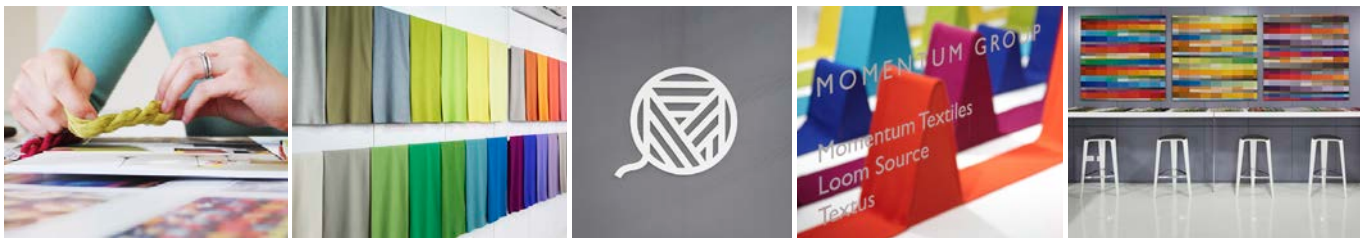


# Malcolm Baldrige National Quality Award



2016 APPLICATION



MOMENTUM GROUP

# Table of Contents

Glossary of Terms and Abbreviations ..... G1

Preface: Organizational Profile..... P1

Responses Addressing All Criteria Items:

Category 1: Leadership ..... 1

Category 2: Strategy ..... 6

Category 3: Customers ..... 11

Category 4: Measurement, Analysis, and Knowledge Management ..... 16

Category 5: Workforce ..... 21

Category 6: Operations ..... 26

Category 7: Results ..... 31

---

# Glossary of Terms and Abbreviations

**ADLI** – Approach, Deployment, Learning and Integration

**2Clicks** – Memo sample take-back program developed so customers can return memo samples at no charge with only two clicks on Momentum’s website.

**5Clicks** – Proprietary tool on Momentum’s website that links real time inventory levels with CFM price points and pre-approvals on furniture in five easy clicks.

**A&D** – Architects and Designers

**Accounting** – Support process that manages financial reporting, month end process and accounts payables.

**ACT** – Association of Contract Textiles; industry association that puts forth product performance standards for contract textiles.

**AFC** – Applied Fabric Claim; a customer claim once the fabric has been applied to furniture.

**BIC** – Best in Class

**BIFMA** – Trade association for Business and Institutional Furniture Manufacturers that puts forth the quality standards for woven textiles.

**Card Program** – A partnership with a CFM whereby they agree to purchase a specific quantity or series of sample cards.

**Coated Fabric** – Comprised of non-woven textiles such as polyurethanes, and Silica to be applied to seating furniture.

**Credit** – Support process that manages accounts receivables and collections.

**CFM** – Commercial Furniture Manufacturer

**CFM Programs** – See card programs

**CRM** – Customer Relationship Management software

**C&S** – Core and Support processes. These are Momentum’s workgroups. Every employee belongs to either a Core or Support process.

**Devel.** – Development

**DSO** – Days Sales Outstanding; used as an indicator of the number of days it takes Momentum to collect its accounts receivable.

**EBITDA** – Earnings Before Interest, Taxes, Depreciation, and Amortization; indicator of a company’s financial performance.

**ETA** – Estimated Time of Arrival

**Five Categories of Focus** – Vision, Customer, People/Culture, Operations and Financial

**Google Analytics** – A web service that provides statistics and analytical tools for search engine optimization and marketing purposes.

**GP** – Gross Profit

**GREENGUARD** – GREENGUARD Indoor Air Quality certify that products do not emit harmful levels of indoor air contaminants.

**HM** – High mileage; refers to high mileage vehicles of >35mpg for Sales Reps’ automotive program.

**HR** – Human Resources; a support process dedicated to the hiring and administration of personnel.

**IBA** – Internal Baldrige Award

**Inside Sales** – A core process workgroup that supports the Sales Reps and perform customer service activities to facilitate the sales process.

**Inventory Management** – A core process workgroup dedicated to the purchasing and management of inventory and supplier management.

**IT** – Information Technology; a support process dedicated to tech support and processing of information.

**LeTCI** – Levels, trends, comparisons and integration

**LoomSource** – Product line for the Hospitality market.

**Marketing** – A support process dedicated to promoting the Momentum brand.

**MBAR** – Malcolm Baldrige Award Recipient

**MDS** – Marketing/Design/Sales monthly meetings

**Memo Sample** – A free 8 1/2 x 8 1/2 swatch of fabric labeled with product specifications that is sent to the customer in order to view the color, hand and pattern of a product before placing a fabric order.

**Momentum Textiles** – Product line that serves Office and Healthcare markets.

**Momentum Way** – Momentum’s employee handbook

**Order Filling** – A core process workgroup dedicated to receiving of product, filling and shipping customer orders.

**OSHA** – Occupational Safety and Health Administration; federal agency charged with the enforcement of safety and health legislation.

**Piece-dyed rolls** – A roll of fabric that has been dyed all at one time in large dye bath equipment after being woven. (In contrast to dyeing the yarns first and then weaving the fabric). Piece-dyed rolls require shade matching at time of receiving due to the variances in color shades that occur during the dying process.

**Product Development** – A core process workgroup that is dedicated to the development of high quality designs that grow sales, hit gross profit targets and meet REI goals.

**PU** – Polyurethane; a type of coated fabric that is considered more sustainable than vinyl.

**PVC** – Polyvinylchloride; a type of coated fabric also known as vinyl.

**QPIS** – Quality Process Improvement System

**REI** – Reduced Environmental Impact

**RFC** – Request for Credit

**SA** – Strategic Advantage

**Sales** – A core process workgroup comprised of remote Sales Reps who work from their home office in their respective sales territories.

**Sample cards** – A card/brochure with small swatches of textiles that is placed in a CFM’s catalogue so that when an end user places an order for furniture they can select the fabric at the same time.

**Sample Management** – A core process workgroup that is dedicated to the production and processing of sample orders.

**Sat.** – Satisfaction

**SC** – Strategic Challenge

**SCFM** – Sales Call Frequency Model

**Silica** – Type of coated fabric that is the industry’s first sustainable alternative to vinyl.

**SKU** – Stock Keeping Unit; Momentum refers to SKUs for the colorways of a particular pattern.

**SL** – Senior Leaders

**SPP** – SPP- Strategic Planning Process

**SWOT** – Strengths, Weaknesses, Opportunities and Threats

**Textus** – Boutique product line focused on upscale corporate office market.

**Threads** –Momentum’s intranet site

**VOC** – Voice of the Customer

**Woven Fabric** – Woven textiles that are used to cover seating furniture such as chairs, sofas, couches etc.

**WERC** –Warehouse Education Research Council

**Wow product** – Award-winning or industry first products developed to create a “buzz” within the design community.

Preface:  
Organizational Profile

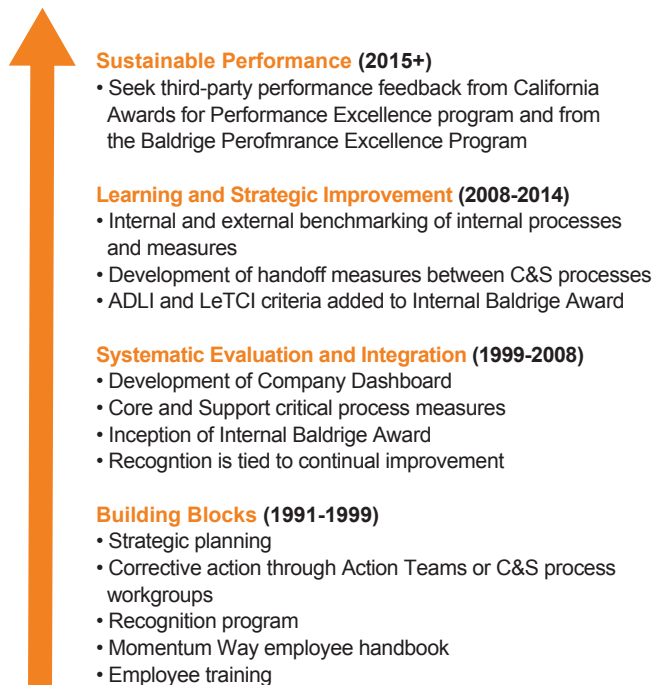
## P.1 Organizational Description

Momentum Group (Momentum) is a true success story. Started more than 20 years ago as one of the smallest contract textile distributors, Momentum is now one of the largest in the nation and has grown sales by over 400% (Figure 7.5-5). The company is also honored to be consistently ranked as the industry leader by its customers (Figures 7.2-1-7.2-6), named a Top Workplace by its employees (Figure 7.3-13), and awarded Gold from the California for Performance Excellence (CAPE) in 2015 for operational excellence. This has been accomplished by diligent and continuous improvement in all aspects of the business, reinforced by a culture of core values, and sustained by employees sharing in Momentum’s financial success.

Today, Momentum is a leading value-added distributor that creates exclusive, design-focused fabrics for the commercial interiors industry. Having won multiple industry awards for design and innovation in recent years, Momentum strives to create innovative and high visibility fabrics with environmentally sustainable characteristics. Momentum distributes to customers in multiple end markets including Office, Hospitality, and Healthcare.

### The Baldrige Journey

Momentum has been invested in continuous improvement since 1991, by using the Baldrige Performance Excellence framework as the underpinning to its journey and progression (P.2c).



**Figure P.1-1** Baldrige Journey

For more than 20 years of Momentum’s history, a culture of continuous improvement has thrived and is deployed to every employee within the organization through Momentum’s Quality Process Improvement System (QPIS), and specifically through its Internal Baldrige Application (IBA) process. The IBA is an annual review process where all 11 workgroups (**six Core processes and five Support processes**. See Figure 2.1-3) submit an internal Baldrige-based application to an outside reader. Momentum has hired a national Malcolm Baldrige examiner for the past 16 years to evaluate each of the Core

and Support (C&S) process’ applications that demonstrate performance on over 250 critical process measures compared to goal (Figure 1.1-3) This long-term dedication to process improvement was recognized when the company progressed from Bronze to Silver, and then received Gold in 2015 from the California Award for Performance Excellence (CAPE), the state Alliance member in California.

### P.1a Organizational Environment

#### P.1a(1) Product Offerings

Momentum designs and sells fabrics that are exclusive designs developed by Momentum’s Product Development team. These fabrics are woven or manufactured by outsourced mills and sold to Momentum in full roll increments (average of 50-yard rolls). The value Momentum adds to its customers is exclusive product designs and cut-to-order quick ship service with only a one-yard minimum per order. Momentum’s two largest product offerings include upholstery seating woven fabrics and coated fabrics (such as polyurethanes, and Silica).

Momentum’s **delivery mechanism** is to use its Sales Reps and Inside Sales agents to sell the fabrics that are shipped to customers from its multiple stocking locations. Momentum is a business-to-business supplier selling to customers who are primarily Architects and Designers (A&D) or Commercial Furniture Manufacturers (CFM) who then provide the design service or the furniture to their customers such as Google, Marriott and Kaiser.

#### P.1a(2) Mission, Vision and Values

##### Mission

*The mission of Momentum Group is to create textiles that inspire and equip our customers to execute great work for their clients. We are individually and collectively committed to superior service and operational excellence.*

##### Vision

*Momentum Group’s vision is to be the undisputed leader in innovative and sustainable contract textiles.*

##### Values

*Momentum Group’s core values are:*

- *Fairness, honesty and respect in all interactions*
- *Advancing, developing and hiring employee excellence*
- *Bettering the world around us*
- *Reducing difficulties experienced by our customers*
- *Increasing shareholder value*
- *Continuous improvement of our products and services*

Momentum’s **core competencies** (which will be italicized throughout the application) include an *innovative product design team* and a *sophisticated selling process*. These core competencies are essential in fulfilling Momentum’s mission. The *innovative product development team* inspires the customer to do great work and the *sophisticated selling process* provides superior service and operational excellence above what the competition offers. (Figure 7.2-1-7.2-6).

#### P.1a(3) Workforce Profile

Momentum is a **small business** whose family is in seven loca-



tions and remote employees who work from their home office (see Figure P.1-4). There are **no organized bargaining units**. The **educational requirement** for all employees is a high school diploma or equivalent and for managers is a bachelor's degree or equivalent. Additional requirements for technical expertise within a particular field are noted in the job description as applicable. **Health and safety requirements**, such as lifting for warehouse employees, are detailed in the specific job descriptions, and there is an active safety program and team that meets quarterly to address any safety issues as needed. Momentum's workforce diversity matches that of the local communities and the company hires the most qualified candidate. Momentum has **recently experienced an increase in remote employees** in response to the need to hire the most qualified Inside Sales agents. To support this organizational change, Momentum invested in an integrated communications management system that allows for customization and operational flexibility at a multitude of locations. In order for Momentum to be successful it needs engaged employees who are committed to Momentum's mission, vision and values. Momentum's **key driver for employee engagement** is a strong core value-driven culture that fosters employee involvement and development.

A highly engaged family of employees has allowed the company to retain top talent, which is noted by the remarkable tenure at Momentum (Figure P.1-4), as well as Momentum consistently being named a Best Place to Work and most recently being honored as one of the Top Places to Work based solely on employee



**Figure P.1-3** Involve, Develop, Engage

Function	# of Employees	% of Employees	Average Tenure	Full Time	Part Time	Management	Non Management
Sales/Inside Sales		54%	7 years				
Product Development/Marketing		6%	8 years				
Operations		30%	10 years				
Support		11%	15 years				
<b>Total</b>		<b>100%</b>	<b>10 years</b>				

**Figure P.1-4** Momentum's Workforce Profile

engagement surveys. This strong company culture drives employees to give the extra effort needed to accomplish Momentum's mission and contribute to organizational success. Further, when the company does well, employees share in Momentum's financial success (Figure 7.3-9).

#### P.1a(4) Assets

Most of Momentum's **assets** are located at the corporate headquarters in Irvine, California and the warehouses that are strategically located near U.S. textile mill suppliers and large CFM customers. For a detailed list of assets see Figure P.1-5 and P.1-6.

Location	Facilities
Irvine, CA	Office space
Archdale, NC Holland, MI Anaheim, CA	Office and warehouse space
Chicago Showroom Dallas Showroom New York Showroom	Showrooms

**Figure P.1-5** Momentum's Locations

Technology	Equipment
Proprietary IT Assets	Textile inventory
Inventory Tracking	Office equipment
Order Processing	Cutting tables
Website	Product racks and shelves
5Clicks	Forklifts
Intranet	
Sales Rep Dashboard	

**Figure P.1-6** Momentum's Assets

#### P.1a(5) Regulatory Requirements

Momentum is a member of BIFMA, the trade association for Businesses and Institutional Furniture Manufacturers, and complies with the BIFMA standard for Woven Textile Characteristics. This standard is intended to define industry policies established for textile quality standards. Momentum is also a member of ACT, the Association of Contract Textiles, and complies with ACT standards for product performance for the contract market. In terms of workforce and operations, Momentum complies with all OSHA regulations in the states in which it operates.

#### P.1b Organizational Relationships

##### P.1b(1) Organizational Structure

Roger Arciniega holds the position of President/CEO. See organizational chart for SLs' (Vice Presidents') areas of responsibility. All SLs report to the President/CEO. Each manager leads or belongs to a Core or Support (C&S) process (see Figure 2.1-3 for a list of C&S processes).

##### P.1b(2) Customers and Stakeholders

Momentum sells to three key market segments: Office, Hospitality, and Healthcare. In each of these market segments there are A&D customers who select and purchase fabric for commercial interiors and CFM customers who produce the furniture for these interiors.

