

Malcolm Baldrige National Quality Award Application

2021 **USA** Midway®



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Glossary of Terms and Acronyms

#

40&J..... Name of the new campus location where the new distribution center will be located

A

Active Customer Customers who have ordered within the last 365 days

AED Automated External Defibrillator

AOS Available on site

ATF Bureau of Alcohol, Tobacco, Firearms, and Explosives

B

BAR Baldrige Award Recipient

BBB Better Business Bureau

BL Bucket List: a list of strategically important ideas

C

CAM Category Analysis Matrix

CAP Company Action Plan

CAR Corrective Action Report

CC Core Competency

CDT Career Development Team

Circle of Excellence Award An annual award given by BizRate to celebrate top performing retailers

CKM Company Key Measure: direct measures of performance toward OGs and SKRs

CKR Customer Key Requirement

COVID Coronavirus-19

CRM Customer Relationship Management

CS Customer Support

CS&E Customer Satisfaction & Engagement

CSS Customer Satisfaction Survey

CVP Customer Value Proposition

D

DBM Department Baldrige Meeting

DC Distribution Center

DKM Department Key Measure

DKS Department Knowledge Sharing

DLT Department Leadership Team: The department VP and the managers who report directly to the VP. In Key Work System departments, the team also includes the managers who report to a VP's direct reports

E

EFG Employee Focus Group

EKR Employee Key Requirement

ERG Emergency Response Group

ES&E Employee Satisfaction & Engagement

ES&ES Employee Satisfaction & Engagement Survey

F

FAQ Frequently Asked Questions

FFL Federal Firearms License

FOF Focus on the Future

FS Financial Services

H

HAM Human Resources Analysis Matrix

HAZMAT Hazardous Materials

HR Human Resources

I

ICP Integrated Contingency Plan

Inactive Customer Previous Customers who have not ordered within the last 365 days

IMI IMI Systems: A TNT Supplier

IRS Internal Revenue Service

IS Information Systems

ISO International Organization of Standards

K

KCG Key Conservation Group

KM Key Measure

KR Key Requirement: The most important documented needs that must be met to achieve stakeholder satisfaction

KS Key Stakeholder

KWS Key Work System

L

LRC Legal & Regulatory Compliance Specialist

LDC Leadership Development Candidate

LERC Legal, Ethical, Regulatory Compliance

LO Logistics

LS Leadership System

LTG Long-Term Goal

Glossary of Terms and Acronyms

M

MAM Marketing Analysis Matrix
 MBNQA..... Malcolm Baldrige National Quality Award
 ME Merchandising
 MIDAS. MidwayUSA’s Integrated Data Analysis Solution
 MK Marketing
 MQA Missouri Quality Award
 MRR Monthly Results Review
 MS..... Mission Statement
 MW MidwayUSA

N

NICS National Instant Criminal Background Check System
 NPV Net Present Value
 NRA..... National Rifle Association
 NRA-ILA NRA-Institute of Legislative Action

O

OFI..... Opportunity for Improvement
 OG..... Operational Goal
 OSHA. Occupational Safety & Health Administration
 OSS Operation Side-by-Side (CAP)

P

PCI Payment Card Industry
 PI..... Performance Improvement System
 PIQR Product Information Quality Rating
 PMP Process Management Process
 Prospective Customer Customers who have never placed an order with MW

Q

QMS..... Quality Management Systems
 Q&A..... Question and Answer

R

R&R..... Rewards and Recognition
 RMA Risk Management Association

S

SA Strategic Advantage
 Sales & MK Team..... Sales & Marketing Team
 SAM..... Supplier Analysis Matrix

SAOS Segmentation Available on Site
 SC Strategic Challenge
 SEO..... Search Engine Optimization
 SHKR..... Shareholder Key Requirement
 SKR..... Stakeholder Key Requirement
 SLs Senior Leaders
 SLT..... Senior Leadership Team:
 A team made of up the President & CEO and the VP of each department, also referred to as Senior Leaders
 SO Strategic Objective
 SOTB State of the Business
 SP Strategic Plan
 S&Ps Suppliers & Partners
 SPA..... Supplier Partnership Agreement
 SPKR Supplier & Partner Key Requirement
 SPM Strategic Planning Meeting
 SPP..... Strategic Planning Process
 SWOT Strengths, Weaknesses, Opportunities, and Threats
 SWS Support Work System

T

TNT..... Top 10/Next 10

V


V&C..... Values & Culture
 VOC Voice of the Customer

W

WAM..... Website Analysis Matrix
 WFM..... Workforce Focus Meeting
 WI Work Instruction
 WP White Paper
 WPD Work Process Design & Re-engineering
 WSM..... Work System Map

Y

YTD Year-to-Date

 This symbol indicates learning through evaluation or best practice sharing that resulted in improvements to an approach, deployment, or integration

 This symbol indicates a CKM

P.1a(1) What are your main product offerings? We are an internet retailer of shooting, hunting and outdoor products. In alignment with our Mission, our main product offerings are the products we sell and services we provide to meet our Customer Key Requirements (CKRs) (Fig. P.1-1). We offer over 165,000 products from more than 900 Suppliers, across 18 categories (Fig. P.1-2). We offer these products domestically through many marketing channels, to over 1.9M active Customers. Our Customers choose MidwayUSA (MW) because of our unique Customer Value Proposition (CVP) which drives Customer acquisition, retention and loyalty. CVP: We offer Just About Everything® for Shooting, Hunting and the Outdoors; we have competitive product pricing and frequent, engaging, relevant promotions; our Nitro Express Shipping® provides super-fast, low-cost shipping; we are easy to do business with; our founder, Larry Potterfield, serves as a likeable, approachable industry expert who engages our Customers; and we are role model supporters of the National Rifle Association (NRA), 2nd Amendment, shooting sports industry and key conservation groups, generously supporting these key communities.

What is the relative importance of each to your success?

Category	% of Sales
1. Airguns & Accessories	0.8%
2. Ammunition	22.2%
3. Archery	0.6%
4. Blackpowder	1.2%
5. Books, Videos & Software	0.2%
6. Camping	0.9%
7. Clothing	1.7%
8. Fishing	0.8%
9. Footwear	0.8%
10. Guns	1.6%
11. Gunsmithing	23.5%
12. Hunting	2.2%
13. Knives & Tools	0.8%
14. Military Surplus	0.5%
15. Optics	14.4%
16. Reloading	18.2%
17. Self-Defense	1.5%
18. Shooting	8.1%
Total	100%

*# of Customers served overlaps between categories

What mechanisms do you use to deliver your products? Customers place 98% of orders on our award-winning website. Our Customer Support (CS) area takes the remaining 2% of orders via phone and serves all Customers via phone, email, chat and social media. 38% of sales come from our frequent, engaging, relevant promotions. All orders are fulfilled through our Nitro Express shipping system. We communicate our CVP and product offering to active (current), inactive (former) and prospective (potential) Customers via our website, search engines, other websites, TV commercials, flyers, email, social media and public relations. Our key shipping Partners are UPS and USPS who delivered approximately 89.3% (UPS) and 10% (USPS) of Customer orders in 2020. We have a Customer Order Pickup area for Customers to place and pick up orders within 1 hour, representing 0.7% of orders in 2020.

P.1a(2) What are your mission, vision, and values? Our Mission Statement (MS) is shown in Fig. P.1-3.

Figure P.1-3 Mission Statement

Vision <i>Our desired future state</i>	To be the best-run business in America, and the most successful, most respected business in our industry, for the benefit of our Customers.
Purpose <i>Why we exist</i>	To be a role-model organization for America and to maximize the long-term value of the organization for our Shareholders, by meeting or exceeding our operational and long-term goals.
Mission <i>What we do</i>	We are a family-owned, privately held internet retailer of shooting, hunting and outdoor products relying on high-performing, industry-engaged Employees who share our Values, align with our Culture, and have a passion for serving our Customers.
Values <i>The non-negotiable family principles that guide us</i>	
<ul style="list-style-type: none"> • Honesty • Integrity • Humility 	<ul style="list-style-type: none"> • Respect for others • Teamwork • Positive attitude • Accountability • Stewardship • Loyalty

Other than values, what are the characteristics of your organizational culture? The characteristics of our culture are defined in our Culture Statement, Fig. P.1-4.

Figure P.1-4 Culture Statement

Culture is a set of shared attitudes, values, goals, and practices characterizing an organization. Our Culture Statement helps define who we are and who we want to be, how we treat each other, how we serve our Stakeholders, and how we run the business. Our Culture is so important only our Board of Directors can approve changes. In addition to our Vision and Operational Goals, we strive to have a Culture of:		
1. Accountability	17. Integration	
2. Agility and resilience	18. Integrity	
3. Attention to detail	19. Loyalty	
4. Communication	20. Management by fact	
5. Continuous improvement	21. Organizational learning	
6. Courage	22. Positive attitude	
7. Customer-focused excellence	23. Productivity	
8. Delivering value and results	24. Quality	
9. Efficiency	25. Respect for others	
10. Fairness	26. Societal contributions	
11. Ethics and transparency	27. Stewardship	
12. Focus on success and innovation	28. Systems perspective	
13. Hands-on leadership	29. Teamwork	
14. Honesty	30. Valuing people	
15. Humility	31. Visionary leadership	
16. Industry involvement		

What are your organization's core competencies, and what is their relationship to your mission? Our core competencies (CCs) are the strategically important capabilities central to executing our Mission (P.1-3) and achieving our Operational Goals (OG) by meeting or exceeding our Stakeholder Key Requirements (SKRs). See Fig. P.1-5.

P.1a(3) What is your workforce profile? As of February 2021, we had 784 Employees: 371 hourly full-time, 265 hourly part-time and 148 salaried full-time. We have 7 departments: 3 departments execute our 4 key work systems (KWS), 4 departments execute our 4 support work systems (SWS) (Fig. P.1-6). We also have a corporate area for our President & CEO. What recent changes have you experienced in workforce composition or in your needs with regard to your workforce? Our sales have grown 268% since receiving our first Baldrige award in 2009 with 99% growth in 2020 alone. During this time, our hourly workforce grew 129% to handle our tremendous growth in Customers and orders. We survey Employees annually to ensure we fully understand their key requirements (KRs). This allows us to monitor for significant changes in workforce needs.

Organizational Profile

What are your workforce or employee groups and segments?

Figure P.1-6 Workforce Groups and Segments

FT or PT	Pop. %	Department / Area	Pop. %
Full-time	66.2%	Corporate	0.13%
Part-time	33.8%	Merchandising (ME)	4.08%
Status		Marketing (MK)	18.11%
Exempt (Salaried)	19%	Logistics (LO)	67.73%
Non-Exempt (Hourly)	81%	Financial Services (FS)	1.79%
Tenure		Human Resources (HR)	2.17%
0-3 Months	18.24%	Information Syst. (IS)	5.10%
3-6 Months	20.41%	Quality Mgt. (QMS)	0.89%
6 Mos. to 1 Yr.	23.72%	Key Work Systems	Dept.
1-3 Years	13.01%	Merchandising	ME
3-5 Years	6.25%	Marketing	MK
5-10 years	9.06%	Customer Support (CS)	MK
10+ years	9.31%	Logistics	LO

What are the educational requirements for different employee groups and segments? Hourly position grades 1-4 require a high school diploma. Position grades 5-7 require either an Associate’s degree, Bachelor’s degree or equivalent experience and certifications. Position grades 8-12 require at least a Bachelor’s degree.

What are the key drivers that engage them? The key elements that engage our Employees are in Fig. P.1-1, under Employee Satisfaction & Engagement (ES&E) Company Key Measure (CKM) (7.3-10).

What are your organized bargaining units (union representation), if any? We are a non-union company with highly satisfied, engaged Employees.

What are your special health and safety requirements, if any? ES&E is our #2 OG and an Employee KR (EKR) is a *Safe, comfortable work environment*. There are few safety requirements, most of which involve ergonomics, lifting and forklift operation. Our primary safety measure is our ES&E survey (ES&ES) result for Safe, Comfortable Work Environment (7.1-16). There are no special health requirements.

P.1a(4) What are your major facilities, equipment, technologies, and intellectual property? The primary MW operation is located on a 21-acre campus in Columbia, MO, consisting of 4 buildings: 265,000 total sq. ft.; 180,000 sq. ft. of warehouse and 85,000 sq. ft. of office space. We have a 5th 9,200 square foot building, located in Rocheport, MO, for powder storage. Our Washington warehouse uses our Nitro Express Shipping® system which takes an order from placement to fulfillment in less than 1 hour, meeting our CKRs *Super-fast shipping & delivery and Accurate, intact shipments*. As noted in our 2015 Baldrige application, “In alignment with a Long-Term Goal (LTG), we have a plan to relocate our facility to a new campus to support business growth.” We are now executing that long-term plan to move operations to a 500-year campus, which has been a LTG since 2007. On the new campus, located at the intersection of highways 40&J, we are building an innovative, state-of-the-art, 366,000 sq. ft. distribution center (DC). 30,000 sq. ft. are dedicated to break areas and office space for CS and LO. 336,000 sq. ft. are dedicated to a cutting-edge DC with innovative technology including goods-to-person picking and stocking and autonomous and semi-autonomous robots to improve the efficiency of operations and facilitate continuous improvement of value for our Key Stakeholders (KS). Our new DC will continue delivering our same day shipping promise to Customers (CKR *Fast shipping & delivery*), improve our

Accurate, intact shipments (CKR) with new technology and continue achieving our Shareholder KR (SHKR) *Continuous improvement in productivity, efficiency & quality* well into the future to support continued growth. We have one of the most sophisticated information systems in the industry with a high-performing team of 54 Employees dedicated to developing and innovating our website, proprietary software applications, systems and technical infrastructure throughout our facilities. We use cutting-edge technologies from IT leaders like Microsoft, Amazon Web Services, Dell, Zebra, Cisco, Genesys and major logistics companies like Hytrol and Mettler Toledo. Our in-house website design/development and application development capabilities provide agility and resilience and allow us to integrate multiple cutting-edge technologies such as artificial intelligence to create value-added innovation within our KWS.

P.1a(5) What are your key applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards; and environmental, financial, and product regulations? We maintain compliance with U.S. Department of Transportation (DOT), Internal Revenue Service (IRS), State Departments of Revenue, Payment Card Industry (PCI) (credit card security), Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), Occupational Safety & Health Administration (OSHA) and applicable local ordinances and state regulations. We also have an external audit of our financials annually. Compliance is reviewed by the Board of Directors (BOD) and Senior Leadership Team (SLT) through our Legal, Ethical and Regulatory Compliance (LERC) Report and % Compliant – LERC CKM (7.4-10). We became ISO 9001:2000 registered in 2008 and have completed 8 successful continuing assessment audits and 4 recertification audits with no major findings; 2 of which registered us to new ISO 9001 standards, 9001:2008 and 9001:2015 (7.4-13). While not regulatory by nature, we are fully committed to using the Baldrige Excellence Framework to lead and manage the business. We have an Operational Strategy, “Aspire to be the purest Baldrige colony on the planet.” We have a SHKR to *Receive the Baldrige Award* as often as possible (every 6th year). We applied for and received the Missouri Quality Award (MQA) in 2008 and 2015 and Baldrige Award in 2009 and 2015 (7.5-10).

P.1b(1) What are your organizational leadership structure and governance structure? What structures and mechanisms make up your organization’s leadership system? What are the reporting relationships among your governance board, senior leaders, and parent organization, as appropriate? We are a private, family-owned business with 4 shareholders. Our founders, Larry and Brenda Potterfield, are equal majority shareholders and their children, Russell and Sara, are equal minority shareholders. We are comprised of 7 departments reporting to the President & CEO (in February 2021 the President was promoted to President & CEO as part of succession planning). Departments are led by VPs and include areas/sections led by managers/supervisors. VPs report to the President & CEO and President & CEO reports to the BOD. The BOD is composed of the 4 family shareholders providing top level direction and financial oversight for MW to ensure stakeholder interests are protected. SLT consists of the President & CEO and VPs. Our Organizational Governance document (Fig. P.1-7) shows

the accountability and authority for the BOD and President & CEO. A Departmental Governance document (Available on Site (AOS)) shows these for the President & CEO, VPs and Managers. The structures and mechanisms of our Leadership System (LS) are shown in Fig. 1.1-1.

Figure P.1-7 Organizational Governance (excerpt, full version AOS)

Authority	BOD	President & CEO
Articles of Incorporation and Bylaws	A	I
Organizational Governance	A	I
Company Mission Statement	A	I
BOD Strategies	A	I
Operational Strategies		A
Departmental Governance		A

A=Approve I=Input

P.1b(2) What are your key market segments, customer groups, and stakeholder groups, as appropriate? As defined in our MS (Fig. P.1-3), our key market segment is domestic internet retailing to Customers who purchase shooting, hunting and outdoor products. We segment our Customer groups by Customer life cycle: active, inactive and prospective. Our KS groups are Customers, Employees, Suppliers & Partners (S&Ps) and Shareholders.

What are their key requirements and expectations for your products, customer support services, and operations, including any differences among the groups? Our SKRs are shown in our OG document (Fig. P.1-1). Our strategy is to achieve our OGs by meeting or exceeding SKRs. We measure our success based on how well we achieve our OGs. Since we operate in one market segment, domestic internet retailing, we have found CKRs do not vary between Customer groups. This is validated through our annual CKR survey. In addition to surveying Customers for satisfaction and engagement daily, we conduct annual KR surveys with each Customer group and other Stakeholder groups (Employees and S&P) to determine their KRs and ranking of each. We also use this annual survey to determine our Employees' and S&Ps' levels of satisfaction and engagement. We receive KRs directly from Shareholders via the BOD. We must meet or exceed SKRs to achieve our OGs (Fig. P.1-1).

P.1b(3) What are your key types of suppliers, partners, and collaborators? What role do they play in producing and delivering your key products and customer support services, and in enhancing your competitiveness? Our Suppliers are the organizations we purchase products from to market to our Customers; our key Suppliers are the top 20 Suppliers based on sales. The top 10 represent 40% of our sales and the next 10 represent 15%. These Suppliers are known as Top 10/Next 10 (TNT). Our Partners are defined as any organization with which we have a business relationship other than Suppliers. Our key Partners (up to 20) are those central to fulfilling our Mission (P.1-3). Examples include the NRA, UPS, USPS, Google and Elavon (full list AOS). Our Suppliers' role in our KWS is to provide product for resale to Customers. Suppliers are key to helping us meet our CKRs *Competitive product pricing*, *In-stock products*, *Frequent, engaging, relevant promotions*, *Extremely helpful product information* and *Product selection* (this CKR integrates with the S&P KR (SPKR) *Support of product line*). By having great relationships and integration with key Suppliers we are first to market with new products,

receive favorable allocation of scarce products, receive the first opportunity to purchase special buy products, negotiate frequent, engaging, relevant promotions, receive favorable payment terms, integrate marketing plans and buy at the best price. Three of our key Partners play significant roles in our KWS: In 2020, UPS handled 89.3% of our Customers' orders; USPS handled 10% of our Customers' orders; Elavon processed 100% of our Customers' credit cards. Competitiveness is enhanced by leveraging these important relationships to meet or exceed our CKRs better than our competitors. In 2020, we improved our business relationship with our key Partner, USPS, for the benefit of our Customers. We implemented cubic pricing, a negotiated service agreement, and USPS free priority mail packaging. These improvements allowed us to offer a lower cost, faster delivery service to our Customers, better meeting the CKR *Low-cost shipping*. Additionally, this increased our USPS package volume from 5% to 10%, reducing our reliance on UPS (strategic challenge (SC)). Our partnership with the NRA helps us meet the CKR *Support of the NRA & shooting sports industry*. We are a role model in supporting the shooting sports industry and the 2nd Amendment through the NRA (7.2-10). We founded and continue to support the NRA Round-Up Program and Friends of NRA Program. We also partner with the MidwayUSA Foundation (founded by the Potterfields) which helps communities and organizations raise funds to support high school, college and other youth shooting teams. This level of industry support is key to engaging our Customers and sustaining our key communities.

What role do they play in contributing and implementing innovations in your organization? We work with Suppliers to serve Customers and meet their CKRs by buying at the best price, having "Just About Everything" Customers need to enjoy shooting, hunting and the outdoors, being first to market with new products, and innovating marketing campaigns to have frequent, engaging, relevant promotions. We integrate with shipping partners to innovate processes to provide CKRs, *Low-cost shipping* and *Super-fast shipping & delivery*. These innovative ideas reduce shipping costs and provide improved or innovative services to Customers.

What are your key supply-network requirements? Our key supply-network requirements are primarily dictated by our CKRs and SHKRs (Fig. P.1-1). We select S&Ps based on their ability to help us meet SKRs, with heavy emphasis on CKRs. To meet CKRs, we require Suppliers share our Values and provide competitively priced products our Customers want; timely, reliable delivery of enough inventory to meet demand; frequent, engaging, relevant promotions, and to interface with our state-of-the-art purchasing and logistics systems. To meet SHKRs, we require Suppliers have adequate performance to meet our sales, margin and inventory turn requirements. We require shipping Partners have competitive rates; pick up orders on time; and provide timely, reliable delivery to our Customers. We survey Suppliers and key Partners annually to identify their KRs (Fig. P.1-1) and determine how well we are meeting them. We also survey Customers on their KRs as they pertain to their product, service and delivery expectations to determine their satisfaction with our ability to meet their KRs. We design processes to meet or exceed SPKRs (Fig. P.1-1). We maintain Supplier performance measures derived from SKRs (Fig. P.1-

Organizational Profile

1). We have Supplier Performance and TNT reports to monitor measures such as sales, margins, return rate, inventory turns and in stock rate. We balance SKRs when evaluating S&Ps.

P.2a(1) What are your relative size and growth in your industry or the markets you serve? Our key market segment has an estimated size of \$59 billion in retail sales annually. This is segmented into 3 product areas: hunting at \$31 billion, target shooting at \$17 billion and fishing at \$11 billion. Each has participants of 21, 52 and 49 million, respectively, with considerable overlap. MW ranked #5 in the 2020 edition of the Top 500 Report from Digital Commerce 360 Research in the sporting goods category and #100 overall. Our top competitors ranked overall as follows: #37, #126, #140. We have been one of the fastest growing companies in our industry over the past 12 years at 17% average annual growth, growing at almost double the average industry growth rate of 9%. 2009 to 2020 represents a 225% increase in Customers, 268% increase in sales, 510% increase in net income with only a 101% increase in Employees. This shows integration of our outstanding results with our SHKRs *Grow the value of the Company through Customer acquisition & retention, Growth in sales, Growth in net income and Continuous improvement in productivity, efficiency & quality*. We've had average active Customer growth of 14%, average sales growth of 17% and average net income growth of 39% over the past 12 years (2009-20). We project continued double-digit growth over the next 5 years (long-term planning horizon). (7.5-1b)

How many and what types of competitors do you have? We consider any retailer who sells shooting, hunting or outdoor products with a significant online presence as a competitor. Companies who are wholesalers, distributors, or primarily operate retail stores are not considered competitors. We have 40+ competitors identified in our Category Analysis Matrix (CAM) (AOS).

P.2a(2) What key changes, if any, are affecting your competitive situation, including changes that create opportunities for innovation and collaboration, as appropriate? The key change affecting us is market volatility. Our industry is greatly impacted by political and social uncertainty, which can drive large swings in demand for our products (SC). This demand can be greater than the capacity of our Suppliers to produce products, which creates another SC, "Scarce supplies of certain hard-to-produce products" (P.2-1) (CKR *In-stock products*). These SCs were realized during the COVID-19 pandemic (COVID) in 2020. As the uncertainty of our nation's stability amidst our generation's first pandemic grew, in addition to the turmoil surrounding the November election, our Customers responded with a surge in demand for the products we offer. The result of this surge was 9 consecutive record sales months (Apr – Dec) and record Customers, sales (99% growth versus goal of 5%) and net income. The surge created an opportunity for us to leverage our Supplier relationships strategic advantage (SA) to get scarce products (SC) and gain market share. The increased demand in 2020 continues into 2021 and we are projecting another record year across the board, further expanding our long-standing trend of double-digit Customer, sales and net income growth while maintaining near record levels of Customer Satisfaction (7.2-1, 7.5-1b, 7.5-2).

P.2a(3) What key sources of comparative and competitive data are available from within your industry? Industry comparative and competitive data comes from our Bizrate Customer satisfaction surveys (CSS), financial reports from industry leading publicly owned manufacturers such as Ruger, Vista, American Outdoor Brands and Smith & Wesson, and data from key Suppliers on their performance.

What key sources of comparative data are available from outside your industry? Comparative information is actively sought to improve and innovate our processes by benchmarking with organizations outside of the industry: Bizrate CSS, Beyond Feedback, Economic Research Institute, Risk Management Association (RMA) and Baldrige Award recipients (BARs).

What limitations, if any, affect your ability to obtain or use these data? Our industry is small enough we don't have an overarching organization to gather and maintain data from members, so any comparative data we want must be obtained on our own. An additional challenge arises because nearly all organizations within our industry are privately held and treat this information as confidential. To address this, many of our comparisons come from outside our industry, from publicly traded manufacturers and competitors, or from Suppliers.

P.2b What are your key strategic challenges and advantages? Fig. P.1-5 and Fig. P.2-1. Our CCs and resulting SAs are developed to meet OGs and SKRs. SAs are captured on our SWOT as strengths and SCs are captured as threats or weaknesses for use in our Strategic Planning process (SPP).

P.2c What is your performance improvement system, including your processes for evaluation and improvement of key organizational projects and processes? We have a Performance Improvement System (PI) designed to systematically identify and manage innovation (Company Action Plans (CAPs) (2.1a1)) and continuous improvement (Corrective Action Reports (CARs) and Opportunities for Improvement (OFIs) (6.1b3)) throughout the organization. The processes for evaluation and improvement related to each are in Fig. P.2-2.



Throughout this application we use a  symbol to indicate a CKM. We use a  symbol to indicate learning through evaluation or best practice sharing that resulted in improvements to an approach, deployment or integration.

Figure P.1-1 OGs and Stakeholder Key Requirements (SKRs) - Shown in order of importance as ranked by Key Stakeholder

Key Requirements	#1 OG - Customer Satisfaction & Engagement (CS&E), 90-95%	
	1. Competitive product pricing	8. Easy to do business with
	2. In stock products	9. Ease of finding what you're looking for
	3. Product selection	10. Fast, feature-rich, user-friendly website
	4. Low-cost shipping	11. Extremely helpful product information
	5. Super-fast shipping & delivery	12. Frequent, engaging, relevant promotions
	6. Accurate, intact shipments	
	7. MidwayUSA's support of the NRA, 2 nd Amendment, shooting sports industry & key conservation groups*	(*bold = truncated in application)
	#2 OG - Employee Satisfaction & Engagement (ES&E), 80-85%	
	1. Competitive salary for my position	9. Relationship with my coworkers, supervisor, manager, and senior leaders!
	2. Appropriate amount of work and time away from work for my position	10. Meaningful, challenging, and satisfying job assignment(s) [!]
	3. Advancement opportunities and growth within my position	11. Organizational sustainability and growth
	4. Competitive benefits	12. Leaders and coworkers whose actions align with our Values and Culture [!]
	5. Continuous learning, training and development [!]	13. Rewards, recognition, and esprit de corps
	6. The right tools and support to do my job	14. Input into decision-making [!]
	7. Clear, effective, candid, 2-way communication!	(*indicates engagement factors)
8. Safe, comfortable work environment (envt.)		
#3 OG - Supplier & Partner Satisfaction, 90-95%		
1. Friendly, courteous, respectful, ethical relationship	5. Easy to do business with	
2. Candid 2-way communication	6. Accurate payments	
3. Timely payment	7. Marketing exposure	
4. Support of product line (breadth and depth of offering)		
#4 OG - Shareholder Satisfaction, 95-100%		
1. Grow the value of the Company through Customer acquisition and retention	6. Inventory management	
2. Grow the value of the Company through growth in gross sales	7. Support key communities	
3. Grow the value of the Company through growth in net income	8. Receive Malcolm Baldrige National Quality Award	
4. Increase market share	9. Legal, ethical, and regulatory compliance	
5. Timely payment of earnings	10. Continuous innovation through SP execution	
	11. Continuous improvement in productivity, efficiency & quality	

Figure P.2-1 Key SCs (threats and weaknesses from SWOT)

1. Legislation affecting the shooting/hunting industry (threat)
2. Unexpected surges in demand (threat)
3. Scarce supplies of certain hard-to-produce products (threat)
4. Large reliance on one shipping Partner (threat)
5. Cyber security (threat)
6. Credit card data breach and credit card fraud (threat)
7. Ability to hire and retain technical Employees in a highly competitive, small local market (weakness)
8. Inbound traffic management (weakness)

Figure P.2-2 Performance Improvement System Related Processes

Continuous Improvement	Innovation
<ul style="list-style-type: none"> • Annual Process Review • Kaizen Blitz Project • Framework Compliance Audit (internal and external) • Continuous Process Improvement • Corrective Action • Process Analysis • Root Cause Analysis 	<ul style="list-style-type: none"> • Strategic Planning • CAP Identification (ID) & Analysis (Bucket List (BL) ideas analyzed) • Project Management (CAPs implemented) • Closed CAP Validation • Control Phase CAP Review

We have many measures, but the areas of highest importance to the accomplishment of our Mission and OGs are measured by our 15 CKMs. These 15 CKMs are how we define success, Fig. P.2-3.

Figure P.2-3 Company Key Measures (CKMs) *

Key Measure (KM)	OGs
1. CS&E	CS&E (7.2-1)
2. ES&E	ES&E (7.3-10)
3. S&P Satisfaction	S&P Satisfaction (7.1-19)
4. Shareholder Satisfaction	Shareholder Satisfaction
5. Active Customers	Shareholder Satisfaction (7.2-4)
6. Gross Sales \$	Shareholder Satisfaction (7.5-1a)
7. Net Income \$ to Budget	Shareholder Satisfaction (7.4-5a)
8. % of TNT Suppliers w/#1 or 2 Market Position	Shareholder Satisfaction (7.5-7)
9. % of Earnings Paid on Time	Shareholder Satisfaction (7.4-4)
10. Paid Inventory Turns	Shareholder Satisfaction (7.1-28)
11. % of Pre-Tax Profit Donated	Shareholder Satisfaction (7.4-16)
12. Receipt of Baldrige Award	Shareholder Satisfaction (7.5-10)
13. % Compliant - LERC	Shareholder Satisfaction (7.4-10)
14. Strategic Plan (SP) Execution	Shareholder Satisfaction (7.5-11)
15. Productivity (Sales \$/Employee \$)	Shareholder Satisfaction (7.3-3a)

*CKMs are denoted with this symbol in Category 7

Figure P.1-5 Integration of CCs and Key SAs with our OGs & SKRs*

1. Customer satisfaction & engagement (CC) a. SA: Customer focus/dedication to Customer satisfaction by meeting CKRs b. SA: Easy to do business with	OG: CS&E (Fig P.1-1)	9. Product selection (Just About Everything strategy)	CKR #3
2. Frequent, engaging, relevant promotions	CKR #1 & 12	10. Employee satisfaction & engagement (CC) a. SA: High-performing, industry-engaged Employees who share our Values, align with our Culture, and have a passion for serving our Customers	OG: ES&E
3. New product acquisition (First to Market strategy)	CKR #3	11. Business administration (CC)	All OGs
4. Super-fast, low-cost shipping (Nitro Express)	CKR #4 & 5	12. Financial management	SHKR #3 & 5
5. Our founder, Larry Potterfield, serves as a likeable, approachable industry expert who engages our Customers	OG: CS&E	13. Strategic planning, execution and agility	SHKR #10
6. Role model supporters of our key communities	CKR #7/SHKR #7	14. Website development and management	CKR #8, 9 & 10
7. Supplier & Partner relationship management	OG: S&P Satisfaction	15. Innovation and continuous improvement	SHKR #10 & 11
8. Supply chain management	CKR #2 & 3	16. Information systems, data management and business intelligence	All OGs


***Bold** indicates SA wording aligned with CC

**Figure 1.1-1
Leadership System**

Our leadership system describes the way leadership is exercised throughout our organization and how key decisions are identified, prioritized, communicated/deployed and executed. It sets high expectations for performance improvement, delivers value and results, allows for agility and resilience, and encourages initiative, innovation and intelligent risk-taking. Leadership system effectiveness is measured by our ability to achieve our Vision, Operational and Long-Term Goals in alignment with our Values and Culture.



Set Direction	Create Plan to Achieve	Communicate/Deploy	Learn, Improve & Innovate
<p><i>Board of Directors, Pres & CEO, and Vice Presidents provide Vision, Values, Culture and direction:</i></p> <p>Board of Directors</p> <ul style="list-style-type: none"> • Mission Statement (Vision, Purpose, Mission and Values) • Culture Statement • Key Stakeholders • Shareholder Key Requirements • Operational Goals • Board of Directors' Strategies • Long-Term Goals • Organizational Governance • Key Communities • Focus on the Future meetings <p>Pres & CEO, Vice President</p> <ul style="list-style-type: none"> • Leadership System • Organizational structure • Stakeholder Key Requirements • Operational Strategies • Work system review/changes • SWOT Analysis • Strategic Objectives • Core Competencies • Management framework • Process Management process • Performance Measurement system • Company policies (C, E, S&P) • Customer Value Proposition • Employee Value Proposition • Supplier & Partner Value Proposition • Key measure goal setting • Departmental Governance • Department Mission Statements • Department Strategies 	<p><i>We create plans to meet or exceed Operational and Long-Term Goals ensuring continued success, with agility and resilience:</i></p> <ul style="list-style-type: none"> • Strategic plan • Succession plan • Leadership Development plan • Workforce Focus meetings • Marketing plan • New Product plan • Budget • Promotion plan • Capital plan • Training plan • Staffing Plan • Sales/Margin/Inventory plan • Compensation plan • Category Sales plan • Supplier & Partner trips • Facilities and Parking Capacity plan • Integrated Contingency plan • Sales & Marketing Team • Bucket List • Decision-Making 1-Pagers • Intelligent risk-taking • Career Development Team 	<p><i>We communicate and deploy the Vision, Values, Culture, direction and plans to all Stakeholders:</i></p> <ul style="list-style-type: none"> • Open-door Culture • State of the Business meetings • Department Knowledge Sharing meetings • Focus on the Future meetings • Department Baldrige meetings • Guests to select Company and department meetings • Mentoring • Company trips and carpools • Company postings • Work Instructions • Process strategies • Process change log • New hire orientations • Tactical/ad hoc meetings • Department musters • Vice President Q&A sessions • Walk-arounds • Intranet • Emails • TVs • Team MidwayUSA (Facebook) • Social Media • Website • Supplier Partnership Agreement • Larry's Short Stories • Company Glossary 	<p><i>We maintain a focus on Organizational learning, continuous improvement and innovation:</i></p> <ul style="list-style-type: none"> • Modern Leadership & Management Principles • Leadership characteristics • Leadership development <ul style="list-style-type: none"> • Examiner participation (Baldrige) • Teaching/presentations • Leadership & Management Q&A • Mentoring • Creating white papers • Management training • Voice of the Customer processes • Lunch and learns • Supervisor Q&A • Student development program • Leadership to select Company and department meetings • Employee Satisfaction & Engagement process • Employee focus groups • Performance reviews • Performance improvement System <ul style="list-style-type: none"> • Innovation (Company Action Plans) • Continuous Improvement (Corrective Action Reports and Opportunities for Improvement) • Job/skills training • External ISO audits • Lean projects • Six Sigma projects • Kaizen blitz projects • Work flow mapping
	Measure & Analyze		
	<p><i>We measure results and conduct analysis to improve performance:</i></p> <ul style="list-style-type: none"> • Company scorecard • Department scorecards • Individual key measures • Benchmarking • Financial statements • Reports (MIDAS) • Leaderboards • Dashboards • LERC report • Analysis matrices • Market research • Industry trends • Analysis of best practices • Internal framework compliance audits 		

Category 1: 1.1a(1) How do senior leaders set your organization's vision and values? MS (Fig. P.1-3) contains Vision, Purpose, Mission and Values. It's the foundation of our Culture, strategy development, SPP and goals. It's governed by the BOD to ensure sustainability. BOD reviews MS in quarterly BOD meetings and approves it during Q4, prior to new budget cycle, or when Senior Leaders (SLs) suggest changes. SLs provide input through SPP (Fig. 2.1-1, Step 1), which considers changing needs and market direction. SLT reviews MS in monthly Strategic Planning meetings (SPMs) to ensure strategy integration with MS and MS alignment with company direction and Culture.  In 2018, after a review of the MS in the SPM, SLs recommended changing MS in 2018 to add "industry-engaged" and "passion for serving our Customers" as characteristics we desire in high-performing Employees to integrate with our #1 Company Strategy, #1 OG and Culture Statement. Multiple processes such as Recruiting & Hiring and Performance Review were updated to maintain alignment.


How do senior leaders deploy the vision and values through your leadership system, to the workforce, to key suppliers and partners, and to customers and other stakeholders, as appropriate? LS (Fig. 1.1-1) is reviewed/updated during SPM. LS shows how SLs guide/sustain MW, including how SLs communicate/deploy important information like Vision, Mission, Values & Culture (V&C). Vision and Values are on our MS which is posted in 44 locations on the MW campus, intranet, Employee badges, website, America Needs Baldrige website and Facebook. MS is in Supplier Partnership Agreement (SPA) sent to all Suppliers annually. Values are etched into walkways leading into building entrances and on key communication points throughout campus. We use MS to deploy Vision and Values to Employees, key S&Ps during meetings, and all Stakeholders on our website and America Needs Baldrige website. SLs deploy MS to Employees in quarterly State of the Business (SOTB) and Department Knowledge Sharing (DKS) meetings, monthly Department Baldrige Meetings (DBM), new hire orientations and mentoring sessions. Values are integrated into Employee performance reviews (5.2b). Changes to the MS are deployed in SOTB and DKS. We provide a tour and presentation which includes deployment of Mission, Vision, V&C and goals when a leader from a key S&P visits (6.1c). In 2017, we wrote a 40th Anniversary book which included information about company history, Mission, Vision, V&C, leadership & management framework, and commitment to Baldrige. We distributed to thousands of loyal Customers, all Employees, all S&Ps and all Shareholders.

How do senior leaders' personal actions reflect a commitment to those values? Values are non-negotiable family principles that guide us. SLs have a total of 185 years of learning and development through the pursuit of performance excellence at MW and are committed to living by our Values and creating a Culture where Employees live by and are held accountable to our Values. SLs have Values memorized and teach Employees their meaning. SLs designed Employee performance reviews to include ratings on V&C. Employees not in alignment are put on Progressive Disciplinary Action plan or dismissed. SLs ensure new hires align with Vision, V&C. The Career Development Team (CDT), made up of 5 SLs, interview all salaried candidates to determine fit as the last step before an employment offer. SLs speak at SOTB and DKS, partly to

discuss Vision, V&C. Chairman of the BOD (Chairman) and President & CEO regularly give speeches on Vision, V&C, inside and outside the company to groups including Customers, S&Ps and members of key communities. ES&ES asks about SLs actions aligning with V&C (EKR #12) (7.4-15). President & CEO leads annual Employee Focus Groups (EFGs) to get feedback from Employees and promote a Culture of Hands-on leadership. During the 2020 COVID business surge, SLs exhibited our Values of Integrity, Humility, Teamwork and Loyalty by volunteering over 450 hours of Emergency Response Group (ERG) support in LO and CS to help serve Customers in a timely manner.

1.1a(2) How do senior leaders' personal actions demonstrate their commitment to legal and ethical behavior? SLs are role models committed to pursuing our Vision, living our Values, executing our Mission and achieving OGs. Recruiting & Hiring processes ensure alignment to MS, OGs and V&C. Performance reviews evaluate performance and V&C alignment to hold Employees accountable. SL's personal actions align with Vision, V&C which includes commitment to legal and ethical behavior. Commitment is demonstrated through leading by example as indicated by the self-reported items on LERC, ensuring SLs are randomly drug tested with all Employees and by the score on ES&ES question "Leaders & coworkers whose actions align with our V&C" - salaried segment (EKR).

