Global Reach of Severstal

**North American Steel**
- Columbus
- Dearborn
- Warren
- Sparrows Point
- Wheeling
- Capacity 12 mt

**European Steel**
- Lucchini
- Ascometal
- Capacity 4 mt

**Russian Steel & Resources**
- Steelmaking capacity of 11.6 mt
- Severgal exposed HDG & Galvanneal
- Largest supplier to Russian auto industry
Columbus Mill Site

- 2.3 Square Miles
- 5.7 Square Kilometers

CTR Airport
Golden Triangle

August 2005
The Southern Auto Corridor

19 of 25 Southern Auto makers within 450 Miles
## The Market

### Key Segments:
- Appliance
- Agriculture
- Automotive
- Building Products
- Components Mfg.
- Construction
- Containers
- Fasteners
- Furniture
- Hardware

- Heavy Truck Mfg.
- HVAC
- Lawn & Garden
- Metal Buildings
- Pipe & Tube
- Power Distributions
- Service Centers
- Storage Fixtures & Racks
- Truck Trailers Mfg.
IGNORANCE

It’s amazing how much easier it is for a team to work together when no one has any idea where they’re going.
ACHIEVEMENT

You can do anything you set your mind to when you have vision, determination, and an endless supply of expendable labor.
Building Severstal Workforce

- Started with State and EMCC support
  - Finding candidates-MDES
  - Testing-EMCC
  - Training-EMCC
Workforce Training

- Refresher Training in Reading and Math
- Full facility exposure
- Process Education
- Job Specific Training
- Welding
- Automation
- Electronics
- Hydraulics
- Crane maintenance
- On going specialized skills as identified
- Manufacturing Skills
- Safety and Health
- EMCC graduates in multiple programs
Important Work Skills

- Work Ethic

- Communications
  - Listening
  - Oral
  - Written

- Ability to Keep Learning
  - Reading
  - Writing
  - Math
OJT Contracts

- Contacts---9
- Hires covered---170
- Contracts Completed--- 97%
Contract Density and Hours

- Operators - Greatest volume
  - Skilled
  - Semi skilled

- Technicians
  - Mechanical
  - Electrical

- Contract Hours - typical 650 to 850 hours
Challenges in Training

- People Embracing Change
- Old vs New Work Systems
- Ability to Learn-Eroded Skills
The Culture of Sustainability

The Dynamics of Leadership-Team Behavior

**Teams on the Way Down**
1. People shield those in power—Fear penalties and criticism
2. People assert strong opinions without data
3. Leaders have low questions to statements ratio
4. Members acquiesce without unifying
5. Members seek credit, but do not have confidence of peers
6. Members argue to further interest without support for overall cause
7. Team conducts “autopsies with blame”
8. Members often fail to deliver exceptional results and blame others or outside factors

**Teams on the way up**
1. People bring forth grim facts without being criticized
2. People bring data, logic and solid arguments to discussions
3. Leaders us a high questions to statements ratio
4. Members unify behind a decision and work to make it succeed
5. Members credit others for success, yet enjoy peer respect
6. Team member argue and debate to find the best answers
7. Team conducts autopsies without blame seeking learning
8. Members deliver exceptional results yet accept responsibility and learn from setbacks

J. Collins Business Week 5/25/09
At Severstal we see Opportunity

This crisis is creating opportunities for change:

- Leaner, faster, more responsive, more innovative.

- We’re taking the best of everything that we’ve done or seen elsewhere and applying it to help us forge a new, more efficient, model that will position us to thrive in the coming recovery.
Our Biggest Advantage