Through Momentum’s extensive customer segmentation by market and customer type for over 20 years, it has become clear that customers’ driving requirements are more similar than different among the A&D and CFM markets, with the few differences noted in [Figure P.1-9](#) and [P.1-10](#).

For Both A&D and CFM	Primarily for A&D	Primarily for CFM
Product Design	Timeliness of samples	Value for design
Sales Rep		On-time and accurate delivery
Sustainable products and operations		
Innovation		
Customer service		
Easy to use website		

**Figure P.1-9** Customer Key Requirements

Market	Requirements
Office	Breadth of product design at multiple price points
Hospitality	Decorative patterns for hospitality applications
Healthcare	Performance and cleanable fabrics for high traffic areas

**Figure P.1-10** Market Segment Requirements

Other stakeholder requirements are detailed in [Figure P.1-11](#).

Stakeholders	Requirements	Result
Employees	Competitive compensation and benefits	7.3-12
	Involvement and development	7.3a(4)
Shareholders	Profitability measured by EBITDA	7.5-6
Suppliers	Regular evaluations and feedback	7.1-29
Community	Community involvement	7.4-11

**Figure P.1-11** Stakeholder Requirements

### P.1b(3) Suppliers and Partners

Momentum’s key **suppliers** are textile mills in North America, Asia and Europe. Momentum **collaborates** with renowned outside designers in the industry who are hired to augment Momentum’s Product Development core process and bring new products to market. **Partners** include yarn suppliers that do not sell directly to Momentum but work with Momentum on yarn development and pigmentation.

**Suppliers** Textile mills contribute to Momentum’s **work system** by weaving or manufacturing the fabrics that are designed by Momentum employee Designers. This **outsourced process of manufacturing** is not a Momentum core competency, and all textile mill suppliers are selected and managed through the supply chain management process described in [6.2b](#). Momentum’s employee Designers (as part of the Product Development core process) are responsible for Momentum’s product development capabilities and work together with customers and suppliers to timely develop fabrics that meet customers’ requirements for design and functionality in a cost efficient manner. As detailed in Momentum’s product design process ([Figure 6.1-1](#)), Momentum’s experienced Designers control every step of pattern development and select the supplier based on their core competencies, ability to execute production, and **enhance competitiveness**. Through this design and selection process, **innovative and award-winning designs** that push the boundaries of what is possible have emerged. The most recent examples of Momentum’s “first to market” innovative, sustainable products are:

- *Naked Nylon, the first recycled and recyclable nylon textile*
- *Silica, a revolutionary sustainable coated fabric alternative to vinyl that performs so well that even a permanent marker*

*can be wiped off*

- *Recycled wool, the first recycled wool commercial textile*
- *Silica Prints (to be launched in 2016): All the performance benefits of Silica with printed patterns that resemble a woven fabric*

With textile suppliers all over the world it is important that Momentum maintains a high level of expectations and standards with which suppliers must comply in order to continue as a supplier. A well-established **vendor evaluation program** ([section 6.2b](#)) is conducted on a quarterly basis with key suppliers to ensure high levels of quality, timeliness and service. They are evaluated and ranked as either Preferred, Approved, or on Probation based on the supplier evaluation criteria detailed in [Figure 6.2-3](#).

**Collaborations** Momentum collaborates with renowned designers from a variety of disciplines, which includes artists and graphic, industrial, and furniture designers who **complement Momentum’s work system**. These collaborations are conducted on a project-per-project basis and evaluated throughout the project based on their contractual agreement. It is due to Momentum’s core value-driven business model that these renowned designers collaborate with Momentum. The shared vision between Momentum employee Designers and these outside designers of providing innovative and sustainable products to the market is what has made these design endeavors so successful. A recent example of a successful collaboration is the Crossing Colors collection with renowned artist Sheila Hicks as described in [3.2a\(1\)](#).

**Partnerships** Partnerships with yarn suppliers have also been instrumental in the success of the company’s global supply chain in order to uphold Momentum’s high quality product standards. Communication with yarn suppliers is determined through high level Product Planning and Vendor meetings detailed in [Figure 4.1-4](#).

## P.2 Organizational Situation

### P.2a Competitive Environment

#### P.2a(1) Competitive Position

Although a **small business**, Momentum is the largest supplier of upholstery fabric and the largest independently-owned contract textile company in North America.

Momentum is **not able to determine exact market share** because competitors are privately owned. However Momentum has consistently grown faster than the industry in sales 19 out of 22 years ([Figure 7.5-15](#)). This indicates that despite the industry not growing at a high rate, Momentum has been able to gain increasing market share in order to grow sales year after year.

#### P.2a(2) Competitiveness Changes

A **key change** that has affected Momentum’s **competitive situation** has been the emerging trend of increasing demand for sustainable and high performing commercial fabrics. Momentum is on the forefront among competitors in developing sustainable,

reduced environmental impact (REI) textiles (Figures 7.4-4 and 7.4-5) that also have high performance capabilities such as Silica, the first sustainable alternative that has all the performance attributes as vinyl. Momentum is also recognized as the industry leader in sustainability by its customers (Figure 7.2-1-7.2-5).

### P.2a(3) Comparative Data

As a continuous improvement-focused company, Momentum challenges its C&S processes to seek out learning opportunities within and outside the industry. Although Momentum has **limited access to competitive data**, as a member of BIFMA and ACT, Momentum is privy to comparative industry data for three measures: sales growth, sales per employee, and sample expense as a percentage of sales. Figure P.2-1 provides a list of the type of comparative and competitive data that Momentum uses to learn from and to compare its measures and results. Industry sources are noted in parentheses.

### P.2b Strategic Context

Momentum’s key strategic challenges in business, operations, and workforce are detailed in Figure P.2-2 with Momentum’s appropriate strategy. Momentum’s key strategic advantages are detailed in Figure P.2-3.

### P.2c Performance Improvement System

Momentum’s QPIS is based on over 20 years of learning and evolving using the Baldrige Performance Excellence Program (BPEP) framework (Figure P.1-1). The QPIS (Figure 4.1-1) uses accountability, performance review, and recognition within its six steps to integrate continuous improvement of products and processes into all aspects of the business and to every employee throughout Momentum.

*Accountability:* Once the strategic plan has been established using the Strategic Planning Process (SPP) (Figure 2.1-1), every strategic action plan is deployed through the Action Plan Implementation process (Figure 2.2-1) from the company level and C&S process workgroups to the individual employee level.

*Performance Review:* Momentum’s performance review is deployed through the Organizational Performance Review

process (Figure 2.2-1) and uniquely integrates the Baldrige criteria into its review process. Momentum hires a national Malcolm Baldrige examiner every year to perform a systematic performance review of the 11 C&S process workgroups (Figure 1.1-3), which submit an internal Baldrige application. This review encompasses over 250 critical process measures compared to benchmarks and goals in three areas:

- 1) *Handoffs:* Measures that track how well another C&S process is meeting a workgroup’s requirements in order to accomplish its work.
- 2) *Process:* Measures that track how well a C&S process workgroup is performing compared to benchmark or goal.
- 3) *Customer Satisfaction:* Measures how well a C&S process workgroup is meeting its customers’ requirements.

Not only are these measures reviewed annually by the national examiner, but they are also the bases for monthly C&S process review meetings (4.1-4). (See Figure 6.1-3 for an example of three types of critical process measures).

*Recognition:* The key to Momentum’s successful implementation of process improvement is the manner in which it incorporates recognition at all levels of the organization. Momentum incorporates employee recognition at the company level (profit sharing), C&S process workgroup (IBA), and individual levels (Individual Performance Excellence Award) (see Figure 5.2-1 for full description of the recognition system).


This structured and fully-deployed QPIS (Figure 4.1-1) that integrates individual, C&S process workgroup, and company performance with employee recognition has been the key to aligning individual activities to Momentum’s strategic objectives and accomplishing its mission. The QPIS also provides a systematic framework for continual learning and innovation in processes and products.

As a Baldrige-based company, Momentum has learning built into its processes. As a guide throughout the application, points in the process where Momentum employees learn, are identified with a 📖. Innovative products or processes are identified with a ⚙️.


Area	Company/Organization Benchmarked	Measure	Results
Product and Brand		→ No of patterns in CFM price point	7.1-11
		→ REI introductions per year	7.4-5
		→ Gross margin and Gross profit for products	7.1-20-7.1-23
		→ Product development process	7.1-14
Operations		→ Website	7.1-6
		→ Warehouse best in class metrics	7.1-4,7,9,10,16,18,19,28
		→ % of A product in-stock	7.1-8
		→ Product Return Rate	7.2-10
		→ Customer inquiry response time	7.1-5
Workforce		→ Training and development	7.3-16
		→ Benefits participation	7.3-10
		→ Employee satisfaction/engagement	7.3-12-7.3-13
		→ Safety and injury rate	7.3-8
		→ Turnover	7.3-11
Customer		→ Customer satisfaction on key requirements	7.2-1-7.2-6
Financial		→ Industry growth	7.5-15
		→ Sales per employee	7.3-2
		→ Sample expense as a % of sales	7.5-7
		→ Bad debt as a % of sales	7.5-4
		→ DSO	7.5-3

**Figure P.2-1** Comparative Data Sources


**CATEGORY ONE: LEADERSHIP**
**1.1 Senior Leadership**
**1.1a Vision, Values and Mission**
**1.1a(1) Vision and Values**

Momentum was formed over 20 years ago when **Senior Leaders (SLs) set the vision and values** for Momentum with a clear direction in mind. Thus, from that initial group of employees, many of whom are still with Momentum today, the birth of Momentum’s core value-driven culture emerged. The values as described in **P1.a2** continue to permeate the culture as they are deployed and integrated throughout the organization.  The vision, which evolves as the company evolves, is reviewed by the management team during annual strategic planning to ensure that it is consistent with the shared vision of the future, market conditions and Momentum’s capabilities. **SLs deploy Momentum’s vision and values** throughout the organization by their personal actions, strategic planning, talent management and communication to stakeholders (**Figure 1.1-1**).

**1.1a(2) Promoting Legal and Ethical Behavior**

One of Momentum’s core values is *fairness, honesty and respect in all interactions*, which embeds ethical practices into Momentum’s culture. **SLs model ethical principles in their behaviors and decision making.** In order to ensure that ethics are integrated into Momentum’s business practices and deployed throughout the organization, **SLs actively support and participate in all ethical business practices described in 1.2b(2).** SLs hold themselves and all employees accountable for their actions, and everyone is expected to exercise good judgment as well as moral courage in matters of investigating and reporting any unethical occurrence.  Employees at all levels including SL **receive regular feedback during performance evaluations** on how their behavior and decisions comply with ethic codes and Momentum’s code of conduct policies.

Violations to Momentum’s ethics policy as stated in the Momentum Way (employee handbook) result in disciplinary action up to and including termination. The SLs’ goal is to lead a company that is not only driven by its core values, but is easy to do business with and is trusted. This is realized in the manner in which they treat employees, customers, and suppliers.

Leadership System	Approach	Deployment	Learning 	Integration	
Strategic Planning	Vision and core values are the foundation to the strategic planning process ( <b>Figure 2.1-1</b> )	The strategic plan is presented to all employees and <b>shareholders</b> and is integrated into the company Dashboard and reviewed and updated throughout the year	All objectives and action plans are reviewed quarterly at the Dashboard meetings by all managers including SL. Changes or updates are reviewed to establish a decisive course of action	Momentum integrates individual goal setting, and C&S critical process measures with operational performance measures ( <b>Figure 2.2-1</b> )	
Talent Management	Core value behavioral competencies are the basis for Momentum’s recruiting, performance evaluations, promotions and recognition ( <b>5.1</b> )	All managers are trained in using core values as the basis for talent management in their departments	All employee related measures are reviewed quarterly at the Dashboard meetings by all managers including SLs for areas of improvement	Core values are the basis for all employee relations as the behaviors are demonstrated, observed, documented and rewarded from top SLs to every level of the organization	
Communication	Vision and core values are communicated to all <b>employees</b> via communication channels in <b>Figure 1.1-2</b>	Management’s open door policy; Senior Leaders visit other locations; Strategic Plan Presentation; President’s Award Dinner for recognition; Employee training, company Intranet; ADP, Wall art in corporate office, website		Employees are presented with the vision and values throughout the organization by the SLs and the management team, these are all reinforced through Momentum’s recognition program and detailed in the Momentum Way (employee handbook)	
	Vision and core values are communicated to <b>customers</b> via website and contact with employees	All customers are able to visually see Momentum’s values on company website and experience them via interactions with Momentum’s SL and employees during in-person sales calls.		Customer Survey results and feedback from sales calls enable Momentum to learn where the company can improve in products and services to its customers	Momentum produces a video presentation for customers that describes the alignment of Momentum’s values and its milestones and accomplishments over time
	Vision and core values are communicated to <b>suppliers</b> via vendor requirements binder	Suppliers are provided a vendor binder by SLs that explicitly states Momentum’s requirements and how suppliers are integral in Momentum being able to live its values and accomplish its vision		Quarterly supplier feedback provides a learning tool for Momentum to improve its relationships with its suppliers	Suppliers are rewarded with continual product placements based on their ability to meet customer requirements and support Momentum’s values and vision ( <b>6.2b</b> )
	Vision and core values are communicated to <b>collaborators</b> via product development projects and contracts	Design collaborations are selected based on commonality of Momentum mission and values		Collaborations provide the venue for benchmarking best practices among top designers in the industry that share Momentum’s vision and values	Future collaborations are selected based on the ability to meet customer requirements and support Momentum’s values and vision
	Vision and core values are communicated to <b>community</b> via website and volunteer opportunities	Momentum strives to live its core value of <i>bettering the world around us</i>		A community involvement corporate team plans community events, fundraisers and volunteer opportunities for their surrounding community	Momentum’s product, operations and employees’ volunteerism reflect the spirit of giving to others and to the environment through specific, measurable actions

**Figure 1.1-1 Leadership System**


A simple example of this impartial treatment to all customers is Momentum's clear pricing policy that is transparent and fair to all customers.


### 1.1a(3) Creating a Successful Organization

Momentum's SLs are dedicated to ensuring the continued success of the company. They have successfully led the company with consistent revenue growth since inception (Figure 7.5-5). They are very cognizant of the indicators of organizational success and have developed methods to promote success now and for the future:

#### **Achievement of Vision and Mission**


- Momentum's SLs have created a company structure that is designed with minimal layers and is replete with cross-functional work meetings (Figure 4.1-4) in order for quick decision making and the agility to respond to changing market conditions.
- SLs participate in the deliberate strategic planning process (SPP Figure 2.1-1) and quarterly Dashboard review meeting of company performance on operational measures that support the achievement of Momentum's vision and mission.
- With Dashboard integration of the strategic plan and C&S process workgroup objectives, Momentum's strategic objectives are aligned with employees' individual performance (Figure 2.2-1).


**Organizational Performance Improvement** Through deployment of Momentum's three-tiered Quality Process Improvement System (QPIS) (P.2c and Figure 4.1-1)  any performance measure or action team progress that is not performing to goal is discussed by the management team so that a corrective action plan can be used by all managers as an opportunity to learn and prevent the same occurrence from happening in the future (see Step #6 of SPP (Figure 2.1-1)).



**Organizational and Workforce Learning**  SLs create an environment of organizational learning by encouraging employees with the time and resources for benchmarking processes and results and for learning in their field. As described in 5.2b, all C&S processes (through the IBA process Figure 1.1-3) and employees (through their yearly learning plans) are called to continuously learn and improve the way they manage their processes. This magnifies as each C&S process workgroup is able to learn from each other and identify the next possible opportunity for improvement within their sphere of control. The SLs reward and recognize C&S process workgroups and employees publicly for achievements which serves to reinforce the spirit of continuous improvement and learning (see recognition program Figure 5.2-1).

