

Nerves of steel

The oldest and largest steel manufacturer in Bangladesh, BSRM is growing rapidly while ensuring high-quality products.

IMAGES ANUP MUNIR

Bangladesh Steel Re-Rolling Mills, known as BSRM, is one of the largest steel companies in the thriving economy of Bangladesh. With a history outdating the country—BSRM started manufacturing in 1952 in what was then East Pakistan—the company has generations of experience and a history of producing quality steel. Managing Director of BSRM, Aameir Alihussain, is the third generation of his family to work for the company. His grandfather Akberali Africawala and his brother Taherali Africawala founded BSRM, while his father, Alihussain Akberali, is the current chairman and uncle Zohair Taherali is Director.

Aameir joined the company in 2000 after completing a bachelor of economics from McGill University in Montreal, Canada, and an MBA from Lahore University of Management Sciences in Pakistan. His focus is on day-to-day operations while ensuring the sustainable growth of the business, something that has been very successful over the last two decades. “We have expanded a lot in the last 15 years that I have been with the company,” Aameir explains. “We are also now a public company listed on the stock exchange in Bangladesh, not a privately-owned family company.

“We were a relatively small player when I became the Managing Director, but have always been the largest steel producer in the country. Over the last 15 years, my country has been growing between six and seven per cent every year. >>



Name Aameir Alihussain
Company BSRM Group of Companies
Position Managing Director
HQ Chittagong, Bangladesh
Employees 2,400
Turnover US \$600 million



As featured in
The CEO Magazine
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Even during the financial crisis of 2008 and 2009. So we have been able to expand rapidly with the growth in the economy of Bangladesh.”

This has translated into huge growth for BSRM, as the Bangladeshi economy expands and the demand for steel soars. “In the early 2000s, we produced around 48,000 tonnes of steel a year. Now, 15 years later, we are doing over 700,000 tonnes,” Aameir says. “We have two new projects recently commissioned and, because of those, our capacity is going to increase to 1.3 million tonnes this year. We should be able to start commercial production on the two new plants in the next month, and then in about six months time we are going to reach the full capacity of the plants.”

With rapid growth, however, comes rapid challenges, something Aameir has to manage to ensure there are no problems as the company’s capacity and sales grow. “With the new plants, our capacity and our sales are going to double, so we are going to have an exponential growth to handle,” Aameir explains. “So our challenge for the next one or two years is how to handle this growth effectively, because BSRM is not only producing steel.

“We have to arrange the logistics and a better sales network. We also have to

“BSRM and Bendotti met in 2007; a reheating furnace for 75 tonnes/hour was manufactured, and with that furnace BSRM managed to produce over 90 tonnes/hour. Now there are two Bendotti furnaces operating in BSRM, producing 100 tonnes/hour each, and a strong relationship among our families.”
- Michele Bendotti, CEO, Bendotti



“What sets BSRM apart is its knowledge and history of steel making, but also its employees’ belief in producing quality products.” - Aameir Alihussain

maintain the same level of efficiency, even though generally when companies increase in size the efficiency will decrease slightly as the bureaucracy increases. We want to avoid all that; we want to have the same level of efficiencies within our organisation. Moving forward, there will be a lot of internal focus on how to manage this growth because, from this year, we are going to have double our capacity.”

Part of managing these challenges involves a large amount of logistics and

supply-chain management, something Aameir has been focused on. “We have a huge supply-chain network for our distribution, with our own network of dealers all over the country. We have more than 700 dealers in total who stock our material and sell to the end customer. We also have a huge network of vehicles that deliver materials to customers, as well as a network of warehouses and a network of sales offices.

“All those factors combined make us able to deliver what we produce

directly to the customer. As our size has increased, we’re no longer just a manufacturing company but also a supply-chain company. From the incoming raw materials to delivering the materials to the customer, we are now more involved in the business of supply chain than manufacturing. This is what drives us to be an efficient company; we are always focused on how to reduce our costs further. And this is why we now think from a supply-chain perspective, not only about manufacturing costs, but the whole supply-chain cost, including manufacturing.”

BSRM’s unique end-to-end model for its supply-chain management also gives the company credibility with its customers, because it manages its entire process internally. This, combined with the passion Aameir and his team have for BSRM, ensures that the company’s success will continue. “What sets BSRM apart is its knowledge and history of steel making, but also its employees’ belief in producing quality products,” Aameir says.

“We don’t compromise on that. Steel has to be very safe, and when it comes to safety, people trust us. Internally, we have stringent quality standards and everything we produce on a regular basis is frequently tested during the production process to make sure that no materials go to a customer that are not up to standard. Our plant’s performance is one of the best in the world has become a benchmark for others.

“Steel basically runs in our blood and we are proud of it, we are passionate about it, and every day what we do makes us happy. We continue to improve ourselves and create new benchmarks, not only within the organisation but also for the world.” ■



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