How do senior leaders promote an organizational environment that requires it? SLs systematically deploy Vision, V&C, all aligned with legal and ethical behavior, to Stakeholders. SLs designed performance reviews to measure alignment with V&C including legal and ethical behavior. SLs reward and recognize (R&R) high performance and role model alignment to MS, OGs and V&C using formal certificates, Bullseye Bucks, industry involvement activities and verbal recognition. Violations of V&C and LERC issues are recorded on % Compliant-LERC CKM (7.4-10). President & CEO is immediately notified of LERC issues by VPs. SLs review LERC in SPM to discuss issues and process improvements. BOD reviews LERC quarterly.

1.1b How do senior leaders communicate with and engage the entire workforce, key partners, and key customers? As shown in LS (Fig. 1.1-1), SLs communicate with and engage Employees through many channels including SOTB, DKS, DBM, new hire orientations, mentoring, open-door Culture, ES&E process, EFGs, break room TVs, email, Team MW Facebook page (real-time replacement for monthly paper newsletter in 2019 -  EFG idea), musters and carpools. Communication Plan Management process captures communications, topics, participants and frequency (AOS). We communicate with S&Ps through in-person meetings, S&P visits/trips, trade shows, SPA, video conferencing, email, text and phone, and to Customers through methods outlined in Fig 3.2-1. Marketing Plan shows Customer communication and engagement initiatives. Effectiveness of communication is measured, with results shown in 7.4-1 (Employees), 7.1-21 (S&P) and 7.4-3 (Customers).

How do they: • encourage frank, two-way communication? We encourage frank, 2-way communication with **Employees**: At SOTB, President & CEO and VPs present to Leadership Development Candidates (LDC), Department Leadership Teams (DLTs) and guests and answer questions. At DKS meetings,

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VPs and President & CEO speak and answer questions. Our open-door Culture allows Employees to bring concerns or ideas to SLs. SLs and DLT cell phone numbers are on the intranet. PI allows Employees to enter CARs and OFIs. President & CEO speaks at new hire orientations on Vision, V&C, OGs and answers questions. Communication is facilitated through ES&E process (annual survey and EFGs). 2020 EFGs included 54 Employees across all departments. **S&Ps:** Inbound visits, trips, Tudor House dinners, trade shows, S&P satisfaction surveys, email, text, video conferencing and phone calls. **L** In 2020, we improved S&P survey by adding a way for S&Ps to request follow up contact from us encouraging 2-way communication. **Customers:** Voice of the Customer (VOC) integrates 2-way feedback from CS (emails, chat, phone calls, comments to President & CEO, social media), CSS, Key Conservation Group (KCG) appearances, and our website. Communications foster trust and transparency with cycles of improvement.

- **communicate key decisions and needs for organizational change?** LS (Fig. 1.1-1) shows how SLs communicate key decisions and needs for organizational change. **Employees:** SOTB, DKS, DBM, DLT meetings, musters, VP Q&A sessions, emails from President & CEO, intranet, break room TVs, Team MW Facebook page. **S&Ps:** Face-to-face meetings, visits/trips, email, text, video conferencing, phone, and SPA. **L** In 2020, we identified a need to improve our Package Handling process and partnered with UPS on a solution which benefited both organizations. Improved package pickup schedule was deployed and posted in work area. **Customers:** Website, emails, social media and TV commercials. In 2020, we created a new TV commercial and format, to communicate Fishing launch (7.5-9).
- **take a direct role in motivating the workforce toward high performance and a customer and business focus?** SLs and managers motivate and R&R high performance, a Customer and business focus, innovation, safety, reliability, loyalty, Values and key community support using compensation increases, profit sharing, lunches, shooting activities, Bullseye Bucks, emails, verbal communication and certificates of recognition. Profit sharing pays up to 5% of company earnings to Employees. We have paid profit sharing 17 years in a row and celebrate Profit Sharing Day in February with lunch and cake. Larry (Chairman) and Brenda Potterfield, President & CEO and department VPs distribute checks and personally thank each Employee. Formal R&R is held at SOTB and DKS meetings. At holiday parties, Larry (Chairman) and Brenda Potterfield and President & CEO recognize Employees with 5+ years tenure. SLs and peers have a party with cake to recognize milestone anniversaries (10, 15, 20, 25, 30 years). We use email, intranet and break room TVs to recognize birthdays, anniversaries, promotions, industry involvement, achievements and milestones. SLs mentor LDCs to motivate high performance, a Customer and business focus, personal development and learning, career growth and to facilitate succession planning. The Million Dollar Club allows President & CEO to recognize Customer/business focus from CS Employees who have taken over \$1M in orders and LO Employees who have shipped over \$5M or received over \$10M of product. Employees receive certificates, Bullseye Bucks, name on a plaque and have cake. In 2020, SLs provided all salaried Employees 3 additional floating holidays to thank them for 11,000+ hours of ERG time to serve Customers while we staffed up to support the COVID/election surge in business.

1.1c(1) How do senior leaders create an environment for success now and in the future? Focus on success starts with MS, (Fig. P.1-3), OGs (Fig. P.1-1), Culture Statement, Company Strategies and LTGs; governed by BOD with SL input, and enhanced by our SPP. Recruiting & Hiring process and CDT ensure we hire Employees who will pursue our Vision, share our Values and align with our Culture. LDC process ensures development of future leaders. Long-term success is enhanced by SLs commitment to learning about and deploying modern leadership and management principles (Baldrige, ISO, Lean, Six Sigma). SLs are dedicated to pursuing our Vision, living by our Values, executing our Mission and achieving OGs. SLs have 185 years' combined tenure at MW; averaging 22 years, with the newest SL having 12 years. All SLs have MQA or Baldrige examiner experience, or both (MQA uses Baldrige Excellence Framework), totaling 23 years, with 19 site visits. One was an MQA judge for 5 years. 26% of salaried Employees have been an examiner. SLs work as a team to ensure we are operating in alignment with our Vision, Mission, V&C, LTGs, OGs, Baldrige and ISO. SLs have a systems perspective of the company and work together to pursue our Vision, execute our Mission and achieve our LTGs and OGs. Shareholders are committed to long-term success as evidenced by their KRrs (P.1-1). Active Customers (CKM 7.2-4), receiving the Baldrige Award (CKM 7.5-10) and ISO Re-certification (7.4-13) are permanent LTGs showing integration of SHKRrs with LTGs to ensure success. Warehouse relocation, warehouse expansion, category expansion and signature retail store LTGs demonstrate a commitment to continuous improvement, growth and ongoing success.

How do they: • **create an environment for the achievement of your mission?** SLs create an environment for achieving our Mission (Fig. P.1-3) using integrated approaches shown in LS (Fig. 1.1-1) including: ongoing CSS and quarterly VOC meetings where we review results, actions taken and needed actions from VOC processes; SPM where SLs and select LDCs meet all day to review results and create/manage SP; monthly Sales & Marketing (MK) Team meetings to manage current year and create next year Marketing Plan; annual Employee surveys and EFGs to listen and learn from Employees and gather feedback to help make MW a great place to work; annual Workforce Focus meetings (WFM) to discuss results from ES&E process, including suggestions; quarterly CDT meetings to discuss LDCs, high-performing Employees and succession planning. Monthly Results Reviews (MRR) have Chairman, President & CEO and departments review performance via scorecards (2.1a3). SLs lead Employees in execution of department's Mission (daily operations) and CAPs to achieve strategic objectives (SOs). **L** After market research and collaboration with key Suppliers, in 2021 we added Social Influencers to our Marketing Plan and budget to help brand MW as the leading internet retailer of shooting, hunting and outdoor products and increase Customer engagement.

• **create and reinforce your organizational culture, and a culture that fosters customer and workforce engagement, equity, and inclusion?** BOD and SLs create a Customer-focused Culture by making CS&E our #1 OG, "Customers come first" our #1 Operational Strategy and putting Customer-focused excellence and Valuing people on our Culture Statement. Our Culture Statement is posted in 44 locations around our campus,

including the conference rooms and break rooms of each building. Strategies and processes ensure high-performing Employees who share our V&C and have a passion for serving Customers are hired, retained and promoted. SLs reinforce Culture by reviewing Customer-focused results in SPM and VOC meetings. VOC integrates Customer feedback into central location where it is deployed to process performers for complaint resolution and process improvement. **L** In 2019, we created a CAP to increase Customer engagement by providing a Q&A section on our website for Customers to ask questions about products. In year 1, Customers asked 50,000 questions and provided 100,000 answers. We integrate Q&A into processes for improving product information. We have a Quantity Limits process to help ensure all Customers have equitable access to products in high demand and short supply. BOD and SLs create an Employee-focused Culture by making ES&E our #2 OG and “Be considered a great place to work by satisfying & engaging Employees” an Operational Strategy. Stated Values of Honesty, Humility, Integrity, Positive attitude, Respect for others and Teamwork, and putting Fairness, Ethics & transparency and Valuing people on our Culture Statement ensure equity and inclusion. This is reinforced through ES&E process where President & CEO moderates EFGs to promote trust and transparency and expedite improvements. SLs reinforce Culture by reviewing Employee-focused results in SPM and WFM. SLs reinforce Culture by ensuring processes, strategies, OGs, SOs, CAPs, OFIs and CARs integrate with CKRs and EKR for CS&E and ES&E.

- cultivate organizational agility and resilience, accountability, organizational and individual learning, innovation, and intelligent risk taking?

Culture Statement includes Agility & resilience, Accountability, Organizational learning, Focus on success & innovation, Management by fact, Delivering value & results, and Continuous improvement. SLs ensure strategies, work systems and processes are designed and executed in alignment with Culture. Agility and resilience are designed into SPP and rolling 12-mo. SP (2.1a1). Our Value, Accountability, is cultivated by SLs through MRR (2.1a3), scorecards, dashboards, leaderboards and performance reviews. ISO, which includes CARs and OFIs integrated into PI, aids in performance improvement and learning. SLs promote organizational and individual learning by mentoring, creating white papers (WPs), R&R for high performance, using performance reviews to provide feedback, inviting LDCs to meetings, providing tuition reimbursement and setting a training budget. SLs encourage Employees to enter ideas (OFIs and CARs) into PI. Intelligent risks of a strategic nature are entered as BL items and systematically analyzed and considered as potential CAPs (2.1a2). OFIs are implemented as process improvements. We do extensive planning, market, SWOT and Net Present Value (NPV) analysis on projects to prioritize decisions. We use Decision-Making 1-Pagers to capture facts and benefits for making proposals. Our CKM SP Execution (7.5-11) is reviewed during MRR to ensure accountability.

- participate in succession planning and the development of future organizational leaders?

Succession planning is part of LS. We identify successors for key positions (President & CEO, VPs) and provide tools to prepare them for success. LDC process, reviewed in CDT meetings, identifies future leaders and aligns them with development opportunities. For 2021, 56 LDCs were identified out of 137 salaried Employees (41%). All

are mentored by at least one SL including 36 by President & CEO. Promotions to upper level salaried positions come from LDC. We have a “Promote from within” strategy. Effectiveness of LDC process is measured by Promotions from Within (7.3-14) and Leadership Development Success Rate (7.3-15). CDT maintains SLT Succession Plan, reviewed and approved by BOD in Q4 meetings. **L** In 2017, CEO implemented a process improvement where each VP compiles a dossier with qualifications and level of interest in President position. VP dossiers are reviewed by BOD in Q4.

1.1c(2) How do senior leaders create a focus on action that will achieve the organization’s mission? SLs use Company and department dashboards, applications and reports to monitor daily operations and create focus on short-term action to achieve Mission and OGs. SPP creates long-term focus on action to achieve Mission, OGs and LTGs. BLs (potential CAPs), CARs and OFIs are identified during SPM, DBM, MRR, and through Annual Process Review process and are captured in PI. SLs lead SOTB, DKS and DBM, and focus on action guided by results from scorecard and process reviews. SLs mentor on modern leadership and management principles. SOs, CAPs and LTGs focus on current and future performance to OGs. SLs lead departments in creating CAPs, CARs and OFIs aligned with SP. SLs review results of completed CAPs to ensure we get desired results. We use CKM SP Execution (7.5-11) to monitor execution to plan. As reported in our 2015 Baldrige application, we created a LTG in 2007 to move operations to our 500-year campus. In Q4 2019, after projecting future campus constraints during annual Campus Capacity Analysis, we added it to our SP to ensure long-term success and sustainability. We will begin operating our new DC in Q4 2021.

How do senior leaders: •create a focus on action that will improve the organization’s performance? MW, led by SLs, is aligned and focused on pursuing our Vision, executing our Mission and achieving OGs. The SPP, where we select and prioritize CAPs, is designed to meet OGs and LTGs. We have an integrated CKM SP Execution (7.5-11) with a goal of 95% to meet SHKR *Continuous improvement through SP execution*. MRR are conducted at all levels to ensure processes and improvements are meeting goals and SKRs to hold Employees accountable for results. Quarterly Focus on the Future (FOF) meetings ensure SLs plan for the future. Company, department and individual scorecards (performance reviews), leaderboards and dashboards are balanced and aligned with OGs and LTGs. Intelligent risk is integrated into processes and SPs. SLs lead market analysis and make decisions based on facts and intuitive competence. We conduct analysis and submit proposals for intelligent risk, including special buy proposals, via Decision-Making 1-Pagers and Executive Summaries for CAPs (BL).

- identify needed actions?

SLs identify needed actions through daily reviews of dashboards and reports, meetings including: FOF, SOTB, DKS, SPM, DLT, SLT, Sales & MK Team, Integrated Contingency Plan (ICP) and MRR. Performance to OGs is reviewed and actions are identified, prioritized and executed. If a scorecard KM performs below 85% of goal 3 months in a row, a CAR is created, and root cause and solution identified to improve performance. EFGs identify needed actions and ideas to be reviewed in WFM. VOC processes use Customer input to identify actions and ideas. Ideas are captured in PI as BL items, CARs or OFIs. On March 11, 2020 after the

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World Health Organization declared COVID a pandemic, MW's business surged to record levels. We issued a state of emergency and created a CAP, Operation Side-by-Side (OSS), where every Employee worked together to serve Customers and improve LO and CS systems and processes. **L** For example, we decreased a bottleneck in the Receiving process by implementing an improvement to receive product directly to carts. All of the OSS changes allowed us to process more than double our budgeted demand and resume meeting SKRs. OSS consisted of nearly 90 improvements. In just 6 months, we transformed our business to handle sustained levels of Customers, packages, and interactions, and resumed hitting SKRs at a business level not projected until 2027. • **in setting expectations for organizational performance, include a focus on creating and balancing value for customers and other stakeholders?** Organizational performance is measured by our ability to meet OGs, designed to satisfy each KS by meeting KR's (Fig. P.1-1). Company and department scorecards are balanced and reviewed to ensure KR's and goals are met. Operations and meetings are focused on pursuing our Vision, executing our Mission and achieving OGs. Processes for goal setting consider balance. Processes for identifying and prioritizing improvements and taking action, focus on value and long-term success (2.1a1/b2). In alignment with our #1 OG and Operational Strategy, "Customers come first" our processes and SP are heavily weighted toward achieving CS&E. On our 2020 SP, 15 out of 26 CAPs (58%) were designed to improve CS&E. • **demonstrate personal accountability for the organization's actions?** SLs demonstrate personal accountability for organization's actions by living our Values (1.1a1) and leading by example. They are role models regarding embracing our Vision, sharing our Values and aligning with our Culture. SLs are personally accountable for department results. SLs take ownership of department budgets, CAPs and work systems. They are experts in their department's processes and have a systems perspective so they can be productive participants in SPP. Their performance reviews reflect role model alignment and high performance. In May 2020, a leadership change was made in LO after we went a year without hitting several important LO Department key measures (DKMs). The President assumed responsibility for running LO for the remainder of 2020, focusing on Culture, strategy and process changes necessary to lead us through the COVID/election surge, help achieve LO goals and provide *Super-fast shipping & delivery* (CKR). In February 2021, as part of our succession plan, we promoted an internal candidate to VP-LO.

1.2a(1) How does your organization ensure responsible governance? Governance documents (P.1-7) outline responsibilities of BOD, President & CEO, VPs and Managers. They communicate accountability and decision-making authority, empower Employees and protect Stakeholder interests. Deployment includes Organizational DNA Walls, intranet and WPs (Communication Plan Management process AOS). Governance is reviewed in BOD meetings and SPM. **L** In 2017, the Organizational Governance document was modified to grant authority for CEO to manage SP changes throughout the year and elevate department action plans to the company level. This elevated responsibility helped ensure better integration of SP with SKRs.

How does your governance system review and achieve the following? • **Accountability for senior leaders' actions:**

President & CEO presents during BOD meetings on OGs, budget, LTGs, SP execution, financial and LERC results. BOD sets direction and provides guidance on Vision, V&C through MS, as indicated in our LS. SLs are held accountable to results through MRR, performance reviews and BOD feedback. • **Accountability for strategy:** SLs manage strategy through SP and associated SPP (2.1a1). SP is approved by President & CEO and BOD. We have a SHKR, *Continuous innovation through SP execution*, which integrates with our CKM SP Execution (7.5-11). VPs have a DKM for SP Execution for assigned CAPs. Results are reviewed in MRR and performance reviews. • **Fiscal accountability:** Shareholders have KR's of *Growth in gross sales* and *Growth in net income*. BOD sets OGs and approves SOs set annually by President & CEO to achieve OGs. OG performance, including SHKR performance, is reviewed in BOD meetings. A report is submitted to BOD if OG is not achieved, along with CAPs to address. SLs are held accountable for OG, financial and LERC results during MRR and performance reviews. An independent firm audits financials annually. • **Transparency in operations:** BOD and Employees have access to LTGs, SPs, scorecards, dashboards, operational performance and financial reports via user interfaces, intranet and postings. LDC are included as guests in SOTB, SP and Sales & MK Team meetings on rotational basis. BOD requires disclosure of LERC violations through LERC report. Transparency is built into LS (Fig. 1.1-1). **L** In 2017, VPs were added to BOD meetings so each attend at least one per year. In addition to a leadership development opportunity, this increased transparency in operations. • **Selection of governance board members and disclosure policies for them, as appropriate:** BOD consists of 4 family members. Organizational Governance provides guidance on BOD authority including selection of BOD members. BOD is held accountable to Vision, Mission, V&C. There has never been a V&C violation for a BOD member. BOD books contain agendas and minutes from previous meetings. • **Independence and effectiveness of internal and external audits:** This is addressed through internal resources outside of audited departments (internal audits) and external resources (external audits: ISO, inventory, financial, 401k and regulatory). SLs review kaizen blitz projects, ISO, financial, operational and LERC results during SPM. BOD selects external auditors and reviews/approves LERC report quarterly and financial audits annually during BOD meetings. • **Protection of stakeholder and stockholder interests, as appropriate:** President & CEO and VPs have MRR to review scorecards. SLT reviews LTGs and OG results in SPM. OGs balance SKRs. BOD reviews performance to LTG, OGs and LERC during BOD meetings. • **Succession planning for senior leaders:** As part of our Succession Planning processes, CDT manages plan for key positions. SLT reviews plan during annual Performance Review/LDC Selection meeting. BOD reviews and approves SLT Succession Plan and VP dossiers annually (5.2c4).

1.2a(2) How do you evaluate the performance of your senior leaders and your governance board? BOD sets Vision, Mission, Values, OGs, LTGs, approves SOs, SP, SLT Succession Plan, SL compensation and benefits, and staffing of SLT. BOD and SLs maintain focus on SKRs and future needs to ensure success. BOD reviews performance to budget, OGs, LTGs, SP and LERC quarterly to evaluate BOD and President & CEO. Chairman evaluates BOD members annually. President &

CEO evaluates VPs on department scorecards including SP execution, department budget, ES&E and processes. MRR includes results review with Chairman and President & CEO, and President & CEO and VPs (2.1a3). President & CEO gives annual VP performance reviews.

[How do you use performance evaluations in determining executive compensation?](#) Compensation & Benchmarking Review process determines compensation for Employees, including SLs, based on performance reviews, market information and cost of living. Profit sharing is based on individual performance, position and loyalty (5.2c1).


[How do your senior leaders and governance board use these performance evaluations to advance their development and improve the effectiveness of leaders, the board, and the leadership system, as appropriate?](#) BOD uses performance to budget, OG, LTG and LERC to guide development. Chairman mentors BOD members for improved performance. President & CEO uses Company Scorecard which includes performance to budget, OG, LTG, SP and LERC to guide performance. Input from performance reviews and MRR are used by SLs to improve performance through SOs, CAPs and personal development plans. SLs' leadership skills are enhanced through Leadership Development processes.

[1.2b\(1\) How do you address current and anticipate future legal, regulatory, and community concerns with your products and operations?](#) As part of Product Offering, VOC, Market Analysis and Shipping processes, we address current and anticipate future legal, regulatory and community concerns with products and operations. We obtain information from NRA, National Shooting Sports Foundation, ATF, S&Ps and trade shows. ME and MK Employees review industry publications including Shooting Wire, NRA-ILA Alerts and National Shooting Sports Foundation Bullet Points to ensure we are up to date on industry news, changes in public concern and issues affecting MW. Outputs from reviews are passed to Legal & Regulatory Compliance (LRC) Specialist for updates to products and policies. LRC Specialist executes Delivery Restriction, Legal & Regulatory Tracking processes to ensure products and policies are compliant and community concerns addressed. See also 2.1a3 for regulatory changes. To ensure products are shipped appropriately, Employees are trained using HazMat Shipping & Training process.

[How do you: • address any adverse societal impacts of your products and operations?](#) Mission defines our market segment. Our Product Offering processes outline the products we offer, ensuring no products are illegal, inappropriate or unsafe. We design, deploy and improve processes to ensure legal, ethical, and regulatory compliance and address societal impacts. As current or future concerns arise, they are addressed through processes listed above, OFIs, CARs and SPP. For example, in 2018 we completed the California Prop 65 Compliance OFI to ensure all products provide appropriate warnings to Californians about significant exposure to chemicals that cause cancer, birth defects or other reproductive harm. See also 1.2c.1. • [anticipate public concerns with your future products and operations?](#) In addition to aforementioned processes, New Products Committee anticipates public concerns with future products prior to onboarding. President & CEO approves new product categories and BOD approves changes to Mission. SPP (Fig. 2.1-1, Box S) anticipates public concerns with future products

and operations. SWOT addresses threats regarding future products or operations. • [prepare for these impacts and concerns proactively?](#) We design processes with agility and resilience to meet changing legal and societal concerns. Delivery Restriction, Legal & Regulatory Tracking process allows for rapid response to regulatory changes. LERC issues are communicated to S&Ps and we work collaboratively to address current and prevent future issues. When planning new developments, Safety & Facilities Manager provides site plans to authorities to ensure compliance. Plans are designed to meet current requirements, anticipate future needs and regulatory changes. We use SWOT to review threats as SCs (Fig. P.2-1, #1) and SPP to prepare for impacts and address concerns with new opportunities and when addressing threats. In 2019, we conducted research for the Direct Distribution of FFL Controlled Products (FFL 4.0) CAP, involving LRC Specialist, to ensure firearm shipments are legal and compliant.

[What are your key compliance processes, measures, and goals for meeting and surpassing regulatory and legal requirements, as appropriate?](#) Key compliance processes are Delivery Restriction, Legal & Regulatory Tracking, LERC Compliance Reporting, HazMat, HazType & SDS Products, HazMat Shipping & Training, Audit Coordination, Management & Report Compliance, State Sales Tax Compliance & Reporting, PCI Compliance Management, and OSHA Reporting. The CKM is % Compliant – LERC (7.4-10), within this CKM is segmentation including: State Regulatory Compliance, ATF Regulatory Compliance, Department of Transportation Compliance, Financial Audit Reports, Income Tax Returns, Sales Tax Returns, PCI Compliance and OSHA Compliance. Goal is 100% compliance on the CKM and 100% compliance with all internal/external audits.

[What are your key processes, measures, and goals for addressing risks associated with your products and operations?](#) We address risk through Server Anti-Virus Management and ICP Management processes which include activities to ensure compliance, security, loss prevention and assess risk. Insurance is in force to protect assets and operations. Suppliers selling high-risk products must have certificates of insurance and name MW on the insurance. We monitor Cyber Security Preparedness (7.1-15) and credit card fraud (7.4-14) to protect Customer data. Goal is 100% on CKM % Compliant – LERC (7.4-10).  At the end of 2017 we completed a CAP, Apply Machine Learning to Fraud On-Hold Process, to minimize credit card fraud and protect Customers. At the end of 2020, credit card fraud was 10% lower than 2017.

[1.2b\(2\) How do you promote and ensure ethical behavior in all interactions?](#) Honesty is the first Value on our MS. We operate 100% legally and ethically. Promoting ethical behavior begins with our Recruiting & Hiring process screening for fit with V&C, background checks and drug tests. Employees are evaluated semi-annually/annually on performance, V&C and submit to random drug tests. We deploy Vision, V&C to Employees via postings, SOTB, DKS and new hire orientations; Suppliers via SPA; Customers via website and all Stakeholders through our actions. LERC report and actions taken ensures ethical behavior. SLs lead by example (1.1a2).

[What are your key processes and measures or indicators for promoting and ensuring ethical behavior in your governance structure; throughout your organization; and in interactions](#)

Leadership

with your workforce, customers, partners, suppliers, and other stakeholders? Values are the non-negotiable family principles that guide us. All Stakeholders live by our Values and are held to them as shown in Fig. 1.2-1.

Figure 1.2-1 Processes and Measures for Ensuring Ethical Behavior

Process	Measure	KS Monitored
LERC Reporting	LERC 7.4-10	SH, E, S&P
Drug & Alcohol Free Workplace	LERC 7.4-10	E
ES&E (EKR: <i>Leaders/coworkers whose actions align w/V&C</i>)	EKR Score 7.4-15	E
Supplier Performance Evaluation	LERC 7.4-10	S&P
S&P Satisfaction Survey (KR: <i>Friendly, courteous, respectful, ethical relationship</i>)	SPKR Score 7.1-19	E
Loss Prevention	Fraudulent Gross Sales Lost as % of Gross Sales 7.4-14	C
Delivery Restriction, Legal & Regulatory Tracking	LERC 7.4-10	E
Risk Management	Financial Audit % 7.4-9	All
Interaction Quality Monitoring	Monitoring Score (AOS)	E

Key - C=Customers, E=Employees, SH=Shareholders

How do you monitor and respond to breaches of ethical behavior? The BOD and SLT review Values and LERC report quarterly. HR and SLT are notified of Values violations which are responded to immediately. Incidents are reviewed and appropriate action is taken. Depending on the level of action needed, a CAP or CAR is created (1.1a2).

1.2c(1) How do you incorporate societal well-being and benefit into your strategy and daily operations? Our Culture includes a focus on Societal contributions. We have a BOD Strategy “Support our key communities”, a CKR *Support of the NRA & shooting sports industry*, and an SHKR *Support key communities* (CKM 7.4-16) that stress contributions and societal well-being and benefit. Sustaining our heritage is good for key communities and America. We consider key community support in our SPP and operations. Shareholders donate half our pre-tax profits to key communities.

How do you contribute to the well-being of your environmental, social, and economic systems? We recycle paper, plastic, cardboard, pallets and metal. We minimize box usage by maximizing cube utilization using state of the art software. We use super T-8 energy efficient light fixtures. Solar panels will be installed on our new DC and provide 40% of the power needs for the facility. We are virtually paperless, submitting electronic purchase orders and not accepting mail orders. Most marketing is executed electronically, with only flyers being printed. 🔄 In 2018 we completed the Custom Carton Building (Packsize) CAP which sizes custom cartons to products making efficient use of cardboard and void fill in orders, reducing resource consumption and shipping costs. We conduct blood/charity drives and participate in holiday gift donations to support local charities. We’ve averaged 17% sales growth per year since receiving our 1st Baldrige Award in 2009, fueling economic prosperity for Employees, Suppliers and key communities. Our strategy “Be a leader in compensation & benefits, well above average” provides economic and societal well-being.

1.2c(2) How do you actively support and strengthen your key communities? We design processes in alignment with SKRs and Culture. Customers and Shareholders have KR to support the NRA, 2nd amendment, shooting sports industry and KCGs (SHKR also includes supporting Baldrige and local community). Part of our Culture is Societal contributions. Examples include: Founding/supporting NRA Round-Up and Friends of NRA programs, creating MidwayUSA Foundation, offering Baldrige Sharing Days, sponsoring shooting events, conducting blood/charity drives, producing educational TV vignettes and sponsoring KCG events. Shareholders donate half our profits to key communities. We offer NRA Round-Up to Customers and have collected over \$19M since 1992 (7.2-10). We encourage NRA membership by offering discounts on Employee purchases. Office Employees have NRA membership level posted. Employees have NRA membership level on business cards and email signatures. Departments with all Employees as NRA members have plaques with “100% NRA Department”. We maintain America Needs Baldrige website to share WPs and presentations on Baldrige. Shareholders donated \$1M to the Baldrige Foundation for the 1st Missouri public school to receive Baldrige Award. In 2020, Shareholders donated two buildings on current campus to Boy Scouts of America and MidwayUSA Foundation.

What are your key communities? Our key communities are the NRA, shooting sports industry, KCGs, Baldrige and local area. **How do you identify them and determine areas for organizational involvement?** BOD creates MS and identifies/validates key communities with SL input. We identify key communities that align with our Vision, Purpose, Mission, V&C. Key communities are reviewed by SLs in SPM and BOD in BOD meetings. SLs leverage CCs to provide value to key communities when we identify needs through innovation or meetings. In 1992, we created the NRA Round-Up program that leverages our CC of “CS&E” to collect money on behalf of the NRA. In 2020, 60% of Customers rounded-up for the NRA.

How do your senior leaders, in concert with your workforce, contribute to improving these communities? We have a CKR *Support of the NRA & shooting sports industry* and SHKR *Support key communities*. We ask Customers to round-up orders to the next dollar to support the NRA. 100% of SLs are at least NRA Life Members and many are members of other KCGs. Some SLs and Employees volunteer with KCGs. We require NRA memberships to purchase at discounted Employee prices and Employees must round-up orders for the NRA. We encourage Employee NRA participation, 95% of salaried Employees are members. SLs mentor organizations via Baldrige Sharing Days. SLs also support the MidwayUSA Foundation. Since inception in 2007, the MidwayUSA Foundation has generated \$182 million in endowment funds and given \$37.6 million in grants to 2,794 teams to support high school and college shooting sports athletes. The MW VP-MK meets quarterly with MidwayUSA Foundation leaders to facilitate integration between the organizations, in support of the MidwayUSA Foundation’s success. 🔄 In 2021, discussion in this meeting identified an opportunity to leverage MW relationships with industry TV channels. As a result, the Foundation received complimentary advertising on the Outdoor Channel and Sportsman Channel to support their mission.


Figure 2.1-1 Strategic Planning Process A-Z
(excerpt, full version AOS)

1. Set the Direction - Annually		Review Customer Analysis	10
A	Validate Mission Statement • To ensure guidance to the organization is aligned with business needs & direction • Validate Culture Statement <i>BOD, SLT</i>	Review External Environment • To ID key factors to determine how to meet SOs/OGs • Analysis matrices • S&P input • Regulatory environment • Marketing Plan incorporates analysis for integration <i>SLT, DLT</i>	11
B	Validate Key Stakeholders • To ensure key groups with an interest in the organization's success are represented <i>BOD, SLT</i>	Review Company SWOT Analysis • Using factors from steps L-P, SWOT reviewed/updated monthly to ID SA (strength), SC (weakness, threats) & strategic opportunities • SWOT used to add to BL & select CAPs for the SP to ensure SOs/OGs achieved	12
C	Results & KR Review (Co. Scorecard) • To ID opportunities to address in SP actual & projected performance reviewed vs goals • Surveys set Customer, Employee & S&P KRs • Validate Key Stakeholder value propositions <i>Chairman, SLT</i>	Bucket List (BL) Innovative ideas or intelligent risks for CAPs generated by Employees using info. from analysis in boxes L-Q. Ideas to help achieve SOs/OGs, & LTGs captured on the BL (part of PI) to consider as CAPs on the SP <i>SLT, DLT</i>	13
D	Validate Shareholders KRs • To ensure accuracy of KRs to achieve Shareholder Satisfaction • SHKRs, measures, goals set by Shareholders, reviewed in BOD meeting <i>BOD, SLT</i>	4. Create Strategic Plan - Rolling 12-mo.	
E	Validate Operational Goals • To ensure success, goals aligned w/business needs & direction • Future goals set after comparative & historic data reviewed • OGs to satisfy Key Stakeholders <i>BOD, SLT</i>	Select & Analyze Ideas from Bucket List • To determine the most important ideas to achieve SOs/OGs. • Ideas on the BL are selected for analysis • Analysis of selected ideas includes determining resources required, value potential, risk assessment, an Executive Summary, a vision & quantifiable deliverables <i>SLT, DLT</i>	14
F	Validate Company Strategies • To ensure top level guidance for decision-making is aligned with current business needs & direction <i>BOD, SLT</i>	Review Analysis & Select CAPs for Strategic Plan • To determine if a BL idea should be added to the SP, completed analyses are reviewed • Strategic ideas important to achieving future SOs/OGs are added to the rolling SP on a quarterly basis • Ideas must have a complete analysis to become a CAP <i>SLT, DLT</i>	15
G	Validate Work Systems • To ensure work systems, key processes & strategies align w/current needs & direction • ID needed CCs, key processes, work systems to develop to meet goals <i>SLT</i>	Integrate Strategic Plan with Workforce Planning • To ensure the human resources needed to execute the SP are available • Resource capacity is reviewed • Staffing plans & training plans are reviewed <i>SLT, DLT</i>	16
H	Validate Company SWOT Analysis • To determine areas to address with SOs or CAPs validate: SAs (strength), SCs (weakness or threat), strategic opportunities, CCs & competitive environment <i>SLT</i>	Integrate Strategic Plan with Financial Planning • To ensure the impact of CAPs on budget is incorporated • New initiatives with capital or incremental expenses over \$10k require a CAP • Budget is approved by the BOD in Q4 <i>SLT, DLT</i>	17
I	Validate Long-Term Goals • To ensure SPP focuses on achieving strategically important organizational plans to create a focus on action to facilitate the achievement of our Mission <i>BOD, SLT</i>	Finalize & Approve Strategic Plan • To commit to a rolling 12-month SP for execution • The next 3 mos. of CAPs to add to the SP finalized by the Pres & CEO • Quarterly BOD reviews previously approved 9 mos. of CAPs & approves next 3 mos. of CAPs to add to the SP • CAPs added/removed at any time w/Pres & CEO approval • Changes reported to the BOD quarterly <i>BOD, SLT</i>	18
J	Create Strategic Objectives (Q4) • To define initiatives to undertake to remain competitive & achieve current & future goals • Reviewed with BOD to ID blind spots • Focus on the Future mtgs <i>BOD, SLT</i>	5. Deploy Strategic Plan - On-going	
2. Deploy Strategic Objectives - Quarterly		Deploy the Strategic Plan • To all Employees, Suppliers & Partners (as appropriate) & Shareholders to facilitate engagement & acceptance of the SP • SP deployed at BOD, SOTB, DKS, DBM meetings; To S&P via meetings or written communications as appropriate (Item 2.2) <i>SLT, DLT</i>	19
K	Deploy the Strategic Objectives (SOs) • To engage all Employees in the SPP • Employees submit ideas for CAPs for SP • Employees help ID blind spots • Ensure innovation integrates w/direction • State of the Business, DKS, DBMs <i>SLT, DLT</i>	6. Execute Strategic Plan - On-going	
3. Develop Ideas - On-Going		Execute the Strategic Plan • To implement CAPs on the SP, Project Mgrs use Project Mgt. process to coordinate resources & execute steps necessary to achieve CAP deliverables • The SP reviewed & validated in relation to current market conditions & adjusted as appropriate (Item 2.2) <i>SLT, DLT</i>	20
L	Review Results • To ID areas of performance to consider when selecting CAPs • Monthly review of results against goals & comparative data • Annually review long-term projections, historical trends • Reports used in result analysis <i>SLT, DLT</i>	7. Control Results of Completed CAPs	
M	Review Work Systems • To ID processes with performance that could impact the ability to achieve SOs • PI reviewed for processes with high rate of OFIs & CARs • Annual process reviews, audits, kaizen blitz projects <i>SLT, DLT</i>	Control Results of Completed CAPs • To ensure effectiveness of CAPs, results for completed CAPs reviewed in monthly SPM/DBMs for 1 year • CAP Results as Promised measure reviewed monthly on QMS Scorecard <i>SLT, DLT</i>	21
N	Review Core Competencies • To ID work systems or processes that may provide a SA • To ID future needed CCs • To leverage in the SP to achieve SOs • Review Co/Dept SWOTs • Competencies of S&P evaluated <i>SLT, DLT</i>		

★ INTEGRATION POINTS
The SPP is a fully integrated process focused on organizational needs. Below highlights some process integration steps across the organization.

1. Operational Goals, LTGs, Cat. 1	7. OGs, SKRs, Cat. 4	14. CAPs align w/OGs & SKRs, Cat. 1
2. Budgeting & Scorecard Goal Mgt. processes, Cat. 4	8. Process Mgt. process, Cat. 6	15. Budgeting & Workforce Planning processes, Cat. 5
3. Department Strategies	9. Work Systems, SWOTs	16. Cat. 1
4. Department SWOTs	10. VOC Process, Cat. 3	17. Full deployment of SP
5. Company SWOT	11. Marketing Plan, SWOTs	18. Stakeholder departments engage in CAP implementation
6. Set the Direction info. deployed	12. Department SWOTs	19. SOs/OGs
	13. Entries align w/OGs & SKRs	


Strategy

Category 2: 2.1a(1) How do you conduct your strategic planning? Fig. 2.1-1. We conduct monthly all-day SPM with SLT and monthly DBM with DLT. The SPP is designed to facilitate and integrate strategic planning at the company and department level resulting in the creation of a SP which consists of SOs and CAPs designed to attain OGs and LTGs to facilitate the achievement of our Mission. The SPP is deployed through SOTB, DKS, DBM, intranet and reviewed annually for improvements in SPM, DBM and Annual Process Review process (6.1b3). Effectiveness is determined by our ability to meet OGs (CKMs 7.1-13), CAP Results as Promised (7.5-12), and CKM SP Execution (7.5-11). Department segmentation AOS.  A 2018 SPP and results review identified an opportunity to innovate the SPP for improved agility by implementing a rolling 12-mo. timeframe for the SP. This change shortened the time from CAP approval to completion, ensuring the most valuable CAPs are on the SP and maximizing agility and resilience.

What are the key process steps? Key process steps are numbered 1-7 in Fig. 2.1-1. The Strategic Planning Calendar process determines the milestones, meetings and action items to create a rolling 12-mo. SP designed to achieve OG/LTGs. It also ensures integration between company and department strategic planning, as well as the Marketing Plan Creation, Budgeting and Workforce Planning processes. Annually, our Master Planning Calendar process uses a central calendar to schedule all reminders and meetings for the next year to ensure all participants are included and process steps are executed. Each process is reviewed annually for improvement. Key SPP steps are deployed at SOTB and DKS.


Who are the key participants? The BOD, SLT, DLT, select LDCs, S&Ps as applicable (Fig. 2.1-1)

What are your short- and longer-term planning horizons? Current year + 5 years: short-term is current year and next year planned on a rolling 12-mo. basis; long-term is years 2-5. Planning horizons are deployed in SPM/DBM.

How does your strategic planning process address the potential need for change, prioritization of change initiatives, and organizational agility and resilience? Our SPP is designed to identify the need for, enact and sustain change. The need arises from changes or projected changes in OGs, LTGs, CKM results, SKRs, market, competitive or regulatory environment, or BOD direction. This is identified through a review of information in SPP (Fig. 2.1-1 Step 1,3) and culminates in the creation of Company and department SWOTs which are used to select CAPs to achieve OGs/LTGs. The 12-mo. rolling SP and monthly SPMs/DBMs allow for quick response to a sudden need for change. The strategy for prioritization is to focus on high value ideas. Prioritization occurs in SPM/DBM based on value, resource requirements and SP changes being considered. Company Strategies provide the foundation for agility and resilience and the SPP further solidifies this. Agility in the SPP is provided through monthly SPM/DBMs including a review of information to monitor for changes in business needs or external environment and allows for a rapid response to needs or opportunities. The rolling 12-mo. approach provides for rapid change to the SP at any time. 2.2b.  In 2020 during COVID, evaluation of our measures indicated a surge in demand. An improvement was implemented to provide increased agility and resilience by allowing the

President to waive steps in the Workforce & Financial Impact Analysis process to ensure a rapid response. This allowed a CAP, OSS, to be quickly added to the SP to provide a focus on operations and Customer service. The SP was adjusted to provide capacity. The OSS CAP positively impacted results. Same Day Shipping, an LO DKM and our leading indicator for CKR *Super-fast shipping & delivery*, improved from 72% to 95% even while demand increased.