**Customer-Focused Culture** SLs are heavily involved in creating a workforce culture that delivers a consistently positive experience for the customer. One of Momentum's core values is to *reduce difficulties experienced by our customers*. This core value is supported by:

- A talent management process that hires employees based on Momentum's core values; recognizes employees who go above and beyond their job description to benefit the customer; and rewards employees with company profit sharing when Momentum does well. This perpetuates the feeling of camaraderie among employees at all levels of the organization.


-  Sharing customer survey results with all employees via the intranet. This allows employees to learn from customer input and to see the impact of their customer service interactions, which motivates them further.
- Each of the 11 C&S processes has a critical process matrix whereby they identify their customers, the corresponding customer requirements, and measures for associated outcomes. (Figure 6.1-3) The process for meeting customer requirements and accomplishing results are part of the IBA (Figure 1.1-3) reviewed and scored by a national Baldrige examiner on an annual basis.

 **Innovation and Intelligent Risk Taking** Momentum's vision is to be the undisputed leader in innovative and sustainable contract fabrics. SLs fosters this environment of innovation by:

- Challenging the Product Development core process and suppliers to provide breakthrough innovation. This freedom allows for Momentum to develop "industry first" type products (Figure 7.1-1 and 7.4-16) and be considered the industry leader in innovative products by our customer base compared to our competitors (Figure 7.2-1-7.2-5).
- Rewarding suppliers that bring their innovative products to Momentum first.
-  Fostering learning and innovation by attributing a greater percentage of points for learning and innovation in the IBA applications (Figure 1.1-3) used by all C&S processes and scored by the national Baldrige examiner.
- Leveraging financial strength for innovation and risk taking for the accomplishment of its strategic objectives. Momentum's financial strength has allowed it to become highly agile and able to adapt to changing market conditions. Through the SPP described in 2.1a(1),  Momentum assesses the feasibility and the risk factor of each strategic objective at the start of the year and continues these assessments during the quarterly Dashboard review process.

**Succession Planning and Leadership Development** *Advancing and developing employees* is one of Momentum's core values and SLs foster succession planning and leadership development in a manner that is commensurate with a small company. Even though a rigid development structure is not feasible, the SLs' approach to development is to build its own leaders through coaching and mentoring talent. This approach is effective and deployed throughout the entire organization. This structure allows SLs to foster leadership skills in their direct reports over time, leading to promotions from within (Figure 7.3-17) and a low turnover rate (Figure 7.3-11).

The mentoring process by which this is done is a three-tiered process as follows:

1. Identifying talent through recruiting, performance evaluations and recognition.
2.  Fostering personal and career development through learning plan opportunities, tuition reimbursement for higher education, or through outside sources that provide technical training and development (Figure 7.3-16).
3. Promoting from within whenever possible, with 73% of current managers promoted from a non-management position. (Figure 7.3-17)

## 1.1b Communication and Organizational Performance

### 1.1b(1) Communication

SLs **foster communication that engages stakeholders** using a variety of methods to encourage two-way communication and effective dissemination of information (Figure 1.1-2).

SLs foster **high performance and a business and customer-focused culture** through their attendance at key company meetings (Figure 4.1-4), involvement in day-to-day operations, mentoring of problem solving action teams, attending key customer sales calls for customer input and dialogue (Figure 7.4-1), and offering an open door policy to address any needs for organizational change. A **customer-focused culture** is reinforced by rewards and **recognition** given by the SLs to employees at all levels of the organization. The President/CEO attends every milestone anniversary and sends a handwritten birthday card to every employee. Recognition culminates each year with a President’s Award dinner for all employees, recognizing those action teams and C&S processes who have most improved their processes through the IBA (Figure 1.1-3). The SLs are present at these award ceremonies and are involved in the selection of the highest recognition which is the Individual Excellence Award given to employees who demonstrate Momentum’s core

values and outstanding performance throughout the year. See category 5.2a(4) for how recognition is integrated with performance management.

### 1.1b(2) Focus on Action

SLs create a focus on action that achieves Momentum’s mission as follows:

**Identify Needed Action** During Step #1 of the SPP, SLs review company performance data as well as supplier, customer, and competitive information in order to **identify needed action**. SLs then integrate these actions into the subsequent steps of the SPP (Figure 2.1-1).

**Set Expectations for Organizational Performance** SLs use the SPP (Figure 2.1-1) to set strategic objectives for Momentum’s Five Categories of Focus (Vision, Customer, People/Culture, Operations, and Financial). These Five Categories of Focus ensure Momentum has a balanced approach to strategic planning and is creating **value for its stakeholders**. Momentum’s strategic objectives are accomplished through action plans that are in alignment with **Momentum’s mission and vision** and SL set **expectation for organizational performance** based on operational performance measures, C&S critical process measures, and individual work results that are monitored through the Action Plan Implementation process described in Figure 2.2-1.

Senior Leader	Purpose	Method (Figure 4.1-4)	Frequency	Stakeholders	Direction
President/CEO	Strategic plan and company information		Quarterly, and as needed	Employees, Shareholders	↑↓
All Senior Leaders	Company performance and industry news for managers		Monthly	Managers	↑↓
President/CEO	Company performance and industry news summary		Monthly	Employees	↓
VP of Sales	Sales, product training, and industry news		Monthly	Sales, Inside Sales, Marketing, Product Development	↑↓
All Senior Leaders	Mentoring of problem solving action teams and resource allocation		All action team meetings	Action team members	↑↓
President/CEO; VP of Operations; VP of Marketing A&D; VP of Sales	Travel to warehouses and showroom locations		Quarterly, and as needed	Employees	↑↓
President/CEO; VP of Sales; VP of Marketing A&D VP of Design	Travel with Sales Reps for key customer visits		Weekly and throughout the year	Employees, Customers	↑↓
All Senior Leaders	Company news, customer surveys, welcome new employees, announce birthdays and anniversaries		Daily and throughout the year	Employees	↓
All Senior Leaders	Employee recognition, milestone anniversary and birthday celebrations		Throughout the year	Employees	↓
President/CEO; VP of Stakeholder Engagement VP of Design	Supplier evaluations and feedback sessions		At least quarterly, and as needed	Suppliers	↑↓
VP of Stakeholder Engagement	Community events and activities		At least monthly and as needed	Employees, Community	↑↓ ↑
All Senior Leaders	Open door policy for day-to-day operations		Daily	Employees	↑↓

**Figure 1.1-2** Senior Leaders Communication

Internal Baldrige Award Process

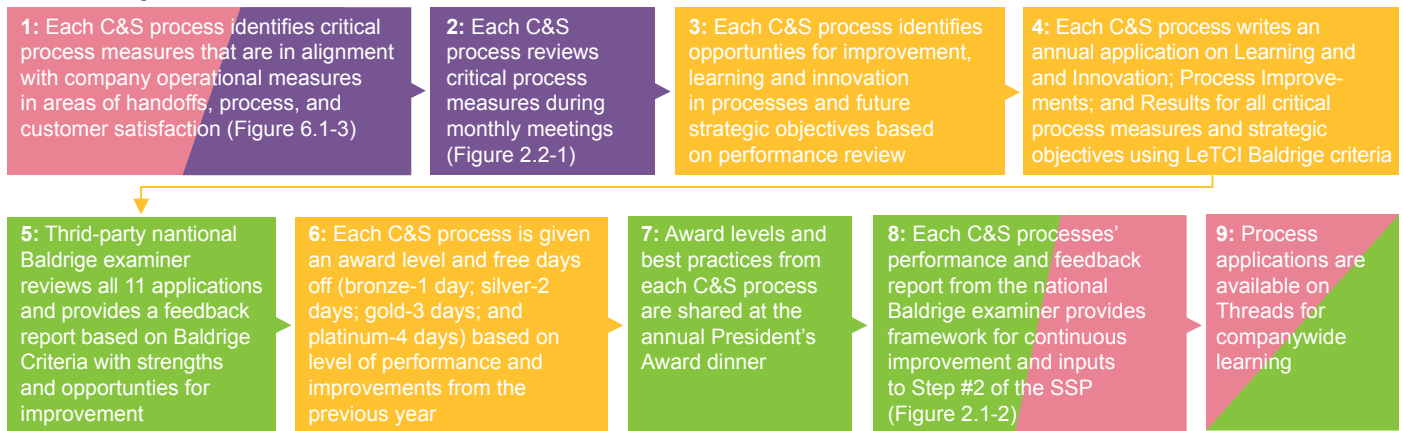


Figure 1.1-3 ●=Approach; ●= Deployment; ●=Learning and ●= Integration

**Create a Focus on Action That Will Improve Organizational Performance** SLs most effective way to create a focus on action that improves organizational performance, achieves innovation and intelligent risk is through the IBA process detailed in Figure 1.1-3 above. Through this unique program, Momentum aligns the efforts of the entire workforce as part of C&S processes to the accomplishment of Momentum strategic objectives and incentivizes each employee to perform at his or her highest level, continue to seek innovative solutions through intelligent risk taking, and ultimately accomplish Momentum’s mission and vision.

1.2 Governance and Societal Responsibilities

1.2a Organizational Governance

1.2a(1) Governance System

All SLs report to the President/CEO who holds them accountable for their actions as well as their strategic initiatives for the strategic plan (see Organizational Chart). Figure 1.2-1 highlights Momentum’s key methods for responsible governance that are fully deployed and integrated into Momentum’s work systems.

	Method for Responsible Governance
Senior Leader accountability	Performance evaluations Strategic plan achievement
Fiscal accountability	Third-party audits Third-party tax preparation Covenant and compliance reporting to lender Internal checks and balances Independence of external audits with Momentum
Transparency in operations	Financial results on intranet and verbally shared at all levels of organization Meeting minutes on intranet and available to all employees Living the core value of <i>fairness, honesty and respect</i> Internal checks and balances
Selection of Board Members	Determined by committee of current board members and based on expertise, background and business experience
Protection of stakeholders	Internal checks and balances Adhering to Momentum’s code of conduct
Succession Planning for Senior Leaders	Performance evaluations Coaching and mentoring talent Leadership development (1.1a(3))

Figure 1.2-1 Governance System

1.2a(2) Performance Evaluation

As a small company, Momentum’s performance evaluation for SLs is the same as the performance evaluation that is fully

deployed throughout Momentum for all its employees. Everyone, including SLs, is evaluated on the behaviors that reflect Momentum’s core values, ethics, performance on individual work results, and competencies described in their job description. These performance evaluations are conducted twice a year and entail not only performance reviews but also opportunities for growth. The goal setting session is used for career or personal development, and areas for improvement or opportunities for further learning. These goals are then evaluated during the following performance evaluation period.

The President/CEO conducts the performance evaluation for all SLs. The effectiveness of the Board of Directors and performance evaluation of the President/CEO is determined based on the accomplishment of the strategic plan and financial results that are reviewed quarterly during Board of Director meetings. Compensation for SLs is derived in the same manner as is deployed throughout Momentum.

1.2b Legal and Ethical Behavior

1.2b(1) Legal and Regulatory Compliance

In a marketplace that strives for design of responsibly-built environments, Momentum takes the impact of its products and operations seriously and handles this proactively through its supply chain process. The greatest effect Momentum can have on its product impact is to reduce the environmental impact (REI) of the product’s content. *Bettering the world around us* is one of Momentum’s core values and drives Momentum’s vision to *be the undisputed leader in sustainable textiles*. Momentum is at the forefront among competitors in proactively providing the most sustainable product options (Figure 7.4-5) and continually researching new innovative sustainable alternatives and thus creating “industry firsts” (Figure 7.4-16). This involves developing relationships with key suppliers and partners, learning and challenging their capabilities, and rewarding alternative solutions with further product placement.

A key measure is moving Momentum’s product line to “Reduced Environmental Impact” (REI) by 2016 (a year earlier than originally planned). All new introductions for the Momentum Textiles product line have been REI since 2014 (see Figure 3.2-1 for product line).

REI products contain one or more of the following attributes:


- Recycled content
- Rapidly renewable content
- PVC free
- GREENGUARD certified

As a means of **proactively exceeding regulatory standards** for indoor environments, Momentum’s portfolio of fabrics has been designated GREENGUARD Indoor Air Quality® as of January 2010. GREENGUARD certified products have low individual VOC levels, formaldehyde, respirable particles, ozone, and other pollutants. Certified products do not emit harmful levels of indoor air contaminants.

Figure 1.2-2 summarizes Momentum’s key processes, measures, and goals for surpassing regulatory requirements.

Key Process	Measures	Goal	Result
Development of sustainable products	% of Momentum Textiles new product introductions that are REI	100%	7.4-5
	% of Momentum Textiles that is REI	100% by 2016	7.4-4
	% of all product that is GREENGUARD Certified	100% by end of 2015	7.4-4
Product performance	% of products that meet industry ACT standards for contract market	100% for all product categories	7.4-6

**Figure 1.2-2** Regulatory

 Momentum also continuously learns and acts proactively through its participation on the Board of Directors for the Association of Contract Textiles (ACT). Just as Momentum participated in the development and implementation of the ACT Performance Guidelines and ACT symbols that provide consistency in testing and labeling of product specifications to the industry, Momentum is now involved in the ACT committees that have established the sustainable standard for contract textiles. This will enable the industry to accurately compare products with respect to their environmental attributes; it is currently in the process of being introduced to the industry.

### 1.2b(2) Ethical Behavior

SLs have identified a systematic process to ensure Momentum is an ethical organization, beginning with the identification of the first value of *fairness, honesty, and respect in all interactions*. To support this value, SLs have developed several processes including:

- Ethics as a basis for recruiting
- Momentum Way employee handbook
- Third-party auditors hired by the VP of Finance
- Anonymous email hotline for employees
- Personal participation on the internal Fraud and Risk Assessment team
- Ethical practices required of suppliers

To support these actions, Momentum screens potential employees based on ethical behaviors. As described in section 5.2.a(4), ethics is a key behavioral competency that is used during interviewing, performance evaluation, and recognition. This ensures that the values of Momentum’s workforce are in close alignment with Momentum’s core values and code of conduct policy.

Once an employee is hired, he or she learns about ethical expectations during Momentum Way training. This includes code of conduct, compliance with the law in all matters; prohibition of bribery; compliance with standard accounting practices; and **ethical interactions with suppliers, customers, and employees**. All employees sign a statement affirming their knowledge and understanding of Momentum’s policy on ethics, and Momentum provides ethics training to reinforce this policy.


All employees are obligated to report to the company any inappropriate use of company assets; violations of law or this policy; or other similar improprieties; and they are encouraged to report any concerns they have regarding any possible improper conduct. **An anonymous email address is provided in the Momentum Way**. If an unethical behavior is reported, a **progressive disciplinary process** starts with a verbal warning and then a series of more consequences that can lead to termination. **Momentum measures the number of unethical occurrences reported** (Figure 7.4-7).

In addition Momentum only selects suppliers who comply with requirements as stated in the vendor binder agreement indicating that the supplier complies with all laws and regulations in the countries in which they operate and provides safe working conditions for their employees. These requirements are confirmed through SL supplier visits throughout the year.

### 1.2c Societal Responsibilities

#### 1.2c(1) Societal Well-Being

As described in 1.2b(1), Momentum takes seriously the environmental impact of its products and operations. With a vision *to be the undisputed leader in innovative and sustainable contract textiles*, Momentum’s **sustainability strategies** are developed during the SPP (Figure 2.1-1) and are integrated under the Vision Category of Focus and People/Culture Category, which includes how Momentum lives its core value of *Bettering the world around us*. Strategic objectives then follow the subsequent steps of the SPP.

