

VALUE CREATION THROUGH WORLD CLASS QUALITY AND CONTINUOUS IMPROVEMENT

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**John J. Lanzoni, VP Supply Chain-NPP,
Westinghouse**

OMA - The Burning Platform

- **The current business environment presents significant challenges**
 - Our customers expect flawless performance
 - Industry expectations and regulations are different from what they were in the past –
our culture must be prevention oriented
 - We have secured substantial backlog

OMA - The Burning Platform, con't.

- **The current business environment presents significant challenges, con't**
 - Forecast for future growth is high
 - The combination of new business, support to Toshiba and introduction of new employees present complex challenges
- **The status quo will result in the inability to meet increasing industry and customer expectations**

Quality and Continuous Improvement Core Process Redesign – Ideal future state is now

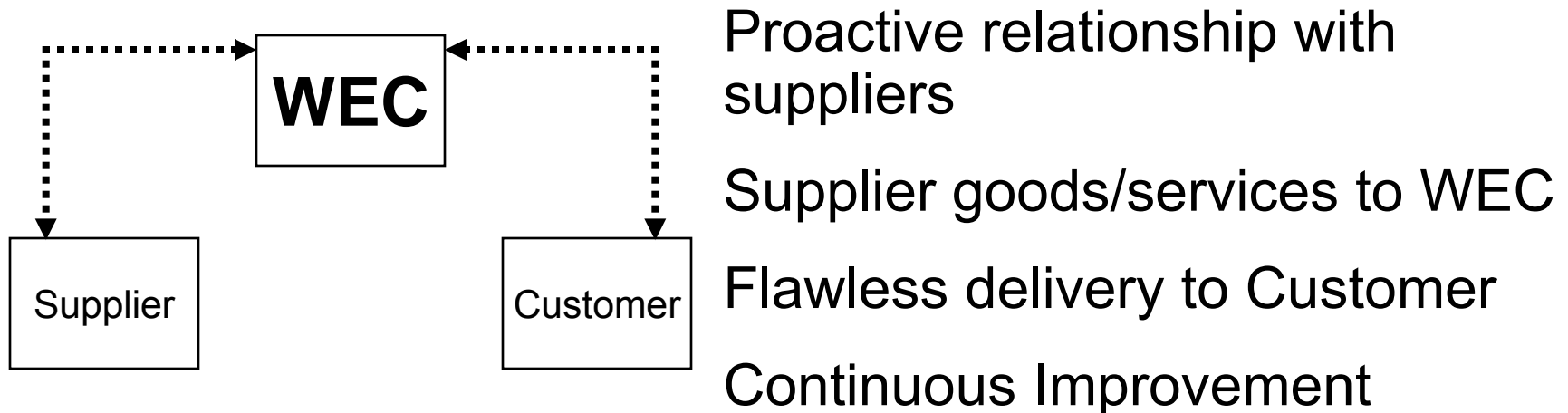
Our quality culture must go beyond compliance –

it must include a tight linkage with proactive continuous improvement and organizational learning; and include our employees proactively partnering with customers and suppliers to drive performance improvement!

**Compliance + Continuous Improvement =
World Class Performance**

Implement a WEC wide supplier quality performance and engineering process – Work with exceptional suppliers

- Proactively partner with suppliers to foster continuous improvement culture - share learning, share benefits



WEC = Westinghouse

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- Elevate supplier quality oversight/QC/In-process surveillances
- Enhance and standardize audit processes and frequency to go beyond compliance – incorporate Safety, HuP, and Continuous Improvement
- Collaborate with SCM across the business units to create one process to clarify roles, eliminate duplicate efforts, save costs; and create shared metrics to drive early problem resolutions
- identification and provide value added

Quality Is Every Ones Job

As employees of a proactive, global learning organization, we will be empowered to:

- Share learning across organizational boundaries by actively seeking out and applying best practices and lessons learned
- Utilize CAPs and other sources of learning to identify trends before they become issues; and turn them into opportunities for improvement

Quality Is Every Ones Job, con't.

As employees of a proactive, global learning organization, we will be empowered to:

- Engage in and promote Human Performance tool usage and projects
- Support Continuous Improvement at all levels
- Become advocates for corporate standardization
- Proactively engage with suppliers to foster their continuous improvement

Key is Continuous Improvement



- Implement WEC wide supplier quality performance and engineering process
- Implement WEC wide Organizational Learning Model (CAPA, L/L)
- Institute a staff development model for Quality professionals
- Continue to drive standardization and consolidation in procedures