



PACESETTER
OUR PEOPLE, YOUR ADVANTAGE

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YOUR **IMPLEMENTATION** ADVANTAGE

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PACESETTER 2015



PACESETTER Contributor

Alejandro Medina, Process Improvement Manager

YOUR IMPLEMENTATION ADVANTAGE | 9.8.2015 - 9.14.2015

“Coming together is a beginning; keeping together is progress; working together is success.” – Henry Ford

Thank you for the brilliant segue Mr. Ford. It turns out Henry Ford’s quote is a great way to summarize a fundamental aspect of effective project management: Stakeholder Management. By identifying, analyzing, and managing your stakeholders, you will be able to avoid the many pitfalls that can plague a project with poor social dynamics.

COMING TOGETHER IS A BEGINNING

First, we must identify the project stakeholders. A stakeholder is anyone that has a vested interest in the result of your project. This will always include your project team members, but will also include others that are impacted during project implementation or after project close. Suppose you start a project to make some efficiency improvements to your manufacturing processes. Your stakeholders will likely include the operators on that piece of equipment as well as their managers. Ideally, this kind of project would make a financial impact, such as reducing labor costs. In this case, someone in your Finance department is likely a stakeholder. The amount of stakeholders you have will depend on the scope of your project, but as you can imagine it could become a significant number of people.

KEEPING TOGETHER IS PROGRESS

As you identify your stakeholders, it is important to know how they can impact your project. One way to do this is by creating a Stakeholder Register, a document that will house key information about the parties involved. This information should include the stakeholder’s name, their role in the team, their title, and then some details about the influence and interest that they have on the project. The register should be used by internal project members only unless the project is completely internal to your organization, in which it may be more appropriate that the Project Manager alone creates and uses the register.

WORKING TOGETHER IS SUCCESS

After identifying the stakeholders and compiling the information about their roles in the project, you can move towards managing this cast of characters. One part of managing stakeholders involves maintaining the register. The Stakeholder Register is more than a historic document. The register should be treated as a dynamic tool that reflects the changes in influence, interest, and resulting management strategy of each stakeholder. As a project progresses, some stakeholders will naturally shift in their perception of the value that the project brings. It is important for Project Managers to know which individuals have a high influence on the project outcome and how to manage that individual if their interest levels drop-off or their view on the project begins to sour. Every project manager can create their own spin on a Stakeholder Register. The important thing is to be able to plan ahead and react appropriately as the social dynamics of the project change. Communicating this strategy to your team members will go a long way in ensuring each stakeholder is receiving the right message, the right way.

At Pacesetter, we are continuously coming together to create solutions, big and small as a team. Managing a project means managing your team. Integrating Stakeholder Management into your project implementation will allow you to bring your team together, keep them together, and ultimately work together.

SAMPLE STAKEHOLDER REGISTER EXCERPT

Name	Internal or External	Roles	Title	Project Influence (1-5)	Project Interest (1-5)	Strategy for gaining support or reducing obstacles
George Burdell	External	Client – CEO of “Buzzwork”	Founder	5	4	The final say on the project’s effectiveness will come from George. He is interested in the project but can be distracted by his other ventures. He tries to be in too many places at once. Try to keep him engaged.
Ramona Cartwright	Internal	Project Lead	Senior Database Manager	4	5	She is a key player on this project. She may need some help building a rapport with George



STEEL | 9.8.2015 - 9.14.2015

+ #1 heavy melt scrap fell to \$199 per ton and #1 busheling scrap fell to \$237 per ton.

+ Raw steel production rose to 72.8% of capacity.

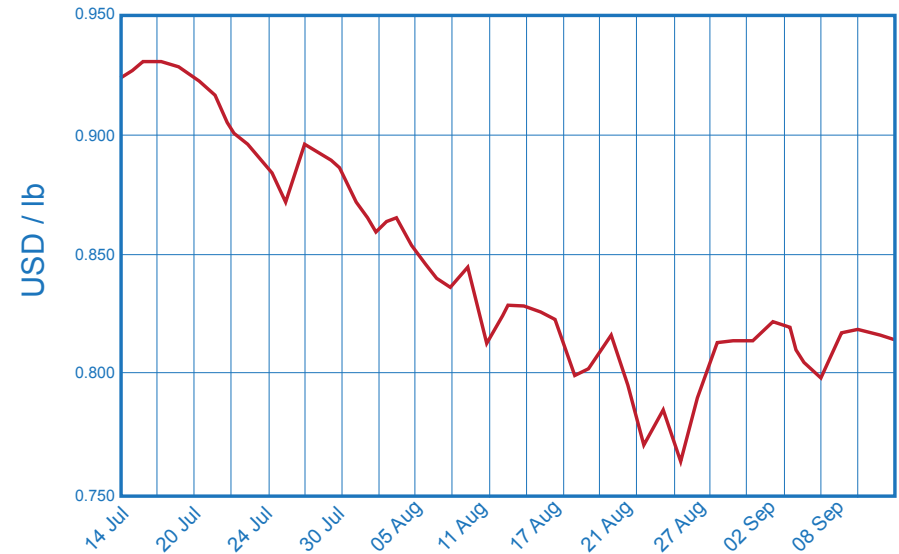
+ Domestic mill lead time for galvanized is still averaging under 5 weeks.

