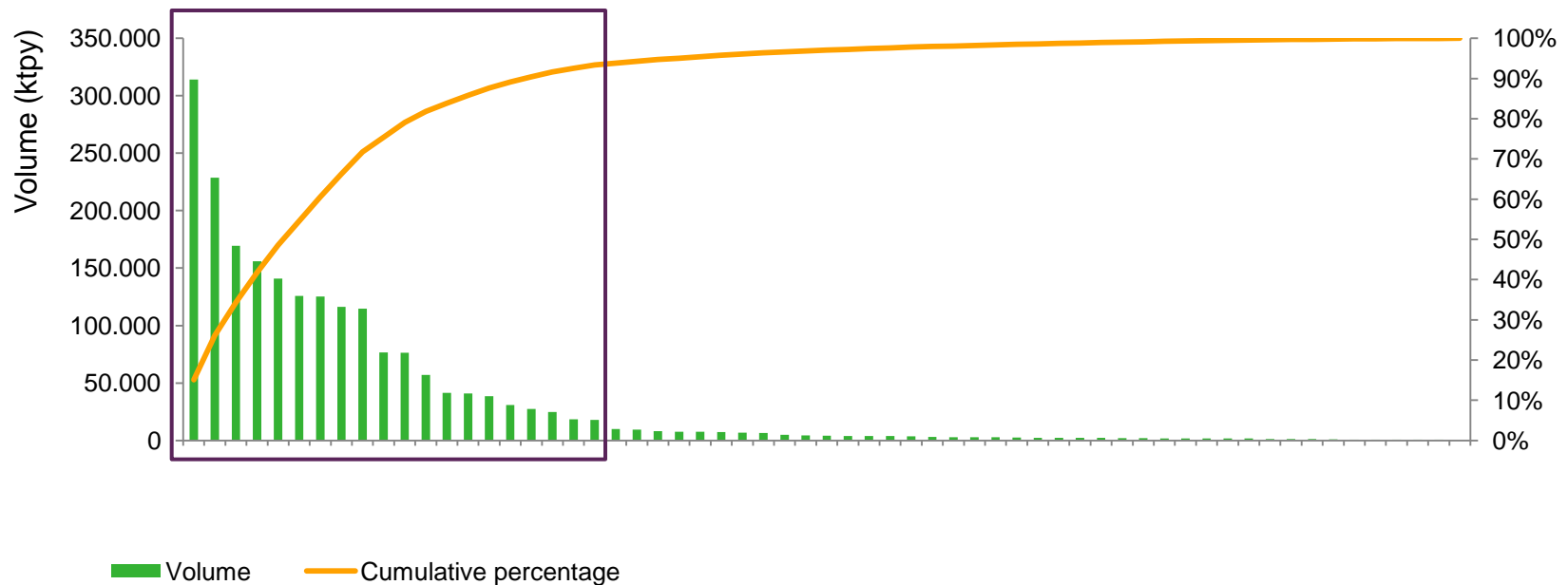
**Loose relation between market & customer forecast and company growth objectives**

**Irregular account plan updates**

**Marketing plan**

**Loose relation between company objectives and account plan objectives**

## Why not plan the strategy on a customer level?



The largest 20 customer represent >80% of the volume and value

## Some intelligence is required to properly plan growth

### New models & platforms provide growth opportunities



- Critical to understand new model introductions

### Steels can be sourced by the OEMs or their Tier suppliers



**BENTELER**

**MAGNA**  
COSMA INTERNATIONAL

- Critical to understand who controls the sourcing

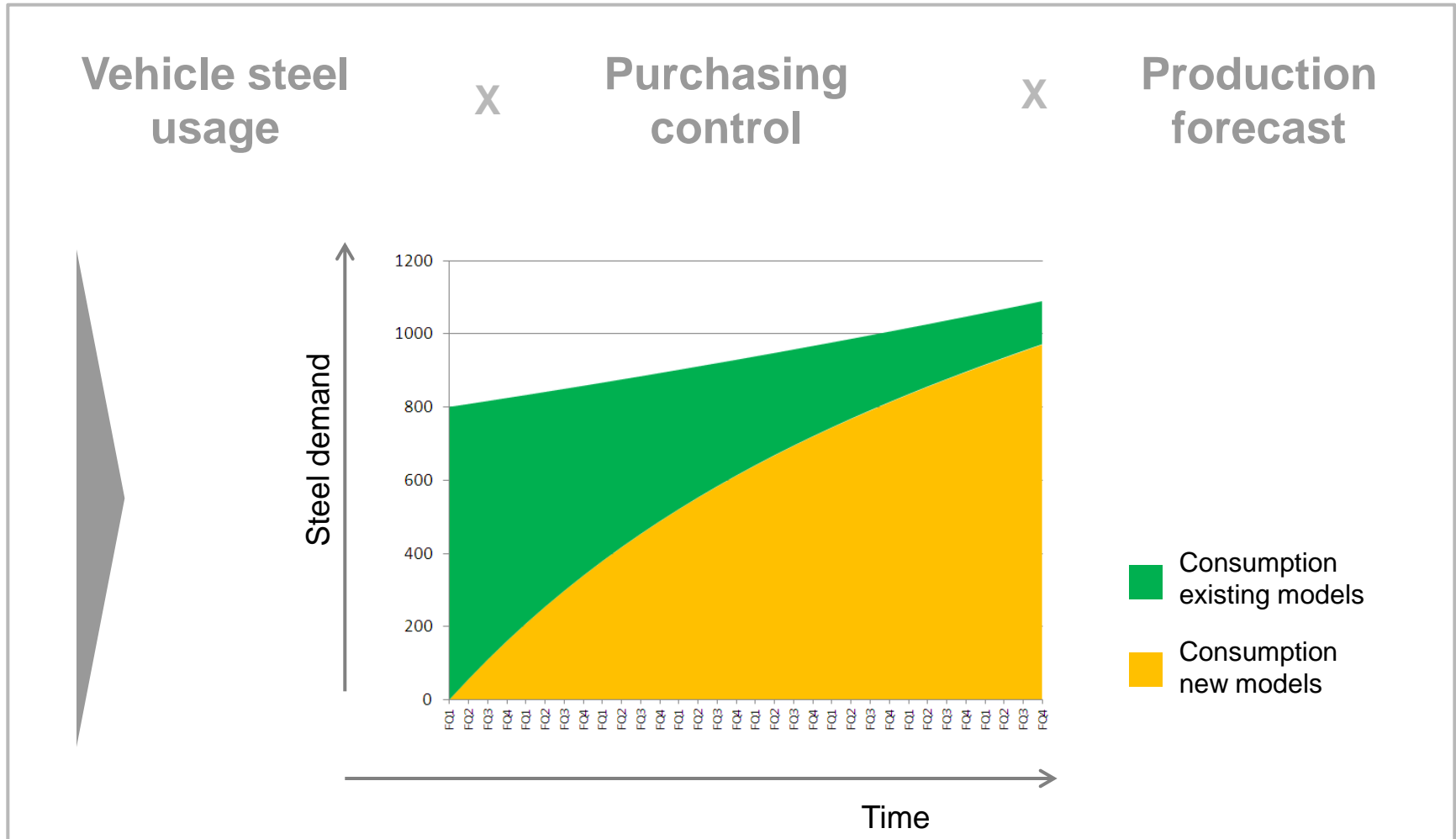
### Parts can be made from steel or aluminium



