



## ***Business System of Severstal Implementation at PBS Coals***

## *Business System of Severstal*

*“achieving more together”*

***BSS is a balanced business plan. It is a plan of many parts, a tool bag to prevent losses.***

***SAFETY – an UNCOMPROMISABLE Value***

*Loss Prevention is our Common Goal*

***Mutual Respect for Each Other***

# *Safety has to be our Value*

---

## **PBS Safety and Health Policy Statement**

- I will take individual responsibility for my personal safety**
- I will be my “brother’s keeper”.**
- I will never pass an unsafe act or an unsafe condition without immediately correcting or arranging for the correction of the act or condition.**

# Values Defined

---

## ***SAFETY***

*it must be thought about in everything we do*

***Loss Prevention***  
***waste***

***no injury, no violations, no delays, no rework, no***

***Mutual Respect***

***each of us is very important,  
We instead of ME***

# *The 3 C's Implemented*

---

## **In Building our team we will use the 3 C's**

- **C**ommunication
- **C**onsideration
- **C**ooperation

*Note: Ownership must be shared by the entire team!*

# BSS Elements



# Implementation

- 1 Communications Program
- 2 Training Plan
- 3 BSS Support
- 4 Continuous Improvement
- 5 Standardized Inspections
- 6 Best Practices
- 7 Preventative Maintenance Schedule
- 8 Results & Accountability
- 9 Individual Development Plan

**Objective: to foster a united and informed approach**

## Components of Communication Program

1. Foremen to Workforce Relationships (respect building)
2. **Safety** Committee Projects & Meetings
3. Weekly **Safety** Note
4. Corporate Newsletter
5. Regular Workforce Meetings
6. Daily Loss Prevention Reminders
7. Personal Interviews
8. Bulletin Boards & Suggestion Boxes
9. Expanded Weekly Crew Meeting



# Implementation

- 1 Communications Program
- 2 Training Plan
- 3 BSS Support
- 4 Continuous Improvement
- 5 Standardized Inspections
- 6 Best Practices
- 7 Preventative Maintenance Schedule
- 8 Results & Accountability
- 9 Individual Development Plan

**Objective: create common understanding of all elements**

## Training Plan Components

### 1. Management Training of BSS

- Senior Staff
- All management and trainees

### 2. Workshops I & II – Business Change

- Economics (drives change)
- Loss Prevention – loss due to injury, violation, delay, rework, waste
- Teamwork & Internal Clients
- Departmental Improvement Initiatives
- Kaizen Projects

### 3. Workshop – BSS Implementation

- Continuous Improvement – Kaizens, Major Initiatives
- Standardized Inspections – checklists
  - Prioritization – “A”, “B” and “C”
  - Categorization – immed., idle time, during run shift
- Work Requests
- Best Practices I
- KPI’s (Phase 1)

### 4. Workshop – Skills and Process

- Best Practices II
- Performance Audits
- Process Refinement I
- Bottleneck/Root Cause/5 Why
- Loss Investigation

### 5. Workshop – Visualization & Results

- Process Refinement II
- Preventative Maintenance Schedule
- Visual Control
- 5S
- Client Inputs
- Individual Development Plan
- KPI’s (Phase 2)

### 6. Navigators (role development)

7. **Superintendents** (action plan development/follow-up, KPI Management)

8. **Management** (trainee program, leadership & effectiveness)

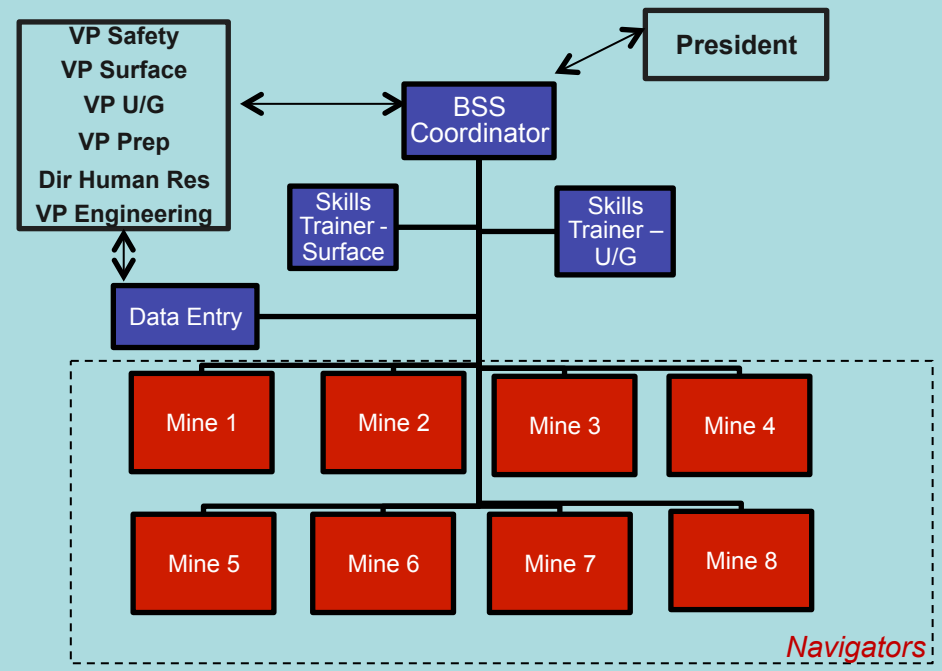
9. **Annual Retraining, Specific Skills & Certifications**

