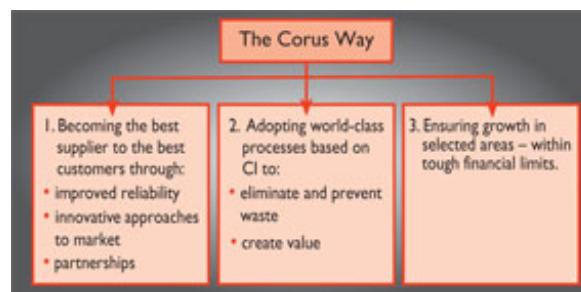


Continuous Improvement - The Corus Way

Continuous Improvement

In 2004, under the new Chief Executive Officer, Philippe Varin, the company launched its Restoring Success programme aimed at closing the competitive gap between Corus and its European competitors. The objective was to make Corus more competitive and to ensure the business became more resilient to any cyclical downturn in the steel industry at times of economic difficulty. Steel goes into many manufacturing and construction products with demand being sensitive to economic growth and decline. Part of the plan involved cutting back on waste and unnecessary copying of activities and by the end of 2004, 50% of the target savings had been achieved. As a result the company moved into profit last year for the first time since its formation in 1999.

Looking beyond the original ambition of Restoring Success, in 2005 Corus began to develop a programme to create real value in steel, within a safe and sustainable environment - The Corus Way. It comprised these key business goals:



This case study centres on how CI lies at the heart of The Corus Way, and how these goals are achieved by the commitment of an involved, motivated and skilled workforce.

CI has become a common feature in modern business life since it was popularised by Japanese industry, where it is known as 'Kaizen'. The goal is to improve processes and products over time, taking care to maintain improved performance levels while seeking out further opportunities for improvement.

Introducing CI means changing the culture of a company, which means that members of the organisation are challenged to change their behaviour and upgrade their work. Typical changes will include:

- * cutting out pointless activities
- * making products and carrying out processes more efficiently
- * making processes common and consistent throughout the business

CI involves the related idea of 'lean manufacturing'. This simply refers to the removal of waste. If wasteful activities are removed, employees are able to work smarter. Working in a smarter way does not involve working harder. Smart work involves spending time carrying out processes that create value for customers. The best people to identify 'lean' processes are those who are most involved in production activities. This is why Corus places so much importance on involving employees in CI and puts customer requirements at the heart of its business, thereby creating an ongoing culture of improvement.