- A must to understand vehicles' material strategy



# Which can all be integrated into one picture painting the customer's upcoming steel demand



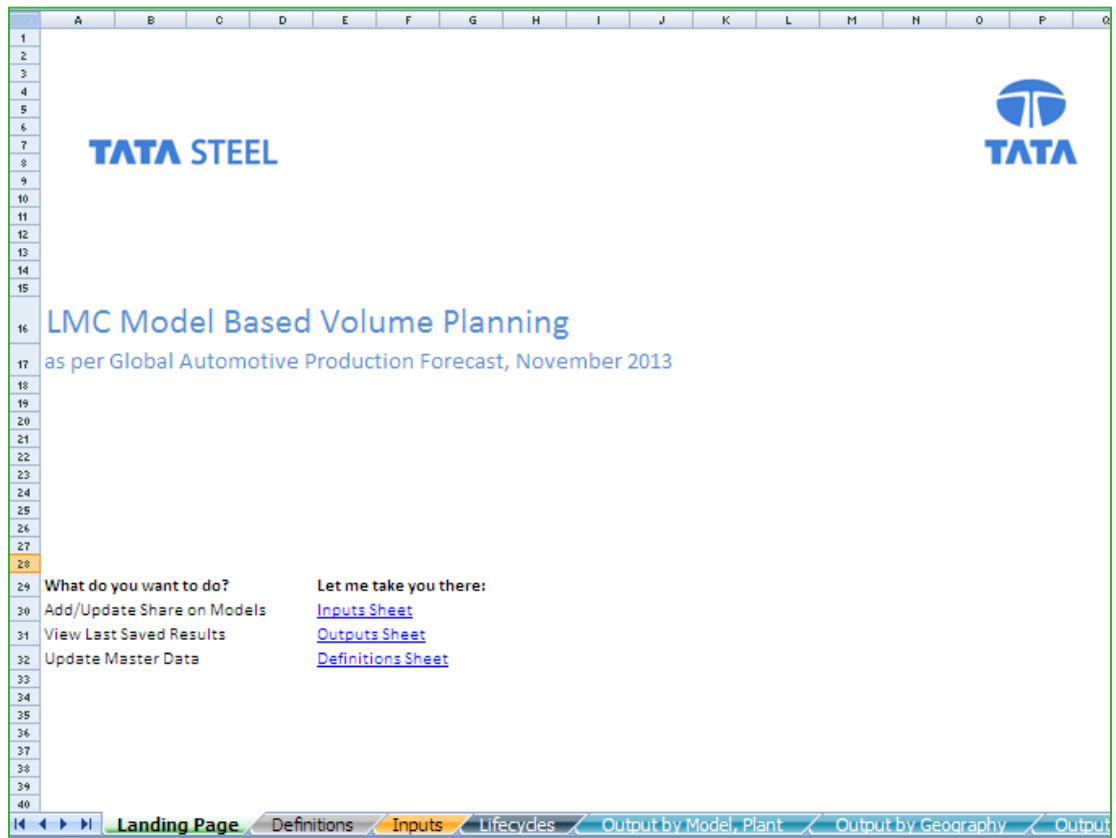
## An excel tool was developed to facilitate the planning

Allowing the intelligence to be processed in a structured manner

### Excel based planning tool

- Uses LMC production forecast
- Intelligence on material consumption
- Intelligence on control over steel sourcing (vs outsourced parts)
- Current and target supply shares
- Allows automatic refresh with new LMC forecast

**Automatically generates phase-out and phase-in volumes in tables and graphs**



With simple Excel and a lot of patience, much is possible



# The tool combines LMC production volumes with demand intelligence and account plan objectives

Input screen allows to plan on model and plant level

## Excel based planning tool

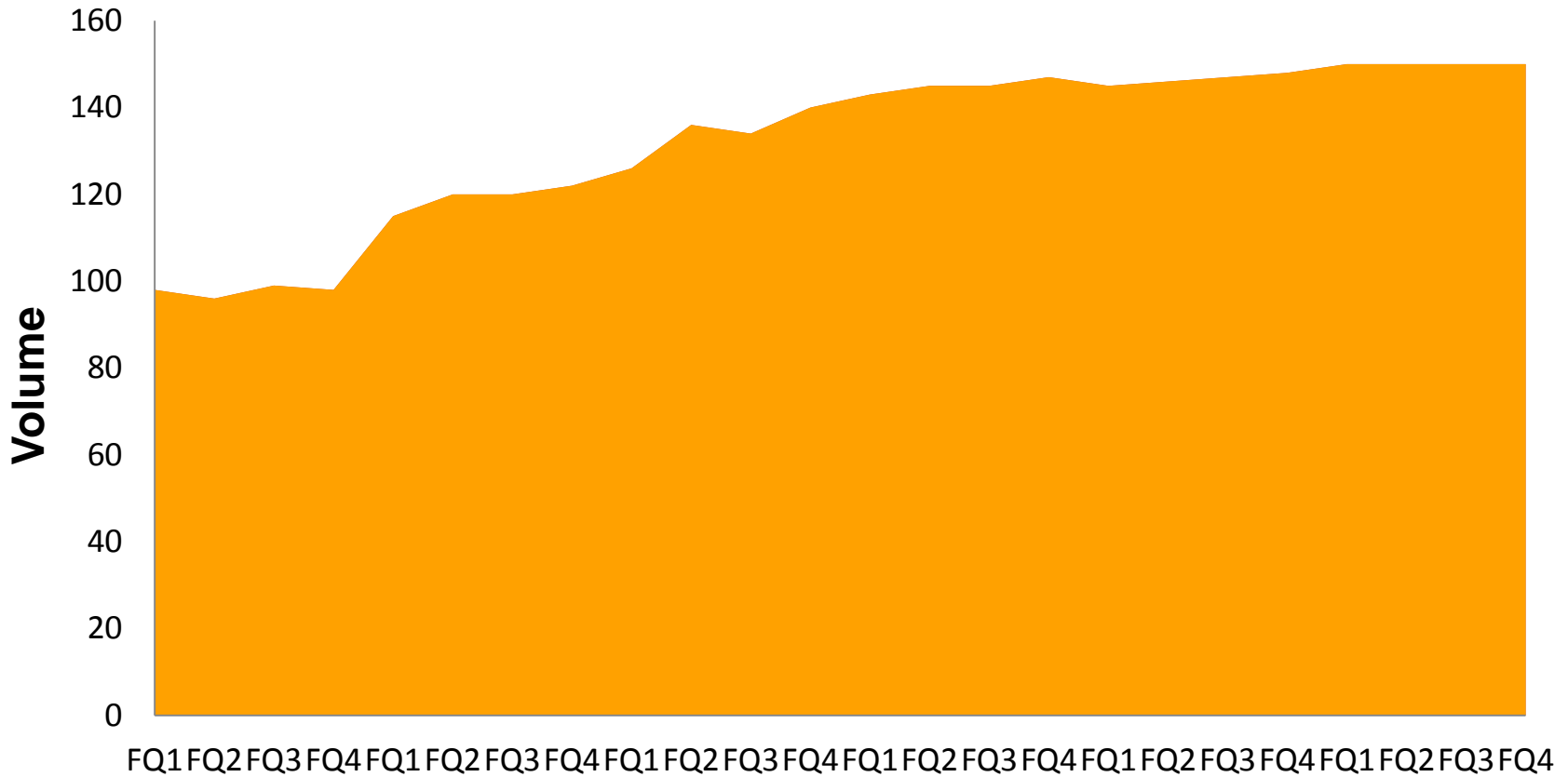
- Can select relevant model range choosing brand, region and country
- Input screen
  - gross weight per vehicle
  - % purchase control
  - TSE actual and planned supply share either in KG or share of wallet (%)