2.1a(2) How does your strategy development process stimulate and incorporate innovation? Focus on success and innovation is a vital element of our Culture and LS (Fig. 1.1-1). Our Operational Strategy, “Recruit, develop & retain high-performing Employees who share our Values & align with our Culture,” including dedication to learning, is key to stimulating innovation. Recruiting & Hiring process uses our Culture Statement in the criteria for selecting Employees and our Performance Review process reinforces alignment by using it to evaluate performance. In alignment with our Operational Strategy “Ask questions, get facts & take intelligent risks,” Employees are encouraged to innovate through development and knowledge sharing. This happens via DBMs, SOTB, DKS and FOF, access to PI to submit ideas (all-Employee access), process reviews and training, kaizen blitz projects, Comparative Data Management and Scorecard Goal Management processes, analysis matrices (2.1a3) and organizational transparency including deploying the SP, SWOT, BL and results to all Employees (Fig. 1.1-1). External analysis such as Baldrige feedback reports, Stakeholder satisfaction results and benchmark information is included in SPP. Systematic deployment of SOs, OGs and LTGs ensures innovation integrates with organizational direction. Innovation Rate measures innovation (AOS).

How do you identify strategic opportunities? Fig. 2.1-1 Step 3. SLT/DLT analyze key information. We leverage our SA “S&P relationship management” to obtain market information for our Marketing Plan (3.2a1). We conduct market analysis, including competitor analysis, to look for emerging trends and opportunities for expansion of our products and services. Information described in 2.1a3 is used to conduct SWOTs for company and departments, which identifies and captures SAs, strategic opportunities and SCs. SWOTs are used to identify BL items and select CAPs to meet OG/LTGs and aligned SOs. Key strategic opportunities pursued as intelligent risks are addressed with a CAP. SWOTs are deployed in SPM, DBM and on the intranet. Success is measured by OGs (CKMs 7.1-13) and CAP Results as Promised (7.5-12).  In 2017, we improved the SPP by enhancing PI for managing BL items to include statuses to allow us to select and manage strategic ideas on the BL for analysis and quickly identify where an idea is in the process.

How do you decide which strategic opportunities are intelligent risks to pursue? Fig. 2.1-1 Step 3 identifies strategic opportunities to include in the SWOT. In SPM/DBM we review SWOTs to generate ideas for BL, review BL and recommend BL ideas for analysis to achieve SOs and OGs. In SPM we review recommendations and BL ideas selected for analysis are vetted using the CAP ID & Analysis process (Fig. 2.1-1 Box S,T). This process evaluates ideas including resource requirements, potential value, potential risk and alignment with current (SO/OGs) and future direction (LTGs). Completed analyses are reviewed in SPM where a decision is made to either recommend

as a new CAP (an intelligent risk) or leave on the BL. Decisions are deployed via DBMs, SOTB and DKS.

What are your key strategic opportunities? (1) Logistics automation (2) Grow market share in Hunting, Fishing, Clothing, Footwear, Knives & Tools and Camping categories (3) Omni channel retailing (retail stores). We have goals, CAPs on our SP and action items within our Marketing Plan to support analyzing or pursuing these. Full list AOS.

2.1a(3) How do you collect and analyze relevant data and develop information for use in your strategic planning process?

Fig. 2.1-1 Step 3. Financial trends and projections are analyzed for use in SPP and SWOT via integration of Budgeting process and SPP. The MRR process has four reviews. Department scorecards are reviewed by VP and DLT (DBM) and VP and President & CEO. Company Scorecard is reviewed by SLT in SPM and by Chairman and President & CEO. Department scorecards report process results and help analyze work system performance and current and needed CCs. Company Scorecard reports results for each OG/KS aligned with SKRs. MIDAS provides access to reports aligned with a department's area process, providing data for results analysis (4.1a1). Staffing models are maintained in Budgeting process for capacity analysis (5.1a1). This information is analyzed and integrated with SWOTs and SP. Several processes, supported by analysis matrices, facilitate analysis of additional information. CAM provides an overview of product categories, defines competitors and how they compete (CKR); Website Analysis Matrix (WAM) focuses on comparative data on website features (CKR); Marketing Analysis Matrix (MAM) provides comparative information on marketing efforts and policies (CKR); Supplier Analysis Matrix (SAM) evaluates key Suppliers on their level of shipping compliance; and HR Analysis Matrix (HAM) analyzes Employee benefits, services and policies compared to industry and local organizations and BARs (EKR) (4.1a2). The Sales & MK Team analyzes, develops and incorporates information into WAM, CAM, MAM and Marketing Plan; HAM is developed and analyzed by HR and reviewed in WFM. Top level findings are presented in SPM to integrate with SPP. Items for inclusion in SWOT or BL are identified and used to create SPs. Each matrix generates learning and is posted on the intranet for deployment to Employees.

Ⓛ In 2020, analysis of results identified OFIs within hourly staffing models. The OSS CAP implemented several changes to improve the accuracy of the models (5.1a1) and improve staffing of direct labor.

In this collection and analysis, how do you include these key elements of risk? • Your strategic challenges and strategic advantages See 2.1a2; Fig. 2.1-1 Step 3. Data and information are collected, analyzed and used in the SWOT Analysis process to determine our SAs and SCs. Company and department SWOTs reviewed/updated in SPM/DBMs.

• Potential changes and disruptions in your regulatory and external environment Processes monitor for external environment changes or disruptions to provide SPP input (Fig. 2.1-1 Box P) including, analysis matrices (above), Comparative Data Management process, external analyses (e.g. ISO audit), S&P input, Stakeholder satisfaction results and VOC processes. Regulatory requirements are monitored for changes or disruptions via processes within affected departments. If a change is strategic, it's referred to SPP as a potential CAP. If it isn't, it's handled as a compliance initiative in the PI. Ⓛ


For example, FS processes monitor for potential changes from IRS and State Departments of Revenue. Information provided from monitoring led to the addition of a threat (SC), "Internet sales tax," to the SWOT. It remained a threat until 2018, when an overturned decision allowed states to pursue sales tax from internet retailers outside their state. Based on the strategic nature, a CAP, State Sales Tax System Creation, was created to update systems to collect state sales tax in all states. The CAP helped ensure we continued to meet the SHKR, *Legal, ethical, & regulatory compliance*. Compliance is reviewed by BOD and SLT via the CKM % Compliant – LERC (7.4-10).

Ⓛ In 2020, we added a new "Compliance" record type to PI to provide visibility and oversight on non-strategic changes needed to maintain compliance. Progress is monitored in SPM/DBM. • Technological changes and innovations affecting your products, services, and operations? Several processes across the company are designed to monitor for these and address as appropriate. For example, Feature Analysis and Improvement processes analyze current website features and monitor for technological changes, innovations and best practices to implement to improve our website's ability to attract and serve Customers by meeting their CKRs, *Fast, feature-rich, user-friendly website* and *Ease of finding what you're looking for*. Strategic changes are referred to SPP as a potential CAP. See also 1st answer in 2.1a3.

• Potential blind spots in your strategic planning process and information We deploy the SPP and SP at SOTB, SPM, DKS and DBM to facilitate input from all levels in the organization and to identify blind spots. Blind spots are also identified as a result of integrating the SPP with Budgeting and Workforce Planning processes, via Company/department SWOTs, updating analysis matrices, and executing CAP ID & Analysis and System Design processes. This information is reviewed in our SPM/DBM and incorporated in the SP and SPP. • Your ability to execute the strategic plan We integrate SPP, Budgeting and Workforce Planning processes to ensure resources are available to execute SPs. Workforce & Financial Impact Analysis process provides a strategy allocating time across key areas (e.g. CAPs, processes, CARs, etc.). This is used with CAP ID & Analysis process to determine if workforce capacity and capability and financial resources are available to complete the proposed CAP. This information is reviewed, and conflicts are resolved, in SPM/DBM. We have a CKM SP Execution (7.5-11), segmented by department to measure the % of SP completed vs. goal. It is reviewed in MRR, BOD, SOTB and DKS; department segmentation is reviewed in MRR (DBM). Ⓛ In 2019, based on evaluation of implemented CAPs, the CAP ID & Analysis process was improved to include steps to gather non-technical resource hours to ensure a full understanding of resources for implementation.

2.1a(4) How do you decide which key processes will be accomplished by your workforce and which by external suppliers, partners, and collaborators? How do those decisions consider your strategic objectives, your core competencies, and the core competencies of potential suppliers, partners, and collaborators? SPP includes a review of KWS and key processes in relation to direction, SOs and OGs (Fig. 2.1-1, Box G). Our strategy is to keep our KWS internal, although key processes within a KWS may use external resources. If a new key process is needed, we evaluate costs and barriers to entry and our capacity and ability to develop that capability.

Strategy

We consider our CCs and CCs of current and potential S&Ps. We align our decision to perform key processes internally or externally with whichever is most likely to provide a SA.  In 2019, we used the Build or Buy process in our State Sales Tax System Creation CAP to facilitate analysis in determining if the new capability to collect and remit state sales tax should be built internally or externally. This analysis determined having a CC in this area didn't provide a SA, so we selected a Partner. How do you determine what future organizational core competencies and work systems you will need? SPP determines this need (Fig. 2.1-1 Box G,M,N). We validate critical information such as MS, OGs, KSs, SKR results, LTGs and review external environment including competitive and benchmark information. We also conduct a SWOT. Changes to these may require a new CC or work system. When a needed CC is identified, the process described in question above determines if it's pursued internally or externally. If internally, but not well supported by current work systems, work systems are modified or created to develop the CC. If a new work system needs to be created, a CAP is added to the SP.

2.1b(1) What are your organization's key strategic objectives and their most important related goals? What is your timetable for achieving them?

Figure 2.1-2 Key Strategic Objectives and Goals (as %)

Strategic Objective	2021	2022	2023	2024	2025	2026
Maintain CS&E	90-95	90-95	90-95	90-95	90-95	90-95
Improve ES&E	80-85	80-85	80-85	80-85	80-85	80-85
Maintain S&P Sat.	90-95	90-95	90-95	90-95	90-95	90-95
Maintain SH. Sat.	95-100	95-100	95-100	95-100	95-100	95-100

What key changes, if any, are planned in your products, customers and markets, suppliers and partners, and operations? We have 12 CAPs in 2020-2022 to design, build and move LO and CS operations to a new, innovative DC on our 500-year campus as well as expand our product offering. The expansion will address our #2 strategic opportunity by diversifying our product offering with a focus in hunting, fishing, clothing, footwear, knives & tools and camping. This helps overcome SCs: "Legislation affecting the shooting/hunting industry," "Unexpected surges in demand following a sudden event" and "Scarce supplies of certain hard-to-produce products." These CAPs provide for several SKRs. Fig. 2.2-1.

2.1b(2) How do your strategic objectives achieve appropriate balance among varying and potentially competing organizational needs? Varying and competing needs arise from the differing KR of the four KSs. Aligning SOs and OGs with each KS and creating a SP to achieve OGs by addressing the different SKRs ensures needs are balanced and met. Results are reviewed for each KS in MRR (2.1a3).

How do your strategic objectives: • address your strategic challenges and leverage your core competencies, strategic advantages, and strategic opportunities? Fig. 2.1-1 Step 3. SWOT identifies SAs, strategic opportunities and SCs and is used in Step 1 to create SOs. SOs have CAPs to address a SC, leverage a SA or CC, pursue an opportunity or create a CC. • balance short- and longer-term planning horizons? The BOD sets OGs, LTGs and SOs with SL input for the time horizon. SPP balances short and long-term horizons by capturing CAPs for short-term planning on the rolling 12-mo. SP and identifying critical CAPs for long-term planning for future SPs on our BL. • consider and balance the needs of all key stakeholders? Each

KS provides KR and is represented by a SO and OG to ensure balance of needs (see first answer in 2.1b2).


2.2a(1) What are your key short- and longer-term action plans? What is their relationship to your strategic objectives?


Figure 2.2-1 Strategic Objectives and Key CAPs

Year	Strategic Objective Stakeholder Key Requirement	Key CAPs
2021	CS&E <i>Super-fast shipping & delivery</i>	- Design & Build MW DC (40&J)* - Operations (40&J)
2021	CS&E <i>Product selection</i>	- Product Expansion (40&J)
2021	CS&E <i>Accurate, intact shipments</i>	- Application Development (40&J)
2021	ES&E <i>Clear, effective communication</i>	- Employee Transition (40&J)
2021	ES&E <i>The right tools to do my job</i>	- Support Process Integration (40&J) - Office & Warehouse Infrastr. (40&J) - Staffing Plan for Nitro 3.0 (40&J) - Create Training Plan (40&J) - Washington Data Center Transition (40&J)
2021	Shareholder Satisfaction <i>Inventory management</i>	- Inventory Transition (40&J)
2021	Shareholder Satisfaction <i>Continuous improvement in productivity, efficiency, quality</i>	- Slotting Logic, Locations & Bin Profiles (40&J)
2021	Shareholder Satisfaction <i>Receive Baldrige Award</i>	- Baldrige Award 3.0
2022	ES&E <i>Safe, comfortable work envt.</i>	- Design & Build New Admin Building (40&J)

* All CAPs with a (40&J) suffix are part of the transition to our 500-year campus.

How do you develop your action plans? Fig. 2.1-1 Step 1, direction is set by reviewing and validating key information to create SOs. Step 2 (Box K), SOs are deployed. Step 3 (Box L-R), strategic and operational analyses is executed to develop ideas for potential CAPs, captured as BL items in PI. BL items are reviewed in SPM/DBM to identify key ideas for CAPs to achieve SOs. Step 4 (Box S), items from the BL are selected for analysis. The CAP ID & Analysis process is used to further define CAPs, including scope, Stakeholders, requirements and goals. Step 4 (Box T), completed analyses reviewed in SPM to determine if BL item should be added to the SP as CAP. Accepted BL ideas submitted to President & CEO for approval to add to SP. See 2.1a2; for deployment 2.2a2.

2.2a(2) How do you deploy your action plans? How do you deploy your action plans to your workforce and to key suppliers, partners, and collaborators, as appropriate, to ensure that you achieve your key strategic objectives? Fig. 2.1-1 Step 5. CAP Stakeholders are identified via CAP ID & Analysis process to include in deployment. CAPs and SP are deployed to Employees at SOTB, DKS, SPM/DBM; S&Ps as appropriate, in meetings or other communication; and Shareholders at BOD meetings.  Knowledge sharing and learning occurs when CAP Stakeholders and Employees provide input, which can help identify blind spots. Then CAPs can be revised, or new ideas added to PI. For example, in a 2018 CAP, FFL Controlled Item Sales-Drop Ship Only, our Supplier identified a blind spot regarding their requirement that a license is sent with each order. The CAP was revised to meet this requirement. This CAP also generated a BL entry for additional innovation, selling Federal Firearms License (FFL) controlled items from multiple Suppliers, which was executed as a new 2018 CAP.

How do you ensure that you can sustain the [key outcomes of your action plans](#)? We review results from completed CAPs in SPM/DBM against their goals for 12 months post-completion (Fig. 2.1-1 Step 7). When results aren't meeting goals, SLT/ DLT plans action to address the issue.  In 2020, through a review of the Control Phase CAP Review process, sustainability was further enhanced by the addition of a process, Closed CAP Validation, to ensure processes needed to sustain CAP outcomes have been documented for future improvement by Process Management processes (PMP) (6.1b3).



2.2a(3) How do you ensure that financial and other resources are available to support the achievement of your [action plans](#) while you meet current obligations? Resources needed to successfully implement a potential CAP are identified in the CAP ID & Analysis process. The Workforce & Financial Impact Analysis process integrates the SPP with company-wide Workforce Planning and Budgeting processes to ensure resources are available to execute processes to run the business and implement CAPs (Fig. 2.1-1 Box U,V). If resources aren't available for the proposed CAP timeline, the timeline is adjusted, resources are hired or the SP is modified to shift resources. Governance is provided on expenses outside of the approved budget (Fig. P.1-7). MRR (SPM/DBM) monitors process and CKM SP Execution (7.5-11) results to ensure outcomes are achieved.

How do you allocate these resources to support the plans? We use our integrated approach described above to allocate resources to support the plans based on overall value and this priority order: (1) CAR1 (2) Process execution (3) Compliance (4) CAP (5) CAR2/OFI. Workforce planning ensures each position allocates time using this strategy. Resource needs for CAPs are reviewed with Stakeholders in the CAP ID & Analysis process to ensure available capacity. SLT/ DLT reviews SP progress and results monthly and adjusts resources as needed.


How do you manage the risks associated with the plans to ensure your financial viability? The value proposition of a CAP is determined using CAP ID & Analysis process and outlined in an executive summary evaluated by SLT/ DLT for potential risk and reward. The expected results of CAPs are incorporated into our budget and long-term projection model to provide the financial impact overview. Organizational Governance (P.1-7) defines levels of authority for expenses and contractual obligations to minimize financial risk (2.1a2).

2.2a(4) What are your [key workforce plans](#) to support your short-and longer-term [strategic objectives](#) and [action plans](#)? How do the plans address potential impacts on your [workforce members](#) and any potential changes in [workforce capability](#) and [capacity needs](#)? We create annual training plans for all departments in Budgeting and Training processes, professional Employee development plans in Performance Review process, and LDC development plans in our LDC process (5.2c4). The integration of SPP, Workforce Planning and Budgeting processes ensures alignment across workforce plans, CAPs and SOs. If a CAP or SO can't be achieved with current capability or capacity, action is taken to provide staffing and/or training to acquire new skills. See also 2.2a3. Key workforce plans for 2021-22 focus on transitioning LO and CS staff to the new DC (ES&E CAPs Fig. 2.2-1). Plans cover communication (EKR *Clear, effective communication*), training (EKR *The right tools to do my job*), and staffing (EKR *Appropriate amount of work &*

time away from work) to support the transition, while meeting other SKRs (e.g. CKR *Super-fast shipping & delivery*). Longer-term SOs/CAPs are supported by long-term planning to include projected staffing aligned with growth (5.1a1).

2.2a(5) What [key performance measures or indicators](#) do you use to track the achievement and [effectiveness](#) of your [action plans](#)? The SP is designed to meet OGs, so the most important measures for tracking achievement and effectiveness of CAPs are CKMs (Fig. P.2-3/7.1-13) which are direct measures of performance toward OGs. Results are reviewed in MRR. Each CAP identifies measures/goals to determine effectiveness. Completed CAP results are reviewed in SPM/DBM for 12 months to ensure effectiveness and sustainability. Progress on implementing CAPs is reported in SPM/DBM based on milestones. CAPs not meeting milestones are discussed for action. CKM SP Execution (7.5-11) monitors progress on achieving the SP, is segmented by department and reviewed in SPM/DBM.  In 2016, our measurement system was improved by adding a DKM, CAP Results as Promised, segmented by CAP, to better evaluate effectiveness.  In 2019, the Control Phase CAP Review process was improved by adding analysis of CAPs out of control phase to determine if NPV was achieved. This result is reviewed in SPM to further improve effectiveness.

How does your overall [action plan](#) measurement system reinforce organizational [alignment](#)? SOs are set by BOD in alignment with MS and are designed to deliver OGs. CAPs are developed by SLT/ DLT to deliver SOs. Each OG represents a KS to ensure balance. SOs and CAPs have goals aligned with achieving an OG by meeting SKRs. SLT/ DLT review performance in relation to CAP goals.

2.2a(6) For these [key performance measures or indicators](#), what are your [performance projections](#) for your short- and longer-term planning horizons? CKMs (Fig. P.2-3), denoted with  in Category 7, include time horizon performance projections.

If there are gaps between your [projected performance](#) and that of your competitors or comparable organizations, how do you address them in your [action plans](#)? Comparative and competitive information are compiled and analyzed as part of the SPP (Fig. 2.1-1 Box L,O,P). Analysis of this information drives development of SOs and CAPs designed to address current or projected gaps. CAPs have measures/goals created to ensure effectiveness in addressing the gap (2.1b2).

2.2b How do you recognize and respond when circumstances require a shift in [action plans](#) and rapid execution of new plans? Regular review of results, external environment, market conditions and business needs may establish a need for changes to CAPs or new CAPs to add to the SP to achieve SOs. Agility and resilience are provided via a rolling 12-mo. SP and SP Modification process through which CAPs can be added at any time. Project Managers or CAP owners recommend scope changes for CAPs. Monthly SPM/DBMs provide agility, resilience and full deployment of changes. Workforce capability and capacity are reviewed and adjusted to accommodate changes. This agility is evidenced by the OSS CAP (1.1c2).

Category 3: 3.1a(1) How do you listen to, interact with, and observe [customers](#) to obtain actionable information? CS&E is our #1 OG and "Customers come first" is our #1 Operational and MK Strategy. To achieve our #1 OG and align with our strategies,

Customers

we have processes to listen to, observe and interact with Customers at every possible opportunity (Fig 3.1-1). We provide Customers the opportunity to provide direct feedback through our CSS, generating ~635,000 responses and ~310,000 Customer comments annually. Additional direct feedback is generated through our CS work system, CS post-interaction survey, social media, website features and product ratings, Amazon seller central, the Better Business Bureau, President & CEO Customer comments and by observing Customers' interactions with our website using session replay technology. Indirect feedback is gathered using multiple measurements of Customer interactions with our features and products such as Gross Sales (CKM 7.5-1a), Customer Retention (7.2-5), Order Frequency, Page Views, Impressions, Engagements and Conversion Rates (AOS). We also interact with Customers when resolving complaints through VOC processes, CS, responses to President & CEO Customer comments, and interactions on social media. Indirect interaction comes through our website and engagements with promotions and advertising, including television, internet advertising, email and print. All listening methods have measures aligned with our KWS and CKRs, reviewed in MRR, and integrated with our Sales & MK Team and SPP.

Figure 3.1-1 VOC Listening Methods

Direct	<ul style="list-style-type: none"> • CSS (3.2b1; Fig. 3.2-2) • Customer Support <ul style="list-style-type: none"> -Phone -Email -Chat • Social Media <ul style="list-style-type: none"> -Facebook -Instagram -YouTube 	<ul style="list-style-type: none"> • Website <ul style="list-style-type: none"> -Product Reviews -Q&A -PIQR -Feature Ratings • Amazon • BBB • President & CEO Comments • Session Replay
Indirect	<ul style="list-style-type: none"> • Gross Sales <ul style="list-style-type: none"> -Category Sales -Channel Sales • Customer Retention • Customer Acquisition • Product Returns • Average Order • Frequency of Order 	<ul style="list-style-type: none"> • Website <ul style="list-style-type: none"> -Traffic -Abandonment -Page Views • Engagements <ul style="list-style-type: none"> -Impressions -Click Rates -Conversion Rates

How do your listening methods vary for different customers, customer groups, or market segments? How do your listening methods vary across the customer lifecycle? We use a variety of direct and indirect methods for listening to different Customer groups, which are based on Customer lifecycle, within our one market segment (P.1b2). Direct listening methods are designed so all Customers, regardless of group or preferred method of doing business, can provide direct feedback at any point during their interaction with us. Direct feedback mechanisms are offered in several places on our website (Fig 3.1-1). Indirect methods are similarly designed to capture Customer feedback at all interaction points and regardless of group. To ensure CSS feedback from all Customer groups, surveys are designed to specifically gather feedback from each Customer group (based on lifecycle) (Fig 3.2-2).



How do you seek immediate and actionable feedback from customers on the quality of products, customer support, and transactions? Our CSS (Fig. 3.2-2) is designed to gather feedback immediately after purchase/transaction (post-order), after order delivery (post-fulfillment), and when a Customer leaves our website (non-buyer). Satisfaction with CS is gathered both through our CSS and through a post-interaction survey. Customers provide feedback on products and features using

Product Information Quality Rating (PIQR), Product Reviews, Q&A and Feature Ratings on our website. Processes referenced previously gather, review and analyze sales results/trends, purchasing patterns, origin, characteristics, demographics, information from Suppliers, industry trends, industry trade organizations (e.g. KCGs), industry newswires, MAM, WAM, CAM, web search, and new product requests from current and potential Customers to anticipate future Customer groups and market segments. The results of these reviews are consolidated and evaluated in our DBMs and Sales & MK Team meetings and integrated with the SPP through the BL (2.1a2).


3.1a(2) How do you listen to potential customers to obtain actionable information? How do you listen to former customers, competitors' customers, and other potential customers to obtain actionable information on your products, customer support, and transactions, as appropriate? All VOC listening methods (Fig. 3.1-1) not related to sales are available for all Customer groups, however portions of our CSS are specifically designed to gather feedback from potential (Prospective), former (Inactive) and competitor Customers. Potential and former Customers offer direct feedback through our non-buyer survey, which is offered to website visitors when they leave our site without making a purchase. Satisfaction of these Customers is reviewed in MRR; the comments are aligned with KWS and CKRs and integrated into our VOC processes (3.2b1). Our CKR survey (3.2a2) gathers feedback segmented into Prospective, Active, and Inactive requirements, as does our competitor survey, which collects satisfaction and reasons for shopping with our top 10 competitors as identified in the CAM. We use our Sales & MK Team meetings and Marketing Plan along with our Customer Relationship Management (CRM), VOC, SPP, Social Marketing and Market Analysis processes to gather, analyze, use and deploy information on current and future Customers. Results are integrated into the SPM, MRR, DBM, and Sales & MK Team meetings. (2.1a3)


3.1b(1) How do you determine your customer groups and market segments? Our one market segment is defined by our MS (Fig. P.1-3) and approved by our BOD. Our market segment is domestic internet retailing to Customers who purchase shooting, hunting and outdoor products. Potential changes to the market segment are determined through SWOT analysis, SPP, MRR, Customer feedback and market analysis. Requested changes to the MS are presented to our BOD. Customer groups are reviewed and updated through our Marketing Plan Creation process. We define our Customer groups by lifecycle divided into 3 groups: Prospective, Active and Inactive. This approach provides the segmentation necessary to allow for effective acquisition and retention strategies. Prospective Customers have never placed an order with MW. Active Customers have placed an order within the last rolling 12-month period and Inactive Customers have ordered previously, but not within the last rolling 12-month period.

How do you: • use information on customers, markets, and product offerings to identify current and anticipate future customer groups and market segments? We use our CRM, VOC (including CSS), SPP and Market Analysis processes and the Sales & MK Team and Marketing Plan to review and analyze trends in sales, Customer behavior (product views, searches, purchases), information from Suppliers, trade shows, industry newswires, and our CAM, MAM and WAM to anticipate future

Customer groups, market segments and product offerings.  Feedback from these processes is integrated into our SPP and has led to multiple cycles of learning and innovation including the addition of many product categories. We added the Fishing category through the 2020 CAP, Category Expansion – Fishing, and the Black Powder category through the 2019 CAP, Black Powder Sales & Order Processing Through Truman Facility. The new offerings are deployed to Customers through our communication channels (3.2a2) and to Employees through SOTB, DKS, SPM, DBM. • [determine which customers, customer groups, and market segments to emphasize and pursue for business growth?](#) Our one market segment is defined by our MS (Fig. P.1-3) and approved by our BOD. We use Market Analysis, CRM and VOC processes, sales performance, competitor benchmarking, Supplier input, and MAM, CAM and WAM to identify new or underserved products/product categories, services and Customers.  These processes created multiple cycles of learning and innovation, which were integrated and deployed through SPP, such as services to optimize sales of specific products through our Holster Finder (2017 CAP) (CKR *Ease of finding what you're looking for*), directly distributing products previously handled by a 3rd party through our Powder Distribution Center (2018 CAP) (CKR *Competitive product pricing*), direct distribution of FFL controlled products (2019 CAP) (CKR *Product selection*), and better service to Customers by directing them to new products through the creation of Dynamic Product Recommendation engine (2020 CAP) (CKR *Fast, feature-rich, user-friendly website*).

[3.1b\(2\) How do you determine product offerings? How do you:](#) • [determine customer and market needs and requirements for product offerings and services?](#) Our product offering consists of the products we sell and services we provide to meet our CKRs. Our product offering is determined by our MS, ME and MK Strategies, CSS, Sales & MK Team, VOC, Marketing Plan Creation and Marketing Research processes. Customer and market needs are determined using data from all VOC listening points, both direct and indirect (Fig 3.1-1) and our Marketing Research process. This data is integrated into our SPP and MRR. Major changes to requirements affecting the MS or a major change to KWS would require approval from the BOD and would integrate with the SPP to implement. Changes not requiring BOD approval are referred to the SPP as BL items, analyzed and, if selected as a CAP, deployed as part of the SP. CKRs are identified through our VOC processes and CSS (3.2b1) and deployed via OGs in SPM, DBM, SOTB and DKS. Learnings from these processes are integrated into the SPP, which ensures deployment and integration throughout the organization. • [identify and adapt product offerings to meet the requirements and exceed the expectations of your customer groups and market segments?](#) • [identify and adapt product offerings to enter new markets, to attract new customers, and to create opportunities to expand relationships with current customers, as appropriate?](#) We gather direct Customer feedback for each individual product and service we provide (Fig. 3.1-1). This information is integrated into MRR and SPP. Our CAM and New Product Addition processes are used to identify new products of interest to Customer groups. Website Testing Management, Marketing Testing and Results Management processes, and MAM and CAM (2.1a3) are used to identify new services and products to attract new or Prospective Customers,

reactivate Inactive Customers, and expand our relationship with Active Customers.  In 2018 we added the capability to A/B test website changes, allowing Customers indirect feedback in the form of engagement, sales, and conversion and providing us the opportunity to analyze whether new or enhanced website services were meeting their requirements.

[3.2a\(1\) How do you build and manage customer relationships? How do you:](#) • [acquire customers and build market share?](#) Customer acquisition, retention and loyalty are driven by our CVP (P.1a1) and the strategies and processes designed to meet CKRs which ensure high levels of Customer satisfaction and engagement. We market, build and manage relationships with Customers by executing the fully integrated Marketing Plan Creation process to develop our Marketing Plan. The Marketing Plan outlines the strategies, methods, tools and budget we use to market to, manage and build relationships with Customers. Through our “Just About Everything” strategy, we ensure we have most products of interest to our Prospective Customers, and our inventory management strategies ensure we have a sufficient supply of those products, even in times of high demand. We maintain our *Fast, feature-rich, user-friendly website* (CKR) and continually update it with desirable features using our WAM process and content of interest using our Search Engine Optimization (SEO) processes.  SEO processes were developed in 2019 to evaluate our product page positions through organic search and ensure our products and services rank highly when Prospective Customers are searching for relevant information. Through our Internet Advertising processes, we ensure wide impression share across the internet and social media focused on targeted advertisements to Prospective Customers. Through our Television Sponsorship Management process, we ensure visibility on high-value, industry-relevant content. Our CRM process manages Customers throughout the lifecycle to drive Customer acquisition and retention (SHKR *Grow the value of the Company through Customer acquisition & retention*). These strategies and processes are continuously improved through integration with our WAM, CAM, MAM and Marketing Research processes and are deployed through MRR, SPP and SOTB. • [manage and enhance your brand image?](#) We build, manage, and enhance our brand image by meeting and exceeding CKRs through exceptional policies, products and services. We also build a personal relationship with Customers through our strategy of using Larry Potterfield as the face and voice of MW and feature him in marketing communications. This personification of our Values reinforces our brand image and helps Customers connect. Brand image is further enhanced through broad impression share across industry platforms on television and the internet, through our charitable support of the MidwayUSA Foundation and the NRA Round-Up program, and through partnerships with highly visible, respected organizations and individuals within the industry. • [retain customers, meet their requirements, and exceed their expectations in each stage of the customer lifecycle?](#) Our Customer groups are segmented and aligned with stages of the Customer lifecycle (Prospective, Active, Inactive). Our CRM process and Lifecycle and Retention strategy are used to manage each stage of the Customer lifecycle. Prospective Customers have their interests identified through proprietary algorithms and 3rd party data to ensure we only market products and services of interest to them. Our MS, products and services are deployed to Prospective

Customers

and new Customers (subset of Active Customers) through our New Buying Customer campaigns. Using Customer behavior (product views, searches, purchases, origin) and our Product Recommendation Engine, Active and Inactive Customers are only sent advertisements for things that are, or are predicted to be, of interest to them using targeted marketing. In 2018, through the Email Marketing Personalization CAP, we stopped sending advertisements to Customers identified as unlikely to purchase anything in the short-term as a further way to prevent fatigue and over-communication while increasing promotional email conversion rate (AOS). These Customers are identified through an improvement designed in 2018 (L) that uses algorithms and our Customer Behavior Analysis process to predict this behavior. Based on their loyalty score (a process improvement developed in 2016 (L)), we select Customers to receive monthly print advertising. For Inactive Customers with a higher loyalty score, we continue these mailings so we re-acquire these loyal Customers. Our Public Relations processes ensure timely and engaging content is shared with all Customers through social media. As evidence of the effectiveness of our processes, MW has won the BizRate Circle of Excellence award 13 times, including the last 7 consecutive years, indicating we are a benchmark leader in achieving top tier CS&E results (CKM 7.2-1,7.2-6) and exceeding our Customers' requirements and expectations. VOC, CSS and CKR data is solicited for all portions of the Customer lifecycle, and feedback is integrated into MRR, PMP and SPP, ensuring a focus on improvements desired from all Customer groups.

3.2a(2) How do you enable customers to seek information and support? How do you enable them to conduct business with you? What are your key means of customer support and communication? How do they vary for different customers, customer groups, or market segments, as appropriate? Our strategy is to ensure Customers in all Customer groups have the opportunity to do business with us, communicate with us, and receive support using whatever method they desire (Fig 3.2-1). The primary way we deploy information to Customers on products, pricing, services and Customer policies is through our website, where ~98% of our orders originate. We also enable Customers to seek information and support by phone, email, chat and social media through our CS team. Means of communication are determined through integration with our Marketing Plan. Although all means of doing business, communication and seeking support are available to all Customer groups, we have primary (but not exclusive) methods of communication for Prospective (e.g., Internet Advertising, Social Media), Active (e.g., Email, Website), and Inactive (e.g., Flyers) Customers. Results for effectiveness of all communication methods are integrated into MRR and deployed through SPP.

How do you: • determine your customers' key support requirements? • deploy these requirements to all people and processes involved in customer support? Annually in alignment with our processes for gathering SKRs, we conduct a CKR survey to validate existing, determine new and prioritize CKRs for each Customer group. Results are aligned with OGs, deployed through SPM, DBM, SOTB, DKS, postings on the intranet and in all departments and common areas throughout campus as part of the MS, OGs and CS. CKRs and our performance on CKRs are reviewed through integration with VOC, SPP, DBM, SOTB, DKS and MRR. All SKRs, including

Figure 3.2-1 Customer Communication and Support Methods

Website	Support	Communication
<ul style="list-style-type: none"> • Product Search • Product Finding Recommendations • FAQ • How-to Videos • PIQR • Reviews/Q&A • Feature Ratings • Product Information • Knowledge Center 	<ul style="list-style-type: none"> • Phone • Email • Chat • FAQ • Social Media • VOC • CSS • President & CEO Comments 	<ul style="list-style-type: none"> • Website • Direct Contact • Social Media • Email • Flyers • Television • Sponsored Partners • Internet Advertising

CKRs, are used in PI to classify all entries. Customer related items are assigned to a CKR.

3.2a(3) How do you manage customer complaints? Our Operational Strategy, "Customers come first" plays a key role in designing our processes to ensure Customer complaints are resolved quickly. Our interaction-related processes in CS are designed to immediately resolve complaints directly with Customers who contact us. Complaints stemming from this process and submitted through our CS post-interaction survey are integrated with the VOC processes. Our VOC processes are designed to integrate Customer complaints from all possible sources (CSS, PIQR, social media, Amazon, BBB, President & CEO comments, feature ratings). Complaints are compiled weekly and segmented by KWS department, aligned with CKRs, and prioritized as immediately actionable, future improvement or general feedback. Immediately actionable complaints require a response and VPs are accountable for the responses. Complaints and VOC results are deployed weekly to all SLs, KWS departments and Sales & MK Team, each of which inputs feedback into PI for integration with PMP and SPP or responds to Customers as appropriate based on priority. The Sales & MK Team meets quarterly to review trends, output integrates with our Marketing Plan Creation or SPP.

How do you resolve complaints promptly and effectively? Complaints coming through our interaction-related processes in CS are resolved immediately with the Customers; the effectiveness of this approach is assessed through our CS post-interaction survey and timeliness through our Time Service Factor measures (AOS), each of which is reviewed in our MRR. VOC complaints rated as immediately actionable are addressed directly with Customers, with a goal to resolve 100% of actionable complaints, a goal we have met for three consecutive years. Resolution results for VOC are also reviewed through MRR. (L) In 2020, as an improvement to ensure we can effectively troubleshoot technical issues Customers may experience, we adopted session replay technology allowing us to not only watch a Customer's actual on-site experience but also predict areas of the website that may dissatisfy Customers in the future.

How does your management of complaints enable you to recover your customers' confidence, enhance their satisfaction and engagement, and avoid similar complaints in the future? We manage complaints and respond quickly with immediate resolution (when feasible) to recover confidence. To enhance satisfaction and engagement and avoid future complaints, we analyze interactions and VOC. Findings are deployed through MRR process and entered in PI for integration with PMP and SPP. Smaller improvements identified by Customers are referred as OFIs or CARs to ensure dissatisfiers do not impact

future Customers. Larger improvements are referred to Sales & MK Team and SPP as BL items. Improvements are deployed to Customers through direct communication when appropriate and through our website. Most major CAPs and improvements that impact Customers are driven by Customer feedback. **L** Two recent learnings from evaluation of VOC allowing us to significantly lower our Customer Dissatisfaction (7.2-3) score were to automatically apply free shipping codes during our promotions and to display estimated delivery dates for the Customer’s individual zip code rather than their larger shipping zone.

3.2a(4) How do your customer experience processes ensure fair treatment for different customers, customer groups, and market segments? In alignment with our Value of Respect for others and our #1 Operational Strategy “Customers come first,” we design our processes to ensure fair treatment of all Customers. All Customers conduct business with us under our Terms of Sale, Terms of Service, Privacy Policy and Customer Policies found in our Help Center. These policies are integrated and reviewed annually through our Marketing Plan Creation process and deployed to Customers using our website.

3.2b(1) How do you determine customer satisfaction, dissatisfaction, and engagement? How do your determination methods differ among your customer groups and market segments, as appropriate? Customer Satisfaction is at near record levels and demonstrates benchmark leadership (7.2.1) as determined by our CSS (Fig. 3.2-2). CSS results are aligned with CKRs and segmented by Customer group. Our post-order, post-fulfillment and non-buyer surveys are conducted by Bizrate, which offers surveys with standardized questions to Customers of internet retailers. Using these varying CSS methods allows us to gather feedback at all portions of the Customer lifecycle. Customer Dissatisfaction (7.2-3) is determined through VOC processes and is calculated as the percent of Customer complaints coming in through our CSS versus total CSS responses. Customer Engagement (7.2-6) is measured directly through Customer Loyalty (7.2-8) and Customer Advocacy (7.2-7) questions on our CSS. It is also measured indirectly through process measures for key community support (NRA) and Customer communication methods, giving us measures of engagement for social posts (DKM Social Engagements), web pages (DKM Website Traffic), emails (supporting measures Email Open Rate and Email Unsubscribe Rate), flyers (DKM Flyer Response Rate), and internet advertising (DKM Internet Advertising Conversions). All measures AOS. Measures of effectiveness include: Social Followers (DKM 7.2-9), Promotional Email Conversion Rate (DKM), Gross Sales (CKM 7.5-1a), Gross Sales from Internet Advertising (DKM) and Website Conversion Rate (DKM). Measures of engagement are available for each type of Customer communication (every ad, email, web page) in MIDAS reports to support in-depth analysis. All satisfaction, dissatisfaction and engagement measures are reviewed in MRR and integrated into PI and SPP. **How do your measurements capture actionable information?** We design all measures to provide meaningful, actionable feedback. Every measure is aligned with a SKR and all CKRs have at least one measure from our CSS and at least one indirect or process measure. These measures are reviewed in MRR and, along with associated reports, provide information to determine root cause of performance changes. We also integrate these direct and

Fig. 3.2-2 CSS by Customer Group

Survey	Active	Inactive	Prospective
Post-order	X		
Post-fulfillment	X		
CS Post-interaction	X	X	X
Non-buyer	X	X	X
CKR	X	X	X
Competitor	X	X	X
Amazon	X	X	X
Post-order: immediately after order Post-fulfillment: after order delivery Post-interaction: immediately after CS interaction Non-buyer: on exit of website without order CKR: annual CKR validation and ranking Competitor: annual CSS for competitors’ Customers Amazon: seller ratings and comments			

indirect measures into our Website Testing Management and Marketing Testing and Results Management processes. These processes allow us to test the impact of process improvements on measures of satisfaction, dissatisfaction and engagement to ensure fact-based decisions are made to meet CKRs.

