

**Summary of the
Texas Nameplate Company
2004 Application for the
Malcolm Baldrige National Quality Award
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P.1 Organizational Description

Organizational Environment

- According to the Small Business Administration statistics, small businesses:
 - Represent more than 99.7 percent of employers.
 - Employ more than 1/2 of private sector employees
 - Pay 44.5 percent of total U.S. private payroll.
 - Generate 60-80 percent of net new jobs annually.
 - Create more than 50% of non-farm private GDP.
 - Supplied 22.8% of total value of federal prime contracts (about \$50 billion) in FY 2001.
 - Produce 13+ times more patents per employee.
 - Are employers of 39 percent of high tech workers
 - Are 53% home-based and 3 percent franchises.
 - Made up 97% of identified exporters and produced 29% of the known export value in FY 2001.

- Texas Nameplate Company, Inc. (TNC) is a small business.
- After six years on our quality journey, TNC sought to distinguish itself from other companies, small and large. In 1998 we applied for an honor few businesses, let alone small ones, even hope for. When we were named recipient of the Malcolm Baldrige National Quality Award, of course we were “Texas” proud because we had come such a long way. But we were also humbled by the experience because we know there will always be room for improvement.
- So, after a reasonable interlude following the Award, we began to make preparations for a second quest: to take TNC to the next level. But what would that be? Where would our new quest take us?
- To understand where we were going, we first remembered where we were coming from. TNC was born after World War II. When that war began, there was a demand for military defense equipment such as tanks, trucks, airplanes, ships, artillery, etc. All of these items required identification and information plates, or as we say today “tags” or “labels.” Photo engravers were recruited by the War Department to produce chemically-etched metal nameplates in support of the war effort. In 1946, Roy Crownover was one of the “founding fathers” of Texas Nameplate Company, Inc. With business initially conducted at facilities on Commerce Street and later on Main Street, TNC moved to 1900 South Ervay in Dallas, Texas, in 1959, where we are located today.
- When TNC first started business, our primary service was chemical etching. Chemical etching is a process of chemically engraving information into the metal

- nameplate. These kind of nameplates can withstand adverse conditions such as long-term exposure to outdoor elements or use in offshore applications in a saltwater environment. When we started, this process was done manually. It was slow and laborious. Then screen printing was added to chemical etching. Our production of 65 flats (18" x 24" metal sheets) per day was increased to 200 or more per day with the introduction of a lithograph press. To keep up with this new equipment, we had to add workers.
- What had started out as a company of three workers grew to a company of over 100 in the 1980's. By 1998 we had newer equipment, newer techniques, and years of quality processes under our belts. We did screen printing, photo engraving, as well as chemical etching. When we received the Baldrige Award, we were a company of 66 workers, the smallest company ever to be so honored at that time.
 - TNC now produces nameplates, identification tags and labels seen on all types of products to meet customer requirements. The information on these nameplates consists of vendor names, model numbers, pressure limits, installation procedures, safety warnings, etc., and may include a UL® mark because we are an authorized label supplier.
 - TNC is a founding member of GPI (the National Association of Graphic and Product Identification Manufacturers, Inc.), our industry's trade association. There are 57 members in GPI. Of these GPI members, 54% do chemical etching.
 - In the GPI annual survey of its members, GPI High Profit firms are distinguished from all other firms. Survey results present comparisons to High Profits and firms of Similar Size to the survey participant. TNC is not ranked by GPI as a High Profit business. For purposes of this Application, we assume that the GPI High Profit businesses are considered Industry Best.
 - Where we are coming from includes more than historical and industry context. It includes our vision, mission, purpose, goal, and values. TNC's Vision, Mission, Purpose, and Goal:
 - Vision: "We want to be the best."
 - Mission: "The employees of Texas Nameplate Company, Inc. are committed to meeting or exceeding requirements, communicating with our customers and suppliers to continuously provide quality products and services that offer best value, while achieving a reasonable return for the employees and owners."
 - Purpose: "To help each other make a reasonable living in support of our families."
 - Goal: "To embed a culture of quality in every aspect of how we conduct our business."
 - To achieve our vision, mission, purpose, and goal, now and in the future, we use a living strategy in which we embed "TNC Wisdom." Examples of TNC Wisdom include answers from Roy Crownover, Chairman of the Board, and Dale Crownover, President & CEO, to such questions as: Is it better to take an order for a small quantity of product or a large quantity? Whom should you always be good to? Should we be afraid to sever our relationship with a customer? Should we worry about sales? Should we pursue new customers under all circumstances? Should we give customers the benefit of price breaks even if that was not part of

the original deal? Should we try to average out the profits made on many orders? Their answers have withstood the test of time.

