

Marketing & Product Development

Monthly Report: July, 1976

by R. Lynham

Ingot Casting Products - Headings Systems

(\$000)	JULY	Y.T.D.
Actual Sales	1,294	11,042
Budgeted Sales	1,454	11,095

* Market Planning: An analysis of the B.E.U. and B.E.D. hot topping and topping compound markets was undertaken in July to determine the reason why our growth in headings products has been stagnant for four years. It was discovered that the market share for B.E.D. as well as B.E.U. hot tops was only 30%, and that there is considerable imbalance in the distribution of business across district lines, ranging from 2% to 60% for B.E.D. Specialty Steel's overall market share was confirmed at over 40%.

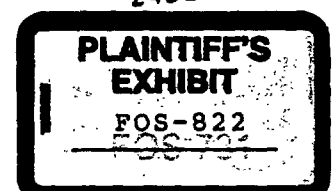
For the time being, the hypothesis is assumed that a disproportionate effort has been applied toward compensating for problems in manufacturing B.E.U. tops, detracting from the effort to simply maintain the leading share of the B.E.D. business. A plan was adopted to concentrate on solving these near term manufacturing problems by concentrating T. Bernardi's effort in that direction. At the same time, R. Lynham and H. Shephard are to work toward development of the next generation of hot-topping concepts. The latter assignment is now under scrutiny to determine whether as much progress could be made in acquiring market share by improving existing product quality and sales expertise.

* Asbestos-Free Conversion: All plants are now asbestos-free, and the number of complaints concerning asbestos has dwindled to zero. Steady progress is being made toward development of PROFLEX recipes that are relatively problem-free during production.

* Project 2000: A. Anderson arrived in the first week of August to work for a month on making the machine at Mt. Braddock capable of producing rings. During the next month two people will be assigned to carry through Anderson's work, and to plan and implement future machines in the U.S. Specifically, the concepts of small satellite plants serving out-of-the-way ingot and continuous casting mills, and of insitu plants will be examined.

* Ferrux Restaging: C. Holley's assumption of responsibilities for this area has led to a general review of all aspects of manufacturing and selling of topping compounds. The result has been recognition of a deemphasis in technical sales of the product line, and of manufacturing inconsistencies that have caused a variable quality output. Consequently, a sales training seminar will

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E. HOT TOPS

Monthly Report

JULY

1. Asbestos-Free Conversion Program

- a) Objectives, Scope and Potential Impact -- Eliminate asbestos and develop asbestos-free recipes.
- b) Project Status - No further complaints of asbestos contamination of products. Asbestos-free programs at all plants are at the "recipe-refinement" stages and product quality is improving.
- c) Proposed Action - Continue vigilance on contaminated recipes.

2. New Seal-On Programs

- a) Objectives, Scope and Potential Impact -- To follow-up the various Seal-On programs.
- b) Project Status
 - 1) Beth.-Burns Harbor - Castings not yet in, but a wooden mock-up of the casting will be used to test the logistics in the plant.
 - 2) J & L - Warren - Has requested an alternative design to reduce shoulder roll-over.
- c) Proposed Action - follow up on delays.

3. Four-piece Wedging Hot Tops

- a) Objectives, Scope and Potential Impact -- To design and test alternatives to 8 pc. tops. (Origin January, 1975)
- b) Project Status - Due to a three week shut-down, little progress has been made. Sales will test fit the boards early in August.
- c) Proposed Action - await Sales report.

4. Yield Loss Problems at Interlake, Riverdale

- a) Objectives, Scope and Potential Impact -- Replace the previous 8 piece top by a one-piece design.
- b) Project Status - Problems of green strength with the asbestos-free recipes.
- c) Proposed Action - Continue testing in the mill when tops are available.