- Iron ore FOB Chinese ports is up to \$55 per dry metric ton.

+ Zinc prices are settling again.

60 Day Zinc Spot

Source: www.kitco.com



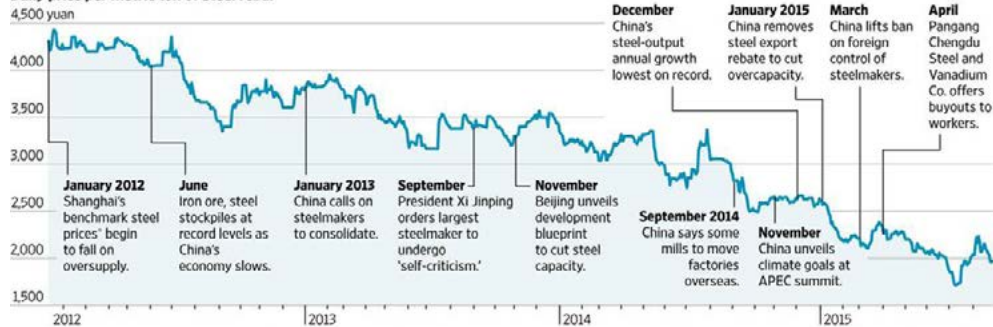
STEEL | 9.8.2015 - 9.14.2015

+ Here is an illustration of China's slowing economy.

China's Steel Rout

Prices have fallen as China has grappled with a slowing economy and extensive pollution.

Daily price per metric ton of steel rebar



Note: One metric ton equals approximately 2,205 pounds; 1,000 yuan = \$156.56 *Shanghai Futures Exchange steel reinforced bar Source: CEIC

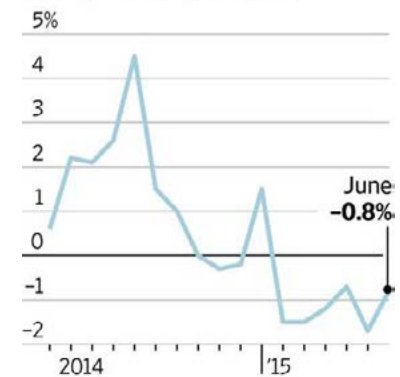
THE WALL STREET JOURNAL.

+ China's slowing economy is affecting government owned steel mills that were generally regarded as "recession proof". The Pachenggang steel mill closed recently, sending 16,000 workers home permanently. This was the largest state owned mill closure in 6 decades. The Chinese government is desperately trying to transform their manufacturing based economy to a consumer services and high tech based manufacturing economy. Sound familiar? Factories all over China are closing. China offers laid off workers two years of unemployment pay and free "retraining classes". No one knows how effective this will be yet.

Steel Fades in China

Growth in production has weakened.

Change from a year earlier



Source: National Bureau of Statistics

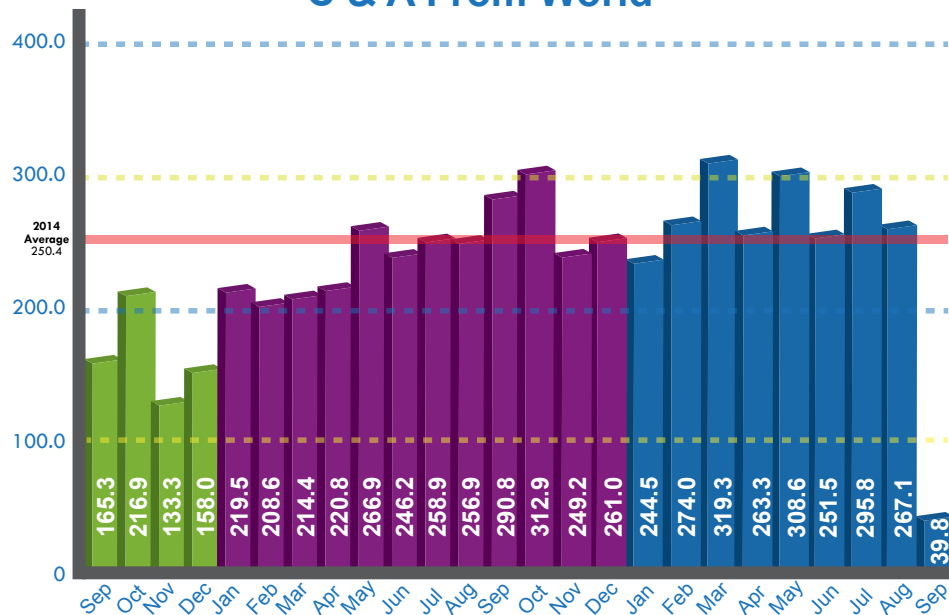
THE WALL STREET JOURNAL.