- TNC Wisdom also includes embedding the Baldrige Criteria; being currently certified by UL® under ISO for our Quality Management System (QMS) (ISO 9001:2000); being currently certified by UL® under ISO for our Environmental Management System (EMS) (ISO 14001:1996); establishing a Baldrige Conference room within our administrative offices; and making a commitment to serve the Baldrige community. The overall result is an integrated set of core values, combining a deep and abiding sense of the past and an eager and wise anticipation of the future.
 - Visionary Leadership encourages on-purpose work, public responsibility, good citizenship, service as a Baldrige role model
 - Strategic Planning looks at future from an agile, systems perspective
 - Performance Excellence driven by our customers, markets, love of family
 - Wise Practices common sense decision-making based on measurement, analysis, wise management of real-time facts, reasons, values, and insights
 - Resources value people, offer personal, and organizational learning
 - Process Management welcomes and nurtures innovation
 - Charted Results track, project, compare results for stakeholders
- To achieve our vision, mission, purpose and goal, using our living strategy, we rely on our company of ready, willing, and able workers, profiled as follows. There are 43 of us, with 58% having finished high school; 12%, college; and 2%, graduate school. We are 23% Black; 35% Hispanic; and 42% White; 37% females and 63% males. We are 72% non-exempt; 28% exempt; and non-union. We are 100 percent trained to use computers for data input and 80% cross-trained for work in other than our main departments. Our turnover is reasonably small. We strive for a good, happy work environment, even though we cannot always work in a stress-free one.
- The major technologies, equipment, and facilities we use are as follows: art hardware and software; screening tables and related equipment; metal cutting and sanding equipment; etching machines; painting equipment; press machines; tool & die machines; IT systems; computers; servers; telephone system, including voice mail for all and view mail for email users; customer on-hold software; image scanners; electronic time-clock; LAN (local area network); payroll software; accounting software; production software; and our plant site on Ervay.
- With these major technologies, equipment, and facilities, we make nameplates out of common materials such as stainless steel, aluminum, brass, and more recently vinyl, and deliver our products and services to customers; and communicate with them via telephone, fax, mail, email, and www.nameplate.com.
- We make our nameplates within a highly regulated environment. TNC operates under national, state, and local regulations of manufacturing processes and human resources; applicable occupational health and safety regulations; environmental, and product regulations and intellectual property laws. Within the GPI membership, there are only two companies who are ISO 14001:1996 certified: TNC and Northern Engraving, which is the largest nameplate company in the USA. We have won Dallas's Blue Thumb Award (water quality) nine times since

1988. We continue to work with researchers to develop a way to reclaim ferric acid from the chemical etching process.

Organizational Relationships

- To accomplish our work, we organize ourselves, govern ourselves, and behave as adults within the traditional ethics of a privately-held, family business. (There is no parent organization.) TNC's corporation has a board of directors. The chairman of the board and the president of the corporation, who are respectively father and son, work with the company.
- The president is the chief executive officer of TNC. All senior TNC leaders report to him. Reflecting the president's approach to leadership, we are not organized in a typical, command structure of delegated authority or power. Rather we respect each other's contributions as equally necessary, desirable, and valuable. We work together as one team (like a wheel instead of hierarchy, like a sphere instead of pyramid). We aim to integrate our efforts as a company of fully appreciated persons, demonstrated in the conduct of our PROP and Group Meetings.
- We use this organizational structure and governance system to frame our value creation and support processes and enable a continuous flow of significant knowledge about our business.
- We also structure 24 key measures into a formal Strategic Plan and support it with Action Plans that tie to documented results.
- We deploy the documented results of our measured work via ***The New Hotrod***, TNC's Intranet and customized software (Simon™, Real-Time Dashboard™ and Pipeline Dashboard™) to help us run our business. At informal and formal meetings, our Senior Leaders review our documented processes as well as results, charts with targeted goals, linkages throughout our Intranet, and all measures. Senior Leaders share comments about the significance of our results at a variety of meetings in a continuing effort to encourage everyone to hand on to others the wisdom that they have learned from each other over the years.
- We have embedded within our organization's structure, governance, and ethical behavior a commitment to social responsibility via our commitment to the Baldrige community. Our president and vice president are trained Baldrige Examiners. Our President has served as a Baldrige judge and is currently the President of The Foundation for the Malcolm Baldrige National Quality Award. Our vice president is the chairman of that Foundation's Support Team. Our president is the chairman of the Quality Texas Foundation and Treasurer of the ASQ. We work with the inner circle of the Baldrige community so that we can spread the word of what we call "The Baldrige Way" of doing business. So embedded is the Baldrige Way in our own business thinking, that our definition of success deliberately follows the Baldrige Scoring Guidelines.
- Our organizational structure, governance and ethical behavior help us respond to our active customers, which now number around 1,100. These

customers provide revenue each year. Segmented, the largest number, 62%, are from Texas; by contrast, our international sales are only at 3%, but they are rising. Of job orders we take, about 80% are reruns and over 50% are from our top 50 customers.