10. **Maintenance Training Program** (initial & ongoing mechanics training)

# Implementation

- 1 Communications Program
- 2 Training Plan
- 3 BSS Support
- 4 Continuous Improvement
- 5 Standardized Inspections
- 6 Best Practices
- 7 Preventative Maintenance Schedule
- 8 Results & Accountability
- 9 Individual Development Plan

**Objective: establish organized Dept for facilitation of BSS**



**Navigator**

- Kaizen Gatherer
- Kaizen Facilitator
- Kaizen Results Tracker
- Action Plans Updater
- Work Request Tracker
- KPI Tracker & Analyzer
- Communications Center Updates
- Process Trainer – Safest, most efficient
- Process Auditor - roving multiple sites
- Management Trainee

**Skills Trainer**

- Coordinate Inexperienced Miner training
- Advanced Skill Refinement process
- Standardized Inspections
- Best Practices

# Implementation

- 1 Communications Program
- 2 Training Plan
- 3 BSS Support
- 4 Continuous Improvement
- 5 Standardized Inspections
- 6 Best Practices
- 7 Preventative Maintenance Schedule
- 8 Results & Accountability
- 9 Individual Development Plan

**Objective: accomplish business plan objectives & goals**

## Components of Continuous Improvements

### 1. Kaizen Projects

Every Employee has good ideas

'Task' sized projects – prioritized!

Gathered from Weekly Communication Meetings, Suggestion

Boxes (24), and Interviews (+1700)

Site Groups

3 employees per operation

Group meets regularly

Members rotated

Navigator facilitates meetings

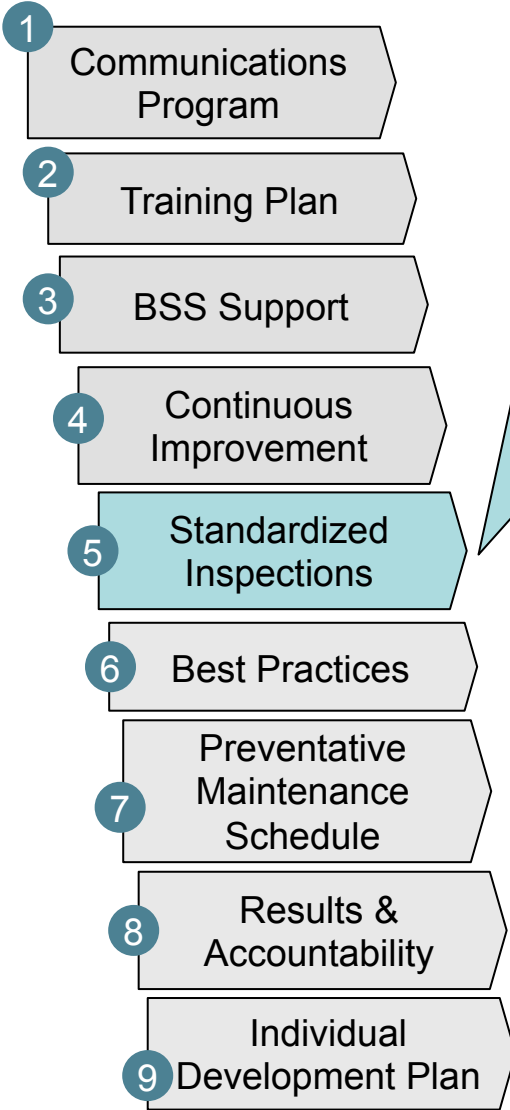
Majority of  
Kaizens have a  
**Safety** Emphasis