Between sales & marketing, the gross weights and purchase control can be estimated

Select Make	Select Region	Select Country	Select EoP	Legend						
Dacia	EU	France	dec-13	Current Model						
Datsun	NHM	Slovenia		Upcoming Model						
Infiniti	RoW	Spain		Misc Sales						
Lada										
Misc										
Nissan										
Renault										
Samsung										
GO										
GLOBAL MAKE	PLATFORM	REGION	COUNTRY	PLANT	SOP	EOP	GROSS WEIGHT (t)	PURCHASE CONTROL	TSE SUPPLY (KG)	SoW (%)
Renault	P1 (Ren-Niss) 1	EU	France	Flins	mai-05	dec-13	687	80%		25%
Renault	P1 (Ren-Niss) 2	EU	France	Dieppe	okt-12	mrt-16	687	80%		25%
Renault	P1 (Ren-Niss) 2	EU	France	Flins	feb-12	sep-18	687	80%		25%
Renault	CMF B 1	EU	France	Flins	jul-18	jul-24	687	80%		25%
Renault	P5 1	EU	France	Sandouville	mrt-02	sep-14	858	80%		25%
Renault	CMF CD 1	EU	France	Douai	nov-13	dec-25	858	80%		25%
Renault	P1 (Ren-Niss) 1	EU	France	Maubeuge	nov-07	dec-16	951	80%		25%
Renault	P1 (Ren-Niss) 1	EU	France	Maubeuge	dec-07	dec-16	951	80%		25%
Renault	CMF CD 1	EU	France	Maubeuge	okt-16	okt-22	951	80%		25%
Renault	CMF CD 1	EU	France	Maubeuge	okt-16	okt-22	951	80%		25%
Renault	Master 2	EU	France	Batilly	okt-10	mrt-17	951	80%		25%
Renault	Master 3	EU	France	Batilly	jan-17	jan-23	951	80%		25%
Renault	P3 2	EU	France	Sandouville	mai-07	mrt-15	795	80%		25%
Renault	CMF CD 1	EU	France	Douai	jan-15	jan-21	795	80%		25%
Renault	P3 2	EU	France	Douai	okt-08	mrt-16	740	80%		25%
Renault	CMF CD 1	EU	France	Douai	jan-16	jan-22	740	80%		25%
Renault	GM/Ren-Niss Van 2	EU	France	Sandouville	feb-14	dec-25	951	80%		25%
Renault	P3 2	EU	France	Douai	jan-10	jun-16	779	80%		25%
Renault	CMF CD 1	EU	France	Douai	apr-16	apr-22	779	80%		25%
Renault	CMF B 1	EU	France	Dieppe	jan-16	jan-22	779	80%		25%
Renault	P1 (Ren-Niss) 2	EU	France	Flins	jan-12	dec-25	585	80%		25%

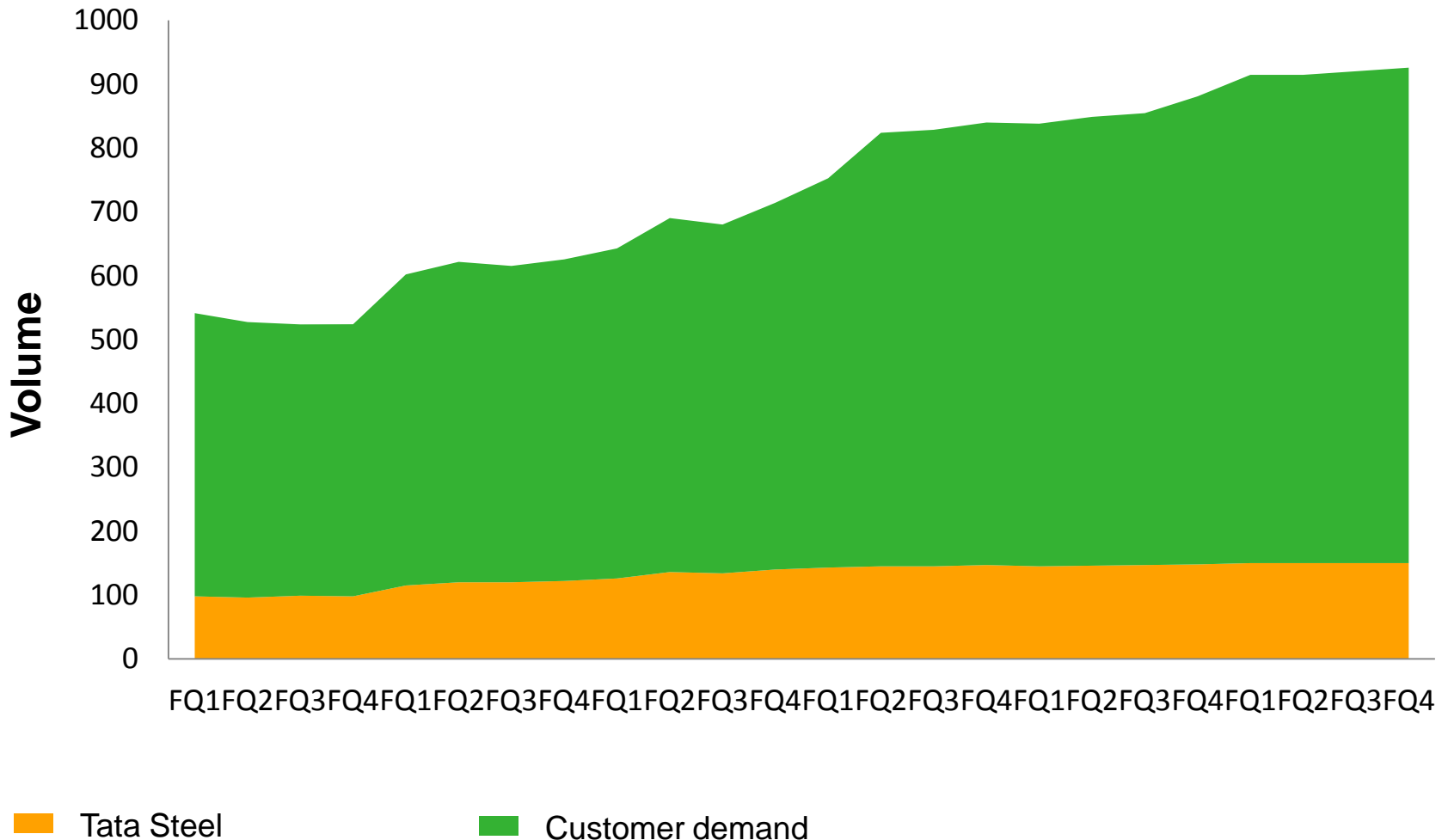
# What does good look like?