- TNC's key customer groups and market segments are:
 - original equipment manufacturers, 31%;
 - valve builders, 30%;
 - government, 19%;
 - oil field equipment, 11%;
 - pressure vessel makers, 5%;
 - trailers and trucks, 3%;
 - electric/computers, 1%.
- Over 50% of our top 50 customers have been buying from us for over 20 years. With this history, we have well-established customer-TNC-employee relationships among buyers and our Sales team.
- Generally speaking, all customers, regardless of segment, want best value (price); quality products (certifications upon request; no non-conformances, TNC's guarantee); personalized service (ease of communication); responsiveness (quote time); reliability (on-time delivery, TNC's guarantee); flexibility (scheduled releases); customer focus (payment terms); and environmentally responsible production.
- Our Outside Sales remains a good front-line listening post for listening and learning about these requirements and the consequences for not meeting them. We also will occasionally use an outside survey. In the Gantz Wiley survey of customers, reduction of production cycle time was the single biggest request.
- We are eagerly awaiting the release of our production software vendor's new software that will enable our customers to view their job data via an Internet portal.
- Our suppliers play key roles in helping us meet these customer requirements. Key suppliers include, of course, metal, chemicals, and paint companies. They supply the raw materials for TNC to make nameplates. TNC's most important supply chain requirements are: best value; quality products; personalized service; responsiveness; reliability; flexibility; customer focus; and environmentally responsible products.
- The large majority of our suppliers have been with us for over 20 years. Unlike most GPI firms that outsource about 5% of their business, we choose not to. GPI firms similar in size to TNC outsource 8%.
- Though TNC has no real partnering relationships, we do work with a small number of excellent outside contractors.

P.2 Organizational Challenges

Competitive Environment

- To our knowledge, there are no other chemical etching businesses in Texas. The closest is in Tulsa, Oklahoma.
- In our Mystery Shopper Program, we benchmark seven of our top competitors on an annual basis.
- We do not outsource while our competitors do.
- We are virtually debt free. As a consequence, we can extend terms of product purchase to match the needs of our customers experiencing tough times.
- On the other hand, we are also not subject, as competitors may be, to the golden-handcuffs of customers who bring in large revenue, but little net profit, and who make unreasonable demands of our people and processes.
- Unlike most of our competitors, we have an on-site metal warehouse to maintain a supply of metal our customers typically require. Being virtually debt-free, we can afford to tie up our cash, while our competitors cannot afford to do so.
- Unlike most of our competitors, we have our own in-house Art Department and in-house Tool & Die Department.
- Unlike competitors who use across-the-board pricing changes, our Simon™ pricing system allows us to enhance or reduce net profit at any time on individual jobs.
- We sustain our company not only with more predictable profit, but with better profit.
- Our continuous cash flow has resulted in retained earnings, growing in a sustained manner for years.
- While most businesses cope with lagging indicators, as we did for years, we now are in a position to successfully compete knowing much more about our leading indicators and in-process indicators because of our extensive use of databases and real-time reports.
- We are moving from away from interlinking Excel spreadsheets to active server pages to display our data on our Intranet.
- We are moving away from selectively distributed, paper reports to company-wide, instantaneous data displays via Smart TV's, supporting our efforts to deploy information visually.
- The comparative data we have available comes from Industry Week, third party surveys, and GPI. It is important to note that GPI data is limited since they do not survey members concerning non-conformances or customer satisfaction. What our competitors do not know in these two critical areas is definitely to our advantage. For even if they may be chasing after us, they do not understand the desirability of following their own customers lead and not their competition.
- Moreover, unlike our competitors who have only limited benchmark data, we have Baldrige recipient benchmarks, made available from our Baldrige community friends just for the asking.
- We do not simply let our results speak for themselves. Our knowledge management and Wise Practices require us to tell each other the significance of

our day-to-day results and take actions based on their significance. This kind of knowledge sharing and integration is hard to beat in any competition.

- Some of the principal factors that determine TNC's success relative to its competitors include:
 - our visionary leadership;
 - strategic planning, with Key Business Drivers (KBD's) and known criteria for success;
 - customer loyalty;
 - wise practices, with systematic approaches to targeted levels of performance;
 - continuous training and shared learning on Web-based software for use with Internet and Intranet deployment;
 - process management enhanced via user-friendly production, accounting, and office software; and
 - display of real-time business results to stakeholders.

Strategic Challenges

- We see the following as some of the strategic challenges facing TNC in business, operational, and human resource areas:
 - how to continuously improve the integration of production, support, and management processes;
 - how to continuously improve TNC's reconfigured knowledge management databases, software, equipment infrastructure, and Internet and Intranet websites for customers and employees;
 - how to continuously improve employee learning, motivation, and inter-generational knowledge sharing;
 - how to continuously improve ways TNC fulfills its commitment to Social Responsibility and the Baldrige Community;
 - how to ensure that our strategic objectives balance short- and longer-term challenges and opportunities;
 - how to better anticipate changing customer requirements;
 - how to best respond to customer merger, with relocation of buyers and original equipment manufacturers;
 - how to better deal with increasingly complicated government paper work on jobs we have been repeating for decades without substantial changes;
 - how to use "attractive marketing" techniques to select customers we want to work with over the long run;
 - how to best use the new Internet portals to let customers track their orders via our job processes;
 - how to best plan our workloads with the longer vacations that come with our long-tenured workers;
 - how to creatively address areas of dissatisfaction among our workers; and
 - how to best approach language barriers that arise from time to time.

