NMDC Limited: Developing a Strategic Management Plan for Business Growth
Client Profile
The NMDC Limited is a reputed public sector enterprise under the Ministry of Steel, Government of India. It is India’s largest iron ore miner, producing about 30 million tons per annum (MTPA) of iron ore.

Since its inception in 1958, NMDC has been involved in the exploration of a wide range of minerals, including iron ore, copper, rock phosphate, limestone, dolomite, gypsum, bentonite, magnetite, diamond, tin, tungsten, and graphite.

Opportunity
NMDC has an aggressive growth agenda for FY2025 that includes:

• Increasing the scale of its iron mining to 75 MTPA by FY2019 and 100 MTPA by FY2022 from 30 MTPA at present.
• Strengthening exploration and forward-integrating to value-added businesses (pellet, steel).
• Strategically diversifying into other commodities based on growth potential and relevance to NMDC’s operations.
• Selectively investing in other geographies, based on mining potential and business environment.

To accomplish its growth agenda, NMDC needed to manage multiple strategic transformations, namely in the areas of:

• Business Strategy: From “single commodity and geography” to “multiple commodities and globally diversified”.
• Operations Strategy: From a 30 MTPA iron miner to 100 MTPA with forward-integration to value-added businesses (pellet, steel).
• Sustainability Strategy: From operating in suppliers’ markets to being compliant and profitable in buyers’ markets.
• Capital Projects Strategy: Managing significant capital investment in the next 5 – 10 years.
• Human Resources Strategy: From possessing mining skills to having skills in mining, metals, and other businesses.
• IT Strategy: From possessing a basic level of IT maturity to enablement through leading digital innovation practices.

To help NMDC achieve its growth objectives, a Strategic Management Plan (SMP) needed to be developed—targeting FY2025—by evaluating various growth opportunities for NMDC and formulating strategic enablers. Through a competitive bidding process, NMDC evaluated a number of strategy consulting firms and selected Accenture Strategy to help develop its SMP 2025.

Solution
Over a period of three months, Accenture Strategy helped NMDC to:

• Review and evaluate its stated growth plan.
• Analyze the mining industry, provide insight from historical growth strategies of major mining companies.
• Develop future strategies and an integrated business plan (financial model) at a portfolio level with detailed workings for NMDC’s existing and future key businesses.
• Evaluate the current-state of NMDC across key strategic pillars and develop strategic recommendations for the future covering: 1. Business Strategy: Operating model, portfolio optimization, product mix, marketing, and sales.
• Operations Strategy: Cost optimization, quality management, sourcing and procurement.
• Sustainability Strategy: License to operate and enterprise risk management.
• Capital Project Strategy: Stage-gate governance, capital project management process, and project management and control.
• Human Resource Strategy: Leadership development and succession planning, employee training and career development, and performance management system.
• IT Strategy: IT and automation blueprint, measurement and control system, and knowledge management.

Accenture Strategy helped NMDC to:
• Benchmark NMDC’s key financial and operational metrics against those of global mining leaders.
• Develop an implementation roadmap for SMP 2025.

To develop the Strategic Management Plan, Accenture Strategy conducted site visits, hosted a number of focused group discussions, a series of workshops, and brainstorming sessions involving participation from all levels of the organization. Accenture Strategy leveraged its field-tested methodologies and ready-to-deploy assets and knowledge base in evaluating the current state of client and developing specific recommendations to enable NMDC’s future growth.

A number of Subject Matter Advisers (SMAs) from Accenture Strategy’s global network interacted with the client and helped develop the strategy for NMDC. Subsequently, a number of management presentations were made at the highest level of the client organization to align SMP 2025 with key stakeholders.

Results
As a result of its close collaboration with Accenture Strategy, the client now has a comprehensive growth strategy and a roadmap with a specific action-plan and timeline to achieve the same. Key outcomes include:

• A comprehensive financial model that helped the client visualize the future financials of its business at the portfolio level and also for each key business. This dynamic model will help the client assess any business scenario going forward and fine-tune its yearly action plans as required.
• Specific strategies across six key strategic areas—Business, Operations, Sustainability, Capital Projects, Human Resource and IT—that have helped the client develop a balanced and sustainable growth plan for the future.
• A historical review of strategies and leading practices followed by large mining companies globally to help NMDC evaluate and establish new strategic initiatives which are required by NMDC to be institutionalized to enable its future growth.
• The benchmarking of key parameters (operation and finance), helping the client identify key areas and specific measures for improvement.

Through the engagement and the quality of deliverables, Accenture Strategy has developed the long term growth agenda for NMDC (SMP 2025), which forms the basis of its future strategy.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 336,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$30.0 billion for the fiscal year ended Aug. 31, 2014. Its home page is www.accenture.com.

About Accenture Strategy

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise-wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow @AccentureStrat or visit www.accenture.com/strategy