You can always set higher ambitions. But on the basis of what?

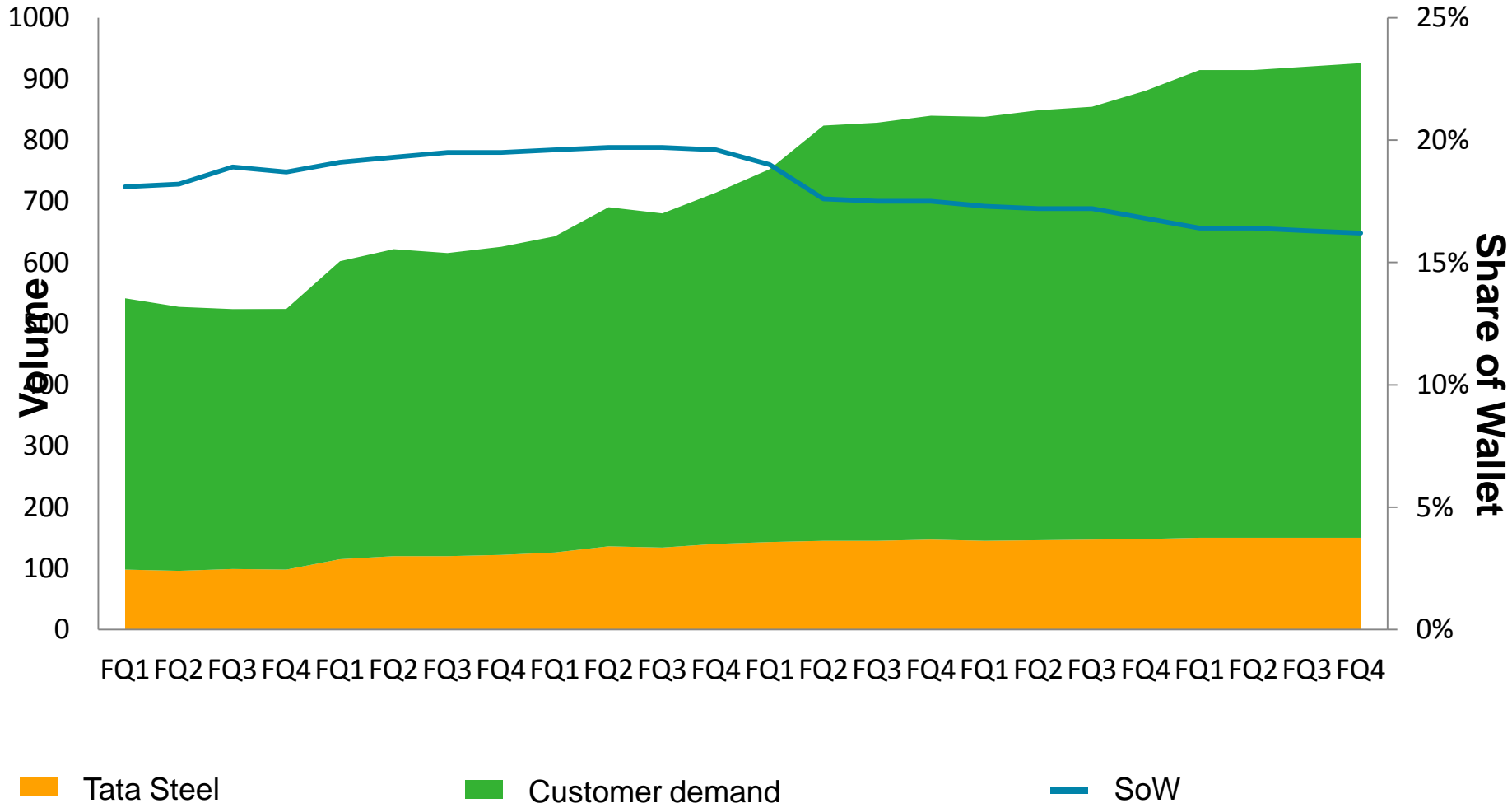


Tata Steel

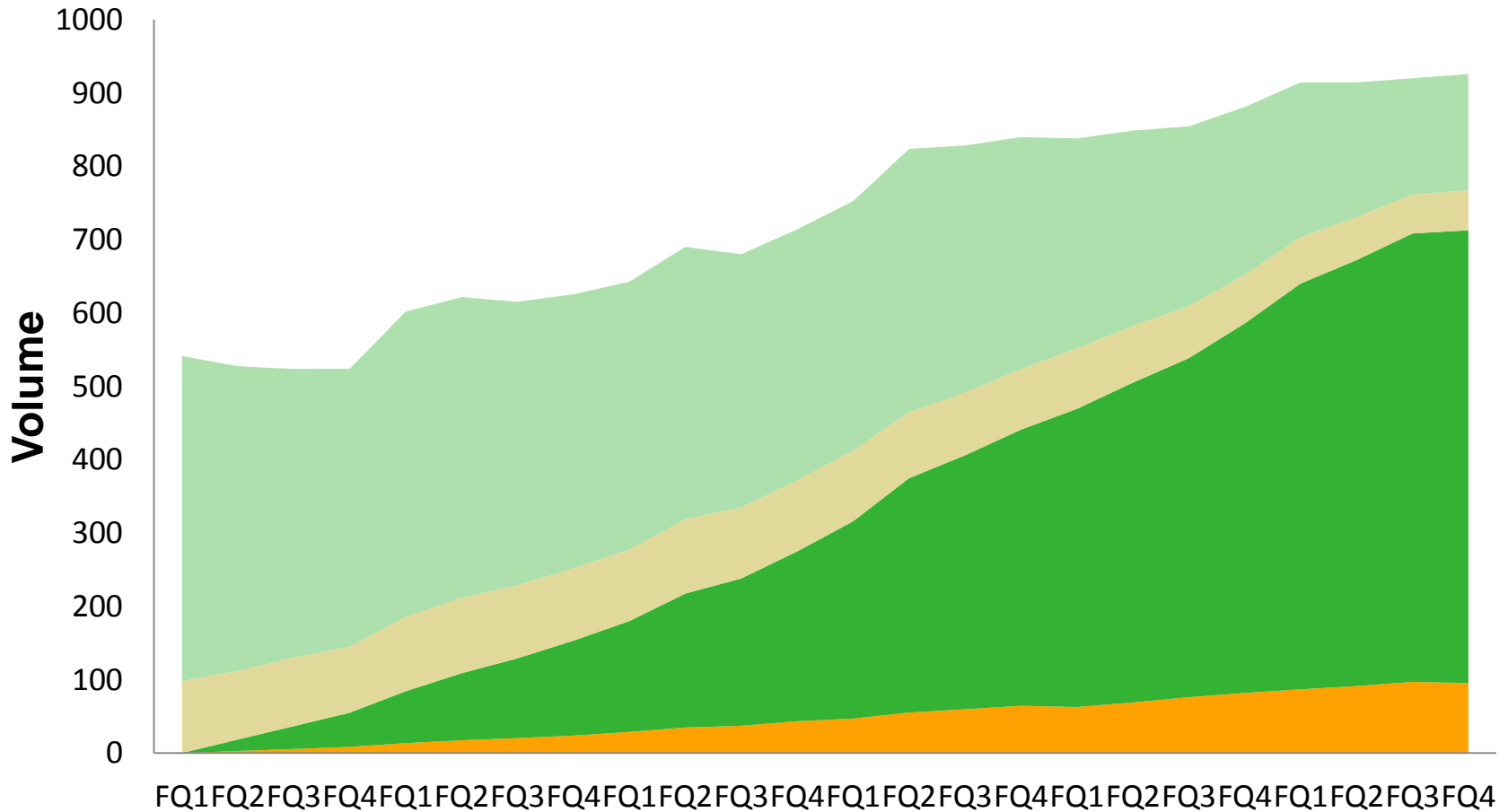
# Growth plans are better evaluated when put into the perspective of the total opportunity