- We will continue to apply for the Baldrige Award and awards similar in nature, like the Shingo Prize, in an effort to keep ourselves focused on improvement and always ready to be examined by others in order to maintain objective perspectives on our efforts.
- In doing so, we hope to continue the practice we began with this Application. We began to gradually write it ourselves approximately six months prior to its submission. Writing our Application this way, we were able to involve all employees and encourage them to contribute their thoughts and reflections. Moreover, we were able to keep all of our fellow workers informed of our progress by posting drafts on *The New Hotrod* and discussing our progress at PROP and Group Meetings.
- We wrote our “Note to Readers,” found on the first page of the Table of Contents (page i), to notify those who read the final paper edition of this Application that a Web-based version of it is posted on *The New Hotrod* and hyperlinked to other documentation not included within the Application. Not only does the Application serve as a hub for knowledge within the company, it also serves as a starting point for further improvement of our Intranet and Internet Web sites of the future.
- To encourage other small business companies to become involved in the Baldrige Program at either their local, state, or national levels, we deliberately chose not to hire consultants to write our Application.
- Our president responded to the questions in the Results category and this Profile. Except for 3rd party charted results, the Simon™ pie-charts, and the Real-Time Dashboard™ charts which are automatically updated based on daily data entry, our Administrative Assistant prepared all of the charts. Our vice president responded to the questions in approach and deployment Categories 1 through 6 and laid out the Application using MS Publisher.
- Our Senior Leaders reviewed the final draft at our May 2004 Management Review Meeting and considered whether to recommend its submission.
- Our president, “leading by being led,” followed their recommendation, saying:
 - “We want to take Texas Nameplate Company to the next level by continuously improving.
 - **“We are good at being a small business: we want to be better, not bigger.”**
 - “This time our new quest encourages us to submit this Application.”

1 Leadership

- In 1998, TNC’s leadership system involved a Business Excellence Leadership Team (B.E.L.T.); a Daily Operations & Innovation Team (D.O.I.T.); Corrective Action Teams (CATs); Standing Teams; Production Department Teams; Support Service Teams; and named Champions for each of our seven Key Business Drivers.
- By FY2004, TNC’s leadership system had become much simpler. There is no longer a hierarchical separation of management, sales, production, and operations.

- As a rejuvenated company of mutually-supportive people, our Senior Leaders sit together at our **PROP** (Process and Review Operational Performance) meetings to share reported observations and achieve a systematic learning of TNC Wisdom.
- Projecting reports and Real-Time Dashboard™ data on our training room wall for all to see at the same time, we make decisions based on actionable evidence.
- Embedding the Baldrige way of doing business into everything we do internally, we are better able to show externally what we offer to the global economy we serve via the Internet, *www.nameplate.com*.

2 Strategic Planning

- TNC’s approach to Strategic Planning continues to be **Plan, Do, Check, and Act** (PDCA). During project cycles, we run these fundamental bases many times.
- In 1998, using this approach, we developed a strategic planning process that involved many steps that served us reasonably well at the time. However, we all saw reasons to improve it. The old process produced notebooks that rarely left their shelves and were reviewed only when a reference needed to be checked. It did little to discourage the “silo” affect among departments. Though it produced plans with a single vision, limited goals, and multiple strategies, it also nearly overwhelmed us with action plans. Finally, it did next to nothing to tie financial planning to strategic planning.
- Prior to the arrival of FY2004, TNC’s Senior Leaders wanted to simplify this process as well. Thus a more streamlined process was developed. The FY 2004 Strategic Planning Process is built on our past planning experiences, as well as bridged to our vision of future planning efforts. Our ISO Management Review Meeting processes now incorporate our Strategic Planning processes. Action Plans are limited and linked to targeted goals, which in turn are linked to our Key Business Drivers. Our new process integrates display and review via *The New Hotrod*. It virtually prevents the “silo” affect among departments. And, finally, it links financial budgeting and strategic planning on a fiscal year basis.
- The FY 2004 Strategic Planning Process resulted in a comprehensive Strategic Plan. It could not have succeeded without numerous runs around the PDCA bases involved in a series of infrastructure projects and the milestones achieved along the way.
- Having laid the groundwork for strategic planning in this way, we believe we not only have a process, and a way to deploy the resulting plans, but we have a way to project and check performance on a real-time basis.

3 Customer and Market Focus

- While some companies have complained about the down turn in the economy, especially after September 11, 2001, we took the pause as an opportunity to get ready for the economy when it comes back (as it is showing signs of doing now).
- Thus, while back in 1998, TNC relied on our telephones, fax machines, the mail, and Outside Sales to interact with customers, by FY2004, we had installed a new NEC telephone system, with enough lines and phone extensions for everyone to

help our customers. We had introduced a second, high-speed fax machine. Email and our Internet Web presence had begun to be the preferred way of transmitting customer documents, drawings, and related purchase orders and confirmations. We are now working with customers implementing Internet portals.

- In 1998, TNC's main phone operator handed out phone- message pink slips reminding us of customer calls. By FY 2004, our new phone system includes a new voicemail system that ties into our email system so we can capture every call coming in, note responses, and file them electronically.
- In 1998, TNC had one pre-recorded message for customers our operator put on hold. By FY 2004, TNC has a new customer-on-hold system that allows us to change the message via the Internet and vary the content as often as we want.
- In 1998, we had a customer service representative who was several layers deep into the phone extension hierarchy; often heeding the concerns of production departments and not sales; and keeping transaction data to himself. By FY 2004, all of us are telephone operators who can respond to customers. Our primary customer service representative answers the company's main line; is stationed in the Accounting Department; and maintains a database of customer interactions which all can view via *The New Hotrod*.
- In 1998, the World-Wide Web was really only about two years old, as Microsoft and Netscape began their browser wars. By FY 2004, TNC explores new global potential of the Internet market, finding new customers via specialized directories, lead-generating Web sites, and database-backed e-commerce of all sorts.
- As our customers become more Internet savvy, we are firmly committed to working with them. With our hands-on experience and with a genuine appreciation of the new way the present generation wants to conduct business, we are ready, willing, and able to focus on helping our customers take the market to the next levels.

