

**OPERATIONS STRATEGY
FOR
LANKA MINERAL SANDS LIMITED**



By

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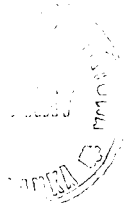


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ABSTRACT

Degree of competitive edge gained by any organisation in any industry is greatly dependent on how well the customers of the particular organisation are satisfied. In this concern it is necessary to identify order qualifying and order winning factors for the particular products that they are producing.

For world mineral sands industry, the order qualifying factors are quality and deliverability. The order winning factors are price and flexibility. In this research it was identified that the order qualifying factor, deliverability is lagging in Lanka Mineral Sands Limited (LMSL), whilst they excel in price (low cost of production), an order winning factor.

Further more this research has identified that the operations capabilities of LMSL is lagging behind the required level compared to other competitors in the world. This is depicted in their low manufacturing capability index and operations capability index.

In short-term, the performance objectives of LMSL should be to achieve low cost, high quality and deliverability. The remaining flexibility should be achieved in medium-term. A three stage (short, medium & long-term) Operations strategy can be proposed for LMSL. In short-term, LMSL should put more concern in achieving design capacities and quality levels of plants, developing required infrastructure facilities and developing human resource capabilities. The medium-term strategies should be to cater in achieving higher Research & Development capabilities, flexibility, capacity additions and quality improvements. A technology transfer can be proposed as a long-term operations strategy and this should be a forward-integrated- Joint venture.

Finally, the government of Sri Lanka has to play a major role in this process. Government should provide the necessary strategic leverage in achieving above mentioned objectives and it should be through following policy reforms.

- The government tender procedure should be appropriately changed for state-owned manufacturing organisations.
- Developing necessary industrial policies in securing local profit making organisations like LMSL.
- Appointment of director boards, which does not change when the political party of the government change.

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List of Abbreviations

LMSL – Lanka Mineral Sands Limited

CRL- Consolidated Rutile Limited

IREL- Indian Rare Earths Limited

IRL – Iluka Resource Limited

ITI – Industrial Technology Institute

CIC Ltd. – Chemical Industries of Colombo Limited.

SWOT – Strength Weakness Opportunities & Threats

MM – Manufacturing Manager

GM – General Manager