# Share of Wallet is a very simple but insightful measure

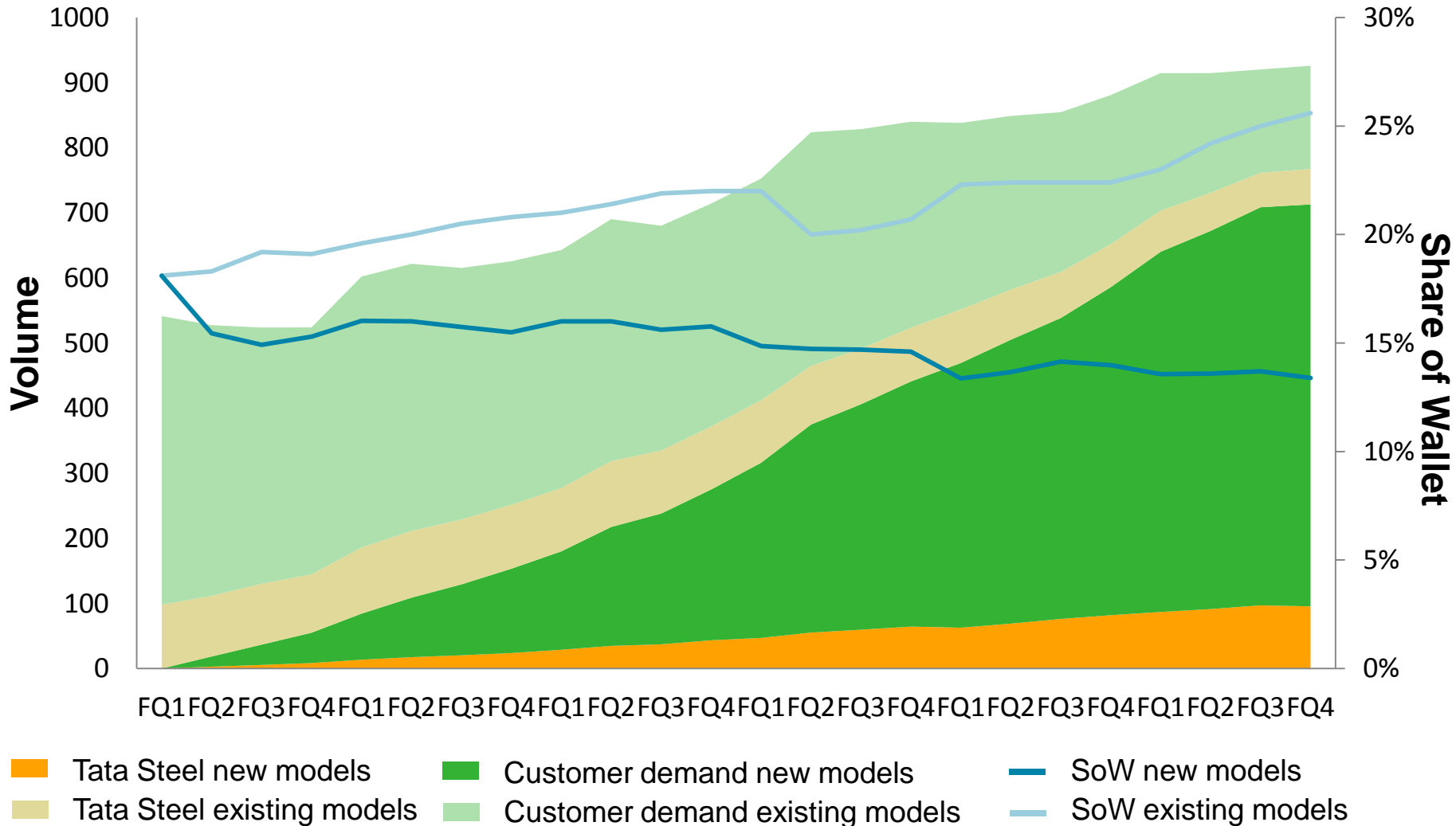


# When the order book is build-up of existing and new business, it is meaningful to split the two



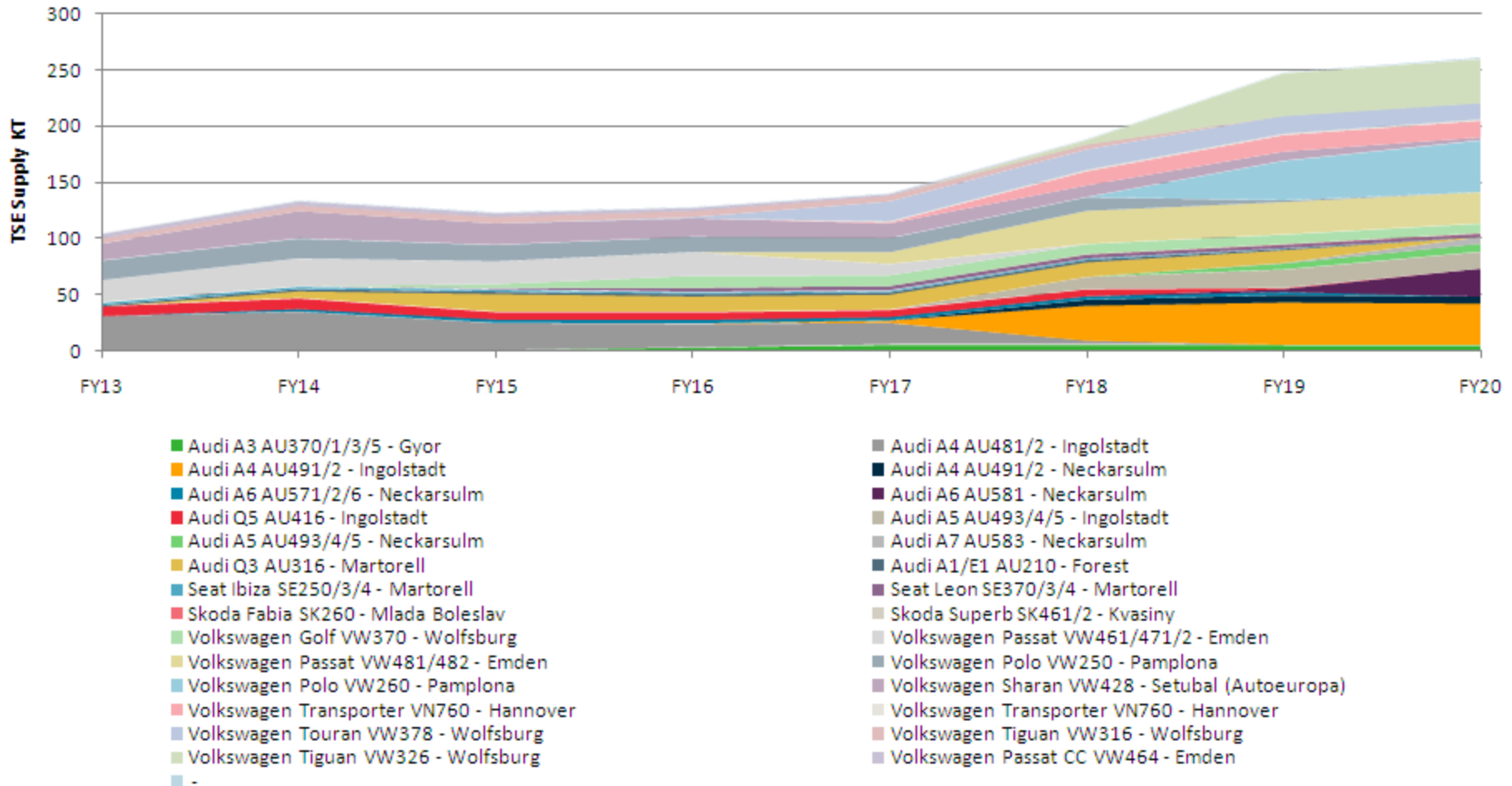
- Tata Steel new models
- Customer demand new models
- Tata Steel existing models
- Customer demand existing models

# As in the end, the Share of Wallet on new business indicates the health of tomorrow's order book



# As the plan is build-up from a model level, the milestones can be easily derived

## Fade Out-In







## We run an annual planning process, where account teams and marketing mutually challenge each other



Ensures that once a year all key account managers and commercial managers are in-depth involved in the strategy process



## We have experienced good benefits

A focused account plan that helps to define milestones and actions

## Sales & marketing plan

Market share and SoW objectives

Direct relationship between the company objectives and the account plan objectives

Hands-on sales involvement and buy-in in the strategy process

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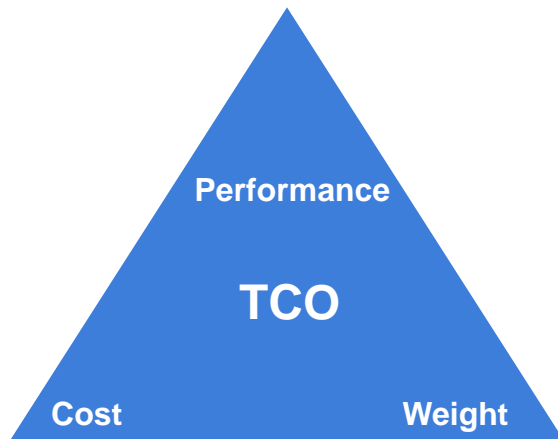
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## Dedicated to the automotive industry

