Which commercial model offers the greatest financial return potential for the steelmaker?

In the global market for long rolled steel products, especially rebar and light sections, three of the main commercial models stand out:

Actual weight



MEASURED WEIGHT

Billed by weight

Theoretical weight



1 t NOMINAL

Billed by theoretical weight

Number of bars



154 BARS

Billed by the number of bars

Which commercial conditions and operational constraints influence the model adopted in each market?



MODEL 1

Sales by actual weight

The steelmaker bills by measured weight.
The distributor resells by the bar.

225 bars



1 t

0.400 kg/m

230 bars



1 t

0.390 kg/m

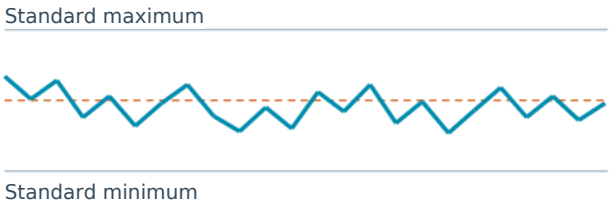
The distributor wants
more bars
per tonne



↓ Lower linear mass

↑ Higher production costs

THE COMMERCIAL TENSION





Distributor

"Reduce the linear mass!"



Steelmaker

"I need to protect my margin!"

Solutions used to address the problem:	Sales by theoretical weight	or	Sales by bar

ESTIMATED FINANCIAL GAIN FROM CHANGING THE COMMERCIAL MODEL

Production capacity	Estimated gain
500,000 t/year	US$ 2.5 million/year

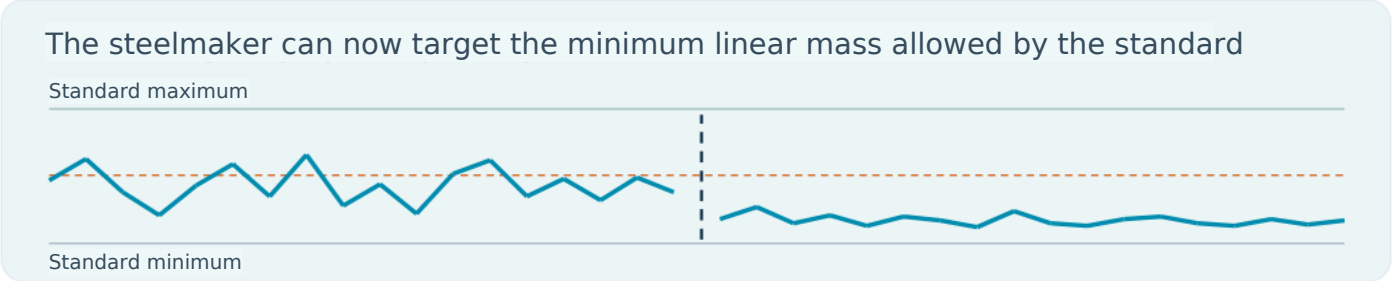
MODEL 2

Sales by theoretical weight

A solution that captures gains from lower linear mass while accommodating potential counting variability.

The price per tonne is set.
The number of bars must fall withrange.

For example: 149 to 154 bars per bundle



The same number of bars, using less steel.

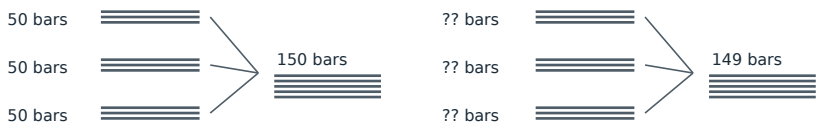
In this model, gains can pay for CAPEX and Six Sigma projects to reduce linear mass.

POTENTIAL CHALLENGES OF THE MODEL

• Inaccurate counting may trigger complaints when quantities fall below the agreed minimum or the quantity stated on the label.

> Proposed solution: add extra bars to smaller-diameter bundles, where counting is more prone to error.

• Physical constraints on delivering exactly the minimum quantity range.



MODEL 3

Sales by the bar

The customer pays for the number of bars invoiced.

148 bars? Invoice 148.
152 bars? Invoice 152.

This model overcomes the need for repeatability: maintaining the same number of bars in every bundle.

- This eliminates the need for bar-separation equipment or crews.

POTENTIAL CHALLENGES OF THE MODEL

- Inaccurate counting may trigger complaints when quantities fall below the agreed minimum or the quantity stated on the label.

  Proposed solution: add extra bars to smaller-diameter bundles, where counting is more prone to error.





DELIVERED
152 bars

INVOICED
150 bars

2 extra bars
(with no corresponding revenue)

SBT'S CONTRIBUTION

Where SBT transforms the business logic

01

Do you sell by actual weight?

Deterministic counting provides a basis for negotiating sales by theoretical weight or by the bar.

02

Do you sell by theoretical weight?

You can adjust bundles to the agreed minimum or negotiate a transition to sales by the bar.

03

Do you already sell by the bar?

You can eliminate extra bars used to compensate for counting uncertainty.

Reliable quantities.

New opportunities to improve margins.

FROM QUANTITY TO MARGIN

From known quantities to captured margin

Less steel per bar,
while meeting product requirements.

No adjustments to maintain a fixed bar count,
where the commercial model allows.

No extra bars
to cover counting uncertainty.

SBT delivers confidence in the quantity.
Your business model turns
that confidence into value.

What opportunity exists on your rolling line?