



CASE STUDY | Ruukki

Success stories transform Ruukki's local Lean and Six Sigma program into a global initiative

The Challenge

With operations in 15 countries, Ruukki is heading into the 21st century with a vision of becoming Europe's leading supplier of metal-based solutions to the construction and engineering industry. Already a strong market leader with a diverse portfolio of products and services, the company must constantly innovate to stay ahead of the competition. It must also continually adapt to meet the changing needs of its customers.

A key part of Ruukki's improvement strategy is to increase operational efficiency across its four product lines and varied locations. To achieve its vision, Ruukki needed a business improvement solution that would not only streamline operations but also become a way of doing business that could unite the company along one goal.

The Solution

Ruukki wanted to develop strong change leaders with the ability to facilitate improvement projects that deliver substantial financial gains. To execute its improvement strategy, Ruukki partnered with BMGI to develop an internal team of Lean and Six Sigma practitioners. These two improvement methodologies offered Ruukki a way to quickly reduce waste and improve quality. BMGI's team of master consultants helped Ruukki develop new problem-solving competencies through education and on-site project identification. In addition, BMGI provided consulting support by coaching practitioners so their projects could deliver better processes and strong cost savings.

Ruukki's implementation started small, with development limited to one plant in Finland. This initial program was designed to demonstrate results to drive companywide support. Leveraging the early successes, BMGI worked with the deployment team to introduce the

Lean and Six Sigma methodologies to the executive team and to plants across Eastern Europe and the Nordic countries.

Building Internal Interest

Utilizing the company intranet, Ruukki promoted its program results through project success stories and press releases. The deployment team also leveraged internal training sessions as opportunities to communicate the impact of Lean and Six Sigma on the company's operations. Soon after Ruukki's initial wave of black belt problem solvers completed their projects, other divisions across Europe indicated an interest in launching local initiatives.

As employees are educated on the practice and benefits of Lean and Six Sigma, their enthusiasm for change is making its way across the company. This enthusiasm has filtered up through managers and directors to the executive team, creating a compelling voice for change. Starting small gave Ruukki the opportunity to inspire dedication at the worker level, where changes had real impact. With demonstrated results, the deployment team now plans to expand the program throughout the company.

Business Results

To date, the company has saved over €16 million in operating costs. The company has also identified another €100 million in savings through reduced inventories and improved processes.

Deployment Leader Virta Esa calls the investment in Lean and Six Sigma "...very small when compared to the results we've seen and the potential for continued savings."

Ruukki has developed more than 250 Lean and Six Sigma practitioners, who act as change agents across the company. Their success is now encouraging other business units to embrace the Lean and Six Sigma methodologies.



Summary

Industry

Steel Manufacturing

Annual Revenues

€3.87 Billion+

Number of Employees

14,500

Program Goals

- ▶ Improve on-time delivery for customers.
- ▶ Reduce operating costs by eliminating waste and improving quality.
- ▶ Improve safety for employees across all plants.
- ▶ Promote profitable growth across the company.

What the Future Holds

With proven financial results, the Ruukki team will promote Lean and Six Sigma across all regions. Successful projects can be replicated in plants throughout the world to reduce inventories of raw materials and improve operational processes. The deployment team will also continue to promote program results to create demand for change agents across all regions.

"BMGI has shown us opportunities to get quick results and demonstrate significant improvements. With their support, we have created enthusiasm for the Lean and Six Sigma initiative across the organization. Their partnership has been a key factor in our program's success."

— Virta Esa
— Deployment Leader