In addition, by managing the selection process of material and supplier for production process,  **Momentum is the industry leader in developing sustainable alternatives** in materials such as Silica, Naked Nylon, and recycled wool. It is also taking the lead in converting all products to REI, ensuring that all products are GREENGUARD certified for indoor air quality (Figure 7.4-4) and participating with the new ACT environmental standards.

Every year, Momentum has continuously increased its sustainability in **daily operations**:

- 2010: Momentum offsets its carbon footprint by planting trees through the Conservation Fund (Figure 7.4-10),
- 2010: Installed solar panels in the corporate office to become a net energy producer for that location (Figure 7.4-10).
- 2012: Developed a memo sample take back program (2Clicks on Momentum’s website) for customers to return memo samples at no charge in order to reduce waste (Figure 7.4-9)
- 2013: Implemented a Sales Rep green car policy to transition all Sales Reps to high gas mileage vehicles (Figure 7.4-10)



- 2014: Increases an incentive to all employees towards the purchase of high gas mileage vehicle.
- 2015: Converted all Momentum Textiles products to REI (Figure 7.4-5)

**1.2c(2) Community Support**

Momentum’s SLs are heavily involved in integrating Momentum’s community involvement efforts, allocating resources and mentoring Community Involvement Action team (CIA). The CIA team organizes employee events for the benefit of local communities. **Momentum’s key communities are found anywhere an employee resides.** Every employee is encouraged to support their local communities and volunteer a minimum four hours per year that is reviewed as company key performance measure every quarter. **Momentum employees have donated on average 1000 volunteer hours per year for the past 5 years (Figure 7.4-11).** Momentum also donates to causes that support the industry and solicits its customers to help maximize donations such as Common Thread for the Cure by donating a percentage of profits from Silica and customer surveys where Momentum donates \$1 for every customer survey completed. Momentum also makes fabric donations to non profit organizations that redistribute goods to other non profits (Figure 7.4-12).

**CATEGORY TWO: STRATEGY**

**2.1 Strategy Development**


2.1a Strategy Development Process

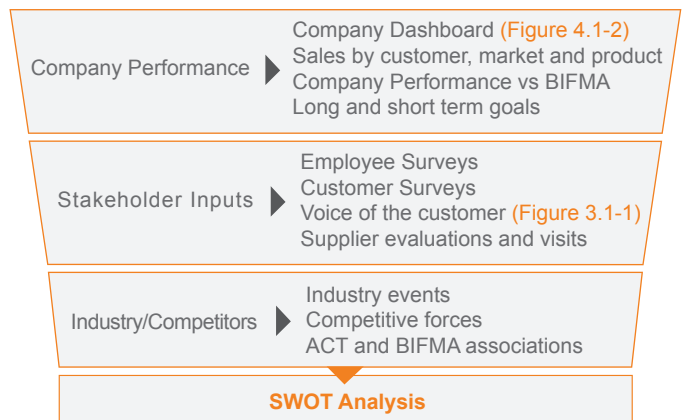
**2.1a(1) Strategic Planning Process**

Momentum has a **systematic process for strategic planning.** It is a balanced approach that involves objectives, action plans, measures, and goals for its Five Categories of Focus: Vision; Customer; People/Culture; Operations; and Financial. **Long-term planning is based on three to five years and short-term planning is based on one to two years;** both are based on a seven-step process:



**Figure 2.1-1** Strategic Planning Process. ●=Approach; ●= Deployment; ●=Learning and ●= Integration

**1. Inputs**  SLs receive both internal and external inputs that are developed into an annual SWOT analysis (Figure 2.1-2).



**Figure 2.1-2** Momentum’s strategic planning process incorporates data and analyses from all facets of the business and competitive landscape.

**2. Analysis** SLs provide the managers with a two-year planning forecast that includes Momentum’s competitive environment, estimated industry growth, and a forecast for company growth. Based


on the SWOT analysis and a **risk assessment** of the competitive environment, SL's include key projects that Momentum would need to complete in the following two years in order to meet the short- and long-term goals. Each manager responds in writing on how this forecast will affect their C&S processes:

- What customer requirements might change in the following two years;
- What process improvements will be needed in order to support the SLs' forecast;
- Any technology changes needed in their workgroup in order to support the forecast;
- Any impact on their employees (morale, safety, training).

They are also asked to list their C&S process proposed strategic objectives that are derived from the national Baldrige examiner feedback or opportunities for improvement and innovation from the IBA process. Strategic objectives must meet one of the following:

- Reduce cost/increase efficiency for their workgroup
- Increase employee satisfaction
- Increase customer satisfaction
- Improve a process between workgroups.


These reports are then reviewed by the Director of Strategic Process Improvement and the President/CEO and consolidated into a Strategy Matrix. This matrix lists all the strategic objectives per each of the Five Categories of Focus.


**3. Development** During a two-day offsite meeting with all managers, a draft of the strategic plan is developed as well as discussion of any technology resources needed to support the plan and proposed action teams. Action teams are cross-functional teams created to accomplish a strategic objective that will affect more than one C&S process. This step enables managers to  learn about the focus of the other C&S processes for the following one to two years; how these objectives meet the original SLs' forecast; and address SWOT analysis findings.

**4. Action Plans** Each C&S process creates an annual budget to allocate proper resources to support the proposed strategic plan. SLs give final approval to the budget and strategic plan and action plans are created by the owner of each objective. Each action plan contains quarterly milestones, measures, and goals for the accomplishment of the plan. Action teams begin planning their course of action using the Plan Do Check Act Model (Figure 6.1-2) and the IT workgroup prioritizes all IT projects necessary for the accomplishment of the strategic plan. **Action plans** provide enough structure to accomplish the objective but **are fluid enough that re-prioritization is possible throughout the year**. This provides Momentum the operational flexibility to remain agile in a changing market.

**5. Integration** The President/CEO presents the final strategic plan to all employees and to the Board of Directors. The objectives of the strategic plan are then integrated into the company Dashboard which is organized by the five Categories of Focus (Figure 4.1-2).




**6. Deployment** The strategic plan is deployed through the Action Plan Implementation process (Figure 2.2-1). All action plans are


reviewed by all managers quarterly during the company Dashboard meetings (Figure 4.1-4), and is a venue to visually see progress on the strategic plan as well as to allow for discussion if an objective or action plan needs to be added, changed, eliminated. A three-color coded system is used. Green signifies the objective is meeting its goal; Yellow means the objective is within X% of goal but should be achieved by the final deadline; and Red warns the goal will not be achieved by the final deadline. For any objective that is Yellow or Red, the owner of the objective must advise on a corrective action plan.  This review process allows each manager to learn what is being accomplished companywide, where there are short falls and what can be done to maximize effectiveness. It also allows Momentum to be **flexible and respond to customer and market changes throughout the year that would require prioritization, changes to objectives, or development of new action teams**.

**Step #7 Review**  After each strategic planning cycle, the management team discusses the process itself and identifies opportunities for improvement for the future. Examples of improvements that have been implemented based on review are modifications to the Manager's feedback report and topics to include during the two-day meeting. For example, each C&S process manager was asked to provide a seven-minute presentation on their workgroup's accomplishments over the past five years. This provided a snapshot of all of Momentum's recent accomplishments and fostered a feeling of achievement and camaraderie.

### 2.1a(2) Innovation

By aligning Momentum's **strategy development** with the company's vision to be *the undisputed leader in innovative and sustainable contract textile*, the company spurs innovation in processes and products.

*Process:* Innovation for process occurs **through the C&S process workgroups and is encouraged through the IBA** (Figure 1.1-3). A key criterion of these internal applications is learning and innovation that is done within the C&S processes.   A component of each C&S processes' annual planning is to learn, benchmark new ideas, and see how they can integrate the learning and innovation into their work process. These ideas then serve as the basis for C&S process **strategic opportunities** that are communicated to SLs during Step #2 of the SPP.  See Figure 4.1-3 for examples of organizations benchmarked for learning and innovation per each C&S process.

*Product:* In alignment with Momentum's vision, the Product Development core process' key long-standing objective is to continuously research innovative and sustainable fibers and finishes that are not currently offered in the market place. This objective stimulates out-of-the-box thinking and identification of new **strategic opportunities**.  By continuously looking for **new avenues** to learn from, improve its design process, and establishing **key relationships with textile and yarn suppliers**, Momentum has been successful in identifying **strategic opportunities** for innovative product placements (see Figure 7.4-16 for industry firsts).

Once Momentum identifies potential strategic opportunities for both process and product, these are integrated into the SPP. C&S process strategic opportunities are discussed in relation to their impact, risk assessment, and needed IT resources in Step #3 of

the SPP and, if accepted, become C&S process strategic objectives. Product strategic opportunities are discussed during the Product Planning meetings between the Product Development core process and the President (Figure 4.1-4) and also become strategic objectives through Step #3 of the SPP. Risk assessment for product development is incorporated into the Product Design process detailed in Figure 6.1-1 so that at crucial decision points, the Product Development core process makes the decision whether a product is worth pursuing or not.

Momentum's key strategic opportunities are detailed in Figure 2.1-4 under Category of Focus-Vision.

### 2.1a(3) Strategy Considerations

In Step #1 of the SPP (Figure 2.1-1), Momentum collects relevant data through the inputs listed in Figure 2.1-2 to drive analysis during subsequent SPP steps. During Step #1 of SPP, Momentum conducts a SWOT analysis of the relevant inputs to identify Strategic Advantages (SAs) and Strategic Challenges (SCs), Strategic Opportunities, and risks to sustainability.

Potential changes in the regulatory environment are determined through participation as board members of BIFMA and ACT, two of the largest industry associations. The SWOT analysis then becomes the foundation of the SLs' forecast and key projects detailed in Step #2 of the SPP. In Step #3 of the SPP, the management team holds a strategic offsite planning meeting to establish goals, objectives, and initial action plans. The evaluation of the ability to execute the strategic plan is embedded in Step #6 of the SPP and is continuously evaluated based on the color-coded system described in 2.1a(1).

Potential missed information and blind spots to the SPP are identified through outside parties as follows: 1) the Board of Directors' quarterly review of the plan 2) the national Malcolm Baldrige examiner who annually assesses and provides feedback on progress of each workgroup's strategic objectives; 3) Most recently, the California for Performance Excellence examiner team in 2015. These are addressed in the quarterly Dashboard meetings during strategic plan review.

### 2.1a(4) Work Systems and Core Competencies

Momentum's key work systems are comprised of 11 C&S processes and their strategic locations around the country. Momentum's six core processes need to be performing at world class levels in order for Momentum to be a world class organization. These six core processes are supported by five support processes. Decisions for C&S processes are made in the context of the current strategic plan and all action plans that derive from these decisions are executed as described in Steps #4-6 of the SPP.



**Figure 2.1-3 C& S Process** ● = Core Processes  
● = Support Processes

C&S processes are distributed among multiple strategic locations that enable Momentum to accomplish its work.

*Corporate Office:* Seven of the 11 C&S processes work out of the corporate office in Irvine, California which facilitates daily discussions and quick decision making.


*Warehouse Locations:* The Product Development core process is located at Momentum's largest warehouse facility in Archdale, North Carolina, for proximity to product as well as to key textile suppliers. This location works to strengthen supplier relationships, increase access to the latest technology and innovative materials, and facilitate a speedy product development process.

**This organization of workforce supports and strengthens Momentum's core competency of an innovative Product Development team.**

*Showroom Locations:* Momentum's four showrooms are located in the Irvine corporate office, Chicago, New York, and Dallas.

*Remotes:* The vast majority of remotes are Sales Reps and Inside Sales agents placed in sales territories across the country. This strong sales presence and proximity to key customers (along with knowledge management technologies described in section 4.2a(1)) serve to strengthen Momentum's core competency of a sophisticated selling process.

The key work system not conducted by Momentum is textile manufacturing. The manufacturing is not a core competency of Momentum's and is accomplished through outsourcing to its textile mills. Mills are Momentum's largest supplier relationship and are managed through the supply chain management process described in 6.2b. Through this process, suppliers and design collaborators are selected based on their complement to Momentum's core competencies and their ability to meet Momentum's requirements as stated in a vendor requirements binder and contract. A list of Preferred Suppliers generated by the Product Development and Inventory Management core processes provides awareness of the level of service a supplier is providing before Momentum grants a new product placement. Therefore, Momentum is continuously evaluating suppliers' core competencies in design and performance before a supplier is selected for new product placements (see 6.2b).

 **Future core competencies and work systems** are determined by continuous improvement and learning throughout the organization.

Category of Focus	Long Term Strategic Objectives	Short Term Strategic Objectives	Addresses SC or Strengthens/ Leverages SA	Strengthens or Leverages Core Competency	Action Plans	Measures (all results listed in 7.4-15)	Performance Projections	Comparative Data
Vision								
Customer								
People/ Culture								
Operations								
Financial								

**Figure 2.1-4**

Through inputs into the SPP (Figure 2.1-2), as well as Momentum’s integrated IBA that challenges each employee to improve his/her process, new opportunities and core competencies are developed. For example, an emerging core competency for Momentum is sustainability in products and operations. This has resulted from aligning strategy development to accomplish the company vision through C&S processes.

## 2.1b Strategic Objectives

### 2.1b(1) Key Strategic Objectives

Momentum’s key strategic objectives are developed for the Five Categories of Focus: Vision; Customer; People/Culture; Operations; and Financial. See Figure 2.1-4 for Momentum’s **key strategic objectives, goals, and timetable** for achieving them, and Figure 2.1-5 for **key changes per business area**.

Area	Key Changes
Product	
Customers/ Markets	
Suppliers	
Partners	
Operations	

**Figure 2.1-5** Key Changes Per Business

### 2.1b(2) Strategic Objectives Considerations

By developing strategic objectives for the Five Categories of Focus, (Vision, Customer, People/Culture, Operations, and Financial); Momentum is **able to strike a balance between different organizational needs and stakeholders**. Each key element of Momentum’s business and **all stakeholders** are represented in at least one category (customers in Customer and Vision; employees and community in People/Culture; suppliers in Operations and shareholders in Financial) and progress is monitored for both short and long-term goals. Momentum’s strategic challenges are addressed as described in P.2-2 and Figure 2.1-4.

## 2.2 Strategy Implementation

### 2.2a Action Plan Development and Deployment

#### 2.2a(1) Action Plans

Momentum’s action plans for its strategic objectives are detailed in Figure 2.1-4. Action plans are developed during Step #3 and Step #4 of the SPP (Figure 2.1-1) and integrated into the Momentum’s Five Categories of Focus on the company Dashboard in Step #5.

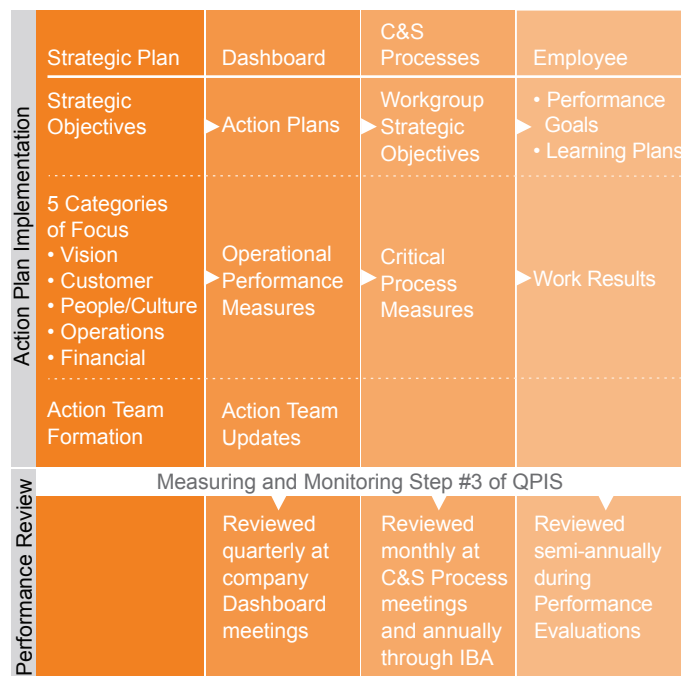
#### 2.2a(2) Action Plan Implementation

**Action plan implementation and deployment to the workforce** is demonstrated in Figure 2.2-1 and is conducted through the cascade of companywide objectives and operational performance measures to the C&S processes’ strategic objectives and critical process measures to the individual employee’s performance goals, learning plans and work results. Through Momentum’s organizational review process described in section 4.1b, strategic plan action plans are reviewed at each level of performance to **ensure sustainability** and corrective action when appropriate.

