

Program Overview

The Strategic Metals Management program was conceived and designed to:

- Provide MSCI member executives with an educational foundation for improved business acumen and strategic thinking
- Cover modern business topics at a cross-functional and thematic level, e.g., market focus, operational excellence, etc.
- Drive value-creating action-learning projects that participants can use to implement strategic plans and organizational change at their companies
- Build an informal network of MSCI companies in order to encourage the realization of business synergies and the sharing of best practices across the member companies

The program comprises the following five week-long modules:

1. Leading Strategy
2. Driving Operational Excellence
3. Managing Markets and Customers
4. Corporate Strategy, Growth and the Role of Mergers & Acquisitions
5. Leading for High Performance

The spirit of these modules is to address complex modern business problems through an interactive and cross-functional approach. This allows participants to integrate functional tools and skills across silos to address key business issues such as sustainable growth, operational excellence and customer focus. Each of these modules blends the following key functional business disciplines into application driven course content:

- Business Strategy
- Manufacturing and Supply Chain Management
- Marketing and Sales Management
- Financial Management
- Organizational Strategy and Leadership

Participation in Strategic Metals Management includes an industry project that you will pursue throughout the course of the program along with a team of your peers.

Module 1: Leading Strategy

Module 1 (Leading Strategy) is designed to set the tone of the program by addressing the "big picture" issues such as industry structure, competitive advantage and value creation.

It provides a refresher and review of strategy and the strategic planning processes needed to generate it. In particular, the module focuses on you as a leader and how you can engage a team in the process of formulating strategic challenges. It is this ability to formulate strategic problems that underlies your organization's opportunities to create value. The module also identifies your specific weakness and skills in leading the strategy process. The module lays the backbone of all the modules that follow in the sense that the strategic objectives and goals for metal service companies established in these sessions will guide the development of upcoming action-learning projects. Some areas that will be covered in this module are:

- Introduction: The Strategic Planning Process
- What is strategy?
- Understanding and assessing the business environment
- Analyzing and choosing strategies
- Leadership skills around strategy planning
- Solving the "right" strategic problem

Each module culminates with a company focused action-learning project to apply key frameworks and concepts directly to the participants' sponsoring companies. The action-learning project in this module focuses on "Solving the right strategic problem," which will be based on industry specific issues.

Module 1 includes content and exercises designed to develop the following skills:

1. Assessing the current business strategy of your company and competitors
2. Assessing the current business environment and its impact on the above strategies
3. Lead a process and team to define the key strategic issues that will translate into the performance and success of your company

Module 2: Operational Excellence

Operational excellence is about executing at the detailed functional decision level and on a day-to-day basis the firm's strategies in full support of well-defined competitive priorities in the marketplace. Operational excellence requires the firm to clearly define the few things that matter and wants to excel on (cost, quality, service, responsiveness, innovation, etc.), effectively communicating them to all involved, managing them through continuous improvement processes of appropriately set measures and performance targets, and implementing required change initiatives through incentives systems that align the interests of those to execute with the firm's objectives. In today's environments, operational excellence requires seamless execution of activities going beyond the boundaries of a single firm and ensuring that all its key partners (suppliers, distributors, logistic intermediaries, and key customers) execute along a streamlined Extended Enterprise or Supply Chain. After all, operational excellence is about the effective and meticulous execution of inter-and intra-firm activities of a transparent and functionally integrated strategic plan set out to achieve well-defined objectives for customer satisfaction and profitability.

This module covers:

- Introduction: What is Operational Excellence?
- How do you measure operational excellence? How do you achieve continuous improvement in all dimensions that matter? How do you set performance targets?
- How do you involve your supply chain partners in delivering operational excellence? How do you achieve integrated supply chain management?
- What are effective lead-time management practices for creating Quick Response, High Customer Satisfaction Systems?
- How do you coordinate planning and execution between your sales and operations personnel? What are effective Sales & Operations Planning(S&OP) processes to benchmark against and implement?
- Lean Operations Initiatives for Efficient Flow and Batch Processes
- Managing Operational and Supply Chain Risks
- What is the right supply chain structure for delivering operational excellence?
- How to achieve incentive alignment of agents within the firm and across the supply chain

This module will take participants through content and exercises design to develop the following skills:

1. Link business strategy with well-defined measures of operational excellence
2. Development of organizational initiatives to guide execution of strategic plan to achieve operational excellence
3. Managing supply chains in a collaborative and integrated way to execute excellence of the extended enterprise involving key business partners (suppliers, logistics providers, distributors, etc.)
4. Managing processes for quick response, service excellence, and customer satisfaction
5. Managing processes for productivity, efficiency and cost effectiveness
6. Fluency in tools of lean operations
7. Managing demand, supply, price, and disruption risks for resilient supply chains
8. Aligning incentives for effective execution of plans to achieve operational excellence
9. Make or buy decisions and the right structuring of supply chains for desired excellence
10. Audit improvement initiatives for executing operational excellence.

Module 3: Markets & Value Management-

Creating and managing value through an understanding of markets is the root of strategic growth. However, the tactics we normally associate with these fields need to link to the strategy, operations and financial underpinnings of the broader organization. This module provides a cross-functional examination of the primary drivers of value management. The topics we will cover are:

- Value creation, extraction and maintenance
- Operations-marketing interface
- Financial evaluation and value management
- Customer management

This module will culminate in a simulation that will put into practice some of the key concepts we cover during the week.

This module will take participants through content and exercises design to develop the following skills:

1. Linking business strategy with market and customer selection
2. Linking operations strategy to the sales/marketing approach
3. Understanding value creation and value capture

Module 4: Corporate Strategy, Growth and the Role of Mergers & Acquisitions

The metal service center and steel industries have both been dramatically reshaped through mergers, acquisitions, and corporate level strategies over the past decade. These strategic efforts have all targeted the creation of value for shareholders. However, value creation has not always been the outcome. This module will carefully examine the strategic logic behind mergers, acquisitions, and corporate level strategies, as well as develop financial valuation tools essential in assessing these strategic moves. The module will repeatedly place participants in the shoes of corporate level managers facing strategic decisions regarding corporate strategy options including mergers and acquisitions. We will explore both effective and ineffective decision making in this regard. Our concluding afternoon will be spent examining a proposed acquisition in the metal service center industry. Module 4 will cover:

- Mergers and acquisitions
- Growth and value creation
- The logic and hazards of consolidating acquisitions
- Financial valuation of acquisitions
- Firm valuation
- Strategic and financial valuation of synergies

Module 5: Leading for High Performance—Overview

The previous four modules of the SMMP program were:

- Leading Strategy
- Driving Operational Excellence
- Managing Markets and Customers
- Corporate Strategy, Growth and the Role of Mergers & Acquisitions

Each of these modules comprised a deep-dive into cross-functional, interdisciplinary topics that represent some of the key business management challenges both within the metal service center industry, and across the global economy.

These modules were primarily focused on “what” business challenges and opportunities are most pressing in the current era.

Module 5, *Leading for High Performance*, focuses on “how” leaders in the metals service industry can address these business challenges and opportunities in their own organizations through personal actions and plans.