3.2b(2) How do you obtain information on customers’ satisfaction with your organization relative to other organizations? How do you obtain information on your customers’ satisfaction: • relative to their satisfaction with your competitors? Using our competitor survey, which is segmented by Customer group, we directly determine purchase frequency and satisfaction overall, and for each separate CKR, for our top 10 competitors. Competitors are defined through integration with our WAM, CAM, MAM and Marketing Plan Creation processes. Additionally, indirect determinants of satisfaction with competitors is gathered through our Market Research process, where information from our Suppliers and public companies allows us to benchmark purchasing habits of Customers of competitors. Additional indirect information on potential Customer satisfaction with competitors’ features and services is achieved through our MAM and WAM processes. This information is integrated into our Sales & MK Team meetings and SPP. • relative to the satisfaction of customers of other organizations that provide similar products or to industry benchmarks, as appropriate? Our CSS performance is compared to an index of the BizRate Circle of Excellence award winners. This index provides satisfaction information for CKRs for the top 2.9%, best-in-class internet retailers. Our performance against this benchmark is reviewed in MRR and Sales & MK Team, and integrated into the PMP and SPP.

3.2c How do you use voice-of-the-customer and market data and information? Our VOC processes, including all CSS, are critical to satisfying our #1 KS, our Customers. All input from our VOC process is categorized by CKR so we know exactly which KR is affected and how it must be addressed. While VOC is one source of market data and information, we use additional processes to collect market information such as our WAM Management, Marketing Research (MAM), Cost and Price Change Management (CAM) (2.1a3), Supplier Relationships, Market Analysis, Marketing Plan Creation and CRM processes among others to gather market data and information. The measures and output of these processes provide the basis for the strategies we deploy through our Marketing Plan. This information is fed into PI as CARs, OFIs, CAPs and BL items and assigned to the relevant CKR. Items originating from our VOC processes are identified.

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How do you use [voice-of-the-customer](#) and market data and information to build a more [customer-focused culture](#) and support operational decision-making? Our VOC and Market Analysis processes are at the core of our business and our Culture. CS&E is our #1 OG and is deployed on our intranet, in all departments, common areas and conference rooms. “Customers come first” is our #1 Operational Strategy and is a tightly integrated aspect of our Culture. The results of VOC and market data are reviewed in MRR and deployed in DBM, SOTB and DKS, ensuring all Employees are aware of results and efforts to improve them. The multiple and varied integrations between VOC, market data, PI and SPP ensure direction and strategies align with our MS and ultimately exceed Customer’s expectations for their KR.

Category 4: 4.1a(1) How do you track data and information on daily operations and overall organizational performance?

We use integrated information aligned with our OGs and SKRs to track daily operations and overall performance. We have real-time data, available in our systems and on the intranet, to guide decision-making in daily operations. Sales and receiving data from the Company Dashboard are used to adjust the timing of daily and weekly email marketing promotions to meet performance goals. Invoice velocity from Today’s Business report is used to develop hourly/daily projections as input to Workforce Management processes in LO to allocate resources. Sales data on this report is used to determine if we need to use marketing agility and resilience to meet daily sales projections. The Company Dashboard provides information across multiple processes for use in daily decision-making and business trending. Examples include data on sales, margins, Customers, inventory and in stock rate. The Company Scorecard tracks performance to SKRs while department scorecards track process performance. During SPMs, SLT reviews, defines and validates measures that roll up into organizational performance results against OGs and SKRs. Monthly financial reports are deployed via the intranet site. Scorecards and financial reports are reviewed in MRR. Performance on achieving OGs and SKRs are reviewed in SPMs, BOD, SOTB and DKS meetings.

How do you: • [select, collect, align, and integrate data and information to use in tracking daily operations and overall organizational performance?](#) We select the overall satisfaction response from satisfaction surveys as the KM for each CKR, EKR and SPKR. Shareholders select the exact measures (Fig. P.2-3) and goals to be achieved for their satisfaction. We select supporting process measures for KR to provide leading indicators of process performance that impact meeting KR. The above information is reported on the Company Scorecard. Within departments, process measures are selected in alignment with area processes in each department’s work system to gauge performance. New processes and work systems are built using the Process Design processes, requiring identification of Stakeholders and measures for integration and performance monitoring. Data and information are aggregated from many disparate systems into our data warehouse and are available on the intranet and MIDAS, our central repository for all enterprise-wide reports, scorecards, dashboards and analytical tools. Analytical tools are designed to facilitate user-driven analysis and support agility and resilience.

OGs, SKRs, SOs, CAPs, KMs and supporting measures are all aligned. 📍 In 2014, MIDAS was implemented to consolidate KM data collection and automatically populate data in scorecards, dashboards and reports. This improvement reduced errors and improved integration and accessibility of data. 📍 In 2018, we innovated our scorecard platform by creating a dedicated database and user-interface to manage and automate many measures and goals. This greatly improved efficiency and reduced opportunity for error in the scorecard preparation process, while also improving integration and data accessibility. MIDAS is maintained and governed by QMS to ensure consistent and reliable information is readily available in one location, eliminating reliance on silos of information throughout the organization. Except for scorecards and top-level dashboards, every item in MIDAS is aligned with an area process. We further deploy data and information through performance reviews, SPM, DBM, MRR, SOTB and DKS for organization performance monitoring. • [track progress on achieving strategic objectives and action plans?](#) Progress on SOs through CAPs is tracked through our CKM SP Execution (7.5-11) measure at the company and department level (2.2a5). CAPs are designed in alignment with a SO. CAPs with quantifiable results are placed in Closed – Control Phase and monitored for 12 months to ensure goals are achieved and results are sustainable. SO goals and measures are reported on scorecards and reviewed in SPM, DBM, SOTB and DKS. Milestones are tracked through PI and reviewed at SPMs and DBMs to monitor progress and redirect or allocate resources.

[What are your key organizational performance measures, including key short- and longer-term financial measures?](#)

The areas of highest importance to the accomplishment of our Mission and OGs are measured by our 15 CKMs (7.1-13). These 15 CKMs are how we define success, Fig. P.2-3. CKMs and supporting measures are tracked and reviewed both on a real-time basis via dashboards and monthly via scorecards reviewed in MRR (2.1a3). In BOD meetings, Shareholders review CKM results and discuss any changes to OGs, CKMs or SHKRs. In the SPM following the BOD meeting, SLT discusses changes or additions from the BOD. All KMs are reviewed by SLT and DLT during DBMs and MRR. Throughout the year measures may be added, removed or modified with necessary approvals. To integrate Budgeting and SPP, long-term financial measures and planning metrics are reviewed annually in SPM with a following review by the Chairman and President & CEO (5.1a1).

4.1a(2) How do you select comparative data and information to support fact-based decision-making?

To achieve our Vision, we select appropriate comparative data and information to support fact based decision-making through our Comparative Data Management process. Once comparative data is identified, the best performing organization(s) is selected as benchmark leadership performance. Obtaining comparative data can be challenging as our industry does not have an overarching organization to gather and maintain data from members (P.2a3). We rely heavily on information from Suppliers, publicly traded manufacturers and competitors, and organizations outside our industry, to support fact-based decision-making. The performance information and best practices collected from these and other contacts are integrated into the SPP and deployed in DBMs. In alignment with our process, comparative data is selected by SLT/DLT

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to evaluate performance using the following criteria: (1) Benchmarks (best practice, world-class, Baldrige winners) (2) Competitors (3) Industry (4) External (5) Internal. Benchmarks may be outside the industry or competitors. The best-performing, most appropriate competitors or industry organizations are selected as benchmarks for industry-driven measures, such as Gross Margin % (7.5-3) and In Stock Rate (7.1-27). We use local organizations for measures that impact hiring and recruiting, such as compensation and benefits, as this is where we compete for direct labor Employees. KMs have at least one source of comparative data when feasible and appropriate. Department VPs choose data that measures process performance and performance against OGs/SKRs to support operational and strategic decision-making. VPs meet annually with the President & CEO to review DKM goals and comparative data for the planning time horizon. Expiring comparative data is researched to identify new benchmarks for comparison and future KM goal setting. During the SPP, comparative data is used to aid in determining SAs, SCs and opportunities for innovation. Several processes, supported by matrices, facilitate annual analysis of additional comparative and benchmark information (2.1a3) in alignment with KWS and OGs. For example, the HAM analyzes Employee benefits, services and policies against other organizations and the MAM analyzes comparative information on marketing efforts and policies. Learning and best practices from the addition of each analysis tool were shared and applied to subsequent tools (3.1b2).

4.1a(3) How do you ensure that your performance measurement system can respond to rapid or unexpected organizational or external changes and provide timely data? Our measurement and analysis framework is designed with agility and resilience, capturing data in an easily reconfigurable manner which ensures our ability to rapidly present data and information to respond to external changes and meet changing organizational needs. We monitor current daily sales velocity to determine if we need to promote additional products to meet daily sales goals. This framework and results are evaluated in SPM, DBM and MRR in relation to achieving OGs. As OGs or SKRs change, our framework is updated to maintain alignment with business needs. 🚗 In 2018, using the Microsoft Power BI mobile app, we deployed a How's Business dashboard to SLT providing access to near real-time top-level performance measures. Measures include current, prior day, month-to-date and year-to-date (YTD) sales results, productivity measures, backlogs, trends and projections for use in daily decision-making. Users can subscribe to receive alerts on measures informing them of rapid or unexpected changes in business based on user-established thresholds.

4.1b How do you review your organization's performance and capabilities? Process, OG and KR performance is reviewed in MRR, in addition to daily monitoring through reports, dashboards and scorecards. Financial performance is reviewed through monthly financial reports and CKMs. Capabilities and performance needs are forecasted through the Planning Metrics model in the Budgeting and Workforce Planning processes, integrated into the SPP, and reviewed in SPM/DBMs (2.2a4, 2.2a5, 5.1a1). Weekly SLT and DLT meetings communicate current events and discuss tactical issues impacting performance that may require immediate attention.

ME updates sales projections monthly, or more frequently if needed, which drives inventory replenishment. LO and CS utilize these projections to review and adjust staffing capacity and FS uses them to update weekly and monthly cash flow. For long term capability planning, Company and department SWOT are reviewed to evaluate our ability to meet SOs, OGs and LTGs. Planned growth is aligned with LTGs. Current and needed CCs are reviewed in SPMs (2.1a4, 2.1b2, 5.1a4).

How do you use your key organizational performance measures, as well as comparative data, in these reviews? MRR includes comparison to goals, comparative data and historical information as appropriate to validate results, conclusions and goal setting. KM results use Green-Yellow-Red indicators in scorecards, aligned with performance goals, to aid in analysis. BL items, CARs and OFIs are entered in PI to improve performance through SPP and PMP.

What analyses do you perform to support these reviews and ensure that conclusions are valid? KMs red for 3 consecutive months require a CAR (1.1c2), including a root cause analysis and identified solution entered in PI. Root cause analyses include a review of comparative and historical data to ensure conclusions are valid. A CAP is created as appropriate to address identified performance or capability issues. CARs requiring results monitoring are placed in control phase and monitored in SPM/DBMs until measures meet requirements.

How do your organization and its senior leaders use these reviews to: • assess organizational success, competitive performance, financial health, and progress on achieving your strategic objectives and action plans? Organizational success is assessed in MRR by reviewing performance against KMs and comparative data aligned with OGs. Our ability to sustain success is dependent upon meeting OGs and LTGs, completing our SP and successfully executing processes (2.2a5). The SP is designed to achieve performance relative to OGs. We review progress on CAPs, SOs and OGs and financial performance in SPM/DBMs. CKM SP Execution (7.5-11) is measured and reviewed as described in 4.1a1 and BOD meetings. The SP and SP Execution measure are deployed on our intranet site, in SPM, DBM, SOTB and DKS meetings. • respond rapidly to changing organizational needs and challenges in your operating environment? Regular reviews of reports, dashboards, scorecards and SWOTs in the SPM, DBM and DKS meetings and integration of this information with SPP provides agility and resilience to respond rapidly to changing organizational and transformational needs and challenges (2.2b, 5.1a4).

🚗 In 2020 and 2021, with business continuing to surge, we started analyzing, updating and deploying sales, invoice and staffing projections every Monday before our SLT meeting to provide additional agility and resilience in our ME, HR and MK processes. This helped increase inventory and direct staffing to meet elevated Customer demand and modify our Marketing Plan to appropriately communicate with Customers.


How does your governance board review the organization's performance and its progress on strategic objectives and action plans, if appropriate? The Organizational Governance document (Fig. P.1-7) requires BOD review and approval of all governance items including, SHKRs, OGs, LTGs, SOs and SP. Per the SPP (Fig. 2.1-1 Box C), the Chairman and President & CEO review the Company Scorecard monthly. The BOD reviews performance to OGs and SHKRs (CKMs 7.1-13),

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financial results and projections in quarterly BOD meetings. SLT provides BOD with details on any CKM below 85% of goal (red measure). BOD meetings also include a review of SOs, rolling SP and completed CAPs. BOD and SLs also receive and review monthly Company financial statements (1.2a1). Input from the BOD is referred to the SPP for integration.

4.1c(1) How do you project your organization's future performance? How do you use findings from performance reviews and key comparative and competitive data in your projections? We obtain analytical data from sources to use as input for future performance projections, include market analysis (comparative and competitive), Supplier meetings, political climate monitoring, historical KM results, market trends in product categories, new product expansion plans, and analysis matrices. This information is integrated into our SPP and Budgeting processes to project future performance (2.1a1: long-term horizon). The integration of comparative and competitive data into the SPP and Budgeting processes ensures CAPs are created to achieve future performance goals in alignment with projections (2.1a3).

4.1c(2) How do you use findings from performance reviews to develop priorities for continuous improvement and opportunities for innovation? Each SPM agenda includes a review of our CKMs, supporting measures and the Company SWOT. Each DBM includes a review of the department scorecard (DKMs and supporting measures) and a quarterly review of Department SWOTs. This allows SLT/DLT to identify issues that may impact our ability to achieve current and future SOs and OGS. Findings from these reviews are used to prioritize opportunities for continuous improvement and innovation which are captured as CAPs, CARs, OFIs and BL items in PI.

How do you deploy these priorities and opportunities: • to work group and functional-level operations? Company priorities are deployed in the SLT, DLT, SPMs, DBM, SOTB and DKS meetings. Department priorities are deployed in the DLT, DBMs, DKS, musters, continuous improvement meetings and one-on-one meetings. The SP is deployed on the LO DNA Wall for Employees who don't have consistent access to the intranet. • when appropriate, to your suppliers, partners, and collaborators to ensure organizational alignment? We conduct annual meetings with key S&Ps to deploy our priorities and opportunities and ensure organizational alignment. Meetings with key Suppliers also include a review of product selection, pricing, our Marketing Plan, CAPs and changes to the SPA as appropriate. Deployment also occurs through our SPA and via email & phone. We communicate with key S&Ps frequently to share best practices and exchange information on changing market and regulatory conditions.  During the OSS CAP and 2020 business surge, we identified the need to have shipping trailers picked up more frequently to support our On-time Delivery measure (7.1-5). We worked with our key Partner UPS to provide additional trailer swaps throughout the day. This strong alignment with our key Partner ensured we could continue to satisfy the CKR *Super-fast shipping & delivery*.

4.2a(1) How do you verify and ensure the quality of organizational data and information? When possible, to reduce human error and increase efficiency, data is captured using automated systems to verify and ensure quality. We maintain a Company Glossary containing definitions for all KMs and all KM reporting pulls from a single source, our data warehouse,

to ensure data consistency and accuracy. In 2015, we improved our Beta Testing & Release and Change Management processes to include improved steps for ensuring data integrity.  In 2019 we further improved our ability to ensure data quality by creating system alerts to notify when data was significantly outside of expected performance levels based on historical information (EKR *The right tools to do my job*).

How do you manage digital and other data and information to ensure their accuracy and validity, integrity and reliability, and currency? We apply access level rights and edit checks in applications as appropriate and conduct data hygiene reviews through our Database Development process. When new measures are created, we analyze the data to validate the results. Results are compared to goals, benchmarks and historical data and we incorporate manual checks and reconciliation when appropriate. Our systems automatically capture or generate real-time data at the point of creation and make it immediately available to other KWS for use in process execution.

4.2a(2) How do you ensure the availability of organizational data and information? Information is available through the company intranet, MIDAS and applications in real-time, as appropriate. Availability is monitored and any key system with performance degradation will alert the appropriate team for research and resolution.

How do you make needed data and information available in a user-friendly format and timely manner to your workforce, suppliers, partners, collaborators, and customers, as appropriate? We ensure data and information is available through: **Workforce:** Intranet, MIDAS, real-time software applications and meetings (SPM, DBM, SOTB, DKS). Workforce requirements are gathered for new reports and applications to ensure they are user-friendly. **S&Ps:** (6.1c) Annual strategic meetings/outings, Supplier Visit Dashboard, Supplier Performance evaluations using the Supplier Performance report and Supplier Analysis Matrix and SPA. **Customers:** (3.2a2) MW's website and CS area provide real time information on orders and Customer accounts. We provide user-friendly web features such as detailed product information on product pages, Community Q&A section, Product Reviews, Knowledge Center which includes Holster Finder, Rebate Center, Video Library, Gun Safety Videos, Gun Schematics and How-To Guides, wish lists, product arrival notifications, product page grid view and product due dates. Feedback collected from Customers through VOC processes is used to improve user-friendliness (3.1a1). We provide timely transactional and promotional emails to keep Customers informed and ensure user-friendliness through our Customer Communication process which includes input from VOC processes. Effectiveness of above approaches is verified through MRR, where SLT reviews survey results for Customers (CKM 7.2-1), Employees (CKM 7.3-10) and S&Ps (CKM 7.1-19).

How do you ensure that your information technology systems are reliable and user-friendly? Information system reliability and user-friendliness starts with software and hardware acquisition strategies and our Third-Party Software Selection and IS Procurement processes, focusing on brand/Supplier, product capability, service and technical support. Maintenance agreements, contracts and updates are maintained on key items. Software and hardware are updated on workstations and servers. We systematically replace computers and other hardware to

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enhance reliability. Systems are continually monitored for stability and performance. System alerts are in place to notify the appropriate team when an issue arises. For application development, we utilize Microsoft user interface standards and subject matter experts to ensure integration and incorporation of learning for user-friendly design. We also have staff on call to maintain critical systems.

4.2b(1) How do you build and manage organizational knowledge? Each of our 800+ processes are documented in a work instruction (WI) on our intranet. Processes and WIs are reviewed, updated and trained for key changes annually or as changes occur (6.1b3). We maintain nearly all knowledge on our extremely robust intranet, see Fig. 4.2-1. We maintain ISO 9001 certification to ensure a systematic approach to documenting processes and other organizational knowledge.

How do you:


- **collect and transfer workforce knowledge?** All knowledge identified in Fig. 4.2-1 is deployed and accessible to all Employees. Company and department strategies, strategy 1-pagers, WIs and WI sheets are available on the intranet for all Employees and are used in Employee training. This information is reviewed annually by process owners to ensure alignment with current business needs and to collect changing workforce knowledge. Process improvements are captured on the process change log and deployed to process performers and process owners of related processes as appropriate (6.1b3). This approach is a key element of our sustainability by preventing silos and is augmented by posting key documents on our Organizational DNA Walls in each building.
- **blend and correlate data from different sources to build new knowledge?** We use our Data Warehousing process to obtain data from internal and external sources. Data from these various sources is integrated into our data warehouse where it can be blended to facilitate correlation analyses and build new knowledge. The data warehouse contains, among other data sources, a combination of data from our phone server database, web analytics provider, SEO analytics provider, transactional database and Facebook. Many reports and daily dashboards contain a blend of data from a variety of sources.
- **transfer relevant knowledge from and to customers, suppliers, partners, and collaborators?** The transfer of relevant knowledge to Customers is accomplished via Fig 3.2-1. Knowledge is transferred from Customers via VOC processes including CSS (3.2c). Relevant knowledge is transferred to/from Suppliers through our Supplier Relationships processes in alignment with the SPKR *Candid, 2-way communication*. The processes include annual strategic meetings and outings with key Suppliers, SPAs and Supplier satisfaction surveys. The transfer of relevant knowledge to/from key Partners is accomplished through annual summit meetings where requirements and key result performance are discussed.  In 2019 we developed the Supplier Visit Dashboard to ensure systematic deployment of key information with our Suppliers such as sales, margins, in-stock rates, shipping and packaging performance, and the Supplier's market share with MW. Tools like this allow us to improve efficiency of operations and align our sales budget with our TNT Suppliers' budgets to ensure product allocation for planned growth.
- **assemble and transfer relevant knowledge for use in your innovation and strategic planning processes?** See 2.1a3. Assembly and transfer of knowledge is an integral part of our SPP. Knowledge is collected from Employees


Figure 4.2-1 Methods for Managing Organizational Knowledge (AOS)


Method	Knowledge	Review Cycle
Strategic Documents	MS, OGs, Culture Statement, Governance LTGs, KWS, Strategies, Value Propositions, CCs, LS, Key Communities, SWOTs	Monthly/ Quarterly/ Annually
Strategic Plans	Company and Department SPs	On-going
Marketing Plan	Plan for acquiring & retaining Customers, building market share and growing the business	Monthly
PI	CAPs, CARs, OFIs, BL items	On-going
MIDAS	Results, KMs, scorecards, dashboards, leaderboards, reports	Daily/Weekly/ Monthly
Work Instructions	Process execution steps and information	Annually
Company Glossary	Definitions of KMs and key business terms	Annually
System Narratives	System-run process execution steps & information	Annually
Company Policies	Policies to guide Employees, Customers, Suppliers & Partners (via SPA)	Annually
Organizational Charts	Department reporting structure	Annually
Job Descriptions	Process responsibilities, key performance measures and specifications	Annually
Company Journal	Historical key company milestones and events	Annually
Employee Center	Employee and performance data	On-going

through PI and used to improve and innovate systems and processes through the execution of CAPs, CARs and OFIs. Ideas in PI capture processes they impact to easily identify and integrate during process improvements and kaizen blitz projects. Knowledge and learning gained from our SPP and SP are systematically communicated, as applicable, through SOTB and DKS meetings. Other methods for the assembly and transfer of relevant knowledge include Company/department SWOTs, SKRs, Company and department strategies, mentoring and LDC process.

4.2b(2) How do you share best practices in your organization?

Best practice sharing occurs through collaboration between departments during SPMs and Framework Compliance Audits. The President & CEO and VPs of all departments are required to attend SPMs which review all aspects of our work systems and best practices identified during audits. Identified best practices are deployed to department managers in DBMs and DKS and integrated into department processes as applicable.

 In 2021, a best practice was identified in IS to capture a statement that identifies when a project is complete. This best practice was incorporated into the Project Management process and deployed to all SLT and DLT.

How do you identify internal and external organizational units or operations that are high performing? Our analysis matrices (CAM, HAM, MAM, SAM, WAM) and Comparative Data Management process are used to identify high performing external organizational units or operations. High performing internal units or operations are identified using our MRR (via OG and process performance) and SPP, Comparative Data Management and Framework Compliance Audit processes. Best practices identified through these approaches are researched and considered for integration with SPP (2.1a3) or PMP (6.1b3).  In 2020, as part of OSS CAP, the improved approach for the LO Career Path process was identified as a best practice and was used to improve the CS Career Path process.

How do you identify best practices for sharing and implement

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them across your organization, as appropriate? Best practices are identified through SPMs, analysis matrices (CAM, HAM, MAM, SAM, WAM) and the Framework Compliance Audit process. Identified best practices are reviewed by SLT in SPMs and deployed to all departments as applicable. 📌 In 2020 as part of the OSS CAP the LO Staffing Model was redesigned to better account for the variables that have an impact on direct labor needs (5.1a1). This improvement was identified as a best practice approach and integrated into the CS Staffing Model.

4.2b(3) How do you use your knowledge and resources to embed learning in the way your organization operates? Learning is a key component of our MS as we pursue our Vision "...to be the best run business in America..." It is supported by our Culture Statement item, Organizational learning, and Operational Strategy, "Continuous improvement in productivity, efficiency & quality." By hiring Employees who align with our Culture, we ensure our Employees are driven to pursue learning and improvement. We design processes to further embed learning into the execution of the process. For example, our Annual Process Review process requires a review and update of WIs in which learning is achieved. Our MRR process requires regular review of results and our Corrective Action process requires action to address poor performance. Our Continuous Process Improvement process is used to proactively drive improvements with ideas generated from many sources including Employees. Our Performance Review process requires salaried Employees to have an individual development plan that includes learning and growth that aligns with organizational direction. Mentoring and LDC process facilitate personal development, knowledge sharing and learning across departments. Systematic strategies and approaches for the creation, collection, storage, and transfer of knowledge allow us to embed knowledge management and continuous learning into processes.

Category 5: 5.1a(1) How do you assess your workforce capability and capacity needs? Our Workforce Planning process is integrated with our SPP and Budgeting process (2.1a1). Our Planning Metrics model captures sales information for short and long-term planning horizons and is used in the creation of direct and indirect staffing needs. SLT reviews current and projected staffing needs as part of the SPP process, including resource reviews for BL and CAP. These needs are captured in our Department Organizational Labor Budget models and hourly staffing models and are integrated with our Budgeting process. Our hourly staffing models incorporate data from the budget, projected weekly sales, inventory levels, average dollars per order, Customer interaction types and time, and Employee productivity. Direct labor departments and HR regularly review the model and adjust for business needs and meet quarterly for a detailed review and in-depth discussion. 📌 In 2020, via OSS CAP, hourly staffing models were reviewed and updated to improve integration of variables that directly impact staffing projections, such as changes to projected sales volume, inventory, and Employee productivity and attrition, providing more accurate projection of direct labor needs to better serve Customers.

How do you assess the skills, competencies, certifications, and staffing levels you need in the short and long term? Skills, competencies and certifications are assessed through our Performance Management and Leadership Development

processes with gaps identified through SPP and PMP and addressed through training or hiring. The Workforce & Financial Impact Analysis process integrates the SPP with company-wide Workforce Planning and Budgeting processes to ensure appropriate staffing levels are available to execute processes to run the business and implement CAPs (2.2a3). Gaps are addressed through training or hiring. The Workforce Planning process incorporates hourly staffing models to identify short- and long-term direct labor needs and the Department Organizational Labor Budget process addresses short- and long-term indirect labor needs. Both processes integrate with the Budgeting process and provide input into the recruiting plan. 📌 For example, in 2020, QMS identified the need to fill a gap in Lead ISO Auditor certification. This was added to an Employee's development plan and achieved in 2021.

5.1a(2) How do you recruit, hire, and onboard new workforce members? Our Operational Strategies to "Recruit, develop and retain high-performing, industry-engaged Employees who share our Values, align with our Culture and want to live in the Midwest," "Promote from Within," and the HR Strategy to "Be a leader in the area of compensation and benefits; well above average" drive our Recruiting, Hiring & Onboarding processes. In addition, we leverage partnerships with local colleges through our Career Fairs process and participation in career related events. Recruiting & Hiring processes are designed to evaluate job skills and V&C alignment. HR screening, team interviews and a CDT interview for salaried candidates ensure we hire Employees who will pursue our Vision, share our Values and align with our Culture. Our Baldrige-aligned Onboarding processes are designed to ensure seamless transition and training, emphasizing V&C, OGs, MS, safety, benefits, a department tour and introductions. Onboarding continues with department-specific training and new hire follow-up meetings, followed by a 90-day performance review for our hourly workforce to ensure productivity and company alignment. 📌 In 2018, after evaluating new hire and exit interview feedback, we implemented new hire follow-up meetings and 30-day progress exchange meetings to ensure effective communication and onboarding for new hires.

How do you ensure that your workforce represents the diversity of ideas, cultures, and thinking of your hiring and customer communities? Our recruitment strategy and the industry engagement opportunities we provide for Employees once hired (Employee Purchase Program, range memberships, sporting clubs, Hunting & Fishing club) ensure we hire Employees representative of our Customer community. Our recruiting strategies and processes ensure we represent the values and diversity of our community and surrounding area; and our professional workforce represents diverse backgrounds, from fields such as finance, education, military and healthcare. Our Employee Referral Program incentivizes Employees to refer candidates who share our V&C and draws candidates from our local community. Recruiting from local colleges provides a diverse applicant pool with a variety of education, backgrounds and experiences. We also leverage the diverse ideas of our workforce by encouraging all Employees to participate in our EFGs and identify and enter OFIs and CARs into PI for integration with our PMP and SPP.

How do you ensure the fit of new workforce members with your organizational culture? Our Recruiting & Hiring processes

are guided by our strategy to hire Employees who share our Values and align with our Culture. CDT interviews all salaried candidates to ensure V&C alignment. Once hired, we ensure new workforce members fit within our Culture using our Baldrige-aligned Onboarding and Performance Management processes and our LS (Fig. 1.1-1), including reinforcement of Culture through participation in SOTB, DKS, DBM, review of individual and company results and musters. We have several opportunities for Employees to engage in the Industry involvement aspect of our Culture. Our Onboarding and Performance Management processes include V&C components as part of the review process providing opportunity to address misalignment. Esprit de Corps events provide opportunities for Employees to socialize and reinforce organizational Culture. Our LDC process provides leadership and development training, as well as mentoring with SLs to further cultural fit.

5.1a(3) How do you prepare your workforce for changing capability and capacity needs? The integration of SPP, Budgeting and Workforce Planning processes ensures our workforce is prepared for changing capability and capacity needs (2.1a3). Our SPP (Fig. 2.1-1 Step 4) ensures we have the right resources available to meet the needs of planned CAPs. As part of the Performance Management process, job descriptions are reviewed annually to ensure the necessary knowledge, skills and abilities needed for each position. As needs change, job descriptions are updated, current staff is trained, and new Employees are selected based on new capability needs. SP and results are communicated at SPM, DBM, SOTB and DKS meetings, as well as other communication tools (musters, leaderboards, Team MidwayUSA) to keep the workforce focused on current goals, long-term plans and significant business changes. To adjust for changing hourly Employee needs, we reduce work schedules (slow time) or utilize overtime, part-time and seasonal Employees to meet short-term increases in staffing needs. We communicate slow time and overtime requirements as far in advance as possible and manage staffing on a weekly basis to ensure we meet our EKR of *Appropriate amount of work & time away from work*.

How do you balance the needs of your workforce and your organization to ensure continuity, prevent workforce reductions, and minimize the impact of any necessary reductions? Our workforce needs are developed in conjunction with our SPP which is aligned with our SOs. Integration with our Budgeting process and sales projections, through our hourly staffing models, gives us agility and resilience to adjust staffing as business demands increase or decrease, while allowing us to meet our SKRs. For times of lower than expected business, we utilize slow time and increase time-off availability for Employees. We also incorporate turnover into our hourly staffing models so we can allow natural attrition to lower direct labor costs without requiring layoffs. With rapid growth in 2020 due to COVID, we were able to increase the size of our LO workforce to meet our CKR *Super-fast shipping & delivery*. As we assessed long-term business growth due to the changing marketplace, we also updated our Recruiting & Hiring processes to include seasonal Employees. This proved an effective way to partner with candidates who were temporarily out of work and not overcommit to hiring regular Employees.

How do you prepare for and manage any periods of workforce growth? We prepare for and manage periods of workforce

growth through the integration of our SPP, Budgeting, and Workforce Planning processes. These processes integrate with our hourly staffing models to enable planning for growth. Our Recruiting & Hiring processes, including tools such as open interviews, temporary and seasonal hiring, allow us to respond quickly when needed. In 2020 as part of the OSS CAP, we temporarily re-designed the Recruiting & Hiring processes to allow for social distancing and added efficiency. We added a cross-departmental team of Employees to assist with recruiting to increase throughput. This resulted in growth of 193 Employees (45% increase) from April to August.

How do you prepare your workforce for changes in organizational structure and work systems, when needed? When a change in organizational structure or work system is identified through our SPP, we use our Communication Plan Management process to inform Employees of planned changes and our Budgeting processes to align financial resources. CAPs or OFIs are created with milestones for process training, documentation updates and transition of responsibilities to ensure Employees are fully prepared. CAPs are created to prepare Employees for significant changes. For example, the Employee Transition (40&J) CAP is designed to systematically communicate with and train Employees to prepare them for the move to the new DC on our 500-year campus (Fig. 2.2-1).

5.1a(4) How do you organize and manage your workforce? Our work systems are aligned to support and achieve our Mission and SOs through the execution of work processes and SP. We have 7 departments: 3 execute KWS (ME, MK, LO) and 4 execute SWS (FS, HR, IS, QMS). Each department is led by a VP who reports to the President & CEO. Each department has a work system map (WSM) organized by area and section processes and aligned with a KWS or SWS. Managers lead areas or sections and report to a VP. All processes are designed to deliver SKRs.

How do you organize and manage your workforce:

- **To capitalize on your organization's core competencies?** Our CCs are central to fulfilling our Mission and providing an advantage in our marketplace. We have a BOD Strategy to "Lead with & strengthen our CCs". Each work system is aligned with our MS and OGs. Within work systems, processes and strategies are designed to deliver CCs. Integration between SPP, Budgeting and Workforce Planning processes ensure allocation of resources within the work systems necessary to capitalize on CCs. CCs (Fig. P.1-5), both current and desired, are deployed on DNA Walls in all buildings and on the company intranet.
- **To reinforce organizational resilience, agility, and a customer and business focus?** Our #1 OG is CS&E. Our #1 BOD Strategy is "Focus on satisfying Customers." "Customer-focused excellence" is part of our Culture Statement. These are engrained throughout the organization and drive us to do what it takes to serve Customers. We organize our workforce to execute our KWS and SWS. We design processes to provide additional agility and resilience in times of rapid change. Depending on the rate of change, we reallocate workforce within a department, acquire seasonal staffing, use overtime, and when necessary, use Employees from other departments through our ERG Coordination process to assist a department to meet SKRs. Additional resilience is provided through financial strategies that maintain a level of financial strength to respond to changes.
- **Exceed performance expectations?** Work systems are aligned to achieve OGs and

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MRR review performance to OGs. Our Corrective Action process requires any KM underperforming for 3 consecutive months to have a CAR issued in PI for improvement. 📌 For example, in response to the unexpected growth in 2020, we had the agility and resilience to rapidly respond to Customer and business needs through the OSS CAP. We utilized cross-departmental teams to assist with recruiting and hiring needs, enlisted managers from IS and QMS to serve as interim LO managers and utilized salaried Employees as ERG; all to improve business results and serve Customers.

5.1b(1) How do you ensure workplace health, security, and accessibility for the workforce? MW ensures workplace health through our Benefits processes and policies. In 2016 we implemented an Employee well-being program to reduce health risks for the workforce and reduce/mitigate future claims. Included within this program is the onsite Biometric Health Screening process, health risk assessments and onsite flu shots. Additionally, this is ensured by our Safety processes and measures (7.1b2 and AOS), a full-time Safety & Facilities Manager, a Safety Response Team and a continual focus on meeting our EKR *Safe, comfortable work environment* through our ES&E process (6.2c1). We ensure access and security of facilities by requiring ID badge swipes for all entry doors, with additional accessibility requirements and improvements being incorporated into the new DC as part of the Support Process Integration (40&J) CAP (Fig. 2.2-1). Safety Training Management processes ensure Employees and contractors are trained adequately in order to provide a safe, comfortable work environment. 📌 In 2020 during COVID, we were classified as an essential business. In response, we worked with our medical director to create several medical protocols to ensure operations continued while also taking all necessary steps to keep our workforce safe. These protocols went through several cycles of learning and improvement throughout 2020 and are well-deployed. As a result of these efforts, we experienced no operational disruptions due to COVID, allowing us to serve Customers while keeping Employees safe.

What are your performance measures and improvement goals for your workplace environmental factors? Our EKR *Safe, comfortable work environment* is measured through our ES&ES (7.1-16). We also measure Experience Modification Rate, OSHA Recordable Case Rate, OSHA Lost Time Case Rate and OSHA Restricted Days Incident Case Rate which are reviewed in MRR (AOS).

5.1b(2) How do you support your workforce via services, benefits, and policies? How do you tailor these to the needs of a diverse workforce and different workforce groups and segments? Our Employee Value Proposition (AOS) and HR strategy to “Be a leader in the area of compensation & benefits; well above average,” as well as feedback from ES&ES and HR Analysis Matrix processes drive implementation of services, benefits and policies to support our workforce. Benefit offerings are structured to tailor to individual Employee needs regardless of workforce group or segment, such as traditional and high deductible health plans, flexible spending account, dental, life, Employee Assistance Program and other benefits. The ES&ES provides Employee feedback on how we can improve our *Competitive benefits* EKR. These results are reviewed by SLT in our WFM, along with results of our annual HR Analysis Matrix process. Our Policy Management process involves

reviewing all policies to ensure integration and relevance with organizational needs. 📌 In 2019, after an evaluation of the insurance marketplace, we moved to a self-funded health insurance plan to provide improved coverage and control cost.

5.2a(1) How do you determine the key drivers of workforce engagement? How do you determine these drivers for different workforce groups and segments? Key drivers of workforce engagement are determined by our ES&E process through a survey, where Employees identify their EKR, prioritize and weigh the importance of each, and assess how we are doing at meeting those requirements (section 7.3a3). All Employees are invited and encouraged to participate in the ES&ES, with segmentation through our 3rd party administrator, Beyond Feedback, allowing us to anonymously review results for each workforce group and segment (Fig. P.1-6) and to understand key drivers of each. As part of EFG and ES&ES, action items to improve engagement are recommended in the WFM, where SLT considers proposals for input to SPP. Any changes to EKR are incorporated into OGs through the SPP. Based on feedback from Employees in 2014, we added the EKR *Relationships with my coworkers & leaders* to assess the importance of, and satisfaction with, relationships in the organization. From 2014 to 2020, this EKR has risen to rank as the #9 EKR.

5.2a(2) How do you assess workforce engagement? We have a best practice ES&E process with a survey format that has been adopted by at least 11 other organizations, including 5 Malcolm Baldrige National Quality Award (MBNQA) recipients. We survey our Employees annually through Beyond Feedback to determine their level of satisfaction and engagement. We ask Employees to select their overall satisfaction and engagement level, to identify the key factors for their satisfaction and engagement (their EKR), to weight each of their EKR and then provide a score for each EKR they selected. Employees are also given an opportunity to provide comments. In 2021, 91% of our Employees participated in this voluntary survey and provided over 3,300 comments. An indicator of engagement and trust in the ES&E process. Analysis of survey results allows us to identify gaps in meeting EKR. Key areas for improvement are selected as topics for EFGs. A cross section of workforce groups and segments is selected to participate in EFGs, where Employees meet directly with the President & CEO, VP-HR and HR Manager-Employee Engagement to discuss selected topics, identify improvements and recommend actions (CAPs, OFIs, CARs) to improve results. This information is reviewed with SLT during WFM to determine ideas to implement or analyze further. 📌 Our ES&E process has led to implementing more than 100 ES&E improvements since 2011, including recent changes to our Attendance policy in 2020 and Vacation & Family Sick Leave policy in 2021. These improvements were identified by EFGs and deployed through our Communication Plan Management process. In 2016, we deployed this best practice approach at the Quest for Excellence Conference. Understanding the challenges organizations face in getting a Baldrige-aligned Employee survey, we invited Beyond Feedback to participate in our presentation and acknowledged their role in our success. Beyond Feedback has since worked with multiple organizations on their Baldrige journey and has become a strong supporter and sponsor of the Baldrige program.