**Action plan implementation and deployment to key suppliers and collaborators** is conducted through the Product Development core process. Progress and success of this action plan is

updated at the company Dashboard meeting and monthly at the Product Development core process meeting. Successful completion of the action plan is evaluated annually through the IBA process and the individual employee designer performance evaluations. Suppliers are evaluated through the supplier evaluation process detailed in 6.2b.

### Strategic Plan Implementation & Organizational Performance Review



**Figure 2.2-1**

### 2.2a(3) Resource Allocation

During Step #4 of the SPP, annual budgets are created by each C&S process and are approved by SLs in parallel to the proposed action plans to ensure **financial support for the achievement** of the action plans in relation to current obligations. Through this budgeting process, financial resources are **allocated** to each C&S process for the accomplishments of the action plans. During Step #3 & #4 of the SPP, action teams and IT resources are also allocated to appropriate action plans that involve more than one C&S process and/or require significant programming. All action teams and IT projects are prioritized with SLs and are reviewed during company Dashboard meetings and IT Project Review meetings (Figure 4.1-4). Each quarter during the company Dashboard meetings, the management team reviews all action plans, action teams, IT project prioritization and financial results to ensure adequate resources are distributed to accomplish the strategic plan, manage risks associated with each action plan and ensure financial viability.

### 2.2a(4) Workforce Plans

Momentum **integrates** key workforce plans **into the strategic objectives and short- and long-term action plans**, as shown in (Figure 2.1-4). Workforce action plans are developed as a part of Step #4 of the SPP, and they reflect any potential changes to workforce capability and capacity as identified in Step# 2 of the SPP.

As a further measure, in Momentum’s corporate Dashboard, People/Culture is one of the Five Categories of Focus. Employee excellence is measured via employee satisfaction, engagement,

and turnover (Figure 7.3-11 to 7.3-13). This allows the leadership team to keep a pulse on the impact of Momentum’s strategies on its workforce throughout the year and over time for trend information. For example, history has shown that as the company grows, the workforce levels affected the most by volume are Inside Sales and warehouse employees where workforce is readily available which allows for effective planning of additional workforce if needed.

### 2.2a(5) Performance Measures

The **key performance measures that are used to track** achievement of Momentum’s action plans are detailed in Figure 2.1-4 with results listed in Figure 7.4-15. **All action plans are tracked on the corporate Dashboard** with milestones, measures and goals. These are categorized by the Five Categories of Focus and are reviewed quarterly by the management team. All C&S process workgroup strategic objectives are reviewed during the quarterly Dashboard meeting as well. By aligning action plans, operational measures and C&S process strategic objectives by each Category of Focus, Momentum ensures alignment and integration among the entire organization. See section 4.1 and Figure 4.1-1 for Momentum’s performance measurement system and how the QPIS reinforces organizational alignment.

### 2.2a(6) Performance Projections

Performance projections and comparative data for Momentum’s action plans are detailed in Figure 2.1-4 and in the respective chart in sections 7.4 and 7.5. Performance projections for competitors are not available as they are all privately owned companies. Any gaps in performance against competitors or benchmarks are addressed as described in 4.1b.

### 2.2b Action Plan Modification

If circumstances require a shift in plans or new plans need to be implemented, **Momentum’s small size and agility allow for rapid dissemination of information throughout the organization.** Momentum’s organizational performance review process (Figure 2.2-1) ensures the systematic review of the strategic plan, all action plans, action team updates and C&S process strategic objectives. If changes are necessary, they are communicated to all employees through performance review process meetings and deployed through Step #6 of the SPP.

## CATEGORY THREE: CUSTOMERS

### 3.1 Voice of the Customer

#### 3.1a Customer Listening

##### 3.1a(1) Current Customers

Momentum’s customer-centric culture is driven by its mission to create textiles that inspire its customers and its strong commitment to superior service and operational excellence. Momentum goes above and beyond when listening to its customers. Due to the innovative breakthroughs in products and services that Momentum has provided its customers, it is no wonder Momentum is named the **industry leader among competitors in customer service and innovation** (Figure 7.2-1 to 7.2-5). 🌀 The most recent examples include:

- Introduction of Silica:- the only sustainable alternative to vinyl (for all three markets and both A&D and CFM)
- Naked Nylon: the first recycled nylon woven textile that is

also recyclable (for all three markets and both A&D and CFM)

- 5Clicks: the only website search in the industry to provide fabric selections that are pre-approved by the CFM, by price point and inventory levels in 5 quick steps (available for all but primarily useful for Office market A&D)
- Search by Cleaner: only website search in the industry to provide fabrics selections approved by cleaner (available to all but primarily useful for Healthcare market A&D and CFM).

As demonstrated by these customer-focused industry first innovations (that are exclusive to Momentum), Momentum employs various Voice of the Customer (VOC) listening methods (Figure 3.1-1) **to listen to, interact with, and observe customers in all three markets to obtain actionable information through various stages of the customer lifecycle.** All customer inputs from Figure 3.1-1 are used as inputs for Step #1 of the SPP described in section 2.1a(1) and strengthen Momentum’s core competencies of a *sophisticated selling process* and *innovative product design team*.

Listening Method	Frequency	Customer Segment	Market Segment	Customer Lifecycle
Sales				
Customer Visits				
Inside Sales Interactions				
Product Feedback				
External Customer Survey				
Website Interactions				
Third-party Customer Surveys				
Tradeshows				
Industry Events				
Social and Print Media				

**Figure 3.1-1** Voice of the Customer.

**Customer Visits** Momentum’s Sales Reps are located in territories around the country, allowing them to make in-person customer visits for one on one product presentations. The Inside Sales agents are internal support staff assigned to specific Sales Reps and customer territories and are the persons whom the Sales Rep or customer call to place orders or answer inquiries. As part of the first tier of the *sophisticated selling process* core competency, the customer visit sales call provides an avenue for relationship building and for the Sales Rep to receive direct feedback on product and services from key customers. If any urgent matter arises, the issue is escalated immediately to the VP of Sales and the President/CEO for a quick resolution as described in the VOC Feedback Review process in Figure 3.2-3.

**Product Feedback** The VOC is instrumental in strengthening Momentum’s core competency of an *innovative product design team*. As described in 6.1a(1) and 6.1a(2), Momentum receives product feedback throughout various stages of the product development process as Momentum Designers attend sales calls with Sales Reps to key customers.

**Customer Survey** Momentum surveys both A&D and CFM customers in all three markets regardless of whether or not they have placed a recent order with Momentum. In this manner,

**Momentum obtains former, current, and potential customer feedback each month.** Although, the surveys are sent each month, a particular customer would only be surveyed once a year. Through this survey, **Momentum is ranked the industry leader in each category compared to competitors** (Figure 7.2-1 to 7.2-5) and also receives actionable feedback about opportunities for improvement. 📖 These survey results are reviewed each month by the survey administrator, monthly survey results are posted on *Threads* (the company intranet site) and comments are assigned to the appropriate manager for review.

**Website Interactions** Momentum’s website is rated as an industry leader by customers 7.2-1 to 7.2-5. Momentum listens to the VOC through customer interactions on the website as measured through Google Analytics Figure 7.1-6 as well as through direct customer feedback provided from the webmaster email. This feedback is often used to correct product and specification information and for website improvements opportunities. The most significant changes based on website interactions and feedback were the development of 🌀 5Clicks; the 5Clicks app and the most recent Search by Cleaner Feature described under Customer Support in 3.2a(2).

**Third-Party Customer Surveys** Momentum utilizes feedback from third-party customer surveys as another input of impartial customer feedback on its products and services. For example, an industry-leading design publication and website, surveys the A&D community every four to five years on textile brand awareness and project specifications for various companies including Momentum. Momentum uses this measure as a third-party indicator of brand awareness and recognition in the market place (Figure 7.2-7).

**Tradeshows/Industry Events** Momentum exhibits at or attends all key industry tradeshows offered in the Office, Hospitality and Healthcare markets, and has a showroom in the Merchandise Mart in Chicago which hosts Neocon, the largest tradeshow in the industry. Momentum showcases new, innovative products during these shows and has won multiple design awards judged by representatives of the industry (Figure 7.1-2). VOC is heard through traffic in Momentum’s showroom or booth and feedback on product showcased. The Sales, Marketing, and Product Development teams, are present during tradeshows to hear the customers’ feedback first-hand and to walk the show where CFM customers are also exhibiting and displaying Momentum’s fabric on their furniture. This information is then discussed during MDS meetings and serves as inputs to the strategic planning SWOT analysis during Step #1 of the SPP (Figure 2.1-2). Tradeshows are also opportunities to interact with and gather competitor information since they also are exhibiting at the tradeshows.

**Social and Print Media** Momentum receives customer feedback through social media on Momentum’s Facebook page and also through industry blogs and publications that are monitored by the Product Development core process where customers have the opportunity to voice their opinions without directing the feedback to a specific supplier. Trend information from customers provides insight in the product development process. There are also industry publications that list customers, projects and products specified (Momentum’s or competitors’) for each

project.

**Request for Credit** Momentum receives **immediate and actionable feedback from customers on quality of product and transactions through the Request for Credit process (RFC)**. (See section 3.2b(2)). RFCs provide actionable information on operational errors or product failures upon which Momentum can improve. Momentum’s goal is to process these requests as quickly as possible for the customer. All RFCs are integrated into the C&S processes’ critical process measures and are measured and monitored to prevent future errors (Figure 7.2-9).

### 3.1a(2) Potential Customers

Momentum’s customers are A&D firms and CFMs that conduct business primarily in North America. Momentum seeks to **win the next potential project** with its existing customer base. Hence, relationships with these customer accounts (Figure 7.2-11 **Matrimonial Index**) and having the right samples at the right time (Figure 7.1-7 **timeliness of samples**) are essential components to being selected for the next project and ultimately increasing sales. The VOC listening methods defined in Figure 3.1-1 are designed to **learn actionable feedback through all three stages of the customer lifecycle** but do not differentiate between current, potential, former or competitors’ customers as they are all the same customer at the same time.

### 3.1b Determination of Customer Satisfaction and Engagement

**3.1b(1) Satisfaction, Dissatisfaction and Engagement** Momentum’s approach to determining customer satisfaction and dissatisfaction is measured first proactively through **company performance measures** and secondly through the **customer survey and RFC process**. **Customer engagement** is measured through the **Matrimonial Index**. Momentum utilizes the company Dashboard and C&S processes’ critical process measures to track customer satisfaction, dissatisfaction and engagement measures to ensure they are systematically collected, monitored, measured and communicated at all levels of the organization.

**Company Performance Measures** Momentum measures performance on measures that support the key customer requirements (P.1-9); and Momentum’s performance on measures that customers have identified as items of dissatisfaction. 🔄 a cycle of improvement, Momentum aggregated these measures into an **Aggravation Index** under the *Customer* Category of Focus (Figure 4.1-2).

**Actionable information is captured through the systematic performance analysis of customer measures** on a monthly or quarterly basis on the company Dashboard and C&S process level.

When a measure is not performing to goal during Dashboard meetings or monthly C&S process meetings, it follows the corrective action process described in 4.1b for performance analysis and review and 6.1b(3) for process improvements.

**Customer Surveys** Momentum’s customer surveys review process is described in 3.1a(1).

**RFC Process** Momentum’s RFC process is described in section 3.2b(2) and detailed in Figure 3.2-3 the Customer Complaint Process.

### 3.1b(2) Satisfaction Relative to Competitors

Momentum **obtains competitor or comparative benchmark data** for performance measures, customer satisfaction measures and engagement measures as described in category 4.1a(2) as appropriate. These are detailed in Figures 3.1-2 and 3.1-3 respectively. Due to the uniqueness of a variety of these process measures, it is difficult for Momentum to obtain competitive or comparative data.

## 3.2 Customer Engagement


### 3.2a Product Offerings and Customer Support

#### 3.2a(1) Product Offerings

Momentum first determines customer and market needs and requirements for products and services through customer visits (VOC Figure 3.1-1) and the Product Design process (Figure 6.1-1). Second, Momentum adapts product offerings to meet the requirements and exceed the customer and market segments through its three product lines (Figure 3.2-1). Finally, Momentum identifies new markets to expand relationships with customers through evaluating supplier capabilities and leveraging renowned design collaborations (Figure 7.1-31).

#### Determines Customer and Market Needs

*Customer Visits:* Through a Sales Call Frequency model described in 3.2b(1), Momentum ensures that Sales Reps, SLs and Designers are systematically meeting with the most important customers in all **three market segments** during their scheduled customer visits. These in-person customer interactions provide immediate feedback on how well Momentum’s **current product and service** offerings meet their requirements. Customer feedback gathered is used to identify future needs of the customer and market segments and to identify opportunities for growth through current or new product categories. For example it was through customer visits that SLs understood the need for a more efficient process to specify fabric that was already approved by the CFM. This was solved by the development of 5Clicks on Momentum’s website as described in 3.2a(2).

*Product Design Process:* SLs during the High Level Product Planning meeting and Product Lifecycle meetings (Figure 4.1-4)  study and evaluate current product offerings through a comprehensive product lifecycle analysis.

#### Identifies and Adapts Product Offerings to Customer Groups and Market Segments

*Three Product Lines:* Momentum leverages its three product lines (Figure 3.2-1) to target the three market segments and two customer groups. Moreover, Momentum adapts product offerings to each customer’s current project requirements. For example a large A&D firm could be working on designing the

interiors of a hospital that would include patient rooms, and administrative offices. The customer’s Sales Rep would tailor their sales call presentations and show Momentum Textiles high performance textiles and coated fabrics for the patient rooms (Healthcare market), and Momentum Textiles and Textus for the administrative staff offices (Office market). And for a hotel project, LoomSource product line would be shown (Hospitality market). This provides Momentum a unique advantage in providing the customers a “one stop shop”, exceeding their expectations in tailored product offerings and thus expanding the relationship.

Market	Product Line
Office and Healthcare	▶ Momentum Textiles
Hospitality	▶ LoomSource
High-end Office	▶ Textus

**Figure 3.2-1** Product Lines

#### Identifies and Adapts Product Offering to Enter New Markets and Attract Customers

*Supplier Capabilities:* Momentum identifies opportunities to enter **new markets, expand customer relationships, and attract new business** by consistently evaluating supplier capabilities; and expanding into new markets only when value added is created. The VP of Design evaluates suppliers’ evolving capabilities, innovative technologies and new material availability; and seeks new suppliers for offerings not currently provided by existing suppliers (see category 6.2.b for supplier evaluation descriptions). The VP of Design’s systematic process of researching competitive product and supply chain avenues, ensures that Momentum will enter a new market only when a new product can be introduced that improves upon what is currently available.