**2. Major Initiatives** – multi-step projects bigger than 'task' sized

**3. 5S Process Projects** – visible representation of BSS

*Follow-up: track gains (KPI's) and action plans*

# Implementation



**Objective: maintain the highest standards of Safety & Efficiency**

## **Components of Standardized Inspections (SI)**

1. Pre-op Inspections
  - Phase 1 – initial check list - basic
  - Phase 2 – detailed check list
2. Quarterly Internal Audits
  - Develop Scorecards to track progress
  - Progress from Safety to Safety, Efficiency, and Best Practices
3. Work Requests
  - Communication from: Foremen, Shift Reports, Audits
  - Standardized Inspection Sheets

### *Follow-up: Work Request Tracking & Backlogs*

- *Web based Work Requests & Reporting System*
- *Prioritization - “A”, “B” or “C”*
- *Categorization (immediate, idle time, during run shift)*

# Implementation

- 1 Communications Program
- 2 Training Plan
- 3 BSS Support
- 4 Continuous Improvement
- 5 Standardized Inspections
- 6 Best Practices
- 7 Preventative Maintenance Schedule
- 8 Results & Accountability
- 9 Individual Development Plan

**Objective: implement the best ideas**

## Components of Best Practices (BP)

### 1. Observations

- Process
- Equipment/tools

### 2. Blending of “Best Practices”

- Visualization
- Videos

### 3. Communicate, Implement, & Adjust

Best =  
Highest  
Standards of  
**Safety** &  
Efficiency

*Follow-up: KPI's and Performance Audits –  
continuously expanding*

# Implementation



**Objective: Preventatively Reducing Losses**

## **Components of Preventative Maintenance Schedule (PM)**

- 1. OEM Service/Adjustment Schedule**
- 2. Operating Condition Sampling**
  - Oil
  - Temperature
  - Vibration
  - Wear Rate
- 3. Component Inspection** – at 80% of expected life  
-- at high operating cost warning
- 4. Continuing to evaluate item additions/deletions for equipment**
  - Loss Records/Investigations
  - Operating Costs/Equipment

*Follow-up: Downtime KPI's and Backlog Hours*

# Implementation

- 1 Communications Program
- 2 Training Plan
- 3 BSS Support
- 4 Continuous Improvement
- 5 Standardized Inspections
- 6 Best Practices
- 7 Preventative Maintenance Schedule
- 8 Results & Accountability
- 9 Individual Development Plan

**Objective: Measuring Progress & Holding Employees Responsible**

## Components of Results & Accountability

1. **Continuous Improvement Project Results**
  - safety improvements, production increases, savings
2. **Work Request Program** – tracking, completion rate, & backlog
3. **KPI Accountability** – actual compared to goal & history
4. **Loss Investigation** – Root Cause Review & Analysis
  - injury, violations, delays, rework, waste, in-efficiencies, near misses
5. **Performance Bonus System** – safety, production, efficiency, quality
6. **Process/Performance Audits** – scoring system