What formal and informal assessment methods and measures do you use to determine workforce satisfaction and workforce engagement? Workforce satisfaction and engagement is formally measured by our #2 OG ES&E as determined by our ES&E process (see previous answer). Measures of ES&E include ES&ES Participation Rate (7.3-11), Employee Satisfaction & Engagement (CKM 7.3-10), Employee Satisfaction-EKRs, Employee Engagement-EKRs, Turnover, Employee NRA Participation and Industry-Engaged Employees (salaried). Measures and segmentation AOS. Informal assessment methods include Employee participation in company/Esprit de Corps events, Team MidwayUSA Facebook membership, new hire follow-up meeting participation, exit interviews, mentoring, tactical 1-on-1s and Hunting & Fishing club participation.

How do these methods and measures differ across workforce groups and segments? Methods for formally assessing satisfaction and engagement are the same for all Employees. As part of the ES&ES, each Employee identifies their most important EKRs and indicates how we are performing meeting their KRs. Results are segmented for analysis across workforce groups and segments (Fig. P.1-6). EFGs focus on each segment's top 3 EKRs with the greatest opportunity for improvement.

How do you also use other indicators to assess and improve workforce engagement? Indicators of workforce engagement are reviewed in our WFM and SPM/DBMs. Performance for measures not meeting goal are identified and action is taken through our Corrective Action process. Measures include Voluntary Turnover, R&R Utilization, Employee Rewards Index and EKR scores. 📌 In 2021, feedback from ES&ES and EFGs combined with benchmarking from HAM results led us to improve competitiveness of vacation leave, increasing vacation accrual as Employees increase in tenure in alignment with EKRs *Competitive benefits* and *Appropriate amount of work & time away from work*. This idea tied as #2 voted idea in 2020 EFGs.

5.2b How do you foster an organizational culture that is characterized by open communication, high performance, and an engaged workforce? We foster these through our LS (Fig 1.1-1), including DKS, open-door Culture, musters, ES&ES, EFGs and performance reviews. Additional opportunities for salaried Employees include LDC, SOTB, DBMs, mentoring, structured carpools and MRR. As part of our Leadership Development processes, 26% of salaried staff have served as MQA examiners, reinforcing the Baldrige Excellence framework and a focus on performance excellence.

How do you reinforce your organizational culture? How do you ensure that your organizational culture supports your vision and values; promotes equity and inclusion, and benefits from the diversity of ideas, cultures, and thinking of your workforce? Organizational Culture is reinforced and sustained through our LS and by hiring Employees who align with our V&C. Our Culture Statement (P.1-4) is posted in 44 locations on our campus, including conference rooms and break rooms in each building. Additionally, as part of our Performance Review process, in addition to job performance, Employees are evaluated on V&C. Values such as Respect for others and Teamwork and Culture items such as Fairness and Valuing people, all promote equity, inclusion and supporting ideas from our diverse workforce. All Employees can list additional EKRs for consideration through the ES&E process allowing

us to determine if there are different perspectives among workforce segments.

How do you empower your workforce? Through knowledge sharing settings such as SPM, DBM, SOTB, DKS and FOF meetings, we deploy information needed by Employees to understand future direction of the business, giving them the tools needed to provide input and make better decisions. Our BOD Strategy to "Balance the requirements of all Stakeholders," plus our EKR *Input into decision-making* and Value of Accountability, all ensure Employees are empowered to accomplish the organization's work. All Employees are encouraged to submit improvement ideas into PI for integration with PMP and SPP. We also empower Employees through the ES&E process as many ideas for improvement and helping make MW a great place to work (Operational Strategy) come from ES&ES comments and EFGs.

5.2c(1) How does your workforce performance management system support high performance? We use the processes within the "Measure & Analyze" and "Learn, Improve & Innovate" sections of our LS as our overall system for performance management. In addition to the above, we use the "Communicate/Deploy" processes to support high performance and workforce engagement while aligning with V&C. Using our Performance Management process, we provide candid performance and developmental feedback aligned with V&C to empower Employees to strive for higher performance. We also provide resources for Employees to use in their development such as: tuition reimbursement, Student Development Program, resource library, WPs, Leadership Development processes and access to extensive knowledge on the company intranet to support personal learning (e.g. reports, results, WIs, CAP documentation). 📌 In a 2018 survey, Employees indicated receiving limited value from mid-year performance reviews due to receiving regular feedback outside of the review process. Based on this feedback, we streamlined the Performance Management process by removing mid-year performance reviews for salaried Employees.

How does it consider workforce compensation, reward, recognition, and incentive practices? Our compensation and benefit strategy is, "Be a leader in the area of compensation & benefits; well above the average." To meet our #1 EKR *Competitive salary for my position*, we have a robust Compensation & Benchmarking Review process that ensures we pay in alignment with our strategy by benchmarking the pay range of each position and reward high performance. 📌 In Q3 2020 as part of the OSS CAP, we created a specific hourly compensation strategy "Be a leader in the area of hourly compensation; at the high end of the local market" based upon local market demands for Employees and planning for our future. This resulted in hourly pay increases of 20% in 2020 which aided in recruiting and hiring. We also have a Profit Sharing process incentivizing high performance, loyalty and alignment with our V&C, allowing us to share profits with Employees based on organizational performance. Our Employee Rewards & Recognition process empowers managers with R&R tools to reward outstanding performance. In 2020, due to the market surge, net income (CKM 7.4-5a) well exceeded our budgeted amount. As a result, the BOD declared 2020 a windfall year and drastically increased the profit sharing pool to a record level to recognize and reward Employees for the extra effort required

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to serve Customers. This was the 17th straight year MW paid profit sharing to Employees!

How does it reinforce [intelligent risk taking](#), a [customer and business focus](#), and [achievement of your action plans](#)? Through our LS (Fig 1.1-1), Employees receive the information and tools needed to create, analyze and propose ideas for intelligent risks to achieve innovation. By aligning CAPs, OFIs, CARs and BL items in PI with OGs and SKRs, we reinforce a Customer and business focus on all actions taken for improving and innovating processes and systems. Achievement of action plans is reinforced through measurement of CKM SP Execution (7.5-11) and meeting CAP milestones (2.2a5). Additional reinforcement comes through the integration of SPM, DBM, MRR, SPP and performance reviews.

5.2c(2) How does your [learning and development system](#) support the personal development of [workforce members](#) and your organization's needs? How does it consider the [learning and development desires of workforce members](#), support [organizational performance improvement and intelligent risk taking](#), and support [ethics and ethical business practices](#)? The LS (Fig 1.1-1) includes processes designed to meet the needs of the organization, the personal development needs of our workforce and support intelligent risk taking, ethics and ethical business practices. These processes are designed to support our V&C. All LERC results are reviewed at our SPM and BOD meetings. We provide Employee development through our Performance Management processes including performance reviews, individual development plans and training. During performance reviews, Employees identify additional development interests for incorporation into their individual development plan and the overall training budget. Our LDCs and Succession Planning processes identify future leaders and provide those Employees with additional development opportunities such as mentoring with SLs, MQA examiner training, SPM invitations and Leadership Q&As with the President & CEO. By using these development tools, we prepare Employees for more responsibility to support long-term organizational growth. In 2018, LO created an hourly Employee depth chart to aid in department succession planning. The chart is updated annually to capture, among other things, the Employee's education credentials. In 2020, this identified LO best practice was deployed to all departments as we modified our Succession Planning process to include steps to create depth charts for each department (4.2b2). This improvement involves identifying hourly Employees with interest in a long-term career at MW and aligns them with a department for consideration when openings occur. In 2021, due to rapid Employee growth in 2020, we further improved this process by allowing Employees to manage their education credentials in our Employee Center application to reduce manual process steps to acquire the data. These learnings support our EKR *Advancement opportunities & growth* and align with our "Promote from within" strategy.

5.2c(3) How do you evaluate the [effectiveness of your learning and development system](#)? We evaluate the effectiveness of our LS (including department training plans) and Leadership Development processes during MRR (2.1a3) and WFM which include a review of results for Promotions from Within (7.3-14), Leadership Development Success Rate (7.3-15) and Continuous Learning, Training & Development (ES&ES) (7.3-13). We also use a combination of in-process results, such

as interaction quality monitoring in CS, and MRR of Skill Availability, Training Delivered to Schedule, and Certification Timeliness in LO. In 2020 as part of OSS, we elevated the supporting measure Skill Availability to a DKM to provide additional focus and require a CAR when the measure is under-performing. This measure helps analyze the availability of trained Employees to perform the work necessary to meet business needs. The Certification Timeliness supporting measure tells us how effective our training is at getting Employees up to speed with the needed job skills to satisfy SKRs (EKR *Continuous learning*).

How do you: • correlate [learning and development outcomes](#) with findings from your assessment of [workforce engagement](#) and with [key business results](#)? • use these correlations to identify opportunities for improvement both in [workforce engagement](#) and in [learning and development offerings](#)? OGs balance the needs of all Stakeholders. We understand the relationship between ES&E and key business results for all Stakeholders through a review of survey results and process measures conducted in MRR and WFM. For example, in LO we correlate learning outcomes with process measures designed to satisfy SKRs. Our Picking and Shipping processes are designed to satisfy CKRs *Accurate, intact shipments* (7.1-6) and *Super-fast shipping & delivery* (7.1-5). If Employees are not properly trained in these processes, we identify the issues through process DKMs such as Same Day Shipping and then evaluate our Training Management and Skill Availability results to determine if additional training opportunities are needed to satisfy key business results. In 2020, evaluation of results showed our CKR *Super-fast shipping & delivery* was not in alignment with our EKR *Appropriate amount of work & time away from work*. As a result, we initiated the OSS CAP and nearly doubled our workforce in LO. This improved our Same Day Shipping DKM and reduced overtime for LO staff (7.3-5), meeting the needs of both KSs.

5.2c(4) How do you manage career development for your [workforce](#) and your future leaders? We have a "Promote from within" Operational Strategy and measure (7.3-14). We manage effective career development of our workforce through our LS (Fig. 1.1-1) which includes our Performance Management, LDC and Succession Planning processes. Employee performance reviews evaluate alignment with V&C and goals and create an individual development plan. Our LDC process identifies future leaders of the organization and provides those Employees with further development opportunities. CDT oversees LDC selection and manages SLT Succession Plan (1.2a1). For hourly Employees in LO and CS, we deploy career path posters depicting training requirements, skills and competencies desired at each level. These are integrated with depth charts, showing Employees ready for additional responsibility. In 2020, as part of the OSS CAP, a review of the LO Career Path process identified an opportunity to innovate the approach used to focus on training-based advancement to better meet EKRs, *Continuous learning* and *The right tools to do my job*. This best-practice approach was adopted by CS.

How do you carry out [succession planning for management, leadership, and other key positions](#)? Succession planning is part of our LS (Fig. 1.1-1) and is conducted through our Succession Planning process. CDT identifies key positions and selects potential successors from our LDC list. We create development

plans for LDC, including potential successors, to help prepare them for potential future positions using our LDC process. For example, in 2021, the President was promoted to President & CEO as identified by our SLT Succession Plan to replace the CEO, Larry Potterfield. Additionally, the plan was used to promote the VP-ME to VP-LO and the VP-PD to VP-ME (ME and PD departments were consolidated) demonstrating SLs' depth of development.

5.2c(5) How do you ensure your performance management, performance development, and career development processes promote equity and inclusion for a diverse workforce and workforce groups and segments? Our Performance Management, Leadership Development and Student Development Program processes promote equity and inclusion for a diverse workforce through our LS by evaluating all Employees on V&C including, Respect for others, Fairness, Integrity, Teamwork and Valuing people.

Category 6: 6.1a(1) How do you determine key product and work process requirements? SKRs are identified via annual SKR surveys. Processes are designed using the Work Process Design & Re-engineering (WPD) process, where requirements are determined in alignment with OGs, LTGs, SOs, company and department strategies, LERC requirements and benchmarks.


6.1a(2) What are your organization's key work processes? Our key work processes are the most important value-creation processes within departments executing KWS (ME, MK, LO) (Fig. 6.1-1). These processes, identified on our WSM, are ~20% of the processes within a department and designed to deliver OGs, SKRs and CCs.

Figure 6.1-1 Key Work Processes (Partial List – Full List/WSMs AOS)	
Merchandising Department – Merchandising KWS	Supplier Performance Evaluation, Delivery Restriction and Legislative Tracking, Cost and Price Change Management, Ordering
Marketing Department – Marketing KWS & Customer Support KWS	Marketing Plan Creation, Customer Policy Management, Paid Search Advertising, Social Marketing, Customer Complaint Analysis
Logistics Department – Logistics KWS	Logistics Training, Shipping Partner Delivery Performance Evaluation, Conveyor Management, Receiving Products, Ship QC

What are the key requirements for these work processes? Process key requirements vary by the process but are all designed and aligned to deliver OGs, SKRs and CCs. SKRs define the KR for key work processes. KMs supported by these processes are identified and reviewed in MRR to ensure processes are performing as expected.

6.1a(3) How do you design your products and work processes to meet requirements? We source the products we sell on our website from Suppliers; we are not involved in product design. Our “Just About Everything” strategy is designed based on SKRs, including CKR *Product selection* and SPKR *Support of product line*. The services we provide are executed via work processes designed using the WPD process to meet SKRs. The basic steps of WPD are plan, design (including design standards), implement, evaluate, iterate and standardize. During design, all processes are documented in a work instruction published on our intranet to ensure systematic deployment and execution and to support incorporation of learning and innovation. In alignment with our Culture of Continuous

improvement, each documented process is reviewed annually per the Process Review process to ensure alignment with current requirements as well as to identify opportunities for innovation and improvement.

How do you incorporate new technology, organizational knowledge, product excellence, customer value, consideration of risk, and the potential need for agility into these products and processes? These factors are incorporated into our processes via SPP and PMP in alignment with OGs, SKRs and business needs. Items are captured, evaluated and prioritized in PI for execution as CAPs, CARs and OFIs. Organizational knowledge is captured via our process documentation including WIs, WSMs, system narratives and application design standards. Our processes are designed to allow us significant agility and resilience due to rapid changes in the business, as demonstrated in 2020 in response to the COVID/election surge (1.1c2).  As part of our 40&J CAPs (Fig 2.2-1), we researched industry leading, best practice technologies and integrators to use in our state-of-the-art DC and incorporated latest technology and innovative solutions to enhance our processes and satisfy SKRs.

6.1b(1) How does your day-to-day operation of work processes ensure that they meet key process requirements? Work processes are standardized and supported by WIs used to train and ensure consistent results. Results for work processes are monitored daily, when appropriate, to ensure in-process goals are achieved (4.1a1). For example, LO monitors the DKM Same Day Shipping, a measure of CKR *Super-fast shipping & delivery* (7.1-5), real-time throughout the day as an in-process measure, on a daily basis to monitor progress against monthly goals, and monthly and annually as a DKM.

What key performance measures or indicators and in-process measures do you use to control and improve your work processes? Our 15 CKMs are direct measures of performance to OGs and SKRs (Fig. P.2-3). All KMs are aligned with SKRs and OGs and reported on the Company Scorecard (CKM) or a department scorecard (DKM) and available to all Employees. In-process measures are in MIDAS reports and/or integrated into applications.

How do these measures relate to end-product quality and performance? KMs, supporting and in-process measures indicate results in meeting OGs and KR. CSS (Fig 3.2-2), including post-fulfillment surveys, allow us to directly measure Customer perception and improve end-product quality and performance results.

6.1b(2) How do you determine your key support processes? What are your key support processes? Key support processes (Fig. 6.1-2) are the most important value-creation processes

Figure 6.1-2 Key Support Processes (Partial List – Full List/WSMs AOS)	
Financial Services Department – Financial Services SWS	Invoice Processing (Inventory), 401(k) Administration, Annual Profit Sharing, Financial Statement Preparation and Reporting
Human Resources Department – Human Resources SWS	Compensation and Benchmarking Review, Employee Satisfaction and Engagement, Integrated Contingency Plan Management
Information Systems Department – Information Systems SWS	New Application Development (Agile Development), Payment Card Industry Compliance Management, Database Security
Quality Management Systems Department – QMS SWS	Framework Compliance Audit, Work Process Design and Re-engineering, Corrective Action, Results Review, Project Management

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within departments executing SWS. Key support processes, identified on WSMs, are ~20% of processes within a department and designed to deliver OGs, SKRs and CCs.

How does your day-to-day operation of these processes ensure that they meet key business requirements? Key support processes are monitored via in-process, daily and monthly KMs and are reviewed and trained annually. For example, FS monitors the DKM On Time Payments to satisfy SPKR *Timely payment*, supporting our “Build great Supplier & Partner relationships” Operational Strategy and our “Available discounts are taken” FS strategy. 🚫 In 2020, through integration between ME, MK and LO, we improved our processes for making high demand products available by implementing an Ammo Ship Alone schedule. This ensures Customers have opportunities to purchase high demand, scarce product (CKR *Product availability*) while helping LO meet the DKM Same Day Shipping (CKR *Super-fast shipping & delivery*).

6.1b(3) How do you improve your work processes and support processes to improve products and process performance, enhance your core competencies, and reduce variability? Our Culture includes a focus on Continuous improvement to constantly strive to better serve Customers and other KSs. Our PMP includes an annual review of all processes. We utilize the Continuous Process Improvement and Process Analysis processes to improve process performance and enhance CCs. Processes are analyzed using Lean and Six Sigma principles to increase process efficiency and reduce variability. 🚫 A 2019 OFI improved the Process Change Management process by adding a process change log in the WI library to track and systematically deploy changes and improvements made to WIs. OFIs and CARs identified through process execution, reviews, audits, and improvement projects are evaluated and prioritized in PI. In 2020, we completed more than 260 CAPs, OFIs and CARs, all designed to enhance processes and satisfy OGs, SKRs and SOs. Key process improvement inputs include VOC, SWOT and analysis matrix processes (4.1a2, 2.1a3).

6.1c How do you manage your supply network? OGs, SKRs, strategies and WIs, including the Supplier Relationships, Ordering, Freight & Packaging Management and LO Partner Relationship Management processes, are the foundation of our supply network management. While all Suppliers are important, TNT Suppliers are ~2% of our Supplier base and 55% of total sales. They are managed more intensely than other Suppliers. Our two key Partners, UPS and USPS, are also integral to our supply network (P1.b3) handling 99.3% of Customer orders.

How do you select suppliers that are qualified and positioned to meet your operational needs, enhance your performance, support your strategic objectives, and enhance your customers' satisfaction? Our strategies guide us in selecting Suppliers and Partners based on their ability to help us meet OGs, SOs and SKRs (including CKRs). Suppliers are selected through the Supplier Set-up & Relationship Management process and evaluated by the ME DLT in the New Products Committee to ensure they can meet and sustain our performance criteria prior to onboarding. Information from trade shows, industry wires, blogs, VOC feedback (including web search results) and our Prospective Supplier Portal are inputs into Supplier selection. Shipping Partners are selected through our Shipping Partner Contract Management process which ensures they can meet and sustain performance requirements.

How do you promote alignment and collaboration within your supply network? Annual S&P satisfaction surveys ensure we are meeting SPKR. We develop and deploy aligned sales plans, budgets and accountability with key Suppliers and Partners, and share performance results to ensure we meet goals. We have quarterly business review meetings with key shipping Partners to evaluate performance, operational projections and opportunities to improve service to Customers (CKRs *Super-fast shipping & delivery* and *Accurate, intact shipments*). As part of our S&P Value Proposition we support our Suppliers' product line, including new product launches, and provide marketing exposure to Customers, all aligned with SPKR. We host key Suppliers for relationship building and planning events. For example, at a 2019 event with Leupold we were able to align their production goals with our sales goals, resulting in a record setting 2020 sales goal and record results in sales in 2019 & 2020. LO and FS goals such as Same Day Receiving and Timely Payments integrate with ME to deliver the strategy “Easy to do business with,” making us a favored Customer among our S&Ps.

How do you ensure supply-network agility and resilience in responding to changes in customer, market, and organizational requirements? Suppliers and Freight & Packaging Management processes are designed to allow agility and quick response to changing market requirements and rapidly developing opportunities. Key work processes, including Ordering and Promo Planning & Event Development, allow us to take advantage of opportunities more rapidly than our competitors. Organizational Governance (Fig. P.1-7) provides clear direction on purchasing authority allowing us to capture special deals immediately. Our Future Sales Multiplier process and proprietary SugOrder system allow us to respond rapidly to changes in market conditions. 🚫 In 2020, we collaborated with IMI, a key Supplier, to allocate nearly 100% of their retail production capacity for 2021, allowing us to ensure ongoing availability of scarce product (SC) for Customers (CKR *In stock products*). In 2020, peak demand periods were significantly increased for online retailers overall, resulting in extreme capacity constraints for most commercial carriers (like UPS and USPS). 🚫 While all retailers in our industry experienced substantial package delivery delays due to carrier capacity issues, we minimized total package delivery times and shortened the overall duration of shipping delays during this period by planning with our Partners and negotiating extra trailer swaps, equipment drops and standalone trailer staging. During this period, UPS implemented nationwide daily package allocations. We deployed appropriate reporting to monitor and manage our daily package volume in real-time. This allowed us to utilize staged on-site trailers to maintain our *Super-fast shipping & delivery* (CKR) while supporting our shipping Partners' daily allocation requirements. We also managed product availability timing and shifted some package volume to another Partner to support these new requirements. This example exemplifies our agility and resilience and collaboration with our supply network to meet CKRs.

How do you communicate performance expectations, measure, and evaluate suppliers' performance, provide feedback to help them improve, and deal with poorly performing suppliers? Our “Build great Supplier & Partner relationships” strategy establishes the guiding principle for support of the SPKR

Candid, 2-way communication. As part of our Supplier Set-Up & Relationship Management process all Suppliers sign a SPA which outlines minimum performance requirements. New Suppliers are reviewed 90 days after first receipt of their products, and all other Suppliers are reviewed annually using our SAM and Supplier Performance report, to ensure performance meets minimum expectations. ME works with underperforming Suppliers to improve performance and deactivates the Supplier using our Supplier Deactivation process if they are unable to address deficiencies. 🚫 In 2021, in preparation for our move to 40&J, we created a SAM to systematically evaluate key Suppliers on their level of shipping compliance to aid in two-way communication, productivity and efficiency in our new DC. This approach was modeled off our CAM, HAM and WAM processes demonstrating organizational learning and knowledge sharing. Several processes monitor performance of shipping Partners including, Freight Billing Variance Management, Outbound Freight Rate Management and Shipping Partner Delivery Performance. The LO Partner Relationship Management process coordinates communication with shipping Partners, including performance requirements and expectations on a quarterly basis. Information from these reviews is used to negotiate new contracts using the Shipping Partner Contract Management process. These processes help ensure effective and accurate application of pricing and terms between MW and shipping Partners and facilitate our ability to meet CKRs (*Super-fast shipping & delivery* and *Accurate, intact shipments*).

6.1d [How do you pursue your opportunities for innovation?](#) Our Culture includes a Focus on success and innovation. Innovation is identified via approach in 2.1a2 and captured in PI as a BL item. Projects are analyzed using the CAP ID & Analysis process, reviewed in SPM and recommended as a CAP or left on the BL for future consideration (Fig 2-2.1). CAPs are executed using the Project Management process. CAP results are monitored for one year to ensure established goals are achieved (7.5-12). 🚫 In 2017, we identified a strategic opportunity to utilize predictive analytics software to improve results for credit card fraud on our website. An algorithm was created, using a blend of data from multiple sources from the data warehouse, to continually learn and refine our fraud identification process, enhancing the CKR *Easy to do business with*. This innovative approach was an intelligent risk resulting in benchmark leadership in fraud prevention (7.4-14).

[How do you pursue the strategic opportunities that you determine are intelligent risks?](#) See 2.1a2. Strategic opportunities are identified through our SPP (Fig. 2.1-1) and added to the BL for analysis. 🚫 In 2018, we identified an opportunity to improve in stock rate and promotional opportunities in the Reloading category for powder by developing capabilities to store and ship reloading powder direct from our facility (3.1b1). This CAP required integration with local authorities, regulatory agencies, Suppliers and multiple departments within MW. This CAP significantly increased market share for powder (7.5-9).

[How do you make financial and other resources available to pursue these opportunities?](#) The SPP is integrated with our Workforce Planning and Budgeting processes to determine resource requirements (2.2a3). During analysis, we develop projections for all associated labor requirements, equipment,

expenses and income for each project. CAPs require NPV analysis (when applicable) to aid in prioritization. Upon approval, we schedule start and completion dates to align with business needs and resource availability. Resource requirements are reviewed by SLT in SPMs to evaluate risk and ensure we have resources to complete the project effectively. Changes in scope or timing for CAPs requires approval.

[How do you decide to discontinue pursuing them at the appropriate time?](#) Our MS, OGs and Company Strategies guide our decision to discontinue pursuing opportunities in support of higher priority opportunities better aligned with our Mission. Our rolling 12-mo. SP provides agility and resilience through the ability to alter the SP when higher priority opportunities are available. CAPs are reviewed monthly in SPMs. Prior to the start date, scope, value and resource requirements are compared with other pending projects and verified against current market conditions. 🚫 The 2019 BL item Retail Ammo Sales Shipped to FFL Holders (CA/NY) was approved as a CAP. Prior to implementation, Stakeholders observed a significant drop in the volume of ammunition sales in California (as reported by TNT Suppliers) due to changing market conditions. As a result, the CAP was approved to be moved back to the BL.

6.2a [How do you manage the cost, efficiency, and effectiveness of your operations?](#) Systems and processes are designed to deliver and/or support OGs, SKRs, company and department strategies. KMs and supporting measures are designed to allow effective monitoring and measurement of performance to goals, including budgeted income and expenses. We use in-process, daily and monthly measures to monitor performance of operations. Goals are benchmarked against top performing organizations and market leaders using the approach in 4.1a2.

[How do you incorporate cycle time, productivity, and other efficiency and effectiveness factors into your work processes?](#) Processes are designed using our WPD process utilizing factors like Lean principles, Theory of Constraints, edge cases, cycle time and productivity, and integrated across departments to ensure effectiveness of all processes. Processes are continually improved using the Process Analysis and Continuous Process Improvement processes (6.1b3). Processes and KMs are designed to deliver SKRs. Effectiveness and efficiency are reviewed using in-process and monthly results at the company and department level. In-process performance down to the Employee level, along with daily/monthly sales projections aid LO/CS Supervisors to project daily staffing and supply needs.

[How do you prevent defects, service errors and rework?](#) Our WPD process includes a focus on meeting SKRs and using Six Sigma principles to ensure we prevent defects, service errors and rework. Strategies, system narratives and WIs provide organizational knowledge to enhance understanding of process requirements during design, deployment, and execution. Processes are designed to include automated system checks and error proofing to prevent errors and rework. Application developers maintain design standards for code development.

[How do you minimize warranty costs or customers' productivity losses, as appropriate?](#) We use indicators such as Return Rate (7.1-30) for products and Delivery as Promised (AOS) for delivery performance of outbound freight carriers as KMs. If results trend higher than normal or exceed goal, we take action to improve the result. We have negotiated with our freight carriers to receive refunds if stated service levels are missed,


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providing an incentive for the carrier to maintain high levels of performance and allowing us to refund the Customer when appropriate without impacting our costs. Our strategies guide us to design processes that deliver the CKR *Extremely helpful product information*, which enables Customers to make good purchasing decisions and minimizes returns.

[How do you minimize the costs of inspections, tests and process or performance audits, as appropriate?](#) Our WPD and PMP are designed to deliver OGs and SKRs, including SHKR *Improvement in productivity, efficiency & quality*. Process and system designs include automated in-process monitoring and mistake-proofing techniques to decrease the frequency of needed inspections and testing. Quality checks are conducted at key points throughout the Logistics work system to minimize defects where automation is not possible. Each department is audited annually through the Framework Compliance Audit process to ensure compliance to the QMS framework, including adherence to the Process Management, Scorecard Management and Knowledge Management processes. Process defects or variations among process performers are identified and corrected and resulting improvements are deployed to process performers through the process change log (4.2b1).


[How do you balance the need for cost control with the needs of your customers?](#) SKRs are identified and balanced annually through our SPP. CKRs such as *Competitive product pricing* must be balanced with SHKRs such as *Growth in net income*. To achieve OGs, we must meet all SKRs. Our company and department strategies are aligned with and designed to meet and exceed OGs/SKRs. We review our company and department scorecards in MRR to ensure performance to goal in meeting our SKRs. Effectiveness is indicated via benchmark leadership performance in many of our measures (CKMs 7.1-13).

6.2b [How do you ensure the security and cybersecurity of sensitive or privileged data and information and of key assets?](#) MW has 13 different security processes integrating all aspects of network and information security, including external audits to help ensure data security and integrity. We control security of data and information through multiple layers of defense, each operating independently, providing protection from cyber-attacks. Security layers include intrusion detection systems, perimeter firewalls, server and workstation protection, server and workstation antivirus and anti-malware software, systematic security patches applied to operating systems and applications, data and transport encryption, and a password policy designed around NIST guidelines. We ensure compliance with the PCI Data Security Standard, which has a comprehensive set of security standards covering all aspects of information security.

 In 2019, we improved our CyberSecurity Awareness Training process to include monthly simulated phishing emails to assess Employees' ability to recognize these threats. Any user who doesn't pass the test receives additional training to ensure a reduced threat to system security.


[How do you manage physical and digital data, information, and key operational systems to ensure confidentiality and only appropriate physical and digital access?](#) IS strategies and processes such as Database Security, Application Management, Server/Workstation Patch Management, and Server/Workstation Anti-Virus Management are key processes in the IS department to ensure our systems are maintained. Dual-factor authentication is integrated into our secure remote access

for users. We limit access within applications based on login. We audit user accounts to ensure only authorized users have access to systems. The Principle of Least Privilege is used to grant users access only to the systems needed to accomplish job duties. Physical records are minimized, stored securely and disposed as required. Physical controls include building card access and security cameras to ensure only authorized personnel have access to sensitive locations.

[How do you maintain your awareness of emerging security and cybersecurity threats?](#) IS staff stays current on potential risks and challenges in the environment through trusted product Suppliers (NGINX, Cisco, etc.) and professional associations such as [infragard-kc.org](#), SANS Institute, Secureworld and the Center for Internet Security. An annual PCI security assessment is conducted by a 3rd party as part of our PCI Compliance Management process.  IS team members are active in a local Sec-Comm knowledge sharing group to discuss emerging security and cybersecurity threats. In 2020, MW co-sponsored a "Show Me IT Summit" in the local community to share best practices. All IS team members are trained annually through programs developed by IS. Detection systems provide alerts or auto lock outs depending on the severity of the cyber event.

[How do you ensure that your workforce, customers, partners, and suppliers understand and fulfill their security and cybersecurity roles and responsibilities?](#) All new Employees attend new hire orientation training outlining their roles and responsibilities in maintaining a safe and secure work environment. Training includes identifying, detecting and notifying proper entities on phishing emails (results AOS). This is reinforced by monthly simulated phishing attempts to assess Employees' ability to recognize these threats. The results are used to design specific training for Employees as appropriate. S&Ps sign non-disclosure agreements prior to receiving sensitive information and have no access to internal data systems. Suppliers provide MW with a 3rd party Attestation of Compliance with PCI, when appropriate. Customers are required to provide a strong password and must login to their account for each new session. Our privacy policy is available to Customers on our website.

[How do you identify and prioritize key information technology and operational systems to secure?](#) We integrate information from external published security benchmark reports into our ICP to assist in identifying threats, weaknesses and likelihood of risk and occurrence of events. These items are reviewed by our IS DLT and integrated into the SPP based on risk level.

[How do you protect these systems from potential cybersecurity events, detect cybersecurity events, and respond to and recover from cybersecurity incidents?](#) Systems receiving traffic from Customers are protected by a demilitarized zone on our firewall which follows a strict Principle of Least Privilege for traffic entering and leaving this zone. Systems are vulnerability tested daily, weekly or monthly depending on criticality. Feedback from tests are implemented as OFIs to reduce potential issues.  In 2017, MW teams worked together to build an automated blocking system to enhance protection of website resources. Our credit card payment partners provide credit card tokenization to reduce risk of Customer data theft. To recover from cybersecurity incidents, IS uses methods to clean the affected system or device. If needed, data is restored from backups to return to pre-incident state. The device is not reconnected to the network until its complete remediation has

been assured. We utilize our Data Loss Incident Response process when appropriate.

6.2c(1) How do you provide a safe operating environment for your workforce and other people in your workplace? Our #2 OG, ES&E, includes the EKR *Safe, Comfortable Work Environment* (7.1-16). Our approach begins with prevention, including facility design and construction, to meet and exceed regulatory, safety and building codes for the workplace. We cooperate with our medical insurance Partner to provide no cost annual biometric screenings and flu vaccinations for Employees and spouses on our insurance plan. We maintain a trained Safety Response Team, including onsite Emergency Medical Technicians, who respond to safety incidents and deliver basic first aid and use of AEDs in the event they are required. We have standing medical protocols which allow us to provide basic life support treatment to Employees and include a robust COVID response plan. Equipment, such as forklifts and company vehicles, require specific training, coaching and certification prior to usage.

How does your safety system address accident prevention, inspection, root-cause analysis of failures, and recovery? Safety is included in training of all applicable processes and Employee policies during new hire orientation. We review safety performance measures monthly at the department and company level. The Facilities team conducts inspections on safety equipment and systems through our Facilities & Safety Master Planning Calendar process. 🔄 In 2018, following a spike in worker compensation claims and rates, we implemented a bi-annual Worker's Compensation Summit with Stakeholders and partners (HR/FS/Safety/Medical Providers/Insurance Carriers). This helped streamline the Claims Management steps of our Employee Injury Management process, leading to dedicated claims agents, better treatment guidelines by having our medical providers involved in onsite facility preventative measures, and the establishment of a medical director to assist with onsite medical treatment, establishment of onsite Tele-Health with our occupational providers, and improved collaboration with all parties, creating better outcomes for our injured workers.

6.2c(2) How do you ensure that your organization can anticipate, prepare for, and recover from disasters, emergencies, and other

disruptions? We maintain an ICP and Emergency Response Plan as part of our Disaster & Emergency Preparedness Management processes, including regular testing of these plans (5.1b1). All Employees participate in annual emergency evacuation and severe weather drills. Contractors are required to attend annual in-house safety training prior to receiving badge access. We are active members of the Local Emergency Preparedness Committee and participate in regular training with our local Fire Protection Districts.

How do you consider risk, prevention, protection, continuity of operations, and recovery in the event of disruptions? Our ICP Risk Assessment worksheet is used to rank potential events based on likelihood, severity, and continuity and recovery requirements. Events with higher likelihood and severity ratings are selected for our annual ICP exercise. We implement redundant systems to maintain continuity of operations for Stakeholder critical applications.

How do you take into account your customer and business needs and your reliance on your workforce, supply network, partners, and information technology systems? Our #1 Operational Strategy, "Customers come first" provides the guidance and prioritization for our approach to accounting for Customer and business needs. Our "Keep it on" IS strategy allows us to support CKRs such as *Fast, feature-rich, user-friendly website* by maintaining our website and other infrastructure 24/7/365. We maintain redundancy for key IT systems to provide the ability to continue operating critical processes to ensure Customers are served. For example, we have redundancy in data and information through offsite data backups and we have redundant systems in place to allow the website or credit card processing to function in the event of a disruption. We also have redundant power supply for critical systems to ensure continued operation in a power outage. We account for our workforce with Temporary Staffing and ERG Coordination processes to provide additional labor. We maintain Supplier contact lists off-site to ensure the ability to communicate during an emergency. 🔄 In 2020, we revised our Facilities Supply Management process to include identifying secondary sources where we could purchase safety supplies such as hand sanitizer, to ensure we had adequate supply to meet our needs.

Category 7: Results

As these results show, MW has sustained a Culture of Visionary leadership, Customer-focused excellence, Valuing people, Focus on success and innovation, Agility and resilience, Delivering value and results, Organizational learning, Ethics and transparency and Societal contributions. We started as a 1,536 sq. ft. sporting goods store with three Employees serving local retail Customers 44 years ago and have grown into one of the largest internet retailers of shooting, hunting and outdoor products with 2M Active Customers, 750 Employees and two Baldrige Awards. With a passion for serving Customers, our high-performing SLs lead a successful organization focused on pursuing our Vision, executing our Mission, living our Values and achieving our goals. Since 2004, Baldrige has been our leadership and management framework, during which time we've outperformed our industry, growing 1300%.

We're experiencing even greater Customer demand in 2021 and we're projecting another record year across the board, expanding our long-term trend of double-digit Customer, sales and net income growth. The organizational learning from 2020 is allowing us to comfortably serve record levels of Customers while meeting our OGs and achieving near record levels of Customer, Employee, S&P and Shareholder Satisfaction. In addition, we're moving into a new state-of-the-art DC in 2021 that will serve Customers better than ever, delight our Employees with an even greater place to work, enable us to maximize our relationships with S&Ps and continue our long-term trend of exceeding SHKRs, setting us up for continued growth, success and sustainability.

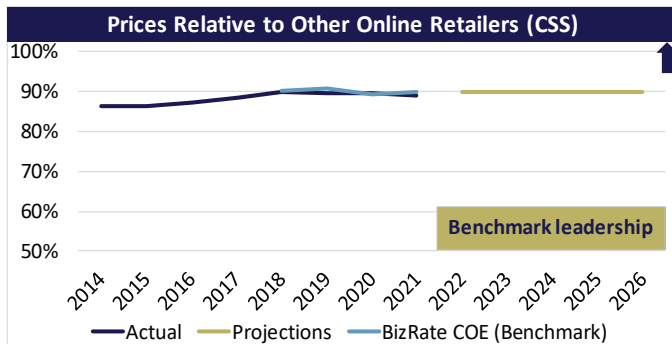
Results

7.1a What are your results for your products and your customer service processes? What are your results for key measures or indicators of the performance of products and services that are important to and directly serve your customers? How do these results differ by product offerings, customer groups, and market segments, as appropriate?

Customers tell us what is important to them through our CSS (3.2b1). They have indicated they have 12 CKRs (P.1-1). We use their satisfaction on these KR's to determine results for our products and Customer service processes. These measures are benchmarked using an index of Bizrate Circle of Excellence winners (3.2b2), which represent the top 2.9% (97th percentile) in Customer Satisfaction out of 3,500 internet retailers. MW is able to demonstrate benchmark leadership and excellent performance levels by continual performance at or above this prestigious benchmark. MW is a 13-time winner of the COE award and won the award the last seven years in a row.

CKR 1 – Competitive Product Pricing

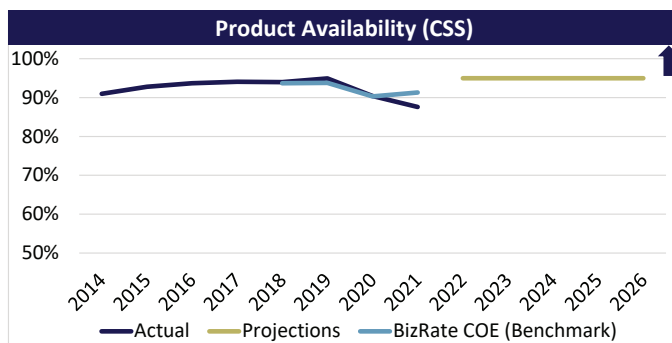
7.1-1 Prices Relative to Other Online Retailers (CSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Price benchmarking software was implemented as part of the MAP Violation Monitoring CAP in 2020, allowing for systematic price monitoring of competitors and more competitive pricing in the future. Utilizing our Price Benchmarking process, we project sustained benchmark leadership performance in the future.