*Design Collaborations:* In addition, Momentum leverages its design collaborations with design consultants in order to **attract new business with customers** and create opportunities to **expand relationships** (Figure 7.1-31 collaborations per year). For example, Momentum collaborated with Sheila Hicks, a famous American fiber artist who is highly respected in the industry. Hicks chose to collaborate with Momentum due to the company’s core value-driven culture, leadership in innovative and sustainable products and the Product Development team’s willingness to learn. The collaboration resulted in the award-winning Crossing Colors collection that received industry recognition (Figure 7.1-2) and was accepted into the Cooper Hewitt Smithsonian Design Museum in New York City as a permanent textile collection.

#### 3.2a(2) Customer Support

**Momentum’s customers seek information and support** from their Sales Reps, assigned Inside Sales agent, Momentum showroom, website and newly introduced 5Clicks app.




Customer requirements for customer support are identified primarily through VOC listening methods of customer visits and Inside Sales interactions described in 3.1a(1). Momentum deploys these requirements through the affected C&S processes as they measure and track customer support methods in their critical process measures that are reviewed during their monthly C&S process meetings (Figure 4.1-4).

Means of Customer Support	Customer Segment	Market Segment	Communication Mechanisms	C&S Process Involved
Customer Visits by Sales Rep	A&D; CFM	OF; HP; HC	In-person/ phone/email	Sales
Inside Sales Interactions	A&D; CFM	OF; HP; HC	Phone/email	Inside Sales
Showrooms	A&D	OF; HP; HC	In-person/ phone/email	Inside Sales
Website	A&D; CFM	OF; HP; HC	Internet	Marketing/IT
5Clicks App	A&D	OF	Internet	Sales/Marketing/IT

**Figure 3.2-2** Customer Support

**Sales Reps and Inside Sales Agents** Sales Reps and Inside Sales agents are the primary contacts for customer support and information. Sales Reps are located in geographic proximity to customers for one-on-one sales calls and because all Sales Reps sell all three product lines, customers in any of the three market segments are serviced by the same Sales Rep in the region.

**Showrooms** Through VOC inputs (3.1-1) into Step #1 of the SPP, Momentum anticipated the advantage of having physical showrooms in large cities throughout the country and being more accessible to top A&D customers. A strategic objective was deployed through SPP and Momentum now has showrooms in Irvine, Chicago, New York, and Dallas which opened in 2015. These showrooms are used primarily by local A&D customers who like to have in-person access to Momentum’s product line without having to wait for a mailed sample.

**Website/5Clicks App** Momentum’s industry leading website (Figure 7.2-1-7.2-5) supports both A&D and CRMs customers.  By listening to customer requirement through the VOC (Figure 3-1-1) and integrated these into Step #1 in the SPP (Figure 2.1-1) continual process improvements are made to product information and product searches on the website with the two most significant being 5Clicks and Search by Cleaner. **5Clicks & 5Clicks App:** Through focused customer visits and competitor research Momentum identified a time-consuming customer process to select a textile that was pre-approved on the CFM chair they wanted to use, in stock and in their client’s price point. Because Momentum’s website is unique in that no other textile supplier provides real time inventory levels per SKU, Momentum was able to leverage this feature with its extensive CFM relationships to develop 5Clicks. 5Clicks is a website feature that gives the customer the ability to match real time inventory with CFMs’ price point and pre-approved fabrics on given furniture piece in 5 easy steps: 1) identify a CFM 2) identify the CFM’s chair that will be used 3) specify the price point needed 4) specify the number of chairs that will be made 5) choose a fabric from the selection provided. Nothing comparable exists in the industry and 5Clicks has been very well received.

Over 3,000 customers responded to an online survey requesting feedback on the feature with overwhelmingly positive reviews. Due to its popularity and to leverage Momentum’s unique service offering, the 5Clicks app was launched in 2014 to provide mobile access to all the same 5Clicks features.

**Search by Cleaner:** Through customer visits, and inside sales interactions Momentum became aware of the industry’s inability to provide customers definitive answers to their question of whether or not a specific cleaning product could be used on a given woven or coated fabric. Although general cleaning instructions are provided, certain cleaners must be used at times in the Healthcare market. Momentum started an action team to solve this problem with extensive product testing and research which resulted in the industry’s only Search by Cleaner in the market. Similar to 5Clicks, the customer is able to select a specific name brand cleaner and see which Momentum products can be cleaned with that agent. As mentioned in 3.1a(1), by listening to the customer, Momentum is able to provide support services unparalleled among competitors.

### 3.2a(3) Customer Segmentation

**During the SPP Step #1 and #2** Momentum analyzes product, customer, and market sales information as part of the strategic planning SWOT analysis and through participation on the boards of industry associations such as BIFMA and ACT to **identify and validate current customer groups, and market segments**.

Momentum **customer segmentation** is not only **used at the strategic planning level** but is also used as the basis for analysis for both **company operational performance measures** as well as **critical process measures** for the Sales core process.

### 3.2b Customer Relationships

#### 3.2b(1) Relationship Management

**Strengthen Customers’ Relationships and Build Market Share** Momentum manages its customer relationships primarily through a Sales Call Frequency Model (SCFM) which is a systematic process for determining how often a Sales Rep should be visiting which customers. Through the SCFM, Momentum is guaranteed to visit the most important customers and ensure that Sales Reps are dedicating the appropriate amount of time with customers who will have the greatest impact on business growth and market share. The SCFM system has gone through various cycles of refinement. When Momentum first began calling on customers in the 1990’s, the company formed an action team to gather customer data on how frequently the customer wanted to be called upon and compared this to the customers’ sales potential to determine the best number of visits per week for sales effectiveness. This number continues to be validated today as part of the Sales Reps’ customer visit, requiring them to ask the customer if they are seeing Momentum’s product enough when compared to competitors.

#### **Retain Customers, Meet their Requirements and Exceed Expectations**

As described in 3.1a(1) Momentum utilizes VOC listening methods detailed in Figure 3.1-1 to learn of its customers’ changing requirements which has led to ground breaking product and service innovations that exceed customers’ expectations and increase sales. In addition, Momentum leverages its customer focused information

management system to capture and integrate specific customer information and preferences; and developed company operational and C&S process critical process measures to track customer satisfaction and aggravation levels described in 3.1b. As validation to the success of this process, Momentum is consistently named the industry leader in customer service among competitors by its customers (Figure 7.2-1-7.2-6).

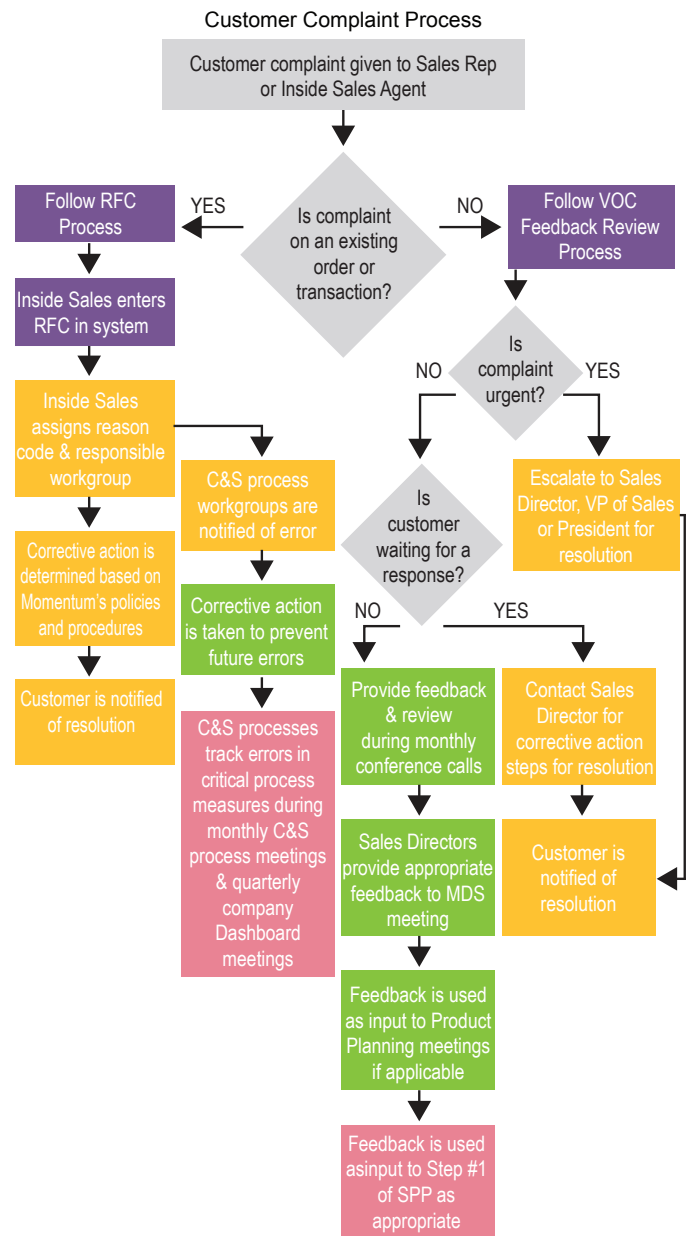
**Increase Engagement** Apart from strengthening customer relationships through spending the right amount of time with the right customers, spending time with key customers in non-selling environments and providing industry leading customer service, Momentum also conducts the following activities to increase customer engagement:

- Provides more product introductions per year than competitors with more innovative and sustainable solutions than competition (Figure 7.4-5)
- Provides product lines per market that keep customers engaged since product introductions are targeted directly to their market and no other competitor has this kind of approach (Figure 3.2-1)
- Exceeds customer expectations by providing innovative industry first product solutions such as Silica and Naked Nylon and services such as 5Clicks and Search by Cleaner to provide the best possible solution (Figure 7.4-16).

Momentum’s Matrimonial Index is the primary measurement of customer relationships. Due to Momentum’s consultative selling model, Momentum’s customer relationships are the cornerstone of customer engagement.

**3.2b(2) Complaint Management**

Momentum’s customer complaints are managed proactively through the **Aggravation Index** described in section 3.1b(1) to prevent complaints and the **RFC process to respond** to complaints. The Aggravation Index is a compilation of performance measures on the company Dashboard that monthly tracks aggravation points that could generate a customer complaint (i.e. shipping samples late). By Momentum monitoring the Aggravation Index on the company Dashboard it gives the management team an indication of the level of customer dissatisfaction and can launch proactive measures to prevent complaints. Once a customer complaint is generated, Momentum utilizes the RFC process to quickly and effectively respond (Figure 3.2-3). The Inside Sales agents are trained to ensure that their first priority is to rectify the problem as quickly as possible by helping the customer first and investigating second. The RFC’s process is detailed in Figure 3.2-3.



**Figure 3.2-3**

- = Approach; ● = Deployment;
- = Learning and ● = Integration

**CATEGORY FOUR: MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

**4.1 Measurement, Analysis, and Improvement of Organizational Performance**

Momentum manages its performance via the Organizational Review Process (Figure 2.2-1) where all organizational performance measures, C&S processes' critical process measures and individual work results are monitored and measured and opportunities for improvement are identified.

4.1a Performance Measurement

**4.1a(1) Performance Measures**

**Select Data** Data is selected to support Momentum's SPP (Figure 2.1-1); company operational measures (Figure 4.1-2) and C&S process critical process measures (Figure 6.1-4).

**Collect Data** Once the data is selected, the collection method and frequency are determined based on the requirements of the measuring and monitoring indicated in Step #3 of the QPIS. For example, any operational measure in the company Dashboard would be collected at least quarterly.

**Align and Integrate** Collected data is aligned within Momentum's Five Categories of Focus as a measure for Vision, Customer, People/Culture, Operations, or Financial. Once alignment has occurred, measures are integrated into the QPIS and cascade from companywide operational performance measures (Figure 4.1-2) to the C&S processes critical processes (Figure 6.1-4) and to the individual work results.

For example, order accuracy is an organizational performance measure on the company Dashboard aligned under the Operations Category of Focus. This cascades down to the core process level where the Order Filling core process integrates order accuracy as a critical process measure and tracks order accuracy per shipping location. This is further cascaded to the individual level where order accuracy is measured per order filler and is discussed in performance evaluations and reviews.

Momentum utilizes the action plan implementation process described in 2.2a(2) and Figure 2.2-1 to track the process of achieving strategic objectives and action plans. The Red-Yellow-Green system described in section 2.1a(1) allows Momentum to track performance and quickly identify areas for improvement or for when modifications to action plans are needed.

Momentum's key operational performance measures are shown in Figure 4.1-2 and key short-term and long-term measures are detailed in Figure 2.1-4.

**4.1a(2) Comparative Data**

As a continuous improvement focused company, Momentum challenges its C& S processes to select learning opportunities within and outside the industry. Comparative opportunities are two-fold: process comparisons and result comparisons or benchmarking.

**Process** By benchmarking processes, Momentum is able to make improvement within those processes. The Product Development core process benchmarked a renowned design firm and Momentum's collaborator on its color work process, which

**Quality Process Improvement System**

Steps #1-4 of SPP described in 2.1a(1) where the strategic plan is developed in alignment with the Five Categories of Focus.

Step #5 of SPP with integration of strategic plan with the company Dashboard and each objective and action plan is assigned an owner with measures and goals. Company operational measures cascade to the C&S processes and individual measures as described in Figure 2.2-1

Employees are rewarded for performance improvement and C&S process accomplishments. Employees are recognized at the individual and C&S process level as described in 5.2a(4) and Figure 5.2-1 and company level through company profit sharing Figure 7.3-9

Criteria for C&S process annual evaluation for the IBA application is benchmarking, learning and innovation as described in 2.1a(2); 4.1c; 4.2a(2); 6.1b(3) and 6.1c. Examples demonstrated in Figure P.2-1 and 4.1-3



Conducted through the Organizational Performance review process demonstrated in Figure 2.2-1 and detailed in performance review meetings in Figure 4.1-4. Most specifically:


- Quarterly Dashboard meetings
- Monthly C&S process meetings
- Semi-annual individual performance evaluations
- Annual national Baldrige examiner evaluation through IBA process (Figure 1.1-3)

Process improvements are conducted through C&S processes or cross functional action teams as described in 6.1b(3) and Plan Do Check Act Model in Figure 6.1-2

**Figure 4.1-1**


inspired Momentum’s designers to look at color differently, setting aside a number of trial SKUs for a targeted pursuit of experimental colors. Another example is when the Sample Management core process visited a large carpet company in order to learn about its sample fulfillment process, which set in motion the workgroup’s work flow reorganization strategic objective for 2015. (See Figure 4.1-3 for more examples by C&S process).

**Results** Comparative data is used whenever possible to compare Momentum’s performance measures versus competitors and best in class (Figure P.2-1). **The most effective way that Momentum does this is through its IBA process.** As mentioned in Figure 1.1-3 each of Momentum’s C&S processes is charged with writing an application that details its annual results for critical process measures in handoff, process, customer satisfaction (Figure 6.1-3), and workgroup strategic objectives accomplishments. By using LeTCI, each C&S process workgroup is highly motivated to find benchmarks wherever possible.

Results are then used to guide decision making at the C&S process level and company level for process improvement opportunities and/or future strategic objectives.  This comparative data also supports the true learning of the IBA process, which is the criterion that challenges each C&S process to discover new and innovative ways of accomplishing its goals and objectives. This internal learning along with the constructive feedback provided by the third-party, national Baldrige examiner/reader provides Momentum an effective way to use **comparative data to guide Momentum’s overall decision making.**

#### 4.1a(3) Customer Data

VOC customer data is collected via various methods as detailed in Figure 3.1-1. Momentum **selects, aligns, and integrates this customer data** based on the process described in 4.1a(1). This data is then used to guide decision making at the company and C&S process level during the performance review process in Step #3 of the QPIS. As each C&S process measures customer satisfaction, the results influence corporate decision making and potential strategic objectives. These then **serve as inputs to Step #2 of the SPP.** For example, one manner in which Momentum’s customer complaints are managed is through the RFC process (Figure 3.2-3). This data is collected and tracked to measure accuracy of orders in all stages of the order process, from data entry to correct product shipped and invoiced.