4 Measurement, Analysis, and Knowledge Management

- In 1998, TNC used a single computer as a mid-range server, a local area network (LAN) of desktop computers (with virus-vulnerable, shared "c" drives), a production and accounting application we had customized (and called "The Hotrod"), and a set of shared spreadsheets to document and account for the "facts" of our business. It worked most of the time. The underlying databases were not linked and not easily searchable. The data-entry screens were "green" and not user-friendly. We had no Intranet. Our Internet Web site was elementary and difficult to navigate. The Baldrige Criteria category covering this dimension was called "Information and Analysis." We have all come a long way.
- Beginning in 2001, we began a series of projects anticipating the technology changes to come and took the changing Baldrige Criteria in stride. Our local area network (LAN) is new; we no longer share "c:" drives. We have new computers, new application software, and easily queried databases. They are all linked to our own servers. We now host our own Web sites. Our Web-browser-based Intranet, *The New Hotrod*, integrates our constantly updated Web pages. Our Internet presence is search-engine friendly. And most importantly, as we gain Real-Time

Dashboard™ access to our rich data, we are refining our processes as the significance of the data becomes readily apparent.

5 Human Resources Focus

- In 1998, our company numbered 66 people. By FY2004, we are now 43 people strong.
- In 1998, TNC had five major “silos” (Administration; Accounting; Sales; Production, and Operations), often working counter-productively. By FY2004, we are united as one team, working for the same purpose: “to provide present and future generations of employees with a reasonable way to make a living to support their families.”
- In 1998, we used an innovative incentive program called Gainshare to motivate our workers to make nameplates without any defects. This program is still in place. But even before September 11, we began to realize that as our non-conformances got closer to “zero defects”, we had less and less cost savings to share, especially during the slowing economy. We wanted another program to address when the economy was shrinking. Our JETS program was born on September 18, 2001, as a result. As you will learn shortly, it provides an incentive that is more than money can buy.
- In 1998, our ISO 9000 program of procedures, processes and work instructions were in paper notebooks in a controlled area just outside the Production Manager’s office.
- By FY2004, we are making major headway in transferring these documents to our *The New Hotrod* as well as those of our ISO 14001 program.
- In 1998, we all worked the same hours at our plant site due to the “challenges” of the area in which it is located. By FY2004, members of the sales, support, operations, and administration can do business from wherever they are with our remote connectivity.
- In 1998, the members of our company were thrilled to be named the recipient of the Malcolm Baldrige National Quality Award in Small Business. It honored our years of accumulated business experience. By FY2004, we have embedded the Baldrige Criteria into the very heart of our business. Beginning in the Spring of 2001, we have given thanks for the Baldrige program by naming our downstairs meeting area the “Baldrige Conference Room.”

6 Process Management

- In 1998, TNC employed a Production Manager or “boss” to make nameplates, just like it had for over 40 years. By FY2004, our Senior Leaders, using our new software applications and the Real-Time Dashboard™, are managing their own production without a “boss.”
- In 1998, the production processes we managed were largely those used to make nameplates for over 50 years. Sales was not seen as Production; Support, especially Accounting, was not part of Production or Sales; Operations was not

exactly Production. By FY2004, our Senior Leaders have so embedded the Baldrige way of conducting business that we now realize value creation processes within Sales, Production, Operations, and Administration. We also realize how support processes are integrated throughout via our new software applications, *The New Hotrod*, and www.nameplate.com.

- In 1998, the Administration pieced together the information from the various silo-like departments to get the complete picture. But with time lags in the information provided, it was not always clear what an undistorted view might really be like and what we could do if we were all looking at the same information. By FY2004, the Administration re-presented the data entered by the various departments via *The New Hotrod* and the Real-Time Dashboard™ so we could all process the same information at the same time and manage the resulting dovetailed processes ourselves and in a highly integrated manner.