CKR 2 – In Stock Products

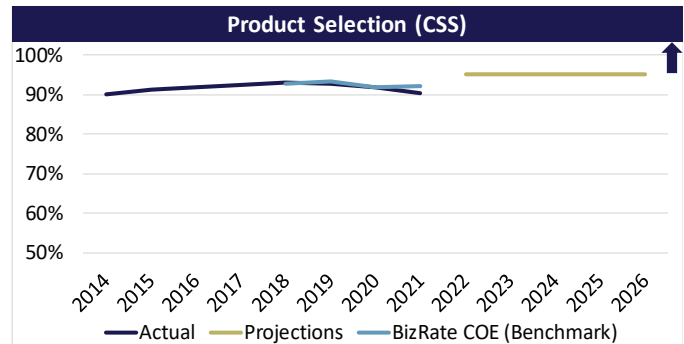
7.1-2 Product Availability (CSS)



Results demonstrate benchmark levels and a beneficial trend sustained over time from 2014-2019. Results dropped in 2020-21 following an unexpected surge in demand (Fig. P.2-1 SC2) that resulted in a scarce supply of many products in our industry (Fig. P.2-1 SC3). We mitigated the impact of these SCs utilizing our “Build great Supplier & Partner relationships” strategy as evidenced in our In Stock Rate (7.1-27) results where we significantly outperform our best performing competitor. We project improved performance as market and supply chain conditions normalize in 2021.

CKR 3 – Product Selection

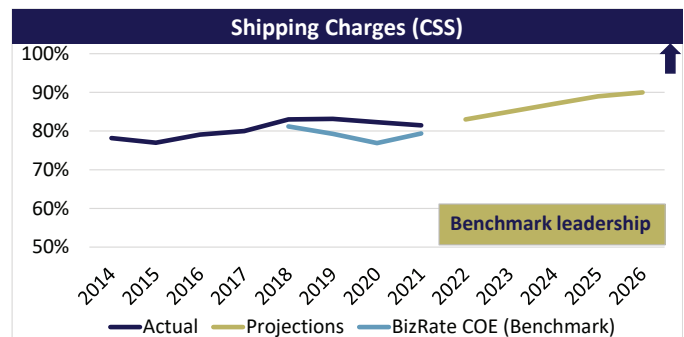
7.1-3 Product Selection (CSS)



Results demonstrate benchmark levels and a beneficial trend sustained over time from 2014-2019. Results dropped in 2020-21 following an unexpected surge in demand (Fig. P.2-1 SC2) that resulted in a scarce supply of many products in our industry (Fig. P.2-1 SC3). One of our key CAPs (Fig. 2.2-1) is to expand our product offering, in alignment with our “Just About Everything” strategy and Product Selection SA, to utilize the additional space the new DC provides. When In Stock Rate is low due to demand exceeding our Suppliers’ capacity, like it was in 2020 and continues in 2021, Customers express that in this measure as well as Product Availability. We project improved performance above benchmark in the future through our Product Offering and Supplier Relationships processes.

CKR 4 – Low-Cost Shipping

7.1-4 Shipping Charges (CSS)

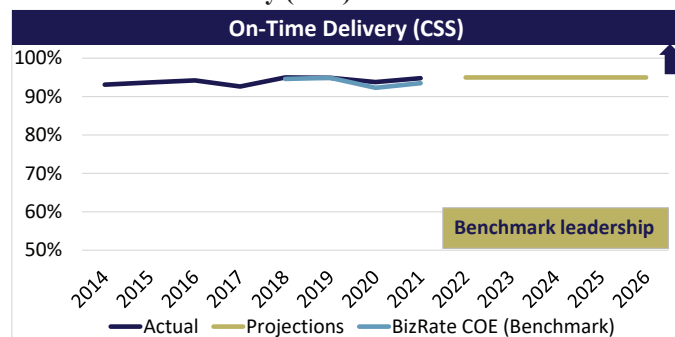


Results demonstrate benchmark leadership levels and a beneficial trend. The dip in 2020 and 2021 is from our reduced use of Free Shipping promotions resulting from limited product availability from Suppliers. Using our Freight & Packaging Management processes we negotiate better rates with our shipping Partners to ensure the lowest possible shipping charges for our Customers. Our 2018 Freight Carrier Contract Negotiations CAP resulted in

annual savings of over \$4 million for our Customers. We project sustained benchmark leadership performance in the future due to these processes and partnerships.

CKR 5 – Super-Fast Shipping & Delivery

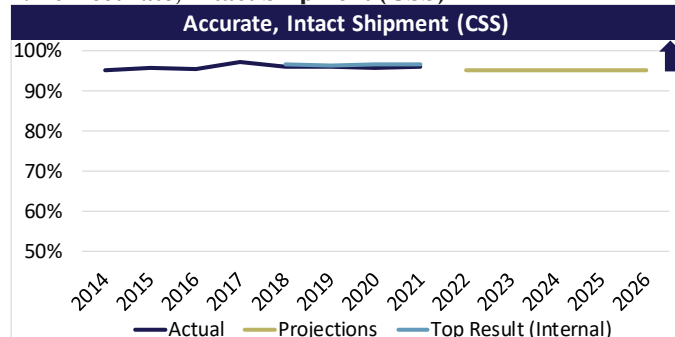
7.1-5 On-Time Delivery (CSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Using our Shipping Partner Delivery Performance Evaluation process, we monitor package delivery performance from our key shipping Partners as a leading indicator of our On-Time Delivery measure (4.1c2). We project sustained benchmark leadership performance in the future due to systematic execution of our Shipping Partner Contract Management process and new technologies and innovations through our Design & Build MW DC (40&J) CAP.

CKR 6 – Accurate, Intact Shipments

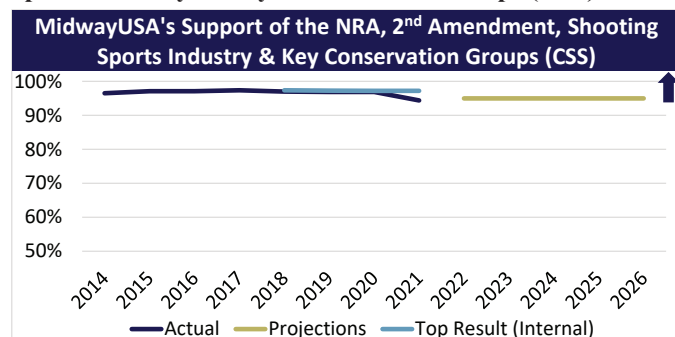
7.1-6 Accurate, Intact Shipment (CSS)



Results demonstrate excellent levels and a beneficial trend sustained over time. We monitor related VOC data (3.1a1) as a leading indicator of this CKR and take action to improve our Picking and Shipping processes when negative trends in Customer feedback are identified. We project sustained excellent performance in the future due to our VOC processes. Benchmark data is unavailable for this result because it is a custom CSS question.

CKR 7 – MW’s Support of the NRA, 2nd Amendment, Shooting Sports Industry & Key Conservation Groups

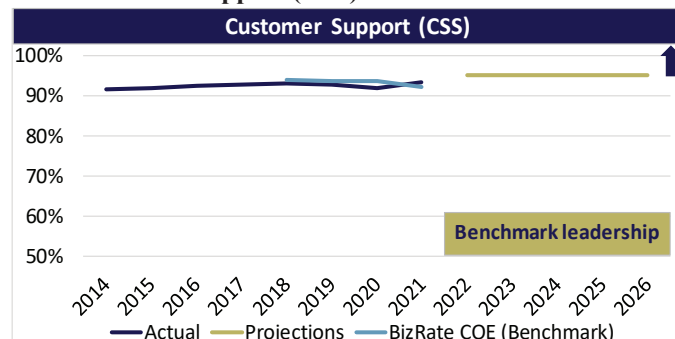
7.1-7 MW’s Support of the NRA, 2nd Amendment, Shooting Sports Industry & Key Conservation Groups (CSS)



Results demonstrate excellent levels and a beneficial trend sustained over time. MW actively supports the NRA, whose mission it is to support the 2nd Amendment, as one of our key communities. MW created the NRA Round-Up program (7.2-10) in 1992 allowing Customers to donate directly to the NRA. Results reflect MW’s industry-leading support of key communities and is directly related to our CC and SA, “Role model supporters of our key communities.” We project sustained excellent performance in the future due to these support efforts. Benchmark data is unavailable for this result because it is a custom CSS question.

CKR 8 – Easy to Do Business With

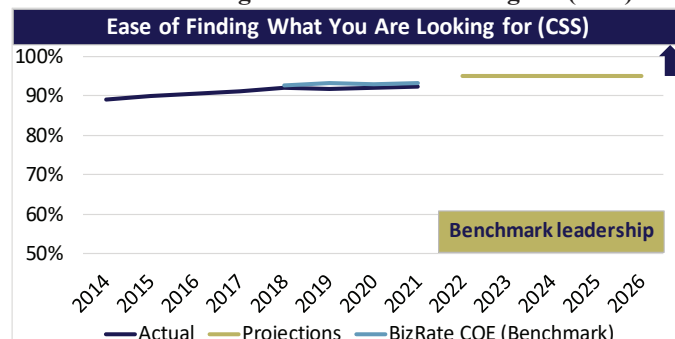
7.1-8 Customer Support (CSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. In 2020, COVID placed unprecedented strain on MW’s CS work system. Despite this challenge, our Customer Satisfaction result for 2020 only dropped 1 point from our record performance in 2019. In 2021, we have returned to record performance. We project sustained benchmark leadership performance in the future due to improvements in staffing from the OSS CAP, as well as our continued focus on our SA, “Customer satisfaction & engagement.”

CKR 9 – Ease of Finding What You’re Looking for

7.1-9 Ease of Finding What You Are Looking for (CSS)



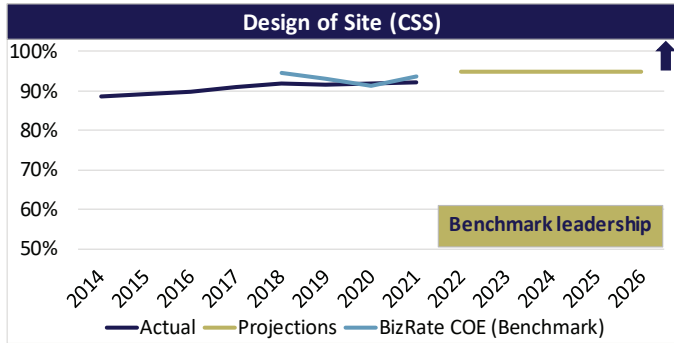
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Results validate MW’s focus on innovating new ways to assist Customers in locating products which lead to our SA, “Website development & management.” In recent years we have implemented CAPs for a “Holster Finder” feature, dynamic product recommendations, and redesigned product family displays to support the Fishing category launch. We use our Website Feature Evaluation process to monitor website features and capture ideas in PI for integration with PMP and SPP to continually enhance the Customer’s experience. We have a 2021 CAP, Replace Obsolete Website Search and Browse Engine, that will significantly improve our Customers’ ability to find what they are looking for. We project improved benchmark leadership performance

Results

in the future through process execution, our SA and 2021 CAP.

CKR 10 – Fast, Feature-Rich, User-Friendly Website

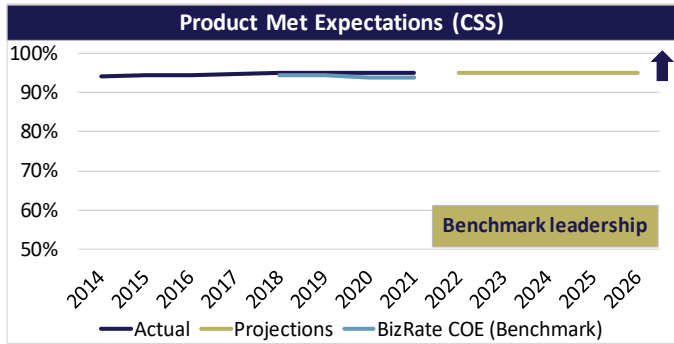
7.1-10 Design of Site (CSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Our website, along with websites of competitors and industry leaders, is systematically reviewed via the WAM (4.2b2). We project improved benchmark leadership performance due to innovations and improvements driven by this process.

CKR 11 – Extremely Helpful Product Information

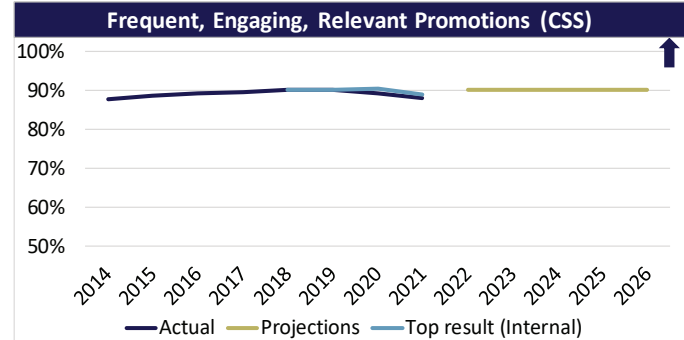
7.1-11 Product Met Expectations (CSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. We review Customer feedback through website features such as our PIQR and Q&As to drive improvements in product information on our website. We project sustained benchmark leadership performance in the future due to our systematic Product Information processes.

CKR 12 – Frequent, Engaging, Relevant Promotions

7.1-12 Frequent, Engaging, Relevant Promotions (CSS)



Results demonstrate excellent levels. We capitalize on our “Supplier & Partner relationship management” CC and SA and our “Frequent, engaging, relevant promotions” CC and SA to collaborate with Suppliers on engaging promotions to satisfy our Customers. We project sustained excellent performance in the future due to our Promotion Plan Management and Promo Planning & Event Development processes. Benchmark data is unavailable for this result because it is a custom CSS question.

[7.1b\(1\)](#) What are your [process effectiveness](#) and [efficiency results](#)? What are your results for [key measures](#) or [indicators](#) of the [operational performance](#) of your [key work](#) and [support processes](#), including [productivity](#), [cycle time](#), and other appropriate [measures of process effectiveness](#), [efficiency](#), [security and cybersecurity](#), and [innovation](#)? How do these [results](#) differ by [process types](#), as appropriate?

7.1-13 Company Key Measures – OG and SHKR Performance

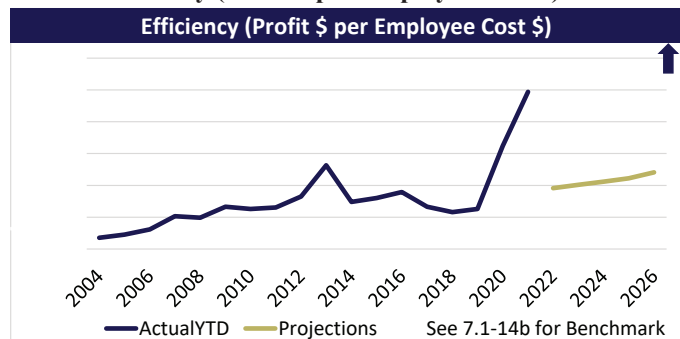
Company Key Measure	Figures	2015	2016	2017	2018	2019	2020	2021 YTD*	2021 **	2022 **	2023 **	Bench -mark	
1. Customer Satisfaction & Engagement (OG#1)	7.2-1	93.0%	93.4%	93.7%	94.2%	94.1%	93.9%	94.6%	95%	95%	95%	92.7%	
2. Employee Satisfaction & Engagement (OG#2)	7.3-10	83.0%	84.0%	80.5%	83.3%	82.6%	79.2%	85.5%	85%	85%	85%	73.2%	
3. Supplier & Partner Satisfaction (OG#3)	7.1-19	91.6%	91.8%	89.7%	90.7%	91.8%	94.2%	94.2%	95%	95%	95%	74.8%	
4. Shareholder Satisfaction (OG#4)	Roll-up result	99.0%	99.1%	96.8%	97.7%	98.7%	99.8%	100.0%	100%	100%	100%	Best practice @100%	
5. Active Customers	7.2-4	Sales Numbers Redacted for Privacy											
6. Gross Sales \$	7.5-1a	Sales Numbers Redacted for Privacy							126.3% of goal				
7. Net Income \$ to Budget	7.4-5a	107%	132%	84%	111%	106%	400%	223.5%					
8. % of TNT Suppliers with #1 or 2 Market Position	7.5-7	n/a	50%	55%	65%	55%	65%	70%					
9. % of Earnings Paid on Time	7.4-4	100%	100%	100%	100%	100%	100%	100%					
10. Paid Inventory Turns	7.1-28	Sales Numbers Redacted for Privacy											
11. % of Pre-Tax Profit Contribution (by Shareholders)	7.4-16	50%	50%	50%	50%	50%	50%	50%				See referenced figures for projections and benchmarks	
12. Receipt of Baldrige Award	7.5-10	100%	100%	100%	100%	100%	100%	100%					
13. % Compliant - LERC	7.4-10	100%	100%	100%	100%	100%	100%	100%					
14. Strategic Plan Execution - Total	7.5-11	96%	100%	99%	100%	100%	95%	100%					
15. Productivity (Sales \$ per Employee Cost \$)	7.3-3a	Sales Numbers Redacted for Privacy											
Company Scorecard (excerpt, full version AOS)								*YTD through 7/31/21		**Projections			

In alignment with the PMP, processes are designed to meet OGs and SKRs. Therefore, the most important process effectiveness and operational performance measures are our CKMs. Each CKM has individual results in Category 7 as listed in the “Figures” column above. Our CKMs demonstrate benchmark leadership levels and beneficial trends sustained over time (14 of 15 CKMs have comparison data available and results performing at benchmark leadership levels). We define success by our ability to satisfy our 4 KSs. Customer, Employee and S&P satisfaction are measured by satisfaction survey responses. These three KSs tell us their overall satisfaction, their individual KR and how satisfied they are with our ability to deliver each KR. Our Shareholders tell us their KR and the KM for each KR. Shareholder satisfaction is measured as a roll-up of the 11 KMs under Shareholder satisfaction. Collectively these 15 measures make up our CKMs and are reported on the Company Scorecard. Each measure is also an area process KM reported on a department scorecard to ensure integration and alignment throughout the organization. These are the measures we use daily to operate the business. CKMs are reviewed in MRRs and are aligned with the OGs and SOs set by the BOD and President & CEO (1.2a1) (2.1a3). Each top-level measure listed has additional supporting measures which can be viewed when this scorecard is expanded (AOS). These additional measures allow for in-depth performance analysis. A key part of work process design and effectiveness is balancing the requirements of all stakeholders. MW does this by using goal bands for OGs. Satisfaction of our four KS has averaged over 90% of goal for the last six years.

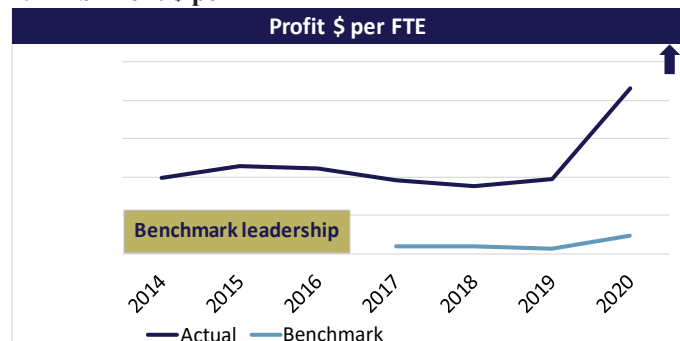
We have many additional direct measures of process effectiveness for our key and support work systems (AOS). Department scorecards have measures aligned by Department Area Process to ensure each portion of our key and support work systems have effectiveness measures. Some examples are:

Result (AOS)	Type	Scorecard
Performance to Standard – a measure of LO productivity	Productivity	LO
Same Day Returns – a measure of Customer returns cycle time	Cycle time	LO
Fraud Prevention % – a measure of FS credit card security	Security	FS
Database Security Score – a measure of IS cybersecurity	Cybersecurity	IS

7.1-14a Efficiency (Profit \$ per Employee Cost \$)



7.1-14b Profit \$ per FTE



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Efficiency is a supporting measure of the SHKR *Improvement in productivity, efficiency & quality* and is also an indicator of workforce capacity and capability. Increases in efficiency indicate an increase in the capacity and capability of the workforce since the same amount can be produced with fewer Employees. The outstanding result on this measure contributes to the sustained positive trends and growth in Net Income (7.5-2). Due to the nature of this measure,

relevant comparative data cannot be obtained, however the related measure, Profit \$ per FTE (7.1-14b), can be used for comparison and shows benchmark leadership levels. We project continued benchmark leadership performance in the future due to efficiencies identified through our PMP (6.1b3).

7.1-15 Cyber Security Preparedness

Measure	2018	2019	2020	2021	Benchmark
PCI External Scans	100%	100%	100%	100%	100%
Server Security Patches Up to Date	99.6%	100.0%	99.7%	100.0%	95% (2018 BAR)
Workstation Security Patches Up to date	96.6%	97.2%	97.0%	98.5%	95% (2018 BAR)

Results demonstrate benchmark leadership levels and beneficial trends. MW has 13 different security processes, including external audits, integrating all aspects of network and information security. These systems are integrated into our ICP Management process to identify threats, weaknesses, and likelihood of risk and occurrence of events (6.2b). We project continued benchmark performance in the future due to these processes.

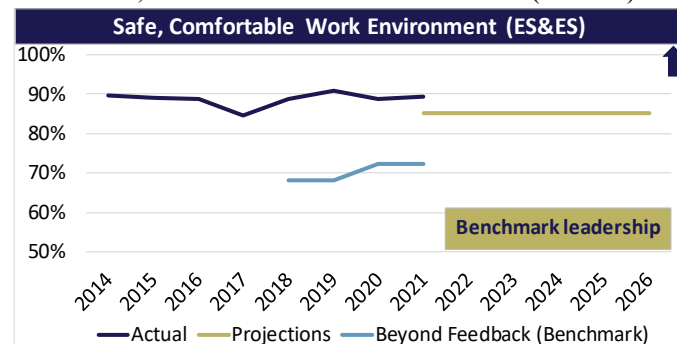
Additional results:

Figure	Result	
7.1-30	Return Rate - Total	Effectiveness
7.3-4	Staffing Strength	Effectiveness
7.5-4	Cost to Operate	Efficiency
7.5-11	Strategic Plan Execution – Total (CKM)	Innovation

7.1b(2) What are your safety and emergency preparedness results? What are your results for key measures or indicators of the effectiveness of your organization’s safety system and its preparedness for disasters or emergencies? How do these results differ by location or process type, as appropriate?

EKR 8 Safe, Comfortable Work Environment

7.1-16 Safe, Comfortable Work Environment (ES&ES)



Results demonstrate benchmark leadership levels and a beneficial trend. Our HR strategies, “Provide a safe, comfortable work environment” and “Maintain a role-model campus and facility for our Stakeholders” demonstrate our dedication to

Results

providing a work environment for our Employees that meets or exceeds this EKR. We encourage Employees to identify and report safety issues and injuries and work as a team to prevent them. We project sustained benchmark leadership performance in the future due to our Safety Training Management and Facilities processes. (Department Segmentation AOS (SAOS))

7.1-17 Emergency Preparedness Activities Completed

Activity	2018	2019	2020	2021	Proj-2026
ICP	100%	100%	n/a	100%	100%
Evac. & Shelter in Place	100%	100%	100%	100%	100%
Safety Training Mgt.	100%	100%	100%	100%	100%
Fire System	100%	100%	100%	100%	100%

Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100% due to consistent execution of all emergency preparedness activities. Activities are identified and selected through our Campus Emergency Response Planning and ICP Management processes and executed through an annual training exercise (6.2c2). We project sustained benchmark leadership performance in the future due to these processes.

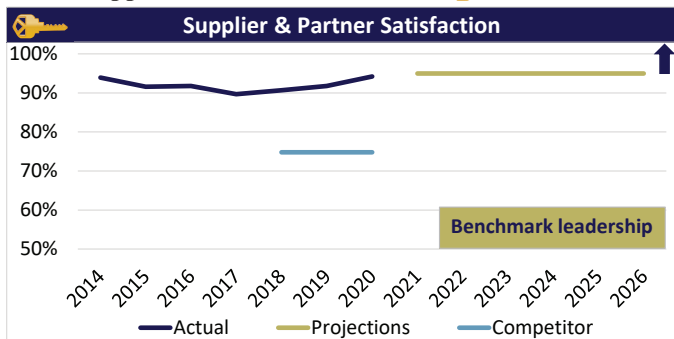
7.1-18 ICP Effectiveness (SLT Pre-and Post- Activity Score)

ICP Effectiveness Score	2018	2019	2020	2021
Pre-Event Score	78.6	79	n/a	80.4
Post-Event Score	83.3	82.7	n/a	82.6

Results demonstrate good levels and a beneficial trend. SLs take a test before the start of each ICP event to test their knowledge and preparedness for the ICP event. The same test is taken immediately following the event to ensure the training was effective. Due to COVID and our business surge we did not execute an ICP training exercise in 2020. Our approach for measuring ICP effectiveness is unique, as a result benchmark data is not available.

7.1c What are your supply-network management results? What are your results for key measures or indicators of the performance of your supply network, including its contribution to enhancing your performance?

7.1-19 Supplier & Partner Satisfaction

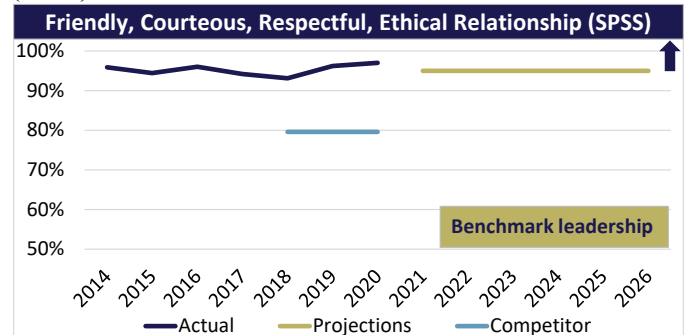


S&P Satisfaction is an important factor to ensuring our ongoing success and achieving our #1 OG which is why it is our #3 OG and a CKM. We have an Operational Strategy, “Build great Supplier & Partner relationships.” Results demonstrate benchmark leadership levels and a beneficial trend sustained over time; significantly outperforming the next best performing industry competitor. The outstanding performance of this measure validates our CC and SA “Supplier & Partner relationship management.” We leverage this CC to help meet CKRs of *Competitive product pricing, In stock products, Product selection, and Frequent, engaging, relevant promotions.* We project sustained benchmark leadership performance in the future, well above industry competitors,

due to our Supplier Relationships and LO Partner Relationship Management processes. (Segmentation by KR in 7.1-20 - 7.1-27 below; TNT, S&P SAOS)

SPKR 1 – Friendly, Courteous, Respectful, Ethical Relationship

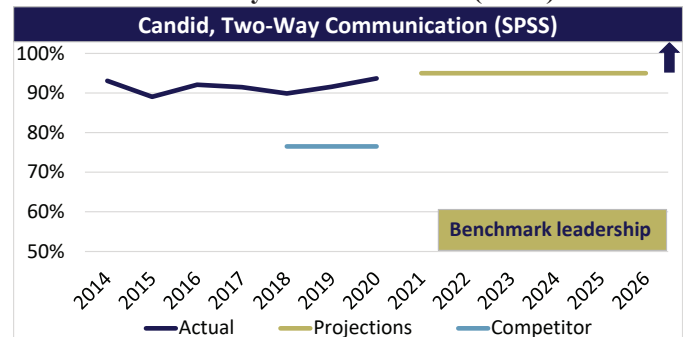
7.1-20 Friendly, Courteous, Respectful, Ethical Relationship (SPSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time; significantly outperforming the next best performing industry competitor. The “Build great Supplier & Partner relationships” strategy outlines the ethical standards Employees are required to follow when working with Suppliers. We project sustained benchmark leadership performance in the future, well above industry competitors, due to documenting and training this standard. (SAOS)

SPKR 2 – Candid 2-Way Communication

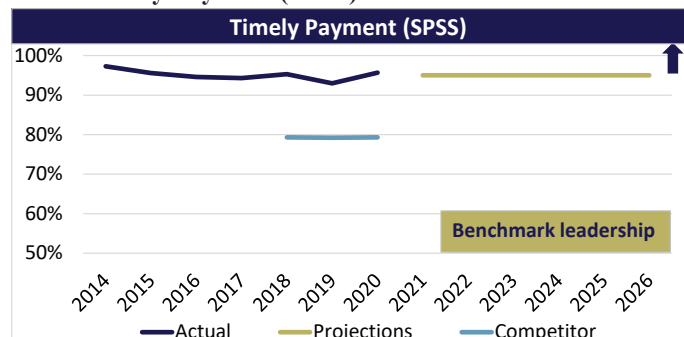
7.1-21 Candid 2-Way Communication (SPSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time; significantly outperforming the next best performing industry competitor. Our systematic Supplier Relationships and LO Partner Relationship Management processes, outlined in 6.1c, ensure consistent communication with S&Ps. We project sustained benchmark leadership performance in the future, well above industry competitors, due to these processes. (SAOS)

SPKR 3 – Timely Payment

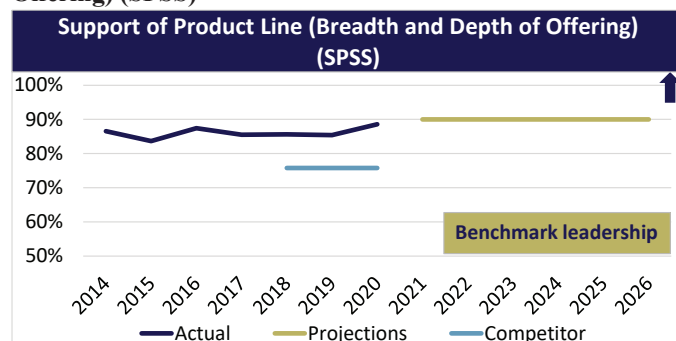
7.1-22 Timely Payment (SPSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time; significantly outperforming the next best performing industry competitor. Our systematic Accounts Payable processes ensure all payments are made on time, but not before their due date. This is supported by the Payment Performance Score – Dun & Bradstreet score (7.5-6). Our strategy allows us to satisfy the SPKR, *Timely payment*, while maintaining cash on hand to strengthen our financial position. The Non-EDI Receiving with Straight-Through Processing CAP implemented improvements to automation and reporting in 2019 to strengthen this process. We project sustained benchmark leadership performance in the future, well above industry competitors, due to these processes. (SAOS)

SPKR 4 – Support of Product Line (Breadth & Depth of Offering)

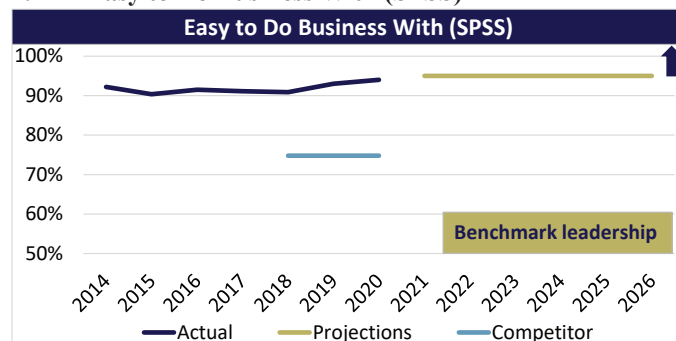
7.1-23 Support of Product Line (Breadth & Depth of Offering) (SPSS)



Results demonstrate benchmark leadership levels sustained over time; significantly outperforming the next best performing industry competitor. Our systematic Product Offering processes ensure we offer a broad selection of products (CKR) by carrying all the relevant, value-creating products our Suppliers offer (SPKR) (3.1b2). This allows us to strengthen our CC and SA, “Supplier & Partner relationship management” utilizing our “Build great Supplier & Partner relationships” strategy. We project sustained benchmark leadership performance in the future, well above industry competitors, due to these processes and strategies.

SPKR 5 – Easy to Do Business with

7.1-24 Easy to Do Business With (SPSS)

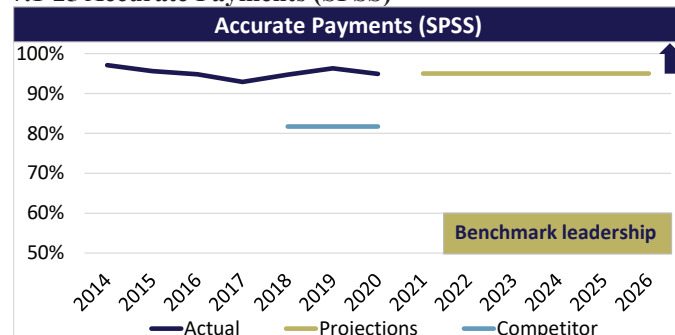


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time; significantly outperforming the next best performing industry competitor. Our Operational Strategy is to “Build great Supplier & Partner relationships” and our S&P Value Proposition states, “We treat Suppliers & Partners exactly how we want to be treated and maintain friendly, courteous, respectful, ethical relationships with them. We want them to think of MidwayUSA as their favorite Customer.” These lay the foundation for successful S&P relationships. Success of

this strategy and our S&P Value Proposition are validated by this outstanding performance. We project sustained benchmark leadership performance in the future, well above industry competitors, due to our Supplier Relationships processes and improvements implemented in the Non-EDI Straight Through Receiving CAP.

SPKR 6 – Accurate Payments

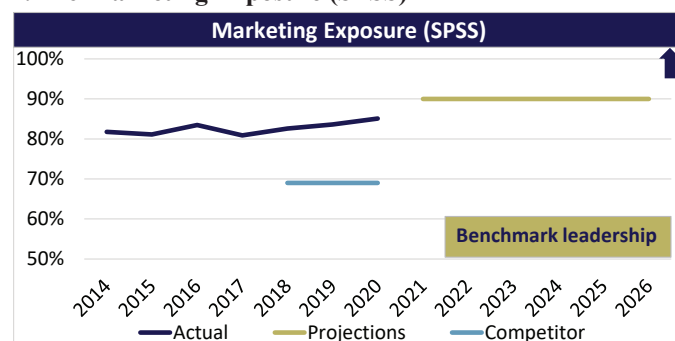
7.1-25 Accurate Payments (SPSS)



Results demonstrate benchmark leadership levels sustained over time; significantly outperforming the next best performing industry competitor. Our Accounts Payable Management processes ensure we make accurate, on-time payments to our S&Ps. See Timely Payments (7.1-22) for improvements. We project sustained benchmark leadership performance in the future, well above industry competitors, due to these processes.

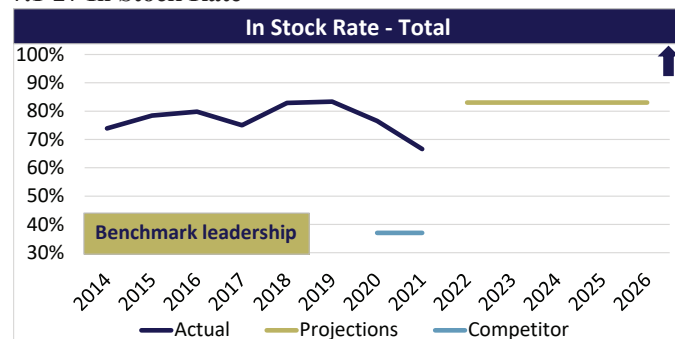
SPKR 7 – Marketing Exposure

7.1-26 Marketing Exposure (SPSS)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time; significantly outperforming the next best performing industry competitor. Our CKR *Frequent, engaging, relevant promotions* and “Build great Supplier & Partner relationships” strategy and Supplier Relationships processes allow us to actively engage Suppliers in marketing campaigns, which also leads to MW to be their “go-to” source when they have great deals. We project sustained benchmark leadership performance in the future, well above industry competitors, due to this strategy and process.

7.1-27 In Stock Rate

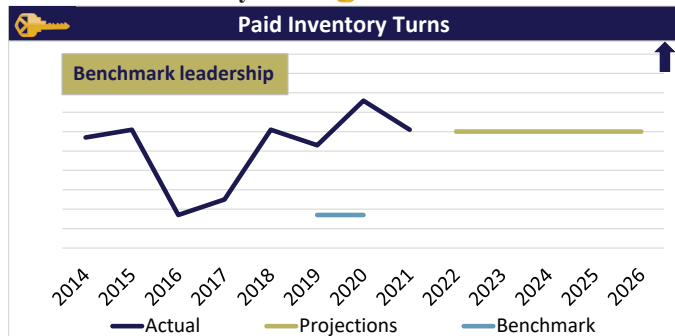


Results

Results demonstrate benchmark leadership levels, significantly outperforming the next best performing industry competitor. In Stock Rate is a supporting measure for CKR *Product availability*. As indicated by our SC “Scarce Suppliers of certain hard to produce products”, Suppliers in our industry have difficulty supplying products subject to “panic buying”, as was the case in 2020-21. As a comparison, the in stock rate for our #3 overall competitor was at 33.9%, whereas the best performing industry competitor identified (Natchez) is shown in the graph. As we responded to the unexpected COVID/ election surge in 2020, we used our CCs of “S&P relationship management” and “Supply chain management” to secure a higher level of product allocation as we increased orders. In 2021, this measure is improving. We project a return to record performance due to our Inventory and Supplier Relationships processes as the market stabilizes and Suppliers are able to fulfill market demand. (SAOS)

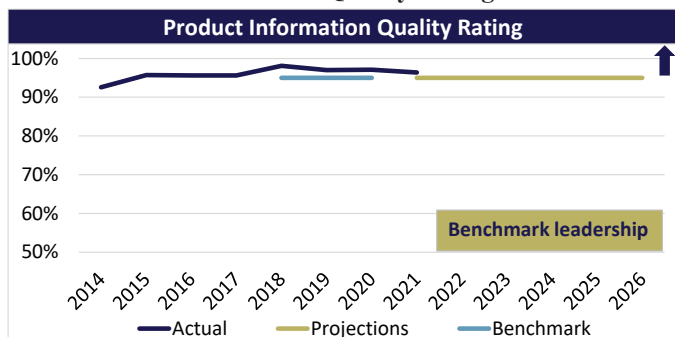
SHKR 6 Inventory Management

7.1-28 Paid Inventory Turns



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Paid Inventory Turns is a CKM and the KM for the SHKR *Inventory management*. In 2016, we implemented the Contingency Inventory CAP to purposely bring in a large amount of inventory ahead of the Presidential election. This resulted in a temporary, but planned, drop in Paid Inventory Turns in 2016 and 2017. Performance has since returned to record levels, far exceeding the industry benchmark. We project sustained benchmark leadership performance in the future due to our Inventory processes. (Product category SAOS)

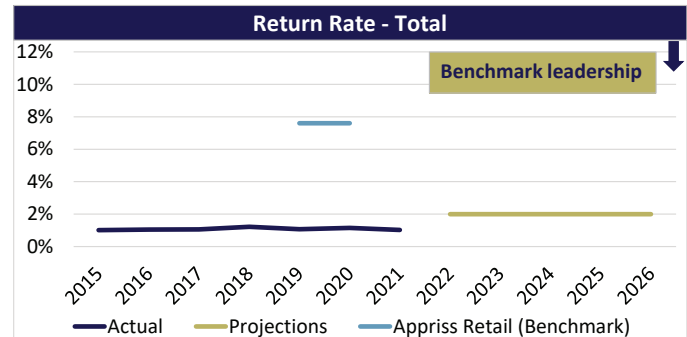
7.1-29 Product Information Quality Rating



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. A supporting measure for the CKR *Extremely helpful product information* (7.1-11), PIQR is a score generated by Customers indicating if the product information provided on our website was helpful. As part of our Product Information processes, we work with Suppliers to generate product information and systematically review the

results. Improvements in information are continually made to product information based on Customer feedback through the PIQR and VOC processes. We project sustained benchmark leadership performance in the future due to these processes.