Supporting the automotive industry to **achieve lowest Total Cost of Ownership (TCO)**



- We can help you find your optimum TCO within the triangle
- Steel impacts performance and cost over the entire production chain
- We are a dedicated partner to the automotive industry
- We provide a unique multiple-product offering of strip, processed strip and bar steel ranges
- We understand the material and processing needs of automotive manufacturing

## One source, multiple products, global reach

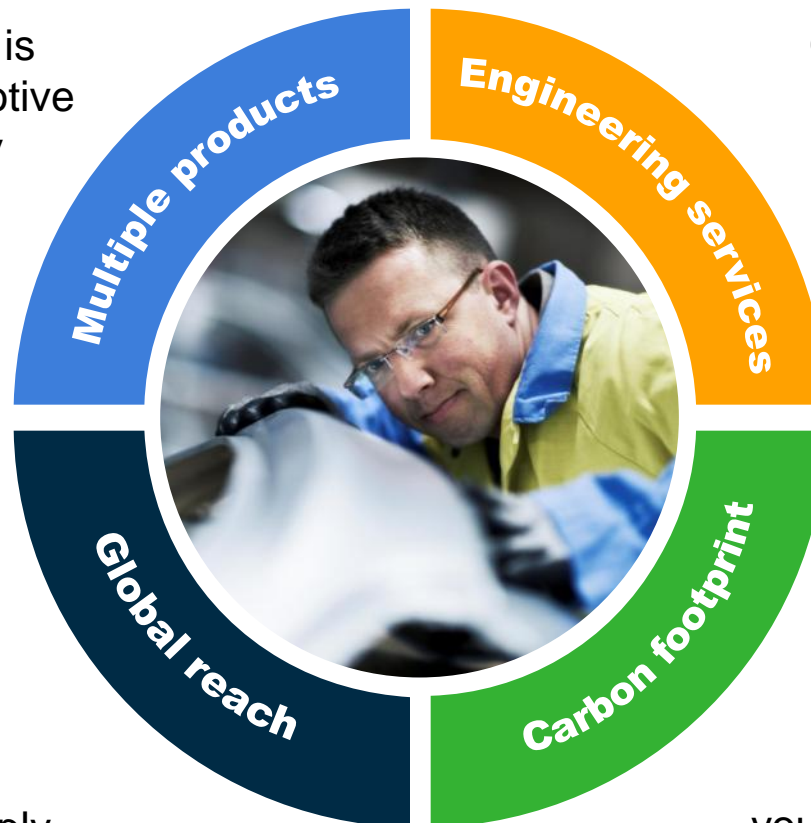
### Our focus in the automotive industry

Our broad product range is engineered for all automotive applications and uniquely available through one single supplier

Our smart range of advanced steels can lower your TCO

We ensure local availability of advanced steels globally

We provide global service through local supply



Our TCO experts deploy various engineering services to help you achieve lowest TCO through our advanced steels

Our lifecycle analysis capability helps you make informed choices

## Advanced products to lower your TCO

Achieving your optimum balance between lightweighting, performance and cost



- **MagiZinc Auto<sup>®</sup>** is a thin HDG coating with zinc and magnesium. It has outstanding corrosion resistance and improves press shop efficiency due to less galling.