STEEL | 9.8.2015 - 9.14.2015

+ Final galvanized import records show July and August to be higher than expected, but the big wave of imports might be relaxing in September as that month is starting off slower than normal.

U.S. Imports of Sheets & Strip Galv Hot Dipped C & A From World



Source: US Department of Commerce, Enforcement and Compliance | Graph last modified on: September 8, 2015 with Licensing Data collected through September 8, 2015. Commerce license data use for the last month appears in a different color. Data extracted from the import licenses are not official Census data

- The heads of Brazil's largest steel mills including CSN, Usiminas, ArcelorMittal, and Gerdau met with the finance minister in that country to make appeals asking for lower taxes, lower energy costs, bank interest costs, and other overhead they consider uncompetitive with other global steel making regions. They say if the Brazilian government makes no changes, almost half of the steel consumed in Brazil will soon be imported (mostly from China). The Brazilian steel industry has already laid off over 12,000 workers this year.

- In South Africa, steel imports jumped over 33% in the last 12 months, putting price pressure on local mills there as well.

- In India, cheap steel imports and slow demand have local steel mills fighting for orders. A 40% decline in their real estate sector is making things worse.

- In Taiwan, the largest steel company there (China Steel Corp), is preparing to lodge anti dumping lawsuits against Chinese and South Korean mills. China Steel's net sales are down over 26% from a year ago.



STEEL | 9.8.2015 - 9.14.2015

- A group of steel buyers were granted class certification by a federal judge in a lawsuit alleging domestic steel producers in the U.S. conspired to manipulate supply and prices. The lawsuit began in 2008 when 9 fabricators alleged that 8 steel companies conspired to restrict steel output and thereby raise prices on certain products. Five of the companies settled out of court including AK Steel who paid \$5.8 million, Commercial Metals paid \$4 million, Gerdau paid \$6.1 million, US Steel paid \$58 million, and Arcelor-Mittal paid \$90 million. Nucor, Steel Dynamics, and SSAB remain as defendants in the case.

- Labor negotiations stalled at ArcelorMittal. The next meeting between management and the union will be on Wednesday in Cleveland, Ohio. The steelworkers union has instructed their members to report for work as usual. Health care costs and incentive pay seem to be where the difference of opinion is based. US Steel is having their labor negotiations as well, and the difficulty lies in how to cope with healthcare costs. There are likewise labor contracts being negotiated in the auto industry, but unlike steel mills, the auto industry is going through a period of high demand and profitability which will put pressure on the Big Three domestic producers to agree to enough demands to keep the assembly lines running.

AUTOMOTIVE | 9.8.2015 - 9.14.2015

+ The redesigned 2016 Prius will get best in class 55 mpg for a “non-plug in” hybrid drivetrain. It also gets a global platform that will be shared with other small Toyota’s.



- Ford is dealing with 4,300 workers on strike at their assembly plant in Brazil after they cut 200 jobs. The auto industry in Brazil is suffering through the worst economic conditions in the last two decades. New car sales in Brazil are down 20% from last year and truck sales are down 45%. GM is cutting 800 jobs in Brazil and Mercedes is cutting 1,500 jobs there as well.

+ Economic analysts at IHS Global Insights predict the aging of the national fleet of automobiles to continue. By 2020, they forecast 19 million vehicles driven regularly to be over 25 years old. All vehicles in every age class will be driven more miles annually too. This presents opportunity for the automotive aftermarket to sell more to consumers who will be interested in keeping their vehicles running reliably.



