



THE TIMES 100

Edition 14

Corus: Product development through continuous improvement Answer sheet

Questions

1. Corus has average annual sales of £12 billion. What does this mean?
Corus sold products worth £12 billion to various customers over a 12 month period.
2. Who are Corus's potential customers?
Customers include the Royal Navy, Building companies and car manufacturers to list a few.
3. Is Corus and multinational company? Justify your answer.
Yes because it manufactures steel in the UK and France.
4. Why is it important that Corus embrace continuous improvement?
So that they maintain their market share by being known as one of the leaders in quality. Poor products equals poor publicity and potentially lost sales. Also they may learn of more efficient ways to produce the steel and hence cut costs.
5. What is JIT and why is it relevant to Corus?
Just In Time production is when the goods are either supplied or produced when needed. This means that less storage space is required and less capital is tied up in the long term.
6. Corus uses forms of communication with articles and regular presentations to its staff. How do your school / organisation communicate with you?
Assemblies. Notice boards, registers
7. Who are the stakeholders of Corus?
The stakeholders are anyone who have an interest or are affected by Corus. They include the owners, employees, government, suppliers and customers.
8. Corus benefits from economies of scale. How is this so?
They are able to benefit from the savings of buying in bulk due to sheer size, specialisation in roles . e.g. accountants, lawyers, production etc, marketing and sales due to reputation.
9. What is capacity utilisation?
The maximum level an organisation can work at or can produce. So that no asset is left idle.



THE TIMES 100

10. Why is it important for Corus to obtain national recognised awards?

A national recognised award gives the customer and suppliers assurances that the work that is done meets a minimum standard required by law and hence can be trusted. This may also be the difference between getting a sale or not.

11. What is the difference between Quality control and Quality Assurance?

Quality control is where the product is tested at the end of production to ensure that it meets the required standard. Quality Assurance is where all aspects of quality are assessed throughout the production process.

12. What would be the effect to Corus if these aspects were not included in its manufacturing philosophy?

The steel produced could well be sub-standard which would mean that it would have to be replaced. By replacing the steel, Corus would have to spend more money on steel and pay the workers more money as their time would be taken up to produce the steel. Further costs would also occur . power, transport costs and potential deadlines not being met or even demand not being met due to this blunder. The reputation may well be tarnished especially if a disaster could have been averted if the steel was to the specification required. This could possibly lead to cancelled orders and potential orders lost.