 This information is disseminated throughout the organization so that each C&S process reviews RFCs applicable to their work process during their monthly C&S process meeting. In this way, errors are discussed and analyzed for process improvement and to prevent further errors.

#### 4.1a(4) Measurement Agility

Figure 4.1-4 indicates high level planning, performance review, and corrective action meetings that occur on a regular basis. These meetings provide the opportunity for action plan modification as described in section 2.2(b) and any changes needed in performance measures follow the data, collect, align, and integrate process described in section 4.1a(1).

#### 4.1b Performance Analysis and Review

Momentum undergoes an extensive **review and analysis process** of company performance and capabilities through the **Organizational Performance Review process** (Figure 2.2-1), which is in essence step #3 of the QPIS (Figure 4.1-1). These reviews are performed at all levels of the organization, and at regular intervals throughout the year (Figure 4.1-4). The entire management team uses the company Dashboard during quarterly meetings to provide a balanced overview of the company’s performance on its Five Categories of Focus. During the quarterly dashboard meetings, SLs and the management team **assess company success, financial health, progress on the strategic plan, action plans, action teams and C&S process strategic objectives.** Any gaps in performance versus goal, benchmark or comparative or competitive data are identified using the Red-Yellow-Green color-coded system described in section 2.1a(1) and addressed via corrective action plans. Any need to **respond to changing organizational needs and challenges are addressed through Momentum’s SPP** (Figure 2.1-1) and described in 2.2b. To ensure conclusions are valid, not only are these findings reviewed by the management team but also by the Board members during the quarterly Board Meeting review and by a national Baldrige examiner who reviews all C&S processes’ critical process measures through the IBA (Figure 1.1-3). Consistent and outstanding results as demonstrated in Category 7 and receiving Gold in 2015 by the California Award for Performance Excellence also provide Momentum validation on its assessments.

Core Processes	Company	Process Benchmarked	Affected Process Measures	Result
Product Development		Color work process		
Sales		Approach for product presentations to high-end A&D		
Inside Sales		Automation of the cutting for approval process		
Sample Management		Sample fulfillment process for greater efficiency		
Order Filling		Product storage for greater efficiency		
Inventory Management		Efficient method for receiving piece dye fabrics		
<b>Support Processes</b>				
Human Resources		Talent Management from interview to performance communication		
Marketing		Website ease of use and design		
IT		IT support and help desk		
Credit		Collection work flow analysis		
Accounting		Expense reporting approval process efficiency gain		

**Figure 4.1-3** Examples of Process Best Practices learned from Momentum’s strong focus on benchmarking both results and processes.

High Level Planning Meetings	Attendance	Frequency	Purpose
Strategic Planning			
MDS Meetings			
Product Planning			
Vendor Meetings			
Senior Leader Meetings			
<b>Performance Review Meetings</b>			
Dashboard			
Results Meeting			
Product Lifecycle			
IT Projects Review			
C&S Process Meetings			
Sales/Inside Sales			
Conference Calls			
First Fridays			
Safety Team			
Individual Performance Evaluations			
<b>Corrective Action Problem Solving</b>			
Action Teams			
C&S Process Meetings			
<b>Employee Engagement Meetings</b>			
Lunch and Learns			
President's Award Dinner			
Community Involvement Team			
Forget Me Nots			
Wellness			
Fun in the Workplace Team			

**Figure 4.1-4** Internal Meeting and Communication System

#### 4.1c Performance Improvement

##### 4.1c(1) Best Practices

A distinctive characteristic of Momentum’s history and culture is to share best practices through the IBA. After winning two state level awards, Momentum adapted the spirit of competition internally using the Baldrige Performance Excellence Program to develop criteria for performance evaluation. 📖 A key criterion (worth the most points) is Learning and Innovation for which C&S processes are asked to describe learning from benchmarks, research, and best practices, and how they integrated this learning into their work processes. It is also a requirement of the C&S processes to identify what results are improved due to their benchmarking efforts. This process has spurred processes to go beyond their usual industry networks to develop outside-the-box thinking with regard to their critical processes and goals. For a select list of benchmarks and best practices for Results see [Figure P.2-1](#) and for Best Practices for Process see [Figure 4.1-3](#).

📖 **Best practices are documented** in the 11 process applications that are saved on Momentum’s intranet and are **available for all employees** to read. But most importantly these best practices are described in detail during the annual **President’s Award dinner** where highlights from each of the 11 applications are shared along with their award placement that identifies and recognizes high performing workgroups. This dinner is held annually in Irvine, California and in Archdale, NC. Remote employees are invited to attend a webinar during a First Friday meeting ([Figure 4.1-4](#)). 📖 This further promotes the spirit of learning within the workgroups and opportunities for **internal benchmarking**. The Order Filling core process

most recently benchmarked the Sample core process on their picking- document and packing list process due to increased aesthetics for the external customers and internal efficiencies gained within the workgroup.

##### 4.1c(2) Future Performance

Through multiple performance review meetings ([Figure 4.1-4](#)), but most importantly through the quarterly Dashboard meetings, Momentum receives feedback on its performance versus goals, benchmarks, competitors, and industry performance depending on the specific measure. 📖 Momentum evaluates and analyzes these inputs of past performance compared to projected industry performance and its long-term and short-term goals and **updates its projections and forecasts** accordingly.

##### 4.1c(3) Continuous Improvement and Innovation

Momentum’s fully deployed QPIS integrates all of Momentum’s operational performance measures ([Figure 4.1-2](#)) and C&S process critical measures ([Figure 6.1-4](#)) at every level of the organization. The QPIS comes alive through its ability to focus Momentum’s continuous improvement efforts through fact-based data analysis of performance and results. Each C&S process reviews its critical process measures during its monthly C&S process meetings ([Figure 4.1-4](#)) and companywide through quarterly Dashboard meetings. **Opportunities for improvement and innovation are identified based on performance compared to goal, benchmarks, or competitor comparisons.** These opportunities are then prioritized using the strategic objective criteria and serve as inputs to Step#1 of the SPP as described in [2.1a\(1\)](#). Any opportunity for improvement or innovation that

involves Momentum’s **suppliers or partners is communicated to them with specific milestone measures**. Depending on the significance of the opportunity, these are then tracked through the appropriate C&S processes’ monthly review meeting or company Dashboard meeting to ensure visibility, progress and alignment within the entire organization. Further supplier performance measures are described in section 6.2b.

## 4.2 Knowledge Management, Information, and Information Technology

### 4.2a Organizational Knowledge


#### 4.2a(1) Knowledge Management

The availability and transfer of workforce and organizational knowledge are essential to strengthening Momentum’s core competencies of an *innovative product design team*, and a *sophisticated selling process*. Momentum’s method to **collect, transfer, and manage workforce knowledge** is two-fold: a systematic organizational review system and effective use of technology that enable the C&S processes to manage day-to-day operations.

1) The organizational performance review system (Figure 2.2-1) where all operational measures, critical process measures, and individual work results are tracked, reviewed, and analyzed through effective communication meetings is detailed in Figure 4.1-4.

The cascade from operational measures to critical process measures to work results provides employees visibility into current operations in addition to establishing accountability at the employee level for company performance.

2) Significant technology investments that **blend and correlate data to build new knowledge** sharing and management **within Momentum** and with **customers and suppliers** are A) the integration between a proprietary Rep Dashboard with Momentum’s CRM system; B) investment in a communication platform that integrates Momentum custom Enterprise Resource Planning (ERP) system, CRM, and phone system; C) real-time data available on Momentum’s website; and; D) proprietary software that enables product tracking and design data management. These enable sales, product, and customer information to be updated daily, are accessible to employees, and **serve as inputs for Step #1 of the SPP described in 2.1a(1)**.

Through the integration of Momentum’s CRM with the Rep Dashboard, Sales Reps are provided visibility through web and smart- phones/tablets into their core process critical measures.  This powerful sales and analysis tool provides the foundation for learning and improvement for Momentum’s *sophisticated selling process* that is second to none in the industry, as evidenced by Figures 7.2-1 to 7.2-6.


Momentum’s industry leading website is also an important transfer of knowledge to **customers, suppliers, collaborators and the community**. Communication of product news, recent awards, the company’s core values, and sustainability goals just to name a few can be easily found through the user-friendly navigation tools. Sales and Inside Sales are trained to walk customers through the product library on a laptop or iPad in order to provide them with instant access to all products,

specifications, stock availability, and 5Clicks, which no other competitor can provide.

Momentum’s IT capabilities and detailed product tracking place real-time fabric and design data at Sales Reps’ fingertips, and this data is regularly utilized in sales presentations to both A&D and CFM customers.

#### 4.2a(2) Organizational Learning

As described in 4.1c(1), Momentum is continuously looking for learning opportunities within and outside the industry.

 Best practices and information gained from this learning is integrated into Momentum’s QPIS through the IBA so that other C&S processes or individuals can systematically learn from the knowledge gained. Momentum’s communication system (Figure 4.1-4) and intranet serve as a platform for knowledge sharing and learning. Learning is specifically the topic for many of Momentum’s planning and review meeting and the intranet is where employees can search for and access organizational information.

### 4.2b Data, Information, and Information Technology

#### 4.2b(1) Data and Information Quality

Momentum ensures the quality of organizational data and information based on the following:

**Accuracy and Validity** Momentum employs the Single Version of Truth data management concept, with all operational data housed in a centralized database in non-redundant form. Data is entered into the database via data entry screens where Momentum utilizes limited choice and validation rules to ensure data is complete and correct. For numeric data there are validations via cross-checking calculations and reports to ensure accuracy.


**Integrity and Reliability** Momentum’s database employs sophisticated built-in methods to assure data reliability, including a hash-file data management system. Intra-record integrity is assured by non-fragmented storage of logical documents. Momentum runs this database on two high-availability servers with real-time data replication. The database is backed up before and after nightly batch processing and biweekly for the entire server.

Momentum’s 30+virtual servers with fully redundant storage and controllers, and run on a 3-server high-availability cluster. Any single server can be lost with no impact to operations. The virtual servers are backed up via snapshot and disk-to-disk appliance. All components are monitored 24x7 by infrastructure monitoring servers; administrators are alerted of hardware or software issues in real-time.

**Timeliness and Currency** Momentum’s high volume processing allows complex transactions to be updated almost instantly with appropriate locking to prevent simultaneous access. Data is updated and displayed in real-time.

#### 4.2b(2) Data and Information Security

**Confidentiality** Momentum’s data and information confidentiality is achieved through corporate agreements with employees and limited access to outsiders. Employee terminations follow a strict process to ensure system access is removed beforehand. Voluntary terminations trigger a review of prior data transmis-


sions and modifications. Confidentiality agreements are appropriately utilized when outsiders are granted access to Momentum's system.  The cyber security of Momentum's information systems is reviewed annually and as its infrastructure changes and new threats become apparent.


**Security** Organizational data is protected in a number of ways. Internally, each user has a single network login. Momentum utilizes Active Directory to control access to data throughout the systems based on the user's profile. Users are required to change their strong passwords regularly. Programs that display or update sensitive data have additional access control records or passwords. External security is described in 4.2.b(4).

Momentum utilizes a proactive multi-layer approach recommended by the National Information Security Group, which includes numerous best practices such as:

- Hardened perimeter, servers, and desktops
- Single-point Enterprise-class fire-walled and content filtered outside access
- Centralized intrusion detection

#### 4.2b(3) Data and Information Availability

Momentum makes needed data and information available in a user-friendly format and timely manner to the workforce, suppliers/collaborators, and customers.  All IT solutions are systematically reviewed as a critical process measure for the IT support process for any updates, modifications, or new solution options.

**Workforce** Momentum's ERP system is customized, developed, and refined in-house to assure systems follow the best possible workflow.  The ERP system is regularly reviewed and modified to improve efficiency and systematize new processes. Specific non in-house software are evaluated prior to purchase with accessibility of data and user-friendly formats as key criteria. In addition to programs utilized in the course of business, on-demand and frequency driven reports to electronic repositories are available with one-click access. Momentum's corporate intranet is available to all employees for company news and C&S process information as described in section 5.2a(1).

**Suppliers and Partners** All purchase orders to suppliers and partners are generated and transmitted electronically. Updates between design collaborators and the Product Development core process are done via Microsoft Office Project.

**Customers** The customer's primary interface with Momentum's organizational data and information is through the website. Momentum's website is consistently rated as the industry leader compared to competitors every month (Figure 7.2-1 to 7.2-5) due to ease of use. This is a key customer requirement for both A&D and CFMs (Figure P.1-9), and therefore, Momentum continually reviews and benchmarks the customer experience to ensure continual satisfaction (Figure 7.1-6).

#### 4.2b(4) Hardware and Software Properties

**Hardware** Momentum ensures that it utilizes high availability principles when designing hardware infrastructure. The vast

majority of servers are virtual. Momentum has a high security Enterprise-class firewall and has never had a security breach of critical network systems (Figure 7.1-24).

**Software** Security and reliability of software is described in 4.2b(1). Software modifications are designed by teams that include the end users so that input is provided and ensures user-friendly systems. Momentum has tenured in-house employee developers who are intimately familiar with Momentum's database and programs. This allows modifications to programs and development of new ones quickly with minimal code errors. For software not developed in-house, Momentum utilizes a defined process to select software and vet suppliers as mentioned in 4.2b(3).

#### 4.2b(5) Emergency Availability

As noted in 4.2b(4), all critical network components are located a few miles from Momentum's corporate office. In the event of a disaster at Momentum's corporate office in Irvine, users outside of that office would not be affected. Momentum's remote Inside Sales agents located throughout the country would continue to access customer emails and faxes. Momentum's ERP system, website, intranet, CRM, email, and other critical systems would continue to operate.

## CATEGORY FIVE: WORKFORCE

### 5.1 Workforce Environment

#### 5.1a Workforce Capability and Capacity

##### 5.1a(1) Capability and Capacity

**Momentum assesses its full-time and part-time workforce capability and capacity needs through Step #2 of the SPP Figure 2.1-1.** All managers are asked to review the SLs' forecast and its impact on their workgroup and workforce. This includes any additional staffing with a particular skill, competencies, and/or training needed in order to support the C&S processes that fuel Momentum's core competencies and short and long-term goals. Assessment of current employees' skills, competencies and training is conducted through Momentum's Talent Management program described in 5.2a(4).


The company measures its capacity and capability to support these Sales Reps and additional sales growth. This is done by calculating two ratios and evaluating workforce performance through the monthly C&S Process Meetings (Figure 4.1-4).

**Sales Rep to Inside Sales Ratio** Through experience and continuous learning, Momentum understands that a X to X ratio is the optimal capacity ratio between Sales and Inside Sales for balancing the needs of each territory with the additional labor costs (Figure 7.3-5).

**Sales Rep to Non-Sales Ratio** In a similar fashion, Momentum understands that the optimal capacity ratio for Sales Reps to non-sales staff is a X to X ratio. As new Sales Reps are hired, the company strives to increase efficiencies before adding additional staff in operations or administration whenever possible. Momentum has steadily kept this ratio and is reflected in the increasing sales per employee in Figure 7.3-2.