- Our advanced high strength steel range includes **HyperForm<sup>®</sup>** products that offer extra formability, enabling greater design flexibility. Providing a wider operating window, it delivers more robust processing.



- The optimised micro-structure of **Vanard Ultra<sup>®</sup>** makes it ideal for conrod applications. This clean steel has improved fatigue strength and machinability.

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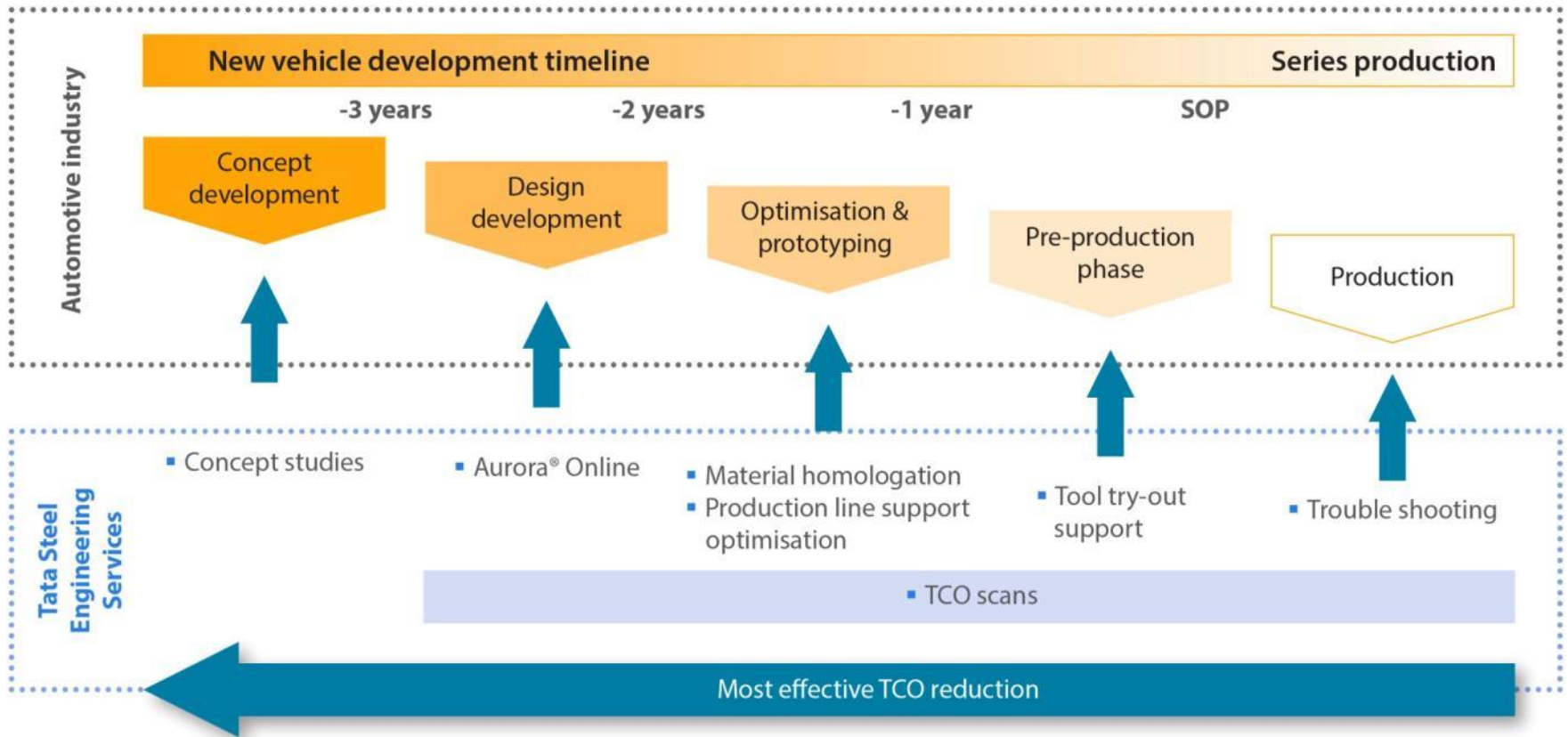
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# Our Engineering Services reduce your TCO from design to serial production



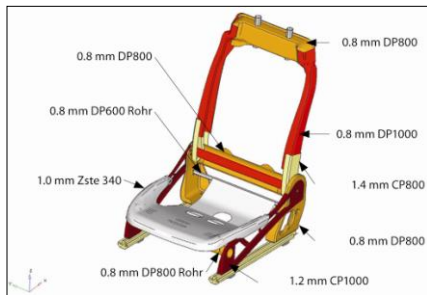
# How our Engineering Services achieve your lowest TCO

Our **Concept Studies** show you alternative solutions with different balances between performance, lightweighting and cost

**Aurora Online®** provides real-life material data to support accuracy and efficiency of your simulation and modelling

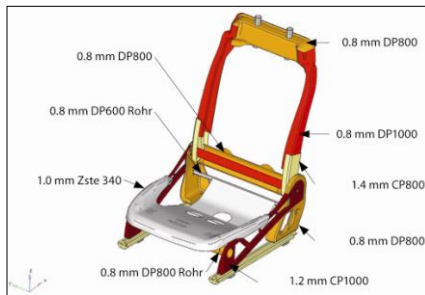
With our **TCO Scans** we identify and quantify the TCO reduction potential our advanced steels can offer for your specific processes and applications

Dedicated automotive **Customer Technical Service** supports you to achieve optimal performance of our products in your operations



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# Tata Steel as the preferred partner for sustainable value creation

Supporting the automotive industry to achieve lowest Total Cost of Ownership through advanced steels and engineering services to unlock their potential