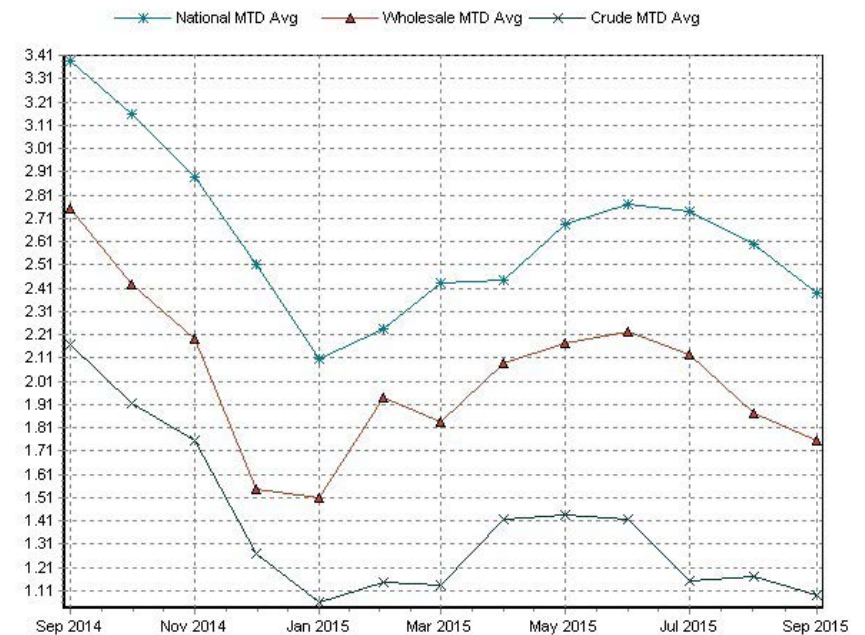
GENERAL | 9.8.2015 - 9.14.2015

+ The Producer Price Index was dead flat in August. No net inflation for producers.

- Consumer Credit gained another \$19.1 billion in July, the 5th straight gain. \$4.3 billion was in credit card debt and the balance was non-revolving credit focused on new car sales and student loans. Consumer willingness to take on debt is on the upswing. Will it last through this year's holiday season?

+ Airbus SAS is getting ready to open its new manufacturing plant in Mobile, Alabama on Sept. 14. The \$600 million facility is expected to ship its first airplane in 2017. They will produce the A319, A320, and A321 models. Airbus must be bullish on business conditions in North America. Their other manufacturing plants are in France, Germany, and China. This move by Airbus illustrates the logic of moving manufacturing into the USA. Counteracting economic and cultural challenges elsewhere in the world, the USA's open investment regime, large economy with diverse consumer markets, skilled labor force, predictable regulatory climate, intellectual property protections, adequate infrastructure and cheap energy are all becoming recognized for their value.

+ If oil prices stay low and the wholesalers don't get too greedy, there is a chance that retail gasoline prices could sink to \$2 per gallon soon.



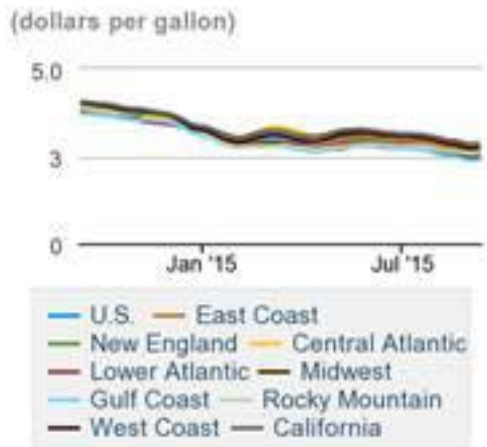


GENERAL | 9.8.2015 - 9.14.2015

+ U.S. Energy Information Administration (EIA) reported on 9/7/2015 that the US On-Highway Diesel Fuel Price was at \$2.534. That's a \$.020 increase from a week ago and a \$1.280 decrease from a year ago.

+ A new bill was introduced to Congress called the Safe, Flexible, and Efficient Trucking Act that could allow fewer trucks to haul more cargo per truck. The SAFE Act would allow trucks pulling trailers with a 3rd rear axle added to weigh 91,000 pounds, which is 11,000 pounds more than the current limit. This weight is the total weight of the truck, trailer, and load combined.

On-Highway Diesel Fuel Prices



eia Source: Energy Information Administration



SHORT AND SWEET WITH BILL | 9.8.2015 - 9.14.2015

“Inflation at the producer level was flat in August. Consumers added another \$19 billion of debt in July. Airbus is joining the growing manufacturing base in the US by opening a new assembly plant in Alabama. Oil prices continue to slump. Scrap prices and zinc fell this week. China is mothballing steel making capacity as their economy continues to shrink. Steel imports into the US are slowing. The global glut of steel supply is pressuring foreign countries to create their own dumping suits against importers. Automotive output in South America is slowing due to less demand. Lastly, it is forecast that our national fleet of used cars will continue to get older, allowing the aftermarket opportunity to sell parts at a higher volume in the near future.”

PARTING SHOT:

“Don’t be afraid to see what you see.”

– Ronald Reagan (1911 to 2004)



Bill Feier, World Sourcing Manager



'TIL NEXT TIME | 9.22.2015



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