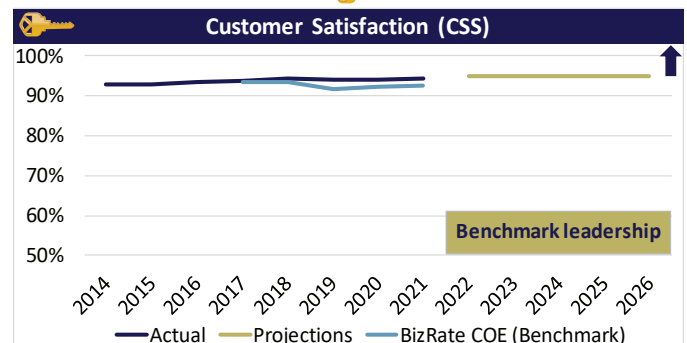
7.1-30 Return Rate – Total



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. This is a supporting measure for the CKR *Extremely helpful product information* and is related to the CKR *Accurate, intact shipments*. As we continue to expand our clothing and footwear product categories, in alignment with our “Just About Everything” strategy, we project a slight increase in Return Rate in the coming years, although still significantly better than benchmark. (Supplier SAOS)

7.2a(1) What are your customer satisfaction and dissatisfaction results? What are your results for key measures or indicators of customer satisfaction and dissatisfaction? How do these results differ by product offerings, customer groups, and market segments, as appropriate?

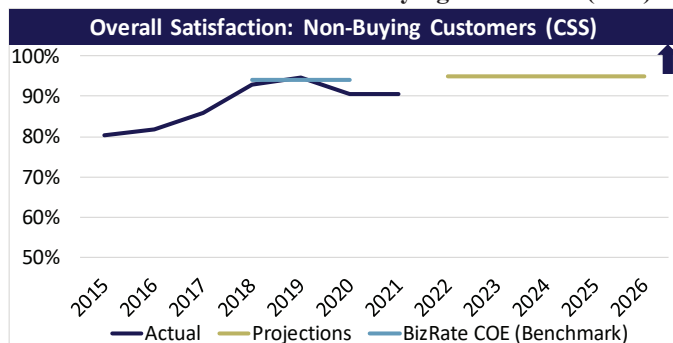
7.2-1 Customer Satisfaction



CS&E is the most important factor to ensuring our ongoing success which is why it is our #1 OG and a CKM. Our #1 Operational Strategy is “Customers come first.” This is supported by our Vision and Mission (Fig. P.1-3). This key result is at a near all-time high and demonstrates benchmark leadership levels and a beneficial trend sustained over time. Our SPP and PMP ensure our focus remains on sustaining or improving these results over the long-term through the implementation of four key short-term CAPs designed to improve Customer Satisfaction (Fig 2.2-1). We project sustained benchmark leadership performance in the future due to this integration of measures and processes. (See also non-buying in 7.2-2.)

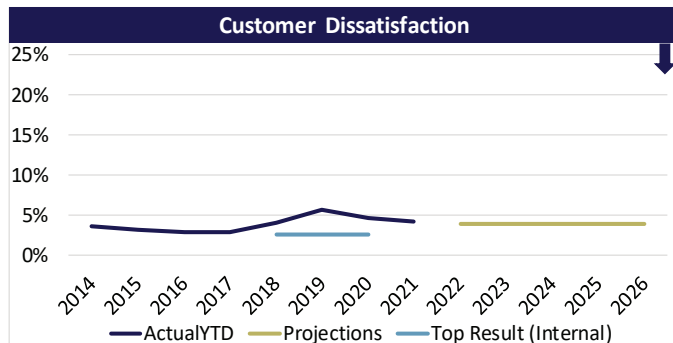
Additional results for Customer Satisfaction (segmented by CKR) can be seen in the CSS measures in 7.1 and validates our Customers’ favorable view of our ability to meet or exceed their KR.

7.2-2 Overall Satisfaction: Non-Buying Customers (CSS)



Results demonstrate benchmark levels and a beneficial trend sustained over time from 2015-19. Results dropped in 2020-21 following an unexpected surge in demand (Fig. P.2-1 SC2) that resulted in a scarce supply of many products in our industry (Fig. P.2-1 SC3). See also 7.1-2 and 7.1-27. This segmented result shows satisfaction for Customers who did not make a purchase while visiting our website. Non-buying Customer surveys include questions that allow us to analyze their feedback through our VOC processes where we identify system and process improvements to implement to convert non-buying Customers into active Customers (3.2b1). We project improved performance above benchmark levels in the future due to these processes.

7.2-3 Customer Dissatisfaction

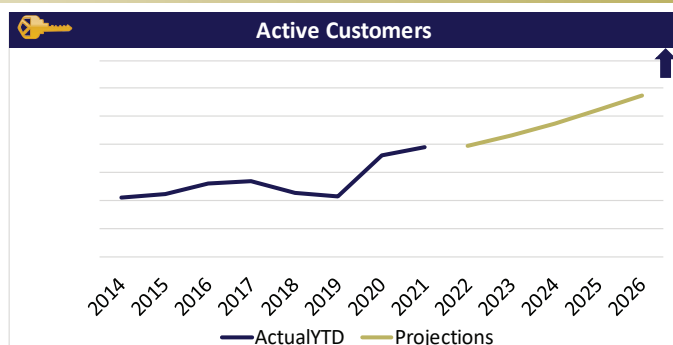


Results demonstrate excellent levels sustained over time. This measure shows the percentage of Customers who leave a negative comment per satisfaction survey completed. Customer dissatisfaction trends in 2019 and early 2020 led us to implement two improvements (listed in 3.2a3) that significantly lowered our dissatisfaction rate. We project sustained excellent performance in the future due to these changes, and other improvements identified through our VOC processes. Our approach for measuring dissatisfaction is unique, as a result benchmark data is not available. (CKR SAOS)

7.2a(2) What are your customer engagement results? What are your results for key measures or indicators of customer engagement, including those for building customer relationships? How do these results compare over the course of your customer life cycle, as appropriate? How do these results differ by product offerings, customer groups, and market segments, as appropriate?

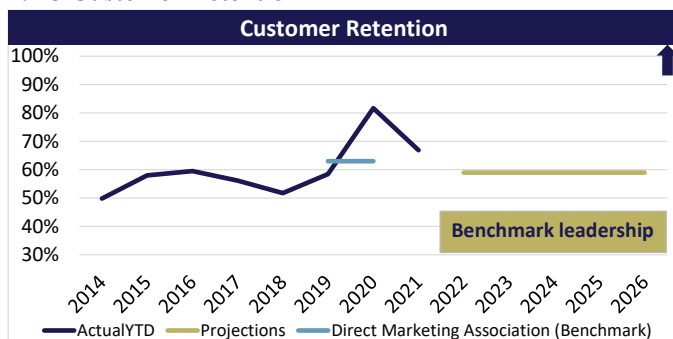
SHKR 1 Grow the Value of the Company Through Customer Acquisition & Retention

7.2-4 Active Customers



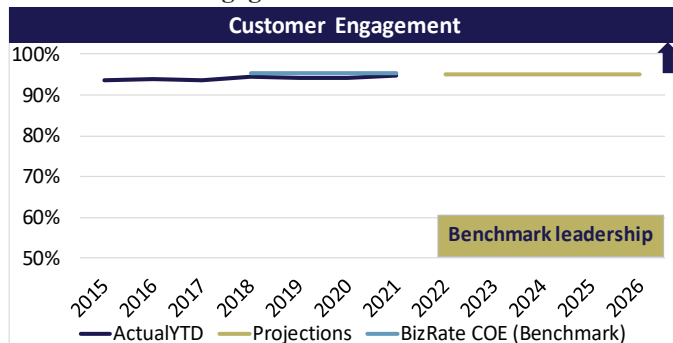
Results demonstrate excellent performance and a beneficial trend sustained over time. Active Customers, a CKM, is a count of distinct Customers who have made a purchase in the last 12-months. Customer growth is a SHKR, *Grow the value of the Company through Customer acquisition & retention*, and is key to our long-term success and overall growth. We project sustained excellent performance and growth in the future due to our CRM and Customer Behavior Analysis processes, our “Frequent, engaging, relevant promotions” Operational Strategy, and our Lifecycle and Retention strategy (3.2a1). Due to the nature of this measure, relevant comparative data cannot be obtained.

7.2-5 Customer Retention



Results are at an all-time high and demonstrate benchmark leadership levels and a beneficial trend sustained over time. Customer Retention is a supporting measure of the SHKR *Grow the value of the Company through Customer acquisition & retention*. The market surge of 2020 produced a record level of Customer Retention. Based on a similar market surge in 2013, we project retention to return to performance near benchmark levels in the future. (Customer group SAOS)

7.2-6 Customer Engagement

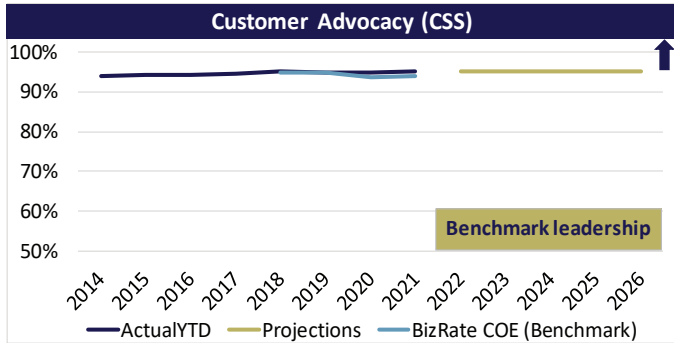


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Customer Engagement is a supporting measure of our #1 OG CS&E. Characteristics of an engaged Customer include their willingness to do business with an organization and willingness to actively advocate for

Results

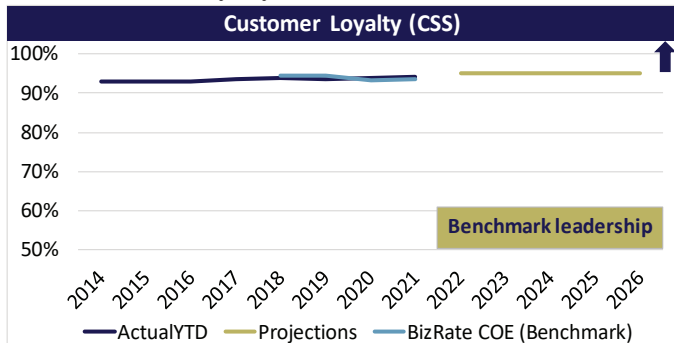
and recommend that organization. Customer Engagement is calculated as the average of Customer Advocacy (7.2-7) and Customer Loyalty (7.2-8). We average these 2 results to determine Customer Engagement. We project sustained benchmark performance in the future due to our continued focus on our #1 OG CS&E.

7.2-7 Customer Advocacy



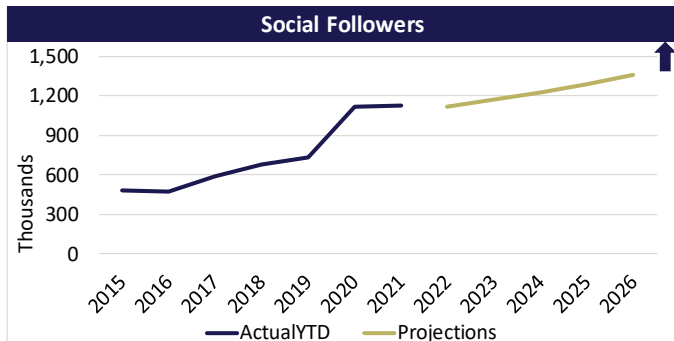
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Customer Advocacy is a supporting measure of our #1 OG CS&E and is measured by Customer's response to the survey question, "Likelihood to Recommend." This is a good indicator of the success of our systems and processes to attract and retain new Customers in alignment with SHKR *Grow the value of the Company through Customer acquisition & retention*. We project sustained benchmark leadership performance in the future due to our systems and processes.

7.2-8 Customer Loyalty



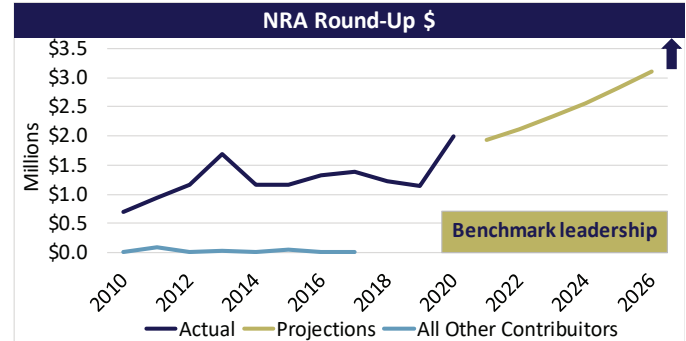
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Customer Loyalty is a supporting measure of our #1 OG CS&E and is measured by Customer's response to the survey question, "Likelihood to Shop Again." This result is a good indicator of our ability to engage Customers for long-term retention and organizational sustainability. We project sustained benchmark leadership performance in the future due to our systems and processes. (Customer group SAOS)

7.2-9 Social Followers



Results demonstrate excellent performance and a beneficial trend sustained over time. Social Followers is a measure of the total number of social accounts that have followed or liked one of our MW Facebook, Twitter, YouTube or Instagram accounts. Due to the unique nature of this measure, we are unable to benchmark this data. We use social media to expand our branding and support marketing efforts. We project sustained excellent performance and growth in Social Followers due to our Social Marketing process. (Social media channel SAOS)

7.2-10 NRA Round-Up \$

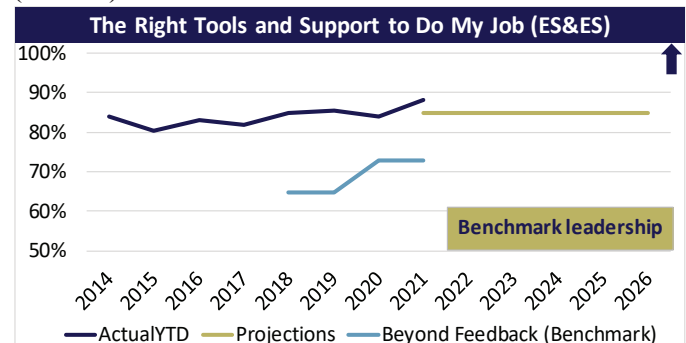


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Contributions generated by MW through the program significantly outperform the NRA Endowment contribution dollars from all other sources combined. The NRA Round-Up program, founded by MW, is an opportunity for our Customers to support one of our key communities and is an indicator of Customer engagement as it is a voluntary contribution Customers choose to provide while shopping with us. It also aligns with the CKR *Support of the NRA & shooting sports industry* and influences our SC, "Legislation affecting the shooting/hunting industry." We project sustained benchmark leadership performance in the future due to projected growth in sales (7.5-1a) and benchmark levels of Customer engagement (7.2-6).

7.3a(1) What are your workforce capability and capacity results? What are your results for key measures of workforce capability and capacity, including appropriate skills and staffing levels? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

EKR 6 – The Right Tools & Support to Do My Job

7.3-1 The Right Tools & Support to Do My Job (ES&ES)

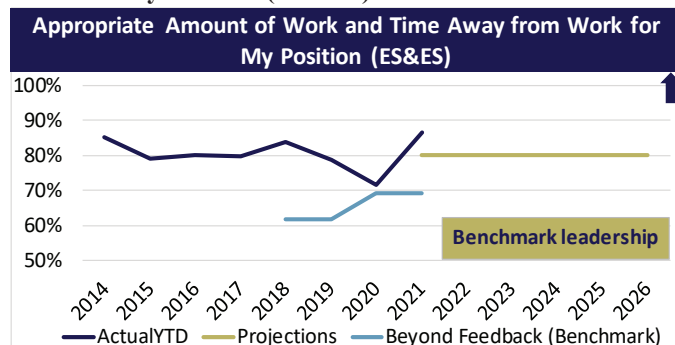


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Providing Employees with the right tools, software, support and supervision is critical to ensuring they can perform the required work. Employees are encouraged to leave comments during their ES&ES, which allows us to drill into the identified issues and correct

them (5.2a1). We project sustained benchmark leadership performance in the future due to our robust ES&E, Workforce Planning and Budgeting processes. (SAOS)

EKR 2 – Appropriate Amount of Work & Time Away From Work for My Position

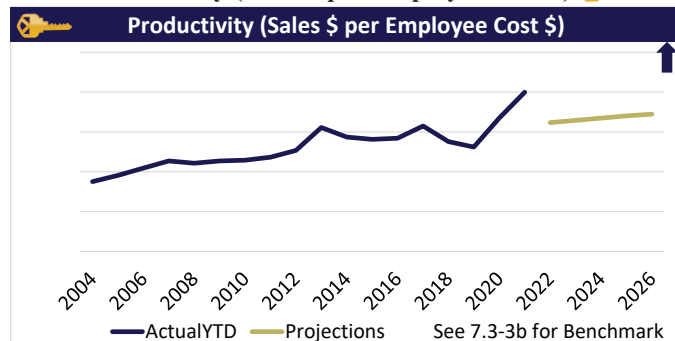
7.3-2 Appropriate Amount of Work & Time Away From Work for My Position (ES&ES)



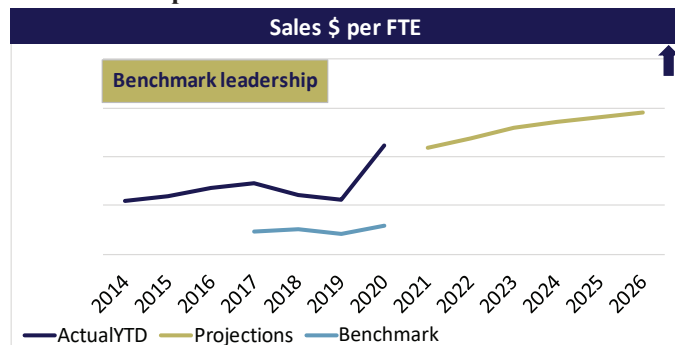
Results demonstrate benchmark leadership levels. Several factors contributed to lower performance in 2020. The local job market and COVID made it difficult to hire and retain hourly Employees. This combined with an extreme market surge forced us to increase our reliance on overtime hours (Overtime % of Total Hours Worked (7.3-5)) from our hourly Employees and ERG help from our salaried Employees. We have since improved our Employee Value Proposition and re-engineered our hourly staffing model as part of the OSS CAP and have seen a significant improvement in this result. We project sustained benchmark leadership performance in the future due to these changes. (SAOS)

SHKR 12 – Improvement in Productivity, Efficiency & Quality

7.3-3a Productivity (Sales \$ per Employee Cost \$)



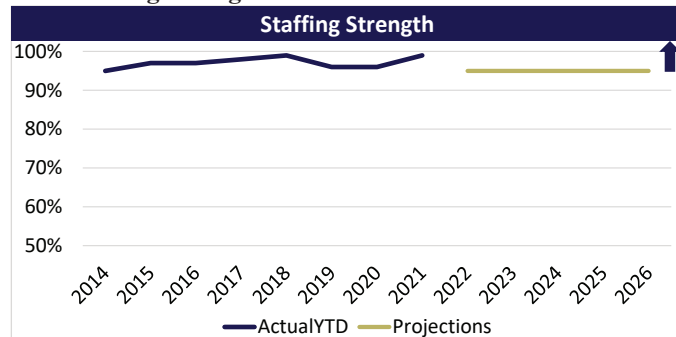
7.3-3b Sales \$ per FTE



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Productivity is a CKM and the KM for the SHKR *Improvement in productivity, efficiency & quality* and is an indicator of capacity and capability. Increases

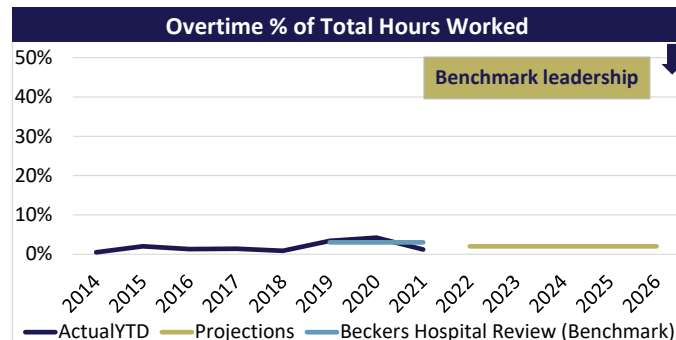
in productivity indicate an increase in the capacity and capability of the workforce since the same amount can be produced with fewer Employees. The outstanding result on this measure contributes to the sustained positive trends and growth in Net Income (7.5-2) and Cost to Operate (7.5-4). Due to the nature of this measure, relevant comparative data cannot be obtained, however the related measure, Sales \$ per FTE (7.3-3b), can be used for comparison and shows benchmark leadership levels. We project sustained benchmark leadership performance in the future due to the innovation and technology improvements from our Design & Build MW DC (40&J) CAP.

7.3-4 Staffing Strength



Results demonstrate excellent performance levels sustained over time. Staffing Strength is a supporting measure of the EKR *Appropriate amount of work & time away from work*. It measures the percent of approved positions that are currently staffed and is an important indicator of workforce capacity. The number of approved positions nearly doubled from 2019 through 2020. The fact that this only had a minimal impact on Staffing Strength is evidence of the effectiveness of our robust Hiring & Onboarding processes. We project continued excellent performance in the future due to these processes. Our approach for measuring staffing strength is unique, as a result benchmark data is not available. (SAOS)

7.3-5 Overtime % of Total Hours Worked



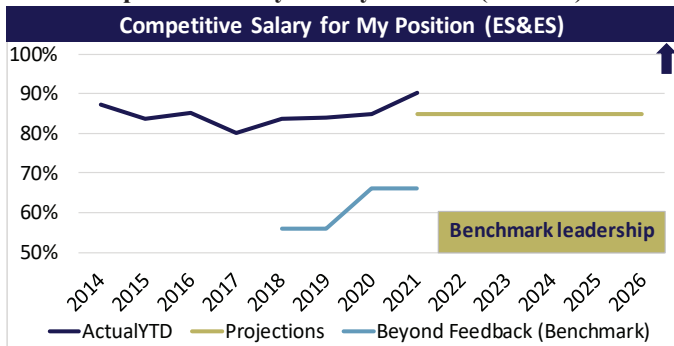
Results demonstrate benchmark leadership levels sustained over time. Overtime % of Total Hours Worked is a supporting measure, and leading indicator, of the EKR *Appropriate amount of work & time away from work*. We project sustained benchmark leadership performance in the future due to improvements listed in 7.3-2. (SAOS)

7.3a(2) What are your workforce climate results? What are your results for key measures or indicators of your workforce climate, including those for workforce health, security, accessibility, and services and benefits, as appropriate? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

Results

EKR 1 - Competitive Salary for My Position

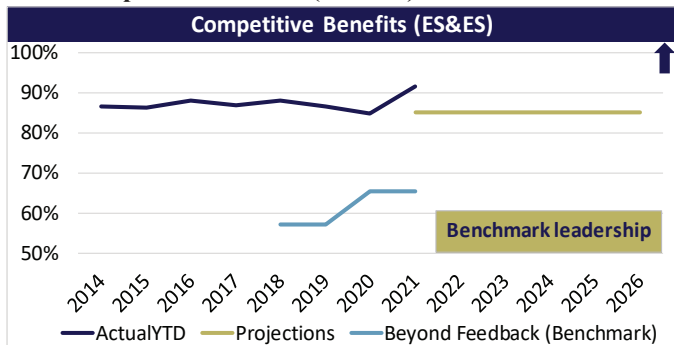
7.3-6 Competitive Salary for My Position (ES&ES)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. *Competitive salary for my position* is consistently the #1 ranked EKR. This result shows our Employees are extremely satisfied with our robust Compensation & Benchmarking Review process. This process, in alignment with HR strategies, ensures we consistently pay in the top quartile in the area for salaried positions and are a local leader for hourly compensation (5.2c1). We project sustained benchmark leadership performance in the future due to this process and strategy. (SAOS)

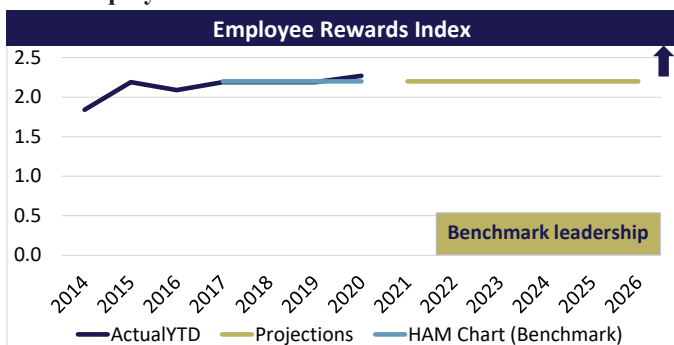
EKR 4 - Competitive Benefits

7.3-7 Competitive Benefits (ES&ES)



Results demonstrate benchmark leadership levels sustained over time. MW Employees are extremely satisfied with the services and benefits offered by the Company. The HR Analysis Matrix process ensures we continue to offer benefits, services and policies better than the competition (5.1b2). We project sustained benchmark leadership performance in the future due to this process. (SAOS)

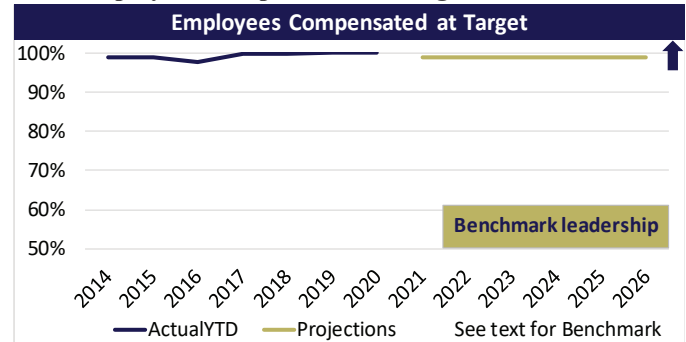
7.3-8 Employee Rewards Index



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. The Employee Rewards Index is a supporting measure for the EKR *Competitive benefits*. Using the HR Analysis Matrix process, a composite score is created based on a comparison of benefits, services and

policies offered at MW compared against local and industry organizations and BARs. The Employee Rewards Index is a leading indicator of the Competitive Benefits (ES&ES) (7.3-7) result. We project sustained benchmark leadership performance in the future due to our HR Analysis Matrix process.

7.3-9 Employees Compensated at Target



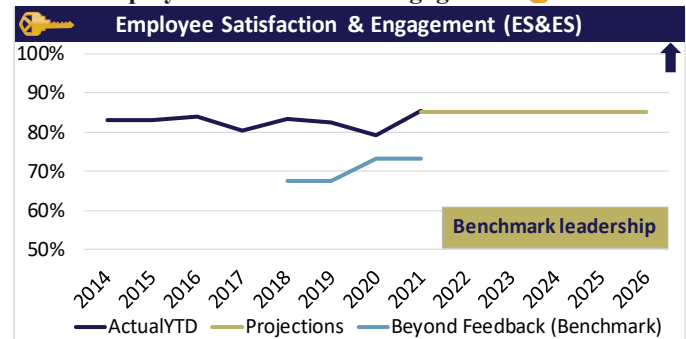
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Employees Compensated at Target is a measure of our Compensation processes and is a supporting measure for the EKR *Competitive salary for my position*. This measure assesses the percentage of Employees who are compensated at the appropriate level for their applicable experience based on benchmark data provided by Economic Research Institute. Our process to pay at or above the 75th percentile is best practice according to the WorldatWork benchmark, where only 2% of organizations pay at this level. We project sustained benchmark leadership performance in the future due to the Compensation & Benchmarking Review process (5.1b2).

Additional results for workforce climate:

Figure	Result
7.1-16	Safe, comfortable work environment (ES&ES)

7.3a(3) What are your workforce engagement results? What are your results for key measures or indicators of workforce satisfaction and workforce engagement? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

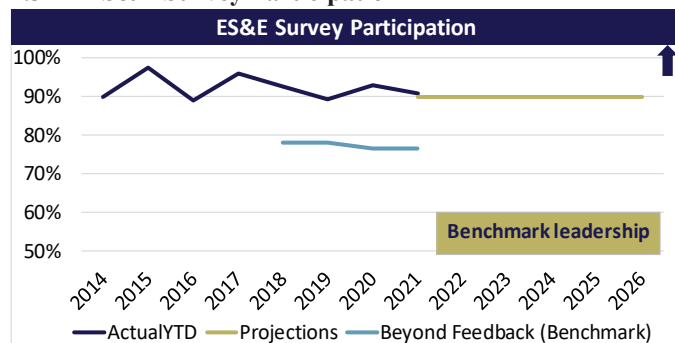
7.3-10 Employee Satisfaction & Engagement



ES&E is an important factor to ensuring our ongoing success, which is why it is our #2 OG and a CKM, second only to Customer Satisfaction. Our #2 BOD Strategy, "Foster a great work environment," is supported by our Operational Strategy "Be considered a great place to work by satisfying and engaging Employees." Results demonstrate benchmark leadership levels sustained over time. Our best practice ES&E process has allowed us to maintain long-term performance in alignment with benchmark. A market surge in 2019 lead to extended periods of overtime for our hourly workforce, and ERG for our

salaried workforce, leading to the decline in ES&E in 2020. After receiving this result, we worked to identify and implement improvements to address performance. Improvements were identified as part of the OSS CAP to our hourly staffing model and hourly compensation strategy to satisfy the needed demand for Employees. Additional improvements were made to our benefits offering. The result in 2021 was a 6 point increase in overall ES&E. We project continued benchmark leadership performance in the future due to these and other ES&E related benefit and strategy improvements. (Department, tenure, status and FT/PT SAOS)

7.3-11 ES&E Survey Participation



Results demonstrate benchmark leadership levels sustained over time. MW's extremely high participation rate in a voluntary survey validates our SA of "Highly-performing, industry-engaged Employees" (P.1-5). In 2021, we had a 90.7% participation rate, with a record of 625 Employees participating. This was up 324 from 2020. Employees also provide an average of 1,800 comments per survey period. This shows Employees see value in participating in the process and trust SLs to listen to and act on feedback provided through ES&ES/EFGs (5.2a2). We project sustained benchmark leadership performance in the future due to our best practice approach to ES&E. (SAOS)

Additional results for ES&E:

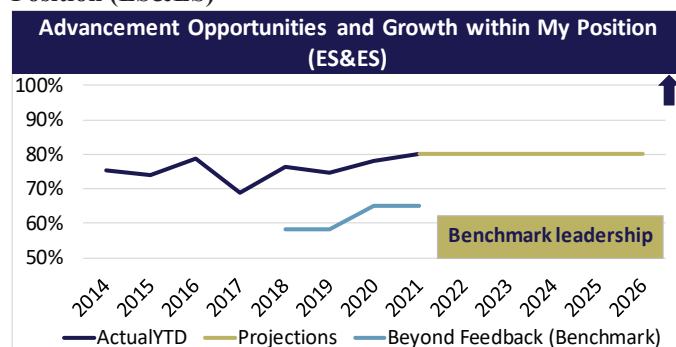
Workforce Satisfaction Results	
Figure	EKR Result
7.3-6	Competitive salary for my position
7.3-2	Appropriate amount of work and time away from work
7.3-12	Advancement opportunities and growth within my position
7.3-7	Competitive benefits
7.3-1	The right tools and support to do my job
7.1-16	Safe, comfortable work environment
Workforce Engagement Results	
Figure	Result
7.3-13	Continuous learning, training, and development
7.4-1	Clear, effective, candid, 2-way communication
7.4-15	Leaders & coworkers whose actions align with our Values and Culture

Collectively, results for these EKRs account for over 80% of our ES&E score and are some of the key indicators of workforce satisfaction and engagement. Additional EKR results for ES&E and SAOS.

7.3a(4) What are your workforce and leader development results? What are your results for key measures or indicators of workforce and leader development? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

EKR 3 - Advancement Opportunities & Growth within My Position

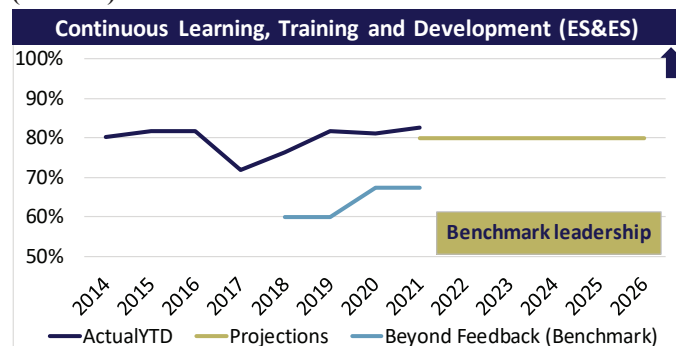
7.3-12 Advancement Opportunities & Growth within My Position (ES&ES)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. This EKR is consistently ranked as one of the top 3 most important EKRs in our ES&ES. To satisfy this EKR we utilize our "Promote from within" strategy and our LDC and Succession Planning processes to identify internal candidates with leadership potential. We project continued benchmark leadership performance in the future due to these strategies and processes. (SAOS)

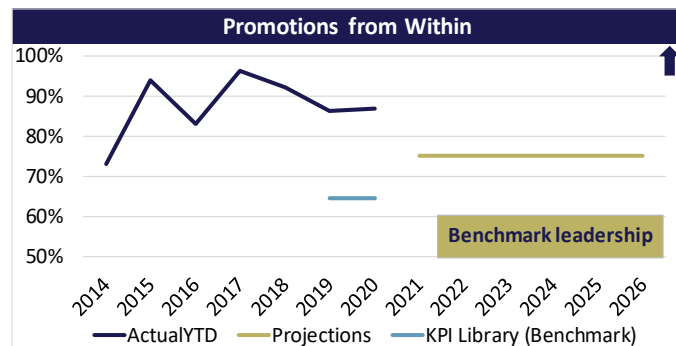
EKR 5 - Continuous Learning, Training & Development

7.3-13 Continuous Learning, Training & Development (ES&ES)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. As part of our Budget process, Employees and SLs collaborate on workforce training plans which are integrated into each department's budget. We project sustained benchmark leadership performance in the future due to this process. (SAOS)

7.3-14 Promotions from Within

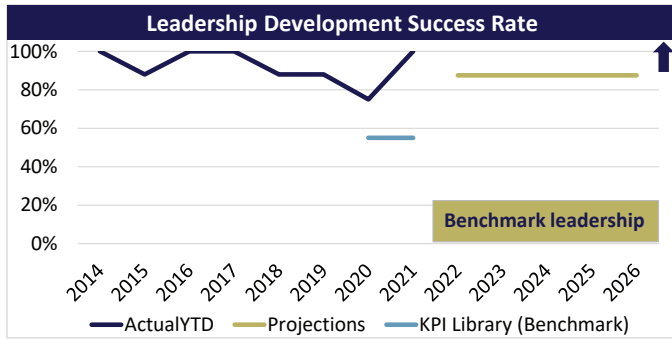


Results demonstrate benchmark leadership levels sustained over time. Promotions from Within is a supporting measure for the EKR *Advancement opportunities & growth*. This result validates implementation of our "Promote from within" and "Recruit, develop & retain high-performing Employees" strategies. We

Results

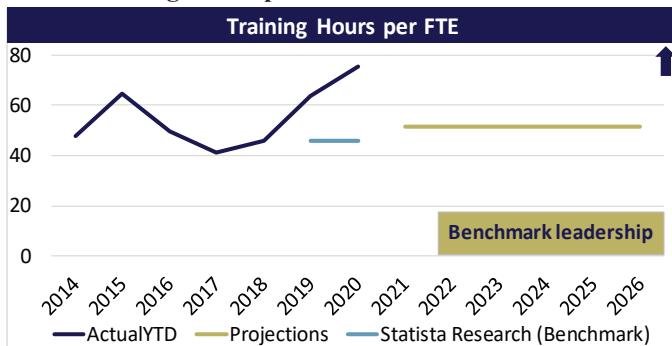
project continued benchmark leadership performance in the future due to our systematic Recruiting & Hiring, Performance Management and Leadership Development processes.

7.3-15 Leadership Development Success Rate



Results demonstrate benchmark leadership levels sustained over time. Leadership Development Success Rate is a segment of Promotions from Within that shows the percentage of management positions filled by an LDC or through our succession plan. This result is a measure of the success of our LS and Leadership Development process in alignment with EKR *Advancement opportunities & growth*. We project sustained high performance in the future due to this process.

7.3-16 Training Hours per FTE

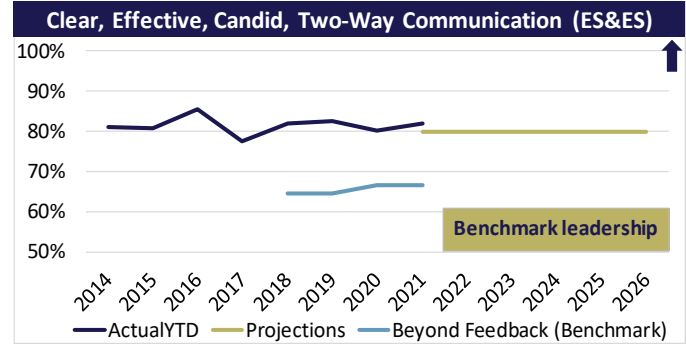


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Training Hours per FTE is a supporting measure of the EKR *Continuous learning, training & development*. We project sustained benchmark leadership performance in the future due to our strategy to “Provide Employees tools, resources and training and development opportunities to facilitate personal learning” and our Leadership Development and Training processes. (Department SAOS)

7.4a(1) What are your results for senior leaders’ communication and engagement with the workforce, partners, and customers? What are your results for key measures or indicators of senior leaders’ communication and engagement with the workforce, partners, and customers to deploy your vision and values, encourage two-way communication, cultivate innovation and intelligent risk taking, and create a focus on action? How do these results differ by organizational units and customer groups, as appropriate?

EKR 7 Clear, Effective, Candid, 2-Way Communication

7.4-1 Clear, Effective, Candid, 2-Way Communication (ES&ES)



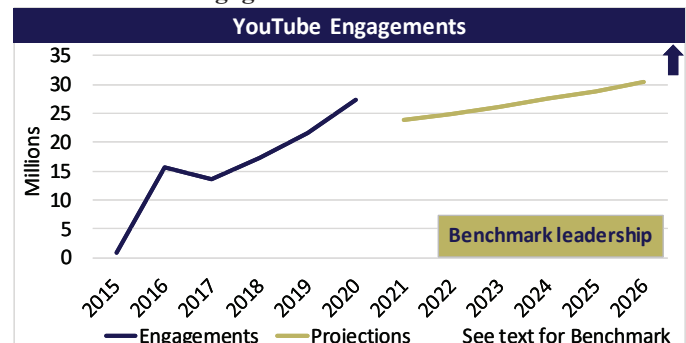
Results demonstrate benchmark leadership levels sustained over time. We use our Communication Plan Management process to facilitate the transfer of knowledge across the workforce and ensure systematic communication of the right information to right people at the right time. We project sustained benchmark leadership performance in the future due to this process. (SAOS)

7.4-2 Senior Leader Communication and Engagement

Communication Mechanism	Initiated By	Frequency	Audience	Hrs.
SL Mentoring (2-way)	SL	Semi-Annually	Employees	145
DBM (2-way)	VP	Monthly	Employees	24
Leadership/Management Q&A (2-way)	Pres & CEO	Quarterly	Employees	8
EFGs (2-way)	Pres & CEO VP-HR	Annually	Employees	12
SOTB (2-way)	SL	Quarterly	Employees	16
DKS (2-way)	Pres & CEO VP	Quarterly	Employees	56
Musters (2-way)	VP	Weekly	Employees	60
Supervisor Q&A (2-way)	VP-LO VP-MK	Quarterly	Supervisors	8
New Hire Orientation (2-way)	Pres & CEO	Upon Hire	Employees	40
Student Development (2-way)	Pres & CEO VP-HR	Biannually	Employees	4.5
Supplier Visits (2-way)	Pres & CEO VP-ME	Annually	S&Ps	24
Trade Shows (2-way)	Pres & CEO VP-ME	Annually	S&Ps	60

This table shows how SLs communicate with and engage our Employees and S&Ps. We deploy our Mission, V&C, OGs and SP through these communication mechanisms, many of which are 2-way to encourage Employees and S&Ps to engage and ask questions.

7.4-3 YouTube Engagements



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. YouTube Engagements is a measure of SL communication and engagement with our Customers. Capitalizing on our CC “Our founder, Larry Potterfield, serves as a likeable, approachable industry expert who engages our Customers”, Larry has created a library of industry related “how to” videos on our MW YouTube page. We project sustained benchmark leadership performance and growth in the future due to utilization of these videos as an engagement and communication tool. While the number of engagements for competitors is unavailable, MW’s YouTube page has 312,000 subscribers while our #3 overall competitor has 225,000.