7 Business Results

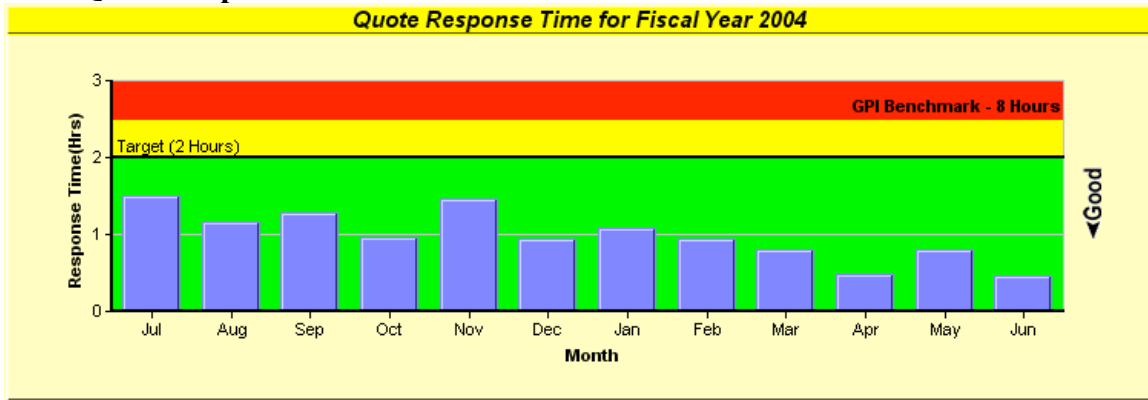
- Our company is results-oriented. But not just any kind of results. We want results from a systems perspective. Our company's Key Business Drivers (Customer Loyalty, Employee Loyalty, Process Optimization, Social Responsibility, Environmental Consciousness, Fair Profit, Sustaining Growth, and Wise Practices) have helped us obtain the results wanted including those we present in the next pages.
- Using our Criteria (TNC Wisdom and the Baldrige Criteria in combination) with a view toward innovation and integration, we continually looked for evidence of our success in terms of sustainable growth. Over the years we have refined not only our approaches and deployment as we have presented earlier, but we have refined what we are looking for in our results.
- In 1998, we presented 47 charts and lists over 14 pages. In this Application we present over 60 charts over 18 pages. We are not simply increasing the number of charts and lists. We seek instead to frame the significant evidence of results showing how we are sustaining our success. Moreover, we want to show the actionable evidence we relied on as we made our journey: what our Senior Leaders saw in the charted or listed results; how we use them in our daily work; and how we use them to project our future.
- To understand the significance of our results, we defined "success" in operational terms. While others may look at success only in terms of bottom-line financials, we wanted to base our definition on fulfillment of a set of Baldrige-based conditions throughout the year. In effect we embedded the Baldrige Criteria into the way we conduct business.
- By working the Action Plans underlying our formal Strategic Plan, we facilitated our fulfillment of these conditions. Many if not most of the charts presented show direct links to our Action Plans. Every targeted goal in our Strategic Plan has Action Plans to support their achievement.
- At our Management Review Meeting in May 2004, TNC's Senior Leaders met to consider whether we had fulfilled those conditions. They could have said we did

- not. If we had fulfillment, they still had the opportunity to help decide what actions we wanted to take as a consequence. This Application, then, includes one of the highest levels of results a company can hope for: buy-in.
- Based upon our effective, systematic approach to the multiple requirements of our criteria and our well-deployed approaches, with no significant gaps that we can see, we presented the results of our fact-based, systematic evaluation and improvement process to the Senior Leaders. By making the entire Application available for comment and feedback in its development, we had extraordinary organizational learning and sharing as part of management. Using our Real-Time Dashboard™, and now our Pipeline Dashboard™, on *The New Hotrod*, we demonstrated to each other clear evidence of daily refinement, innovation, and improved integration resulting from organizational-level analysis and sharing. We considered how our approach is well integrated with our organizational wants and needs identified in all of our criteria.
 - As our Senior Leaders concluded from their review of our Real-Time Dashboard™ and Pipeline Dashboard™ reports, most satisfying is the fact that our current performance is good to excellent in areas of importance to our organization's key business requirements.
 - Moreover, many to most trends or current performance levels, evaluated against our relevant industry comparisons or benchmarks, show areas of leadership and very good, relative performance levels. And finally, we find that the business results laid out in the following pages address all of our key customer, market, process, and action plan requirements. In their management review process, our Senior Leaders have made a deliberate determination that TNC has sufficient, significant and actionable evidence to show actual or virtual fulfillment of all eight conditions for success. In our eyes, TNC as a company has achieved success and the results about to be presented demonstrate it.

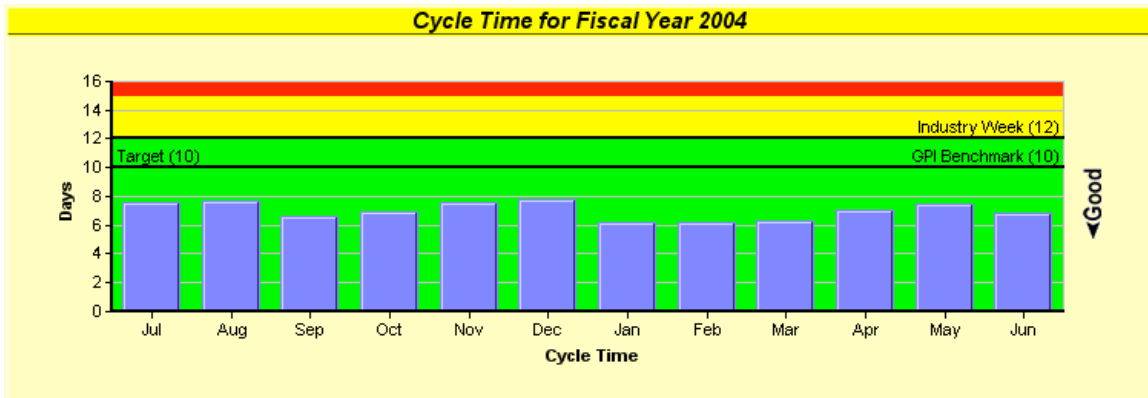
Because of these fulfillments of our conditions, our Senior Leaders agreed at their Management Review Meeting to recommend to TNC's president and chief executive officer that TNC make application to be considered for the Malcolm Baldrige National Quality Award in 2004. The kind of growth we have achieved may not be what others want, but we can all agree that in our economy sustainable growth is needed. Dale speaks across the country, summarizing our results-oriented effort, echoing John Kennedy's great charge, this way: "Ask not what the economy can do for you. Ask rather what you can do for the economy."

