

Metals:

Case Study #1

Company	One of India's largest automobile company
Project	Strategic initiatives on procurement and managing price risk of metals
About the Company	Client is the market leader in MUV segment and exposed to market volatility in metals like steel, copper, zinc, lead, aluminum
Challenges for the assignment	<ul style="list-style-type: none">✓ The company procures auto components from the vendors and was facing issues like✓ Trending commodity prices leading to frequent upside revision of contract prices by the vendors✓ Sales price being not directly linked to LME (raw material prices)✓ Impact on profitability
Task for TransGraph	<ul style="list-style-type: none">✓ Key challenge for TransGraph has been to✓ Reduce the commodity price risk and maintain sanctity of the procurement budget✓ Bring consistency in the profitability by reducing net buying price✓ Evaluate alternate procurement strategies from the existing practice and fill in any gaps in the system
Accomplishment of the task & Client's value perception	<ul style="list-style-type: none">✓ TransGraph has brought in remarkable benefits by✓ Successfully establishing the CRMC (Commodity Risk Management Committee)✓ Enabling supplier negotiation and incorporating necessary changes to the existing pricing framework.✓ Implementing Price-outlook based component pricing that has resulted in savings to the tune of more than 1% of the substantial commodity exposure✓ Active support in price outlook and hedge strategies

Case Study #2

Company	Client is one of the largest Winding Wire Manufacturer
Project	Assessing and managing the copper price risk with critical focus on profitability.
About the Company	The Company is in to Magnet Wires / Winding Wires and Electric cables manufacturing and is directly exposed to copper price volatility.
Challenges for the assignment	<ul style="list-style-type: none"> ✓ Major challenges under the project were ✓ Buy price being linked to LME ✓ Sale price being linked to LME ✓ Shrinking margins for the value added product ✓ Typical sales cycle, leading to negative margins.
Task for TransGraph	<ul style="list-style-type: none"> ✓ The business objective of the assignment was defined to ensure ✓ Effective procurement system ensuring purchase value is equal to sales value ✓ Hedging in physical and financial markets to lock in the prices ✓ Protecting the margins
Accomplishment of the task & Client's value perception	<ul style="list-style-type: none"> ✓ TransGraph has delivered successfully a practical Hedge frame work and is working closely with the client on timing the purchases. ✓ The client is able to realize savings of over 4% from market average prices of copper ✓ Assured margins in the business. ✓ The client has been able to expand the market share in the industry with proper systems in place to ensure profitability. ✓ Knowledge Training has ensured improved process driven decision making.

Case Study #3

Company	<p>Client is one of the leading auto ancillary manufacturers based out of India.</p>
Project	<p>Risk Management on Aluminum and Currency</p>
About the Company	<p>The company is in the business of manufacturing various auto components and is exposed to aluminum and currency price risk.</p>
Challenges for the assignment	<ul style="list-style-type: none"> ✓ Client sources raw material from domestic and international markets and chiefly exposed to the price risk of aluminum. ✓ Buy price and Sale price are linked to LME aluminum prices ✓ Company facing uncertainty in profits in different market conditions due to the existing sales formulae. ✓ Currency price risk accrued due to aluminum imports added to the existing issues.
Task for TransGraph	<p>TransGraph was entrusted the assignment to ensure</p> <ul style="list-style-type: none"> ✓ Effective implementation of Price forecasting services to optimize procurement spends by timing the physical purchase. ✓ Hedging in LME for locking in the margins ✓ Regular Currency outlook and hedge strategies to freeze the value of aluminum and minimize the effect of price fluctuations
Accomplishment of the task & Client's value perception	<p>TransGraph has brought in remarkable qualitative and quantitative benefits to the client by</p> <ul style="list-style-type: none"> ✓ Protecting the profitability by ensuring procurement below market average aluminum prices. ✓ Hedging to bring consistency in margins and reduce net buying price. ✓ Setting up of Risk Management team and systemizing the Risk Management policy by clearly defining the Hedge mechanics, proper usage of Value at Risk Concept to measure the risk, defining roles and responsibilities with in the teams of procurement and finance.

Case Study #4

Company	Client is one of the emerging Galvanized steel manufacturer
Project	Procurement optimization of Zinc Metal
About the Company	The company is in to galvanize steel (H.R & C.R) manufacturing and in the process is exposed to Zinc Price risk.
Challenges for the assignment	<ul style="list-style-type: none"> ✓ Zinc purchase price linked to LME where as sale price of galvanized steel not linked to zinc pricing. ✓ Zinc procurement budget overshoot ✓ Inconsistent profitability due to price volatility in the commodity
Task for TransGraph	<p>TransGraph has taken up the assignment to:</p> <ul style="list-style-type: none"> ✓ Optimize the procurement spend by timing the physical purchases ✓ develop a hedge frame work detailing “Hedge” and “Not to hedge” decisions ✓ Active support by way of suggesting hedge positions on MCX.
Accomplishment of the task & Client’s value perception	<ul style="list-style-type: none"> ✓ TransGraph consulting successfully delivered the Hedge Frame work. ✓ This project has resulted in improved efficiency in procurement of zinc with savings of over 2% achieved by procuring below market average prices. ✓ Locking in the margins and inventory value by efficiently hedging the risk in domestic exchanges. ✓ Implementing a process driven approach in risk management