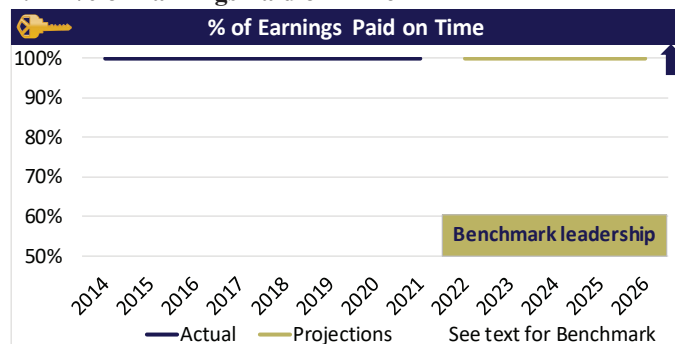
Additional results for senior leader communication:

Figure	Result
7.1-21	Candid 2-Way Communication (SPSS)

7.4a(2) What are your results for governance accountability? What are your results for key measures or indicators of governance and internal and external fiscal accountability, as appropriate?

SHKR 5 Timely Payment of Earnings

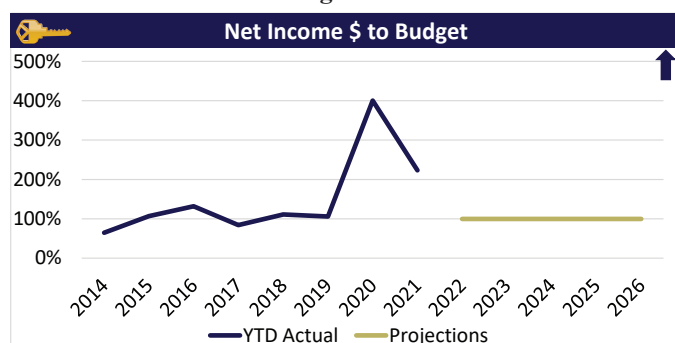
7.4-4 % of Earnings Paid on Time 



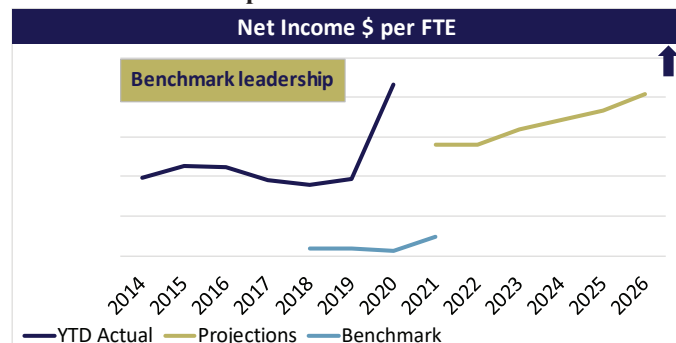
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100%. % of Earnings Paid on Time is a CKM and a direct measure of MW’s fiscal accountability to our Shareholders and supports our CC in “Financial management.” We project sustained benchmark leadership performance in the future due to our Shareholder Distribution Reporting & Measurement process.

SHKR 3 Grow the Business through Growth in Net Income

7.4-5a Net Income \$ to Budget 

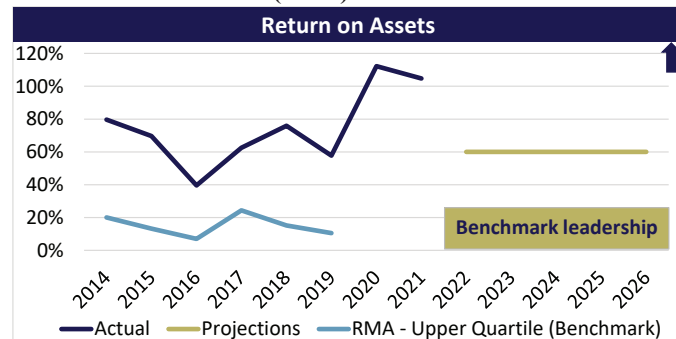


7.4-5b Net Income \$ per FTE



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. This measure is a CKM. The MW BOD is responsible for approving the net income goals in the budget. MW has exceeded that goal in five of the last six years. We have averaged 39% growth in net income every year over the past 12 years. The outstanding results on this measure are also key to our EKR *Organizational sustainability & growth* and allows us to pay profit sharing, which we have done 17 years in a row, with record profit sharing paid for 2020. Profit sharing is a key factor for our EKR *Competitive salary for my position*. Due to the nature of this measure, relevant comparative data cannot be obtained, however the related measure, Net Income \$ per FTE (7.4-5b), can be used for comparison and shows benchmark leadership levels and a beneficial trend sustained over time and well above our industry competitor. We project sustained benchmark leadership performance due to our CCs and SAs, such as “Frequent, engaging, relevant promotions” and “New product acquisition.”

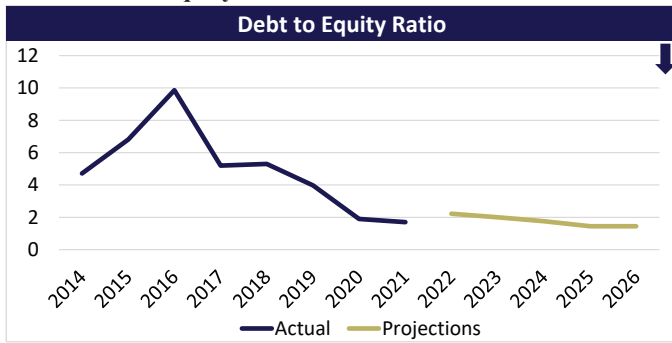
7.4-6 Return on Assets (ROA)



Results demonstrate benchmark leadership levels sustained over time. ROA measures MW’s efficiency in using assets to generate income and is a direct result of excellent fiscal accountability. The dips in 2015/2016 and 2019 were planned intelligent risks associated with intentional increases in inventory in preparation for the business surge associated with each election cycle. MW placed large inventory orders with many of our key Suppliers to ensure sufficient inventory to satisfy demand (CKR *In stock products*). These risks resulted in immediate rebounds in ROA as we sold through this inventory. We project sustained benchmark leadership performance in the future as results return to normal levels due to management by our Inventory and Purchasing processes.

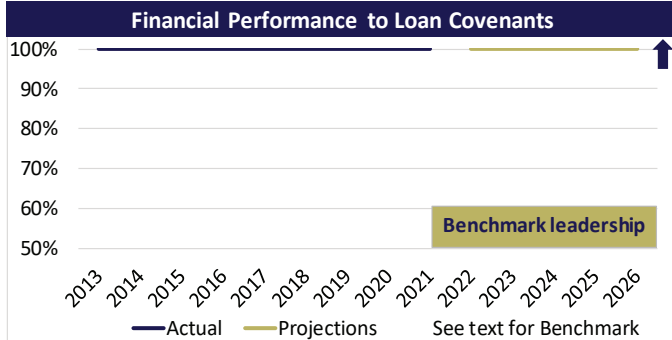
Results

7.4-7 Debt to Equity Ratio



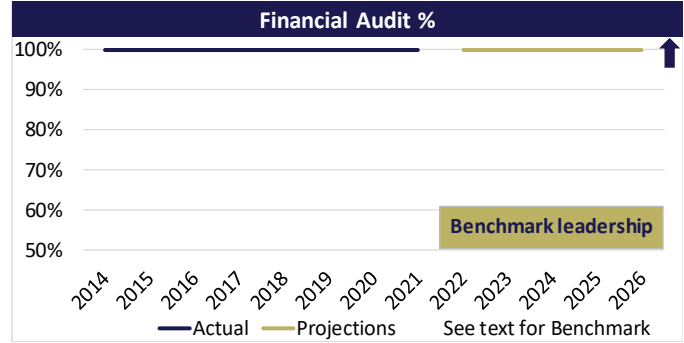
Results demonstrate excellent levels and a beneficial trend sustained over time. MW remains accountable to our BOD Strategy, “Maintain a debt to equity ratio not to exceed 8:1” by maintaining a ratio well below 8:1 and demonstrating fiscal accountability. Banks support a higher level of debt to equity ratio based on Company’s financial strength. In 2015-2016, we made a strategic decision to increase debt to finance additional inventory in preparation for the Presidential election (2016 Contingency Inventory CAP). This was an intelligent risk in response to the SCs “Legislation affecting the shooting/hunting industry” and “Scarce supplies of certain hard-to-produce products.” April 2019, the Shareholders elected to retain 15% of profits in the business to enable further inventory investment and maintain lower debt to equity ratio. We project sustained excellent performance in the future due to our Inventory Management processes and strategies. Due to the nature of this measure, relevant comparative data cannot be obtained.

7.4-8 Financial Performance to Loan Covenants



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100%. Execution of FS strategies “Outstanding cash flow management” and “Accountability & stewardship of Company assets” and our BOD Strategy “Maintain a debt/equity ratio not to exceed 8:1” (7.4-7) result in MW’s excellent financial position and consistent achievement of all loan covenants. We project sustained benchmark leadership performance in the future due to these strategies and our Cash Management processes.

7.4-9 Financial Audit %

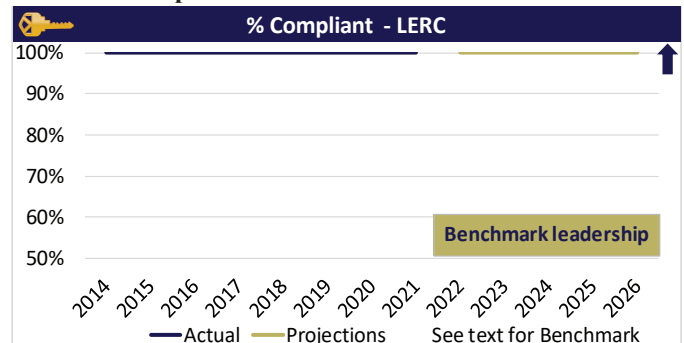


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100%. These results demonstrate a commitment to maintaining governance and fiscal accountability. We project continued benchmark leadership performance in the future due to our Financial Reporting Management processes.

7.4a(3) What are your legal and regulatory results? What are your results for key measures or indicators of meeting and surpassing regulatory and legal requirements? How do these results differ by organizational units, as appropriate?

SHKR 9 Legal, Ethical & Regulatory Compliance

7.4-10 % Compliant – LERC



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100%, indicating exceptional legal, ethical and regulatory compliance. % Compliant – LERC is a CKM and the KM for the SHKR *Legal, ethical & regulatory compliance*. 100% indicates we have not had a noncompliance legal, ethical or regulatory issue in the last 10 years. In alignment with our V&C, we are committed to running 100% legally, ethically and compliant and within the regulatory environment under which we operate (1.1a2). We project sustained benchmark leadership performance in the future due to our SHKR V&C and compliance processes such as our Delivery Restriction, Legal & Regulatory Tracking and Tax Compliance process.

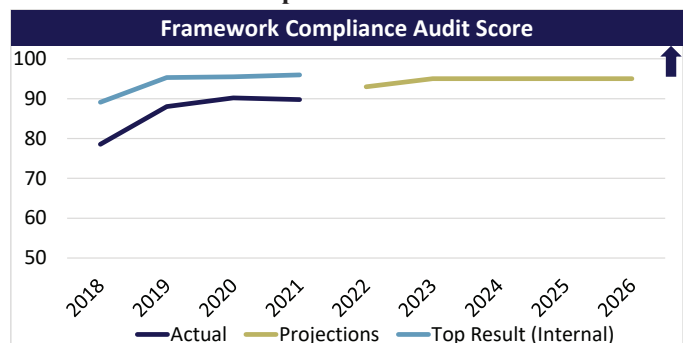
7.4-11 % Compliant - LERC Segmentation

Measure	2016	2017	2018	2019	2020
DOT	100%	100%	100%	100%	100%
Income Tax Returns	100%	100%	100%	100%	100%
Sales Tax Returns	100%	100%	100%	100%	100%
Credit Card Security (PCI)	100%	100%	100%	100%	100%
ATF	100%	100%	100%	100%	100%
OSHA	100%	100%	100%	100%	100%
ISO	100%	100%	100%	100%	100%
Financial Audit Reports	100%	100%	100%	100%	100%

Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100%. We maintain compliance with Department of Transportation, IRS, State Departments of Revenue, PCI (credit card security),

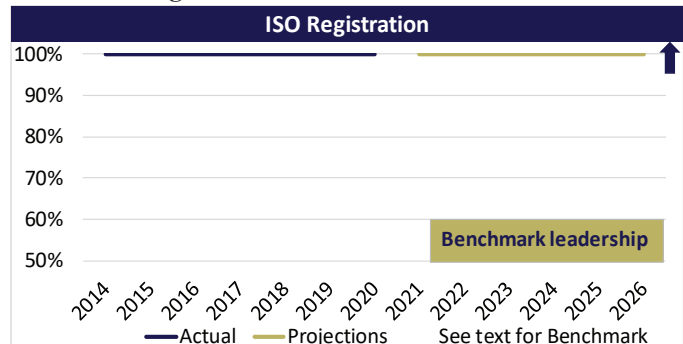
ATF, OSHA and applicable state regulations and local ordinances. We also have annual external audits of our company financials and ISO 9001 framework. We project sustained benchmark leadership performance in the future due to our SHKR, V&C and our compliance processes such as our Delivery Restriction, Legal & Regulatory Tracking and Tax Compliance processes.

7.4-12 Framework Compliance Audit Score



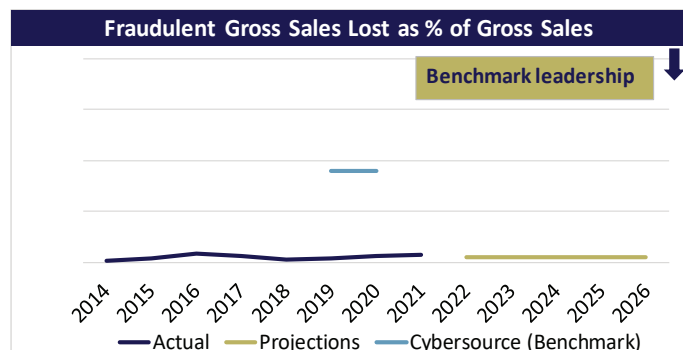
Results demonstrate excellent levels and a beneficial trend sustained over time. The Framework Compliance Audit process focuses on auditing each department on key areas of the organizational framework, including Process Management, Scorecard Management and Knowledge Management processes, to ensure a systematic approach across all departments (6.2a). Results for each department continue to improve year over year. We project sustained excellent performance in the future due to this process. Our approach for measuring framework compliance is unique, as a result benchmark data is not available. (Department SAOS)

7.4-13 ISO Registration



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100%. A LTG and part of our Framework Compliance Audit process, ISO 9001 is a key element of our organizational framework. We project sustained benchmark leadership performance in the future due to annual internal and external ISO 9001 audits.

7.4-14 Fraudulent Gross Sales Lost as % of Gross Sales

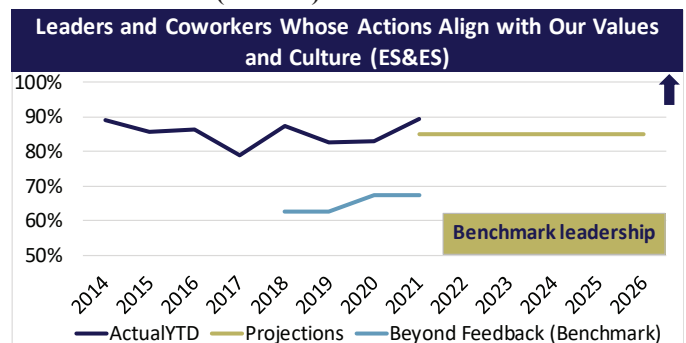


Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. As a part of the Apply Machine Learning to Fraud On Hold Process CAP, we created highly sophisticated systems to prevent credit card fraud and Customer account take over (6.1d). This is another reflection of our V&C driving improved process results. We project sustained benchmark leadership performance in the future, significantly better than industry benchmark due to this improvement.

7.4a(4) What are your results for ethical behavior? What are your results for key measures or indicators of ethical behavior, breaches of ethical behavior, and stakeholder trust in your senior leaders and governance? How do these results differ by organizational units, as appropriate?

EKR 12 Leaders & Coworkers Whose Actions Align with Our Values & Culture

7.4-15 Leaders & Coworkers Whose Actions Align with Our Values & Culture (ES&ES)



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Our V&C are key components of our organization and are reinforced and sustained by our LS, hiring Employees who align with our V&C, and our Performance Review process which includes an evaluation of alignment with V&C. We project sustained benchmark leadership performance in the future due to MW's commitment to our V&C and our Performance Review process. (SAOS)

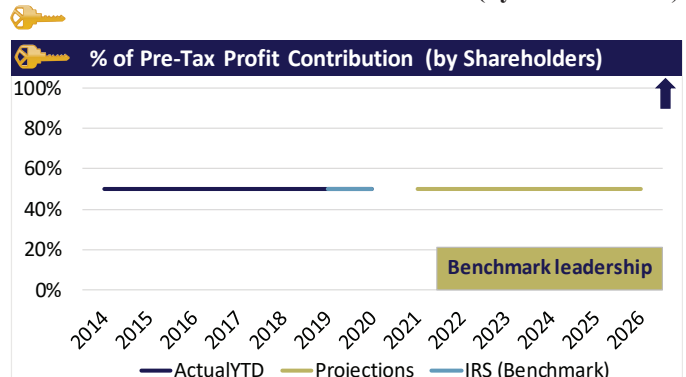
Additional results for ethical behavior:

Figure	Result
7.1-20	Friendly, Courteous, Respectful, Ethical Relationship (SPSS)
7.4-10	% Compliant – LERC

7.4a(5) What are your results for societal well-being and support of your key communities? What are your results for key measures or indicators of your societal contributions and support of your key communities?

SHKR 7 Support Key Communities

7.4-16 % of Pre-Tax Profit Contribution (by Shareholders)



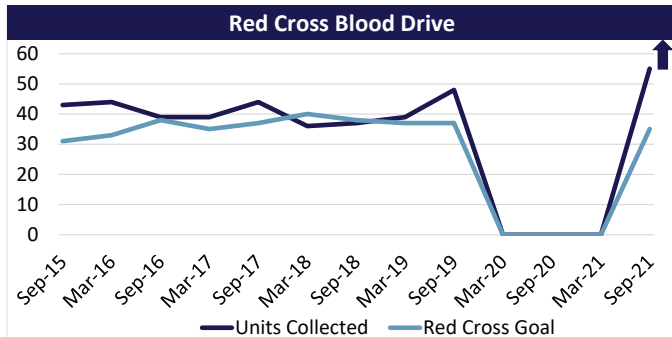
Results

Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. % of Pre-Tax Profit Contribution is a CKM and the KM for the SHKR *Key community support*. Maximum deductions allowable from contributions by the IRS is 50% per year. Since 2010, MW has made over \$250 million in charitable contributions to support the NRA, 2nd Amendment and our other key communities. Most of these contributions are made to organizations in the shooting sports industry including the MidwayUSA Foundation. Segmentation of contributions is available in 7.4-17. We project sustained benchmark leadership performance in the future due to our financial strength and our SHKR *Support key communities*. (SAOS)

7.4-17 % of Pre-Tax Profit Contribution Segmentation

	2016	2017	2018	2019	2020
Total Contributions					
NRA - The National Rifle Association					
NRA					
Shooting Sports Industry					
MidwayUSA Foundation					
Shooting Sports Industry					
Numbers Redacted for Privacy					
Key Conservation Groups					
Conservation					
Local Area					
Local Community					

7.4-18 Red Cross Blood Drive



Results demonstrate excellent performance levels consistently meeting or exceeding goals set by the Red Cross. Blood drives are one of the primary ways Employees support our local community. Due to COVID restrictions we were unable to host blood drive events in 2020. We will participate in this event again in the future as soon as it is deemed safe. Due to the nature of this measure, relevant comparative data cannot be obtained.

Additional results for key community support

Figure	Result
7.2-10	NRA Round-Up \$

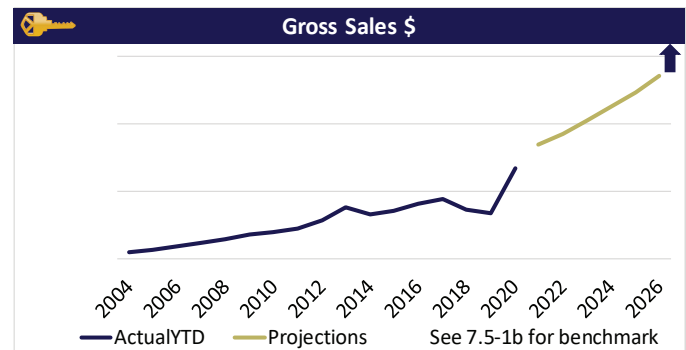
In addition to financial support to our key communities, in 2021, Shareholders donated two buildings on our existing campus; one was donated to the MidwayUSA Foundation and one was donated to the Boy Scouts of America. As we execute our long-term plan (Fig 2.2-1) to move operations to our 500-year campus, this is another example of our Shareholders' generous support of our key communities.

7.5a(1) What are your financial performance results? What are your results for key measures or indicators of financial performance, including aggregate measures of financial return,

financial viability, and budgetary performance, as appropriate? How do these results differ by market segments and customer groups, as appropriate?

SHKR 2 Grow the Value of the Company through Growth in Gross Sales

7.5-1a Gross Sales \$

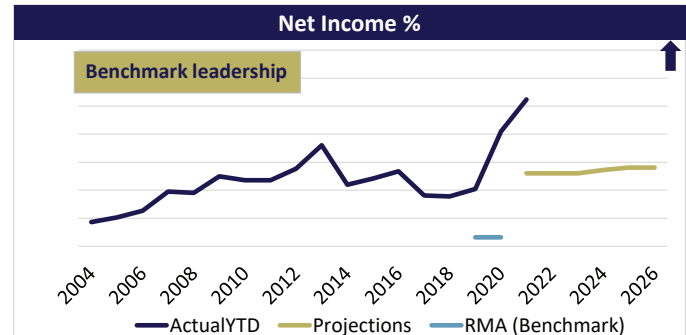


7.5-1b Gross Sales % Growth



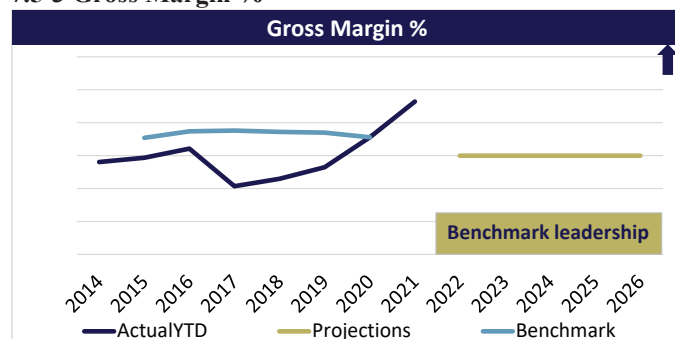
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Gross Sales \$ is a CKM and the KM for the SHKR *Growth in gross sales*. While gross sales dropped in 2018-19 due to market slowdowns, MW maintained performance well above the industry, averaging 17% annual growth over the past 12 years, almost double the average industry growth rate of 9% (7.5-8). While 2018-2019 were slightly below competitor performance, we exceeded their performance significantly in 2020 and are projecting to do so again in 2021. Please note the huge increase in 2020 from the COVID/election surge, which skews the data points. Our pace in 2021 is for 25% growth which exceeds our industry-leading 12-year average annual growth rate of 17%. We project sustained benchmark leadership performance and growth in the future due to our "Frequent, engaging, relevant promotions" and "Supplier & Partner relationship management" CC and SA and our agility and resilience in response to rapidly changing market conditions. (Product category SAOS)

7.5-2 Net Income %



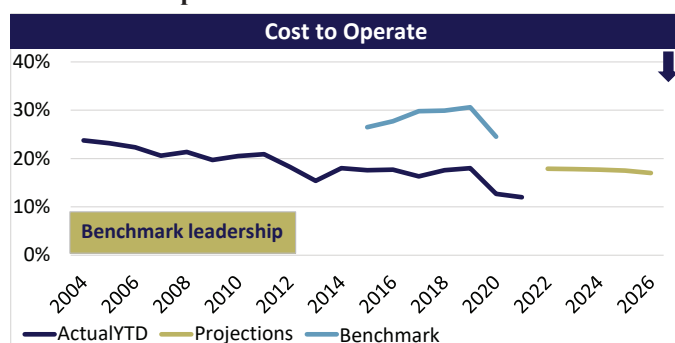
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Market surges in 2013, 2016 and 2020 allowed us to meet or exceed our sales budget without sacrificing product margins (7.5-3) through promotions. Improvements in productivity and efficiency through CAPs and process improvements have allowed MW to continually lower operating costs (7.5-4) and increase net income. We project sustained benchmark leadership performance in the future and a return to normal levels based on historical performance and due to our *Growth in net income* SHKR. This graph shows additional historical data to better depict the long-term focus on improving results in this key growth related measure.

7.5-3 Gross Margin %



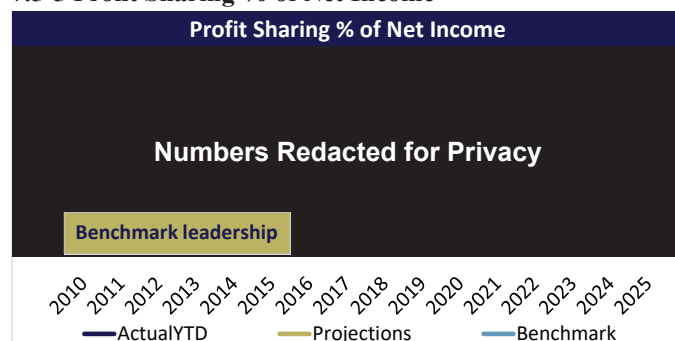
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. This measure is directly related to SHKR *Growth in net income*. With the market slowdown in 2017-2018 we were forced to sacrifice some margins to drive sales through promotions (CKR *Frequent, engaging, relevant promotions*). As the market rebounded in late 2019-2020, we were able to scale back our marketing and promotion efforts and achieve our sales goals through organic business. We project margins to return to normal as markets normalize in the coming years.

7.5-4 Cost to Operate



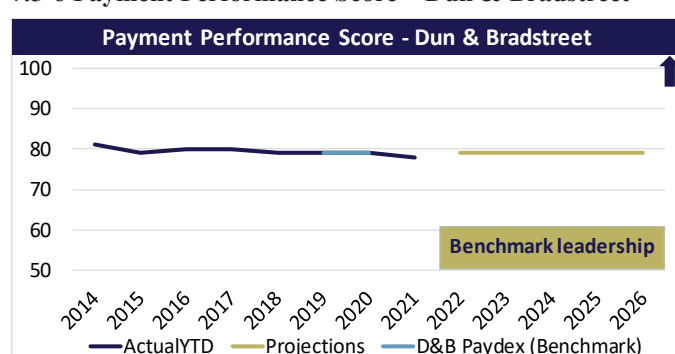
Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Cost to Operate is a supporting measure of SHKR *Improvement in productivity, efficiency & quality* and represents the difference between Gross Margin % and Net Income %. This measure is a key indicator of our ability to control variable costs and maintain higher net income. We project sustained benchmark leadership performance in the future due to this SHKR and our Culture of Continuous improvement. This graph shows additional historical data to better depict the long-term focus on improving results in this key growth related measure.

7.5-5 Profit Sharing % of Net Income



Results demonstrate benchmark leadership levels sustained over time. Due to outstanding budgetary performance (7.4-5a Net Income \$ to Budget) we have paid profit sharing 17 years in a row. Additional money was included in the 2020 profit sharing pool as it was declared a “windfall profit year” and Employees received a record amount. We project sustained benchmark leadership performance in the future due to our financial strength, our SA “Financial management” and a focus on leveraging our other CCs and SAs to drive growth.

7.5-6 Payment Performance Score – Dun & Bradstreet



Results demonstrate benchmark leadership levels sustained over time. A score above 80 indicates payment before Supplier invoice terms requirements. “Timely, accurate payments” is an FS department strategy and is supported by Receiving and Accounts Payable Management processes to satisfy SPKR *Timely payment* and *Accurate payments*. We project sustained benchmark leadership performance in the future due to these processes and strategies.

Additional results for financial performance:

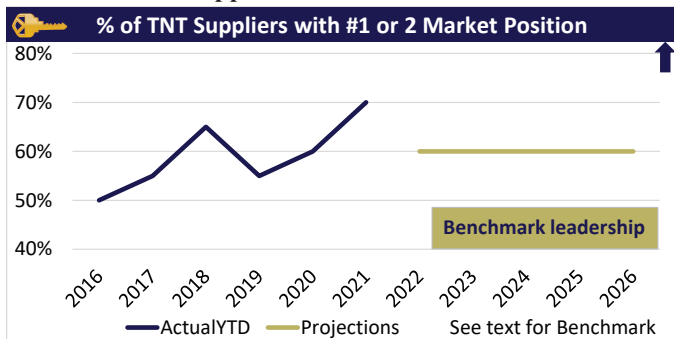
Figure	Result
7.4-5a	Net Income \$ to Budget
7.4-6	Return on Assets
7.4-7	Debt to Equity Ratio

7.5a(2) What are your marketplace performance results? What are your results for key measures or indicators of marketplace performance, including market share or position, market and market share growth, and new markets entered, as appropriate? How do these results differ by market segments and customer groups, as appropriate?

Results

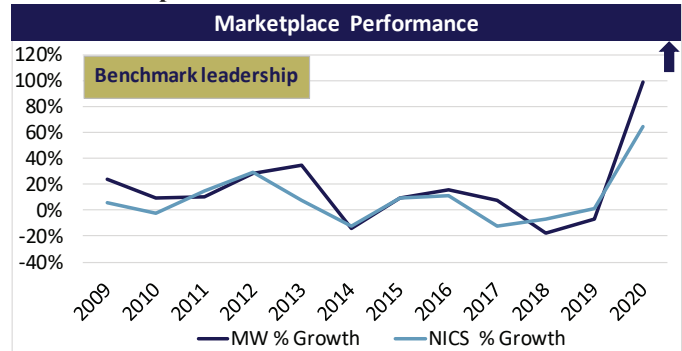
SHKR 4 Increase Market Share

7.5-7 % of TNT Suppliers with #1 or 2 Market Position 



Results demonstrate benchmark leadership levels in comparison to industry competitors and a beneficial trend. Our TNT Suppliers make up 55% of our total sales so it's important for MW to maintain a top position in their market. This CKM indicates that we hold either the #1 or #2 market position with 65% of our key Suppliers, outranking nearly all of our competitors. Our "Build great Supplier & Partner relationships" strategy allows us to capitalize on market position and collaborate with Suppliers to satisfy CKRs *In stock products, Product selection and Frequent, engaging, relevant promotions*. We project sustained benchmark leadership performance in the future due to our strategies and our Supplier Relationships and Supplier Programs processes.

7.5-8 Marketplace Performance



Results demonstrate benchmark leadership levels and beneficial trends sustained over time. This measure compares our growth to industry growth as indicated by National Instant Criminal Background Check System (NICS) checks. Each time a person tries to buy a firearm, the seller must contact NICS to run a background check (NICS check) on the prospective buyer. Growth in NICS checks is a good indicator of growth in our industry. We perform exceptionally well, consistently outpacing the market, with an average growth rate of 17% vs. the NICS growth rate of 9% (2009-2020). We project sustained benchmark leadership performance in the future, outperforming the industry, due to our focus on growth through our SHKR's *Growth in gross sales and Grow the value of the Company through Customer acquisition & retention*, leveraging our CCs and SAs such as "CS&E", "Frequent, engaging, relevant promotions", "Supplier & Partner relationship management" and our agility in response to rapidly changing market conditions.

7.5-9 New Product Categories Entered or Expanded

Product Sales	2015	2016	2017	2018	2019	2020	2021*	Total
Expansion								
AR-Stoner								
Camping								
Clothing								
Footwear								
Reloading - Powder								
New								
Guns								
Fishing								
Total Contribution								
% Contribution to Gross Sales	3.7%	7.4%	9.1%	9.2%	11.0%	10.6%	15.5%	


*Projections

Entry into new product categories and expansion of existing product categories are key to meeting SKRs. It allows for growth in both Customers (SHKR *Grow the value of the Company through Customer acquisition & retention*) and sales (SHKR *Growth in gross sales*) while also providing new value for Customers (CKR *Product selection*). Results from our most recent new category entries or expansions demonstrate excellent performance on intelligent risks taken to drive growth and satisfy Customers.

Entry into new product categories:

- Guns (2018-19 FFL Controlled Item Sales - Drop Ship Only, FFL Controlled Item Sales - Drop Ship Only -2.0, BMR - Direct Distribution of FFL Controlled Products (FFL 4.0) CAPs)
- Fishing (2019-20 Fishing CAP)

Expansion of existing product categories:

- AR-Stoner (2015 AR-Stoner Product Expansion CAP)
- Camping & Survival (2014-15 Category Expansion - Camping & Survival CAP)
- Clothing (2015 Category Expansion - Workwear CAP)
- Footwear (2014-16 Category Expansion – Footwear CAPs)
- Reloading - Powder (2018-19 Powder Distribution CAP and 2019-2020 Black Powder Sales CAP)  Although we sold powder via drop ship service through our Suppliers for many years, in 2019 we built a new facility and began direct distribution of powder to Customers. This CAP provided significant improvement to many CKRs including better pricing (CKR *Competitive product pricing*), availability (CKR *In stock products*), delivery times (CKR *Super-fast shipping & delivery*) and the opportunity to promote powder (CKR *Frequent, engaging, relevant promotions*). Due to reduced supply of available powder inventory caused by the COVID demand surge, we project a decline in sales for 2021.

Opportunities for category expansion or entry into new categories are identified through the CAM, Product Offering, Market Research, VOC and SPP and have contributed significantly to sales growth. Additionally, entry into new categories, such as Fishing and Camping, are intelligent risks to help address our SCs “Legislation affecting the shooting/hunting industry” and “Scarce supplies of certain hard-to-produce products.” Use of our processes and CAM (3.1b1) ensure we continue to identify categories for entry and expansion for growth (SHKRs) and organizational sustainability (EKR).

7.5b What are your results for the achievement of your organizational strategy and action plans? What are your results for key measures or indicators of the achievement of your organizational strategy and action plans? What are your results for taking intelligent risks?

Additional results for organizational strategy:

Figure	Result
7.2-1	Customer Satisfaction for SO “Maintain CS&E”
7.3-10	Employee Satisfaction for SO “Improve ES&E”
7.1-19	S&P Satisfaction for SO “Maintain S&P Satisfaction”
7.1-13	Shareholder Satisfaction for SO “Maintain SH Satisfaction”

Our SPP is designed to meet OGs through achieving SOs (Figure 2.1-2 Key Strategic Objectives and Goals). The results for our OGs demonstrate benchmark leadership levels sustained over time. Satisfying Stakeholders by meeting SKRs ensures the effectiveness of our organizational strategy and action plans.

SHKR 8 Receive Malcolm Baldrige National Quality Award

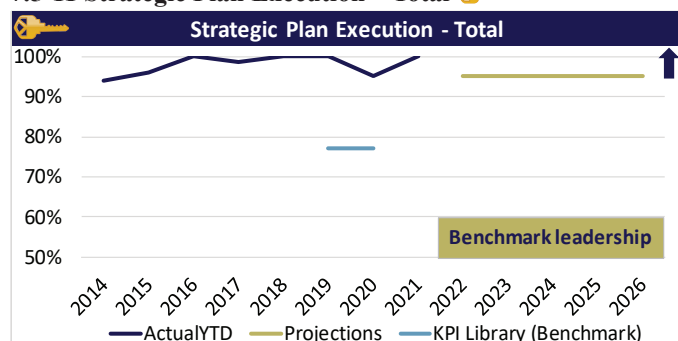
7.5-10 Receipt of Baldrige Award

Receipt of the MQA/ Baldrige Award	2008 MQA	2009 Baldrige	2015 MQA	2015 Baldrige	2021 Baldrige (Proj.)
	100%	100%	100%	100%	100%

Receiving the Baldrige Award as often as we are eligible (every 6 years) is an SHKR which aligns with our LTG. Results demonstrate benchmark leadership levels and a beneficial trend sustained over time at a best practice performance of 100% since first receiving the award in 2009. We project we will continue to meet the goal for this CKM in 2021 and our long-term planning horizon due to our Operational Strategy “Aspire to be the purest Baldrige colony on the planet.”

SHKR 11 Continuous Innovation Through SP Execution

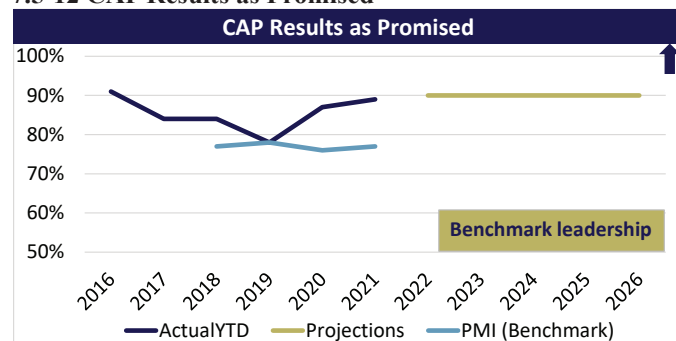
7.5-11 Strategic Plan Execution – Total



Results demonstrate benchmark leadership levels and a beneficial trend sustained over time. Strategic Plan Execution, a CKM, represents the percentage of CAPs completed within the timeframe allotted by SLs. MW consistently achieves over 95% of its CAPs with four of the last 5 years at 100% completion. This is well above the 77.23% average upper score from the KPI Library benchmark. This reflects the depth of integration

of the SPP with the Budget and Workforce Planning processes. We project sustained benchmark leadership performance in the future due to these well established and well deployed processes.

7.5-12 CAP Results as Promised

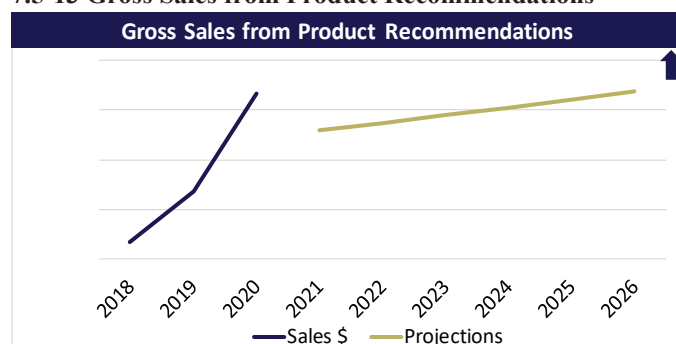


Results demonstrate benchmark leadership levels sustained over time. CAP Results as Promised is a measure of the effectiveness of CAPs to achieve their established goals and outcomes. This represents the rollup average performance of each CAP placed in control phase (Fig. 2.1-1 Box Z). We do not expect 100% performance in these intelligent risks. We set aggressive, but realistic, goals for CAPs that are meant to be difficult to obtain. In 2020 we improved this measure by tracking all CAPs with measurable results for one year and counting them toward this result. Previously, CAPs performing well and deemed sustainable were removed from control phase and no longer counted toward the success of this measure. We project sustained benchmark leadership performance in the future due to our Value of Accountability and our systematic Project Management process.

Examples of results for intelligent risk are shown below.

SHKR 2 Growth in Gross Sales

7.5-13 Gross Sales from Product Recommendations



Results demonstrate excellent performance levels and a beneficial trend sustained over time. An example of intelligent risk, Gross Sales from Product Recommendations, is a measure of gross sales driven through the product recommendation engine on our website. As part of the Dynamic Product Recommendation Engine CAP, this engine was developed in-house using proprietary artificial intelligence. We project sustained excellent performance in the future due to the product recommendation engine. Our approach for measuring sales from product recommendations is unique, as a result benchmark data is not available.

Additional results for intelligent risk:

Figure	Result
7.4-14	Fraudulent Gross Sales Lost as % of Gross Sales
7.5-9	New Product Categories Entered or Expanded