Below is a sampling of key charts:

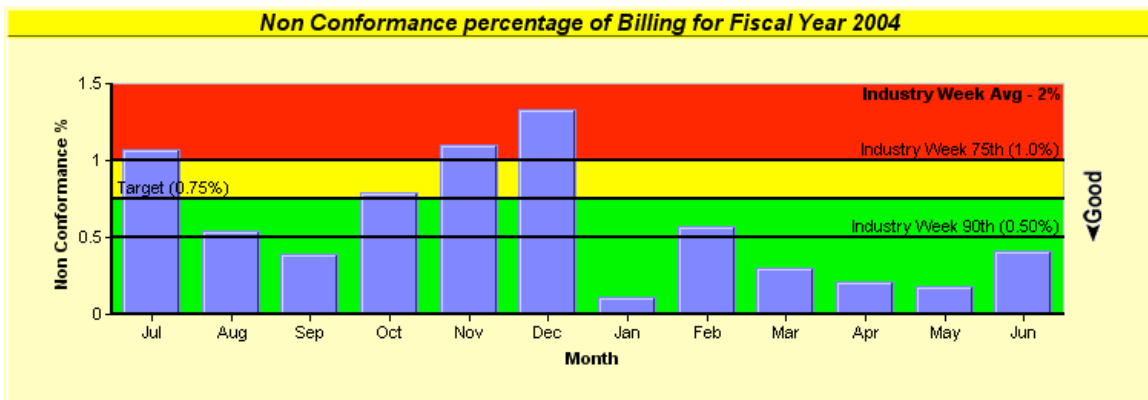
TNC Quote Response Time



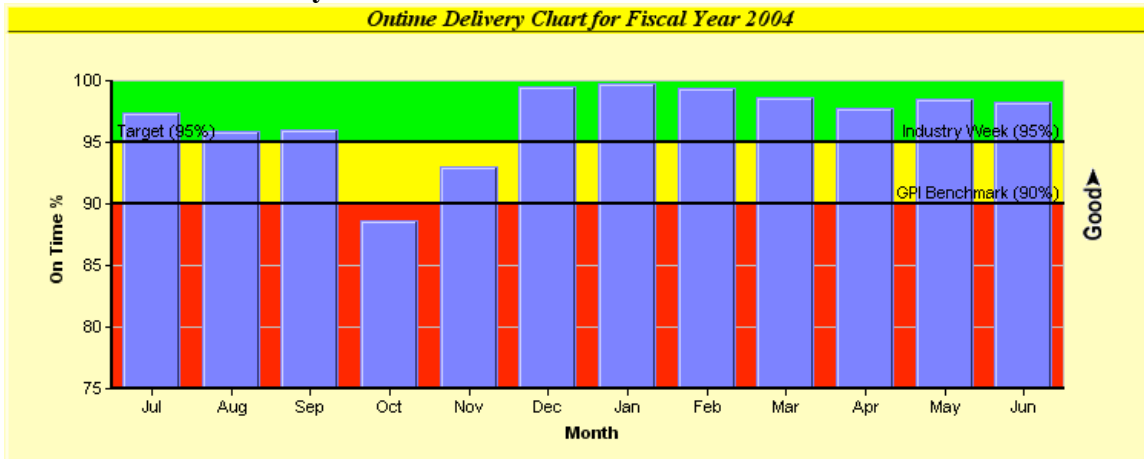
TNC Cycle Time



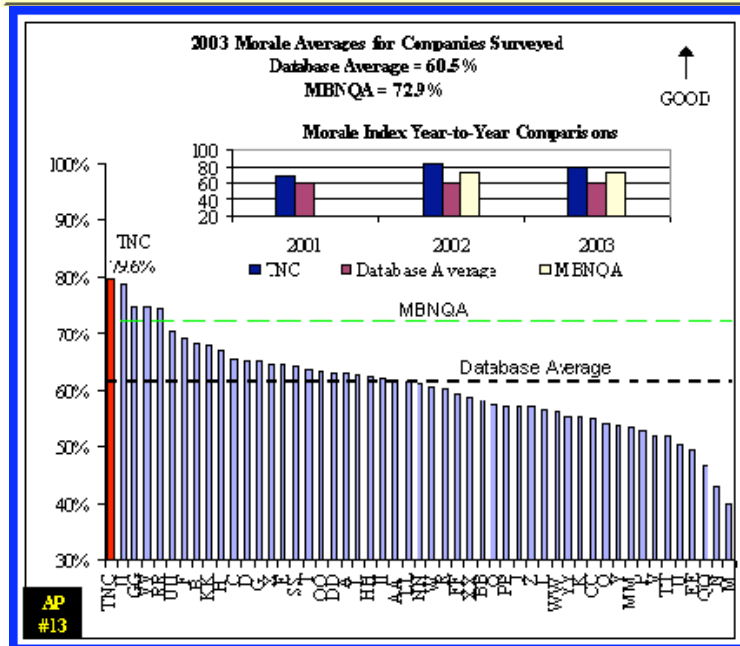
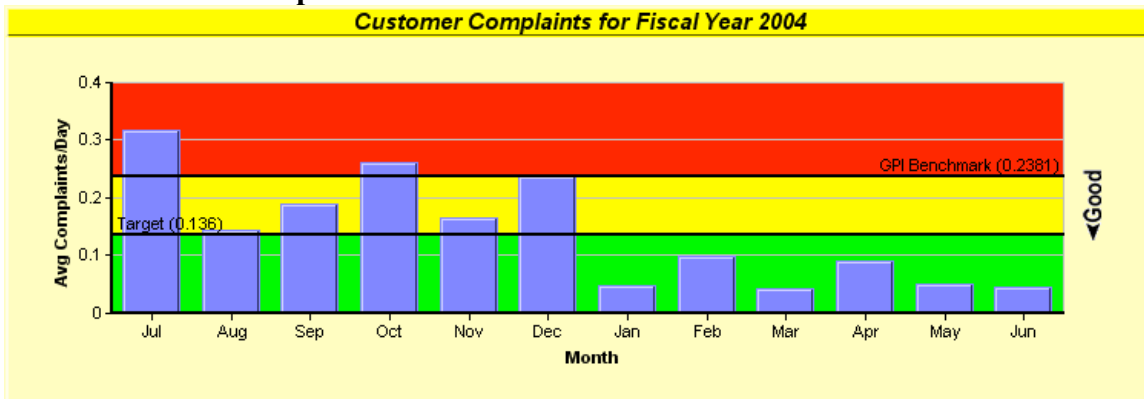
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TNC On-Time Delivery



TNC Customer Complaints



TNC Morale Averages

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Note to Readers: Words written in [blue, underlined font](#) in our Application showed information available for examination on site via hyperlinks on TNC's Intranet, *The New Hotrod*, where this entire Application has been posted. [Figures bordered in blue](#) or placed in a blue background box are also hyperlinked. We presented images to depict information available on site; we do not intend for the reader to always be able to read any text contained in the images. Selected approach or deployment responses were conveniently included in Results to better convey significance.

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Glossary

For convenient reference, a selection of Key Terms was set forth on several initial pages of the Application. In boxes to the right we presented a complete list of the Key Terms defined, briefly described, and hyperlinked for use throughout TNC's Intranet, *The New Hotrod*.

Accessible	Effective
Accurate	Empirical claim
Action Plans	Employee Loyalty KBD
Actionable evidence	Empowerment
Agility	Environmental Consciousness
Alignment	Ethics
Analysis	Etching
Anecdotal	Evidence
Approach	Examined
Argument	Excellent Results
ASQ	Exemplary evidence
Baldrige Points	Exemplary Results
Basic Requirements	Fact
CAT	Fair Profit
Characteristics of the Baldrige Criteria	Financial Performance
Claim	Flats
Clarified	Focus on Results and Creating Value
Clear and convincing evidence	Focus on the Future
Company	Friendly
Competent	Goals
Conclusion	Good Results
Condition	Governance
Confidential	GPI
Core Values and Concepts	GPI (HP)
Corporation	GPI (SS)
Credible evidence	High-Performance Work
Criteria	How
CSA	Importance as a Scoring Factor
Current	IW (Industry Week)
Customer	Innovation
Customer-Driven Excellence	Integration
Customer-Focused Performance	Integrity
Customer Loyalty KBD	ISO
Cycle Time	JETS
Decision	Judgment
Definition	Key
Deployment	Key Business Drivers (KBDs)
Descriptive evidence	Knowledge Assets
Early Results	

Lagging Indicators
Leadership System
Leading indicators
Levels
MBNQA
Management by Fact
Managing for Innovation
Measures and Indicators
Mission
MR
MSP (Mystery Shopper Program)
Multiple Requirements
NAFTA
N.A.M.E.
No Results
OEM
Operational Performance
Organizational and Personal Learning
OSHA
Overall Requirements
Pattern
PDCA
Performance
Performance Excellence
Performance Projections
Poor Results
Process
Process Optimization
Product and Service
Performance
Production Cycle Time
Productivity
Purpose
Real-time
Refinement
Relevant
Reliable
Reported
Responsive

Results
Role Model
Scoring Levels
Screen Printing
Secure
Segments
Senior Leaders
Significant evidence
SMART Objective
Social Responsibility
Social Responsibility KBD
Stakeholders
Strategic Challenges
Strategic Objectives
Substantial evidence
Success
Sufficient
Sustaining Growth
Systematic
Systems Perspective
Timely
TNC Wisdom
Total Cycle Time
Trends
UL®
Validated
Value
Value claim
Value Creation
Valuing Employees
Values
Verified
Very Good Results
Vision
Visionary Leadership
VOC
Well-reasoned Argument
Wise Practices
Work Systems