

## PRODUCTION PLANNING CHALLENGES IN THE STEEL PRODUCTION: CASE SSAB

Ville Isoherranen  
Oulu Southern Institute, University of Oulu, Finland  
E-mail: ville.isoherranen@oulu.fi

Pekka Kess  
Industrial Engineering and Management, University of Oulu, Finland  
pekka.kess@oulu.fi

### **Abstract:**

The purpose of this research is to examine the production planning challenges in the steel production. The strategy of the steel manufacturing in the case company has changed because of the pressure of the global markets. The original strategy resulted mostly to push type production planning taking the customer orders into account in certain point in production line. Currently the company is driven by customer demand resulting more dynamics and larger variation in the production runs. The theory is built from the operations management with focus on production planning. The results indicate the special nature of the production planning environment which includes multiple variable process components in steel manufacturing thus contributing to challenges to achieve balanced production flow. The study evaluates the reasons for production scheduling challenges and examines the overall flow of steel production from operations optimization point of view.

*Keywords: production planning, steel production, continuous improvement, operations management, SSAB*