

# Assan Alüminyum

A Profitability Management Success Story



Assan Alüminyum, a member of Kibar Holding, was formed in 1988 as an independent company to create flat-rolled aluminum products. Headquartered in Turkey, Assan became the leading world aluminum producer after investing in the world's widest continuous thin speed casting technology.

## Industry

Manufacturing

## Problem

Assan Alüminyum wanted to create maximum value with available capacity while maximizing capacity utilization. They needed actionable insight into where and how to accomplish this.

## Solution

Enterprise-wide decision support systems, including a performance measurement system using Acorn Performance Analyzer.™

## Results

- Created more effective sales strategies
- Aligned manufacturing and products to highly profitable customer, product and market combinations
- Lowered business process costs while maximizing margins

Assan Alüminyum, is rapidly expanding its capacity to 250,000 tons after purchasing Standart Aluminium plant. Assan's products are marketed worldwide with about 60% of its current production being exported to Europe, North America, the Middle East and Far East. Aluminum coils/sheets and foils are sold to different sectors such as construction, electrical appliances, transportation, consumer durables and packaging. With its environmentally-safe production technology, Assan aims to satisfy the growing needs of the market by relying on technological innovation.

The Assan executive management team wanted to achieve excellence in their internal decision making and planning processes. To help accomplish this goal, they implemented enterprise-wide decision support systems. This included a series of projects focused on profitability management. The objective was to gain multi-dimensional visibility in costing and profitability in various dimensions such as customer, product, usage area, and geography.

Assan Alüminyum supplies raw material and finished goods for its customers and manufactures customized products that meet customer specifications. Each product has a different cost structure, different pricing and is marketed to different geographies. Thus, it was critical to calculate and analyze costs and profitability at a detailed level within this complex system.

This was accomplished within two phases:

**Phase 1:** Each coil produced was costed out based on its process route and the resources it consumed throughout the manufacturing processes.

**Phase 2:** Profit and loss statements were generated for each coil and package. This was the lowest level of detail required to reach the project objective.

A manufacturing powerhouse, Assan Alüminyum is deeply interested in how to create maximum value with available capacity while also maximizing capacity utilization. Acorn's costing and profitability system enabled Assan to optimize product sales and their manufacturing mix based on profitability by accurately calculating the cost of producing each product. For

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“We knew that it would not be an easy task to decipher our complex manufacturing processes from a costing perspective. Batuman Consulting was up to the challenge and completed the business analysis and conceptual design phases with remarkable success. They showed the same success in the system integration, software implementation and profitability analysis phases. We now have a very special in-house capability thanks to Acorn's tool and Batuman's expertise in costing and profitability management.”

— Bahadır Ozer  
Executive Vice President of Sales

example, a cold rolling machine consumes 10 million KwH of electricity per year. However, electricity usage differs widely depending on which product runs through the machine. With Acorn's costing system, electricity cost is calculated for each product based on order

parameters such as: the product's alloy, condition, order thickness, beginning thickness, the rate of change between beginning and ending thickness, width, length, and weight of the coil.

Assan Alüminyum worked with Batuman Consulting, the exclusive distributor of Acorn Systems in Turkey and the Middle East, to build the profit and costing models for their manufacturing, packaging, sales, and distribution processes.

#### [About Acorn Systems, Inc.](#)

Acorn solutions combines technology and methodology to improve profitability and increase shareholder value for Global 2000 companies in Financial Services, Retail, Consumer Products, Manufacturing, Distribution, Logistics, and Services. [www.acornsys.com](http://www.acornsys.com)

#### [About Batuman Consulting](#)

Batuman is the exclusive distributor of Acorn in Turkey and the Middle East. Batuman provides business and implementation consulting services along with software products and solutions specifically on corporate performance management, customer and product profitability, and activity-based costing. Dedicated to improving clients' performance quickly and dramatically, Batuman continues to make lasting difference in their clients' corporate performance. [www.batuman.com](http://www.batuman.com)