# Implementation



**Objective: Promoting Self Management**

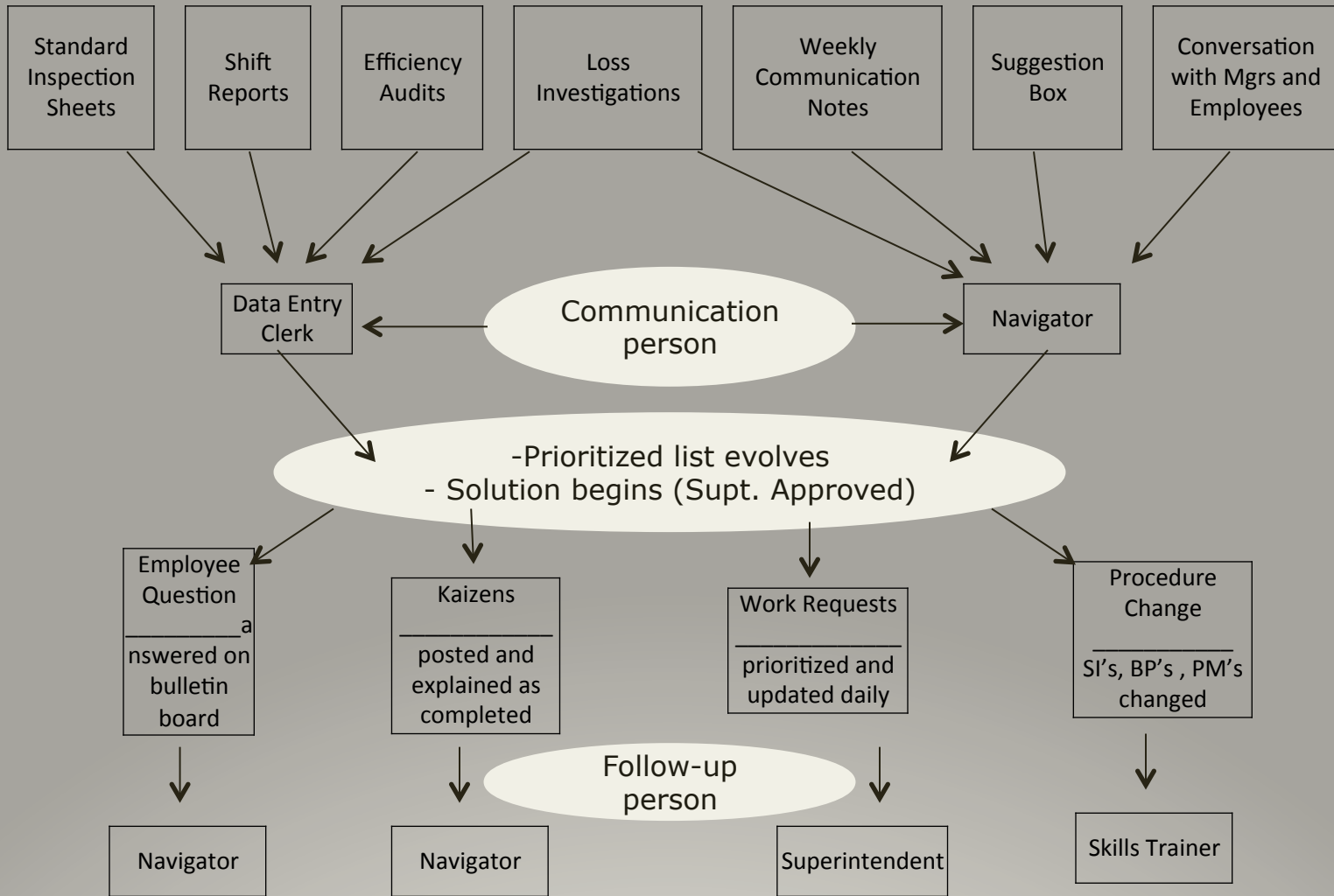
**Components of Individual Development Plan**

1. Managerial Group
  - Performance
  - Development Plan
2. Workforce
  - Performance
  - Development Plan

*Follow-up: Personal Accountability Interviews (semi-annual)*



# The tools work together to build Security



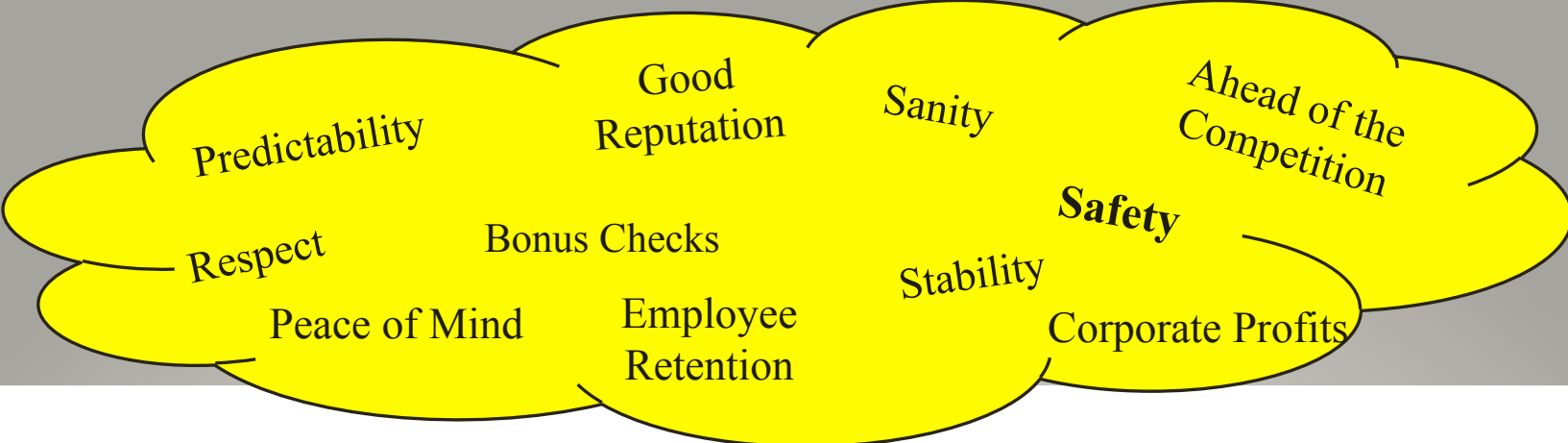
**and prevent losses.**

# Our **Security** Depends on:

Fixing the Symptom

Repairing the Root Cause

Preventing the Reoccurrence



# ***Success and Security***



***A journey, not a  
destination!***