**Promise to deliver lowest TCO**

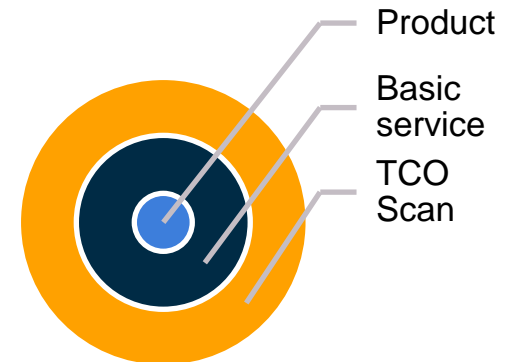
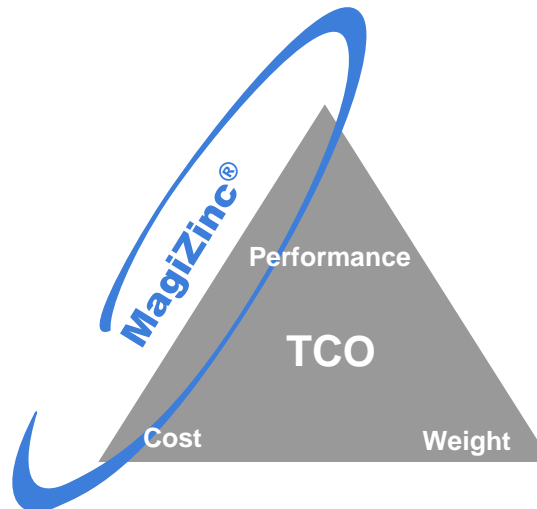
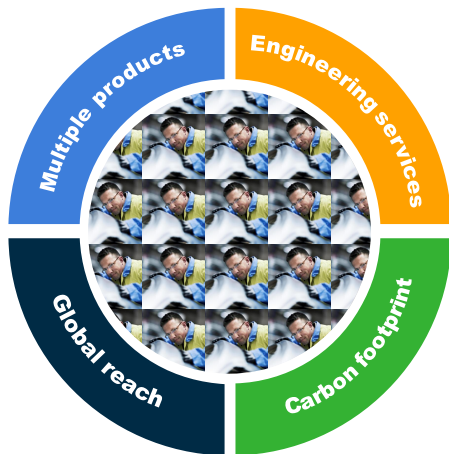
Global availability of sustainable steel solutions for every part of the vehicle

**Steel products with the potential to reduce TCO**

Innovative coatings like MagiZinc® have the potential to reduce TCO

**Engineering services to unlock the potential of steel**

The TCO Scan allows prospects to experience the TCO benefits under real life conditions



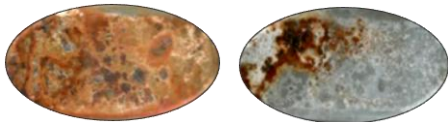
# MagiZinc®: the next generation automotive steel coating

The TCO Scan MagiZinc® demonstrates and quantifies the benefit of reduced tool pollution and galling in a customer specific situation

## Performance

MagiZinc® offers up to 200% better corrosion protection at the same coating weights

Coated surface after 10 weeks corrosion test



Zinc

MagiZinc®

## Cost

Improved press-shop performance through reduced tool pollution and galling

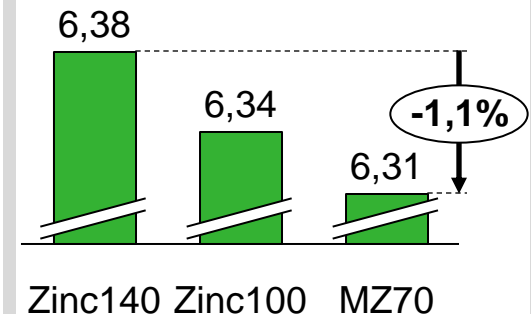
Tool pollution after pressing 900 parts with zinc coating



## Weight

Improved corrosion protection without weight penalty

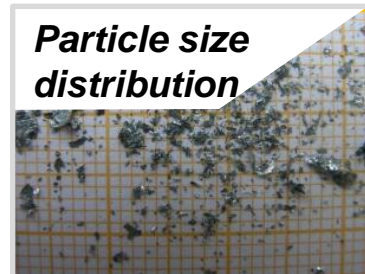
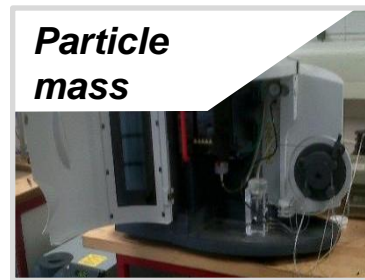
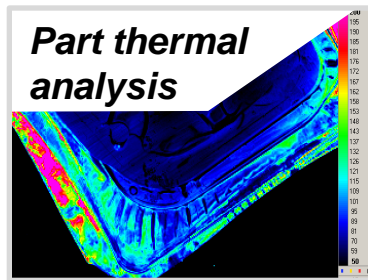
Coated steel weight in kg at 0.7mm thickness



As the press shop performance improvement is part geometry and press conditions dependent, it is best demonstrated in a customer specific situation


# TCO Scan MagiZinc®


Situation-specific quantification of the TCO benefit by comparing a conventional zinc and a MagiZinc® coating under real conditions



# The potential of MagiZinc® unlocked

Changing only one galling sensitive part generates €33.600 per year  
 A body has approximately 300 parts, of which many can be galling sensitive

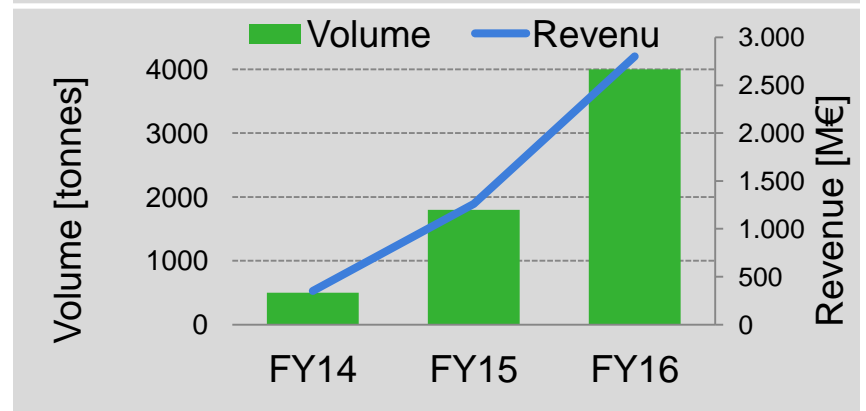
- **Starting condition:** split parts after ~300 pressings using the normal zinc coating reference 
- **Identified cause:** increased friction caused by severe galling at specific hot-spots
- **Trial outcome:** stable pressing of MagiZinc® resulting in >1700 parts pressed without interruption

- Running change from zinc to MagiZinc® for wheelarch, generating revenue of € 300.000 
- Wheelarch of next model will be switched in due time
- Additional parts awarded, leading to overall volume run-rate of 4 kt/year in FY16

## TCO benefit of MagiZinc®

Production time	+30	hours/year
Scrap-rate	-3	%
Part cost	-11	%
	-0.42	€/part
Overall cost	-33.600	€/year

## Revenue increase





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