Severstal is a vertically integrated steel and mining company

- 50 thousand employees
- 12 million tonnes of steel
- 6 thousand customers
- sales to 77 countries
- 36% EBITDA Margin
  Highest in the sector
Some features of our manufacturing
New trends set **new** challenges for our **BUSINESS MODEL**

<table>
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<tr>
<th>Changes in customer needs</th>
<th>Rapid changes in technology development</th>
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<td>- Product vs solution</td>
<td>- AI</td>
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<td>- New consumer generation</td>
<td>- Alternative energy</td>
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<td>- Eco-friendly products</td>
<td>- Industry 4.0</td>
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<td>- Total Cost of Ownership</td>
<td>- Additive technologies</td>
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<th>New business models</th>
<th>New competencies</th>
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<td>- UBER</td>
<td>- War for talent</td>
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<td>- AMAZON</td>
<td>- New roles</td>
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<td>- AirB&amp;B</td>
<td>- Lifelong learning</td>
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</table>
New strategy

1st choice company
for customers, employees and partners

Strategic priorities

01 Superior client experience
02 Cost leadership
03 New opportunities
04 Advanced corporate culture
the culture is the most important

How does Severstal innovate??

Free people from different departments and allow them to dream further together

Let's put the tools besides for a moment
Customer-focused organization

Value stream “Construction”

Value stream leader

Team #1  Team #2  Team #3

R&D

Marketing

Technical support

Other competencies

Value stream “Machinery”

Value stream leader

Team #1  Team #2  Team #3

Value stream “Energy”

Value stream leader

Team #1  Team #2  Team #3
New way of working – agile teams and flexible staffing

Short sprints and permanent feedback

Developing solutions with customers

Self-organisation & Just do it attitude

Start small, move fast, fail fast

Flexible staffing & partner eco-system

Be Agile & Do Agile
Difference in mindset and competencies
Trainings we provide to our leaders

NETWORKING
AGILE & DESIGN THINKING
PRODUCT OWNERSHIP
DIGITAL
From the desire to develop a perfect product right away to incremental improvements based on a client’s feedback

**Challenge**
Dynamic demand for products and complete solutions

As it already works in fact:

1. **The idea...**
2. **15 meetings**
3. **270 tons**

Prototype → Minimal viable product → A ready-made solution
There is a ‘HIPPO’ disease

Let data drive decisions, not the Highest Paid Person’s Opinion.

#HowGoogleWorks

HowGoogleWorks.net
Top management team alignment is the key!
There’s ‘an elephant in the room’, and it’s infecting efficiency

Sometimes, even if I stand in the middle of the room, no one acknowledges me.
Lessons Learned

1. Agile is not an aim, but a mean. Change can’t get started unless business see the need

2. Communication
Ensure alignment & transparency

3. Agile leadership behavior
Ensure your actions mirror your words

4. Agile transformation is not linear
Be patient! it’s taking time
Thank you!