Case Study

Tata Steel Makes Strides Towards an Autonomous Supply Chain Powered by AIMMS Technology

About Tata Steel

Tata Steel Group is among the top global steel companies with an annual crude steel capacity of 27.5 million tonnes per annum (MTPA). It is one of the world’s most geographically-diversified steel producers, with operations in 26 countries and a commercial presence in over 50 countries. The Group recorded a consolidated turnover of US $20.41 billion in FY18. Tata Steel Group is spread across five continents with an employee base of over 65K. Tata Steel retained Industry Leader position in FY18 and ranked second overall in the DJSI assessment, 2017. The Company has been recognized as the Climate Disclosure Leader in ‘Steel category’ by CDP (2017). Besides being a member of the World Steel Climate Action Programme, Tata Steel was awarded the Prime Minister’s Trophy for the best performing integrated steel plant for 2014-15 and 2015-16, Best Risk Management by CNBC TV18 (2018) and ‘Corporate Strategy Award’ by Mint (2018). The Company also received the ‘Most Ethical Company’ award from Ethisphere Institute for the sixth time (2018), Steel Sustainability Champions (2017) by the World Steel Association, Dun & Bradstreet Corporate Awards (2017 & 2018), Golden Peacock HR Excellence Award by Institute of Directors (2017) as well as ‘Asia’s Best Integrated Report’ award by the Asia Sustainability Reporting Awards (2017), among several others.
Problem
Tata Steel has an ambitious digitalization agenda. The company's top management is investing heavily in artificial intelligence and is committed to adopting a new way of working, especially when it comes to supply chain planning. The company was previously mostly using spreadsheets to plan its operations and had a few point solutions in use to perform optimization in different units. But to truly implement its digital agenda, it needed to shift towards a more scalable solution.

Solution
Tata Steel chose AIMMS to develop up to 11 optimization models for use across ten departments. With the output from AIMMS models, the company can improve its decision-making process and prepare to run a more automated supply chain. They use AIMMS to optimize production capacity, understand which raw material should go to which manufacturing facility, maximize yields in different plants and streamline inbound and outbound logistics. The next step in their journey will be to develop an API that will allow them to fetch data from their ERP and automatically load that into the optimization models in order to automate a great part of the supply chain planning process.

Results
In AIMMS, Tata Steel has found a scalable solution to automate and optimize its operations, with as little human interference as possible.

“AIMMS is playing a big part in our company’s digital revolution,” says Deblin Chakraborty, Senior Manager at Tata Steel’s Analytics and Insight (A&I) team. “AIMMS is delivering results that directly resonate with our objectives, like bringing down our cost of production. But I am also proud of the fact that we’re working on a project that will completely transform our way of working.”

Results in a nutshell
- Lower costs
- Greater efficiency and time savings
- Better decision making

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About AIMMS
The AIMMS Prescriptive Analytics Platform helps you evaluate and identify the best options to tackle your most pressing challenges with sophisticated analytics that leverage mathematical modeling and scenarios while pulling from multiple data sources. You can immediately gauge, not just what is likely to happen, but what you should do about it for the best possible outcome. Whether you seek to improve your strategy, planning, operations or transform your entire supply chain, AIMMS software is the ideal combination of being tailored to your unique situation paired with speed to value (ROI). That’s why teams at Shell, GE, Heineken and many more fire up AIMMS every day.

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