**Workforce Performance** Capability and capacity are integrated into Organizational Performance Reviews of the QPIS. It is through its performance review of company operational measures, C&S critical process measures, and individual performance evaluations that opportunities for improvement in capability and capacity are identified. This is demonstrated as follows:

*Capability:* Workforce capability is measured throughout the year through:

- The employee's ability to meet performance standards that are required per his or her C&S critical process measures described in section 6.1(b). The frequencies of these measures vary per metric but are reviewed as frequently as daily and at least monthly during C&S process meetings.
- Semi-annual performance evaluations that measure the employees' ability to perform the competencies that are described in the job description.  Any shortcomings in performance are addressed through learning plans or corrective action plans, as described in 5.2b.
- Periodic job description reviews where managers and the HR manager review each position to identify any changes in capabilities needed.


*Capacity:* Workforce capacity is measured in much the same way as capability. During Step #3 of the QPIS, C&S processes track

their ability to meet performance standards that are described in 6.1(b). If a performance gap exists where critical process measures are not being met, and it is not due to capability, then either efficiency gains must be addressed or additional staff is needed.

##### 5.1a(2) New Workforce Members

**Recruit** Momentum's goal is to promote from within whenever possible. To do so, Momentum posts new job opportunities on the company intranet and in all office and warehouse locations. If it is not possible, then Momentum posts jobs in the local community, on social media, and in industry publications. Through the recruiting process, Momentum evaluates candidates for their capability and competencies compared to the job description requirements as well as for a cultural fit with Momentum's core values. Behavioral based competency interviewing and multiple interviews with various employees throughout the company provide Momentum with the best possible recruiting outcome. Technology has also aided Momentum in being able to secure the best talent possible.

**Hire and Place** Once the candidate is hired, the hiring manager schedules individualized training for the new employee based on the job description requirements and Momentum Way which covers topics such as: 1) company vision, mission, and core values; 2) QPIS; 3) customer and product; 4) company policies (including Ethics and Code of Conduct); 5) safety program; 6) recognition; and 7) benefits. As a cycle of improvement the HR support process has instituted a survey of the hiring manager regarding the quality of the new employee (Figure 7.3-3) ninety days after the hiring date. This measure is one of the critical process measures for HR support workgroup; is reviewed during HR support process meetings (Figure 4.1-4); and used as a learning tool regarding hiring decisions to identify changes needed for the future.

All new employees (regardless of their location) are required to attend Momentum Quality Concepts training. This is a two-day training held in the corporate office every year for 12 new employees per class.  The content of the training includes:

- Momentum's customer focused company culture
- The inner workings of Momentum's QPIS
- Paradigms and group think versus innovative thinking
- Teambuilding, team dynamics, and decision making
- Plan Do Check Act model for process improvement and process design (Figure 6.1-2).

**Retention of New Hires** As seen through Momentum's tenure in Figure P.1-4 and turnover rate in Figure 7.3-11, Momentum has a strong retention rate of employees. This can be attributed to 1) Momentum's ability to recruit based on competencies needed for the job; 2) cultural fit with Momentum's core values; 3) clear expectations and measures regarding job performance and; 4) Momentum's comprehensive benefits package that includes employee profit sharing that incentivizes successful behaviors to help Momentum succeed as a team.

##### 5.1a(3) Work Accomplishment

Momentum's **ability to accomplish its work** is managed through all six steps of the QPIS in Figure 4.1-1, action plan implementation strategy described in section 2.2a(2) and



Figure 2.2-1, and the performance management system described in 5.2a(4). Through these, each employee as part of a C&S process is aware of his or her contribution to Momentum’s success through fact-based process measures detailed in Figure 6.1-4.

**Momentum organizes its workforce around multiple locations.** This organization of workforce is strategically accomplished to maximize effectiveness, **customer satisfaction and supplier reach that sustains Momentum’s ongoing profitability.** For a description of each of the locations and how this type of organization **capitalizes on the company’s core competencies, and reinforces a customer and business focus,** see section 2.1a(4).

### 5.1a(4) Workforce Change Management

Momentum **prepares its workforce** for any changes in organizational structure or work systems **through communication and a three-tier method to minimize workforce disruption.** Communication of any changes based on evaluation of workforce capacity and capabilities as described in section 5.1a(1) is conducted during Step #5 of the SPP and through the communication channels listed in Figure 1.1-2 and 4.1-4. Momentum’s three-tier method to manage and minimize workforce disruption is as follows:

1. **A structured compensation plan**
2. **Cross-training is conducted within the workgroup** to manage **growth**, so that employees can be assigned to the most needed areas during the ebb and flow of each work day or season during the year.
3. **Incentivizing its workforce toward continuous learning, benchmarking, and best in class practices.** Through Step #5 of the QPIS (Figure 4.1-1) and learning plans (5.2b(2)), employees are charged with staying abreast of new technologies and innovative changes in their field. This has led to considerable time and cost savings as seen in Figure 6.2-1. These **efficiency gains every year reduce Momentum’s need to incur additional labor costs** to sustain its continual growth (Figure 7.3-2 sales per employee).


### 5.1b Workforce Climate

#### 5.1b(1) Workforce Environment

**Workplace health, security, and accessibility for the workforce are incorporated into Momentum’s facilities and operations.** These include handicap accessible and compliant buildings, visitor check-in, periodic voluntary risk assessment evaluations, and an active safety team with members representing all locations.

Momentum’s operations include four distinct working environments: 1) office, 2) warehouse, 3) home office, and 4) sales territories. Momentum manages its working environments through a cross-functional corporate safety team. The safety team is comprised of 12 employees (who rotate every year with key members such as HR remaining constant) who represent all locations and Momentum’s four working environments. Section 6.2c provides a detailed description of Momentum’s Safety and Emergency Preparedness Plan.

For each working environment and location, the safety team measures: lost time accidents, completion of twice annual safety training, completion of Job Safety Analysis, and completion of environmental and housekeeping inspection reviews (Figure

7.3-8). These semi-annual environmental and housekeeping inspection reviews (for either the office or warehouse environment) allow the safety team to identify potential hazards per location and to verify compliance with OSHA regulations and safety issues.  The safety team also ensures that safety training is geared towards the working environment. For example, if Ergonomics is the topic, Office Ergonomics is assigned to employees working in an office and home office and Warehouse Ergonomics is assigned to warehouse employees. For Sales Reps who drive throughout the day in their territories, online driving safety training may be assigned. As an added measure, Momentum’s safety team periodically calls in a risk assessment consultant to identify any areas for improvement to ensure the health and safety of Momentum employees.

### 5.1b(2) Workforce Benefits and Policies

Due to the multitude of workforce locations, Momentum leverages its robust technology capabilities for a company of its size. The company strives to **support the workforce** with as many online **services** and connectivity among employees as possible. In addition, Momentum’s detailed Momentum Way provides consistent **policies** for employees regardless of location. Momentum provides competitive and generous wages and **benefits** detailed in Figure 5.1-1.




Benefit	Description
Compensation	
Vacation days	
Paid holidays	
Sick leave	
401k	
Profit sharing and bonus plans	
Health insurance	
Wellness program	
Disability	
Health advocate	
 Tuition reimbursement	
Computer reimbursement	
High mileage gas vehicle incentive	
Employee referral program	
Matching gift program	
Employee purchases	
Employee celebrations	
 Training	
 Career development	

Figure 5.1-1 Benefits

## 5.2 Workforce Engagement

### 5.2a Workforce Engagement and Performance

#### 5.2a(1) Organizational Culture

Momentum prides itself on its energetic, core value-driven, family style culture. This strong company culture is the key driver that inspires employees to give the extra effort to help Momentum succeed (Figure 7.3-12). Through this culture, Momentum’s fosters **open communication, high performance, and an engaged workforce.**

**Open Communication** Momentum's SLs set the example of open communication and transparency within the organization (1.1b(1)). Managers who are not SLs promote this same open door philosophy policy and transparent communication through semi-annual performance evaluations as well as monthly C&S process meetings, as indicated in Figure 4.1-4. With these frequent touch-point with employees (onsite and offsite), employees are informed first-hand on happenings within the company. Momentum also uses these touch-points as a learning tool to adjust communication as needed.

Another communication platform utilized to disseminate information and learn about Momentum's culture is the company's intranet, *Threads*, which is available to all employees.

**High Performance** Momentum promotes a culture of high performance through its IBA (Figure 1.1-3) that generates a spark of friendly competition between the 11 C&S processes. The IBA promotes a culture of continuous improvement, teamwork and high performance that rewards employees for their achievements. Award levels and free additional days off are determined based on the C&S processes' score of Bronze (one day off for all employees in the workgroup), Silver (two days off), Gold (three days off) and Platinum (four days off). The correlation made between continuous improvements and high performance with Momentum's profitability is reinforced during the President's Award dinner ceremonies where Momentum's profit sharing dollar amount is announced immediately following each C&S processes' award level. It makes for quite an exciting night! The IBA itself is reviewed annually for opportunities for improvement to ensure that it continues to work effectively for Momentum. For example in 2014 all 11 C&S processes scored at either Gold or Platinum level by the Baldrige examiner. In order to foster continuous improvement and high performance, the level of complexity of the criteria was increased and learning and innovation became their own category with more points associated to it than in prior years (Figure 7.3-1).

**Engaged Workforce** Momentum's strong core value-driven culture fosters employee involvement and development for engagement (Figure P.1-3) and rewards employees for individual, workgroup, and company successes (Step #6 of the QPIS and described in section 5.2a(4)).

A component of employee involvement is Momentum's Opportunity Knocks (OK) program-an employee suggestion program where any employee can submit any idea for improvement at the individual, C&S process workgroup or company level. All ideas are entered into a drawing to win a monetary reward. For any idea that saves Momentum more than \$2,500, the employee only needs to track the cost savings for one year and he or she is eligible to receive 4% of the total annual savings. These cost saving "OKs" are recognized at the annual President's Award dinners.

Momentum's culture where employees are family is that *intangible something* that motivates employees to stay with Momentum (see employee tenure in Figure P.1-4) and give the extra effort for Momentum to succeed (Figure 7.3-12). Because of this culture, Momentum is proud to be consistently named a Top Workplace and a Best Place to Work in Orange County and North Carolina.

### 5.2a(2) Drivers of Engagement

Key drivers of engagement and employee requirements are accomplished through engagement research conducted by recognized organizations such as Best Places to Work and Modern Survey. In 2015, Momentum was named a Top Workplace by the Orange County Register, a designation that is based solely on employee engagement surveys. Survey results are presented in Figure 7.3-12 and 7.3-13. Due to Momentum's small size and number of employees per location and workgroups, segmentation is not available in order to maintain the confidentiality of the employees. In addition to employee surveys, Momentum's HR support process also tracks exit interviews and performance evaluations for additional data that may impact engagement. All of this data combined is analyzed by HR as part of their HR support critical process measures.

This information, supported by measures is analyzed during the quarterly Dashboard meetings during the People/Culture Category of Focus discussion.

### 5.2a(3) Assessment of Engagement

**Formal assessment** of Momentum's workforce engagement and satisfaction is reviewed quarterly at the company Dashboard meeting through its People/Culture Category of Focus and serve as inputs in Step #1 of the SPP (Figure 2.1-2). Measures include Engagement and Satisfaction scores from third-party employee surveys (Figure 7.3-12 and 7.3-13), employee turnover (Figure 7.3-11), number of recognition touch points conducted each year, and employee exit interview results. Recognition touch-points capture moments when employees recognize each other for going above and beyond their jobs and/or exhibiting one of Momentum's core values (Figure 7.3-15). Momentum studies exit interview results from employees leaving the company to gain insight into employees' level of engagement and satisfaction with Momentum (Figure 7.3-14). Specifically for the Sales Reps, Momentum utilizes two additional engagement measures. A Harvard Business Review report indicates that engaged employees are linked to engaged customers at a correlation coefficient of .85; and engaged customers to an extent drive revenue and profits. Therefore, the Sales Rep engagement level can be assessed by monitoring customer engagement (via the Matrimonial Index, see Figure 7.2-11) and the level of territory development per Sales Rep (Figure 7.3-6).


Other informal indicators of employee engagement by location are the participation level at Momentum's corporate fun events hosted throughout the year. Examples include Momentum's summer picnic, Halloween event, holiday parties, participation in community involvement activities that are hosted on and off Momentum's premises, and participation in wellness program activities and safety celebrations that are adapted to each location.

### 5.2a(4) Performance Management

Performance management of Momentum's workforce is conducted during Step #3 of the QPIS (Figure 4.1-1) through the IBA program (Figure 1.1-3) and employees' performance evaluations in the Talent Management program. Both these programs support high performance and employee engagement as follows:

#### **Performance Management through Talent Management**

Momentum's talent management program integrates company

level behavioral competencies that all employees must exhibit (such as Momentum’s core values), with C&S process specific behavioral competencies (such as creativity for the Product Development core process) and individual behavioral competencies (based on the job description) into all aspects of the talent management process. This includes job descriptions, interview questions, and performance evaluations. Candidates are hired based on their ability to demonstrate the competencies and competency levels delineated in the job descriptions during the interview process and then evaluated through semi-annual performance evaluations on their ability to perform these behaviors on the job.  This facilitates transparent, clear, and actionable feedback for opportunities for improvement, learning plan initiatives, and goal setting. Momentum’s company-level behavioral competencies (which all employees are evaluated on) are: Core Values, Teamwork, Continuous Improvement, and Work Results; these competencies inherently have a **customer and business result focus**.

Momentum’s **compensation program** (detailed in 5.1a(4)) incorporates individual performance evaluated through the Talent Management program detailed above with Momentum’s overall performance through the profit sharing bonus structure.

**Performance Management through IBA** A key behavioral competency on every employee’s job description and performance evaluation is the ability to meet work results. This means the employee is able to meet C&S process performance standards on his or her critical process measures that include **customer and business focus measures**. C&S process critical process measures are discussed during monthly C&S process meetings (Figure 4.1-4) and evaluated annually through the IBA program (Figure 1.1-3) on their ability to: 1) demonstrate **intelligent risk taking to achieve innovation**, 2) meet or surpass process and customer satisfaction measures, 3) implement cost savings and efficiency process improvements to their processes, and 4) accomplish their strategic objectives. This integrated system ensures that each employee knows the importance of his/her job and how it is reflected in their C or S process critical measures and company operational measures.


*Recognition:* Momentum’s recognition program is Step #6 of the QPIS (Figure 4.1-1) and rewards employees who demonstrate Momentum’s core values and exceptional work performance


that **reinforce Momentum’s customer and business focus**. Momentum recognizes its employees based on a tiered system that was benchmarked twenty years ago. Momentum prides itself on a highly accessible recognition program that allows any employee to nominate another for demonstration of core values including, for the highest individual award, the President’s Individual Excellence Award. Momentum also features a team-oriented recognition program where action teams and C&S processes succeed as a team and receive rewards and profit sharing for succeeding together as a company. See results in Figure 5.2-1 for both individual and group recognition awards.

## 5.2b Workforce and Leader Development

### 5.2b(1) and 5.2b(2) Learning and Development System and Effectiveness

Momentum’s learning and development plan takes a holistic approach as it includes not only individual employees but also learning at the C&S process and company level.


 **Individual Learning** Momentum’s learning and development system begins with new hire training on the Momentum Way and QPIS as described in 5.1a(2). Once the employee is onboard, learning and development are integrated in the performance management system described in 5.2.a(4) through talent management performance evaluations. Employees are evaluated on their ability to meet the competency level described in their job descriptions and on their work results performance measures that feed into their C or S process critical process measures that are reviewed during Step # 3 of the QPIS. Opportunities for learning and development are decided upon between the employee and his/her direct supervisor for the employee’s required learning plan of at least 12 hours per year. These can be performed as a self-study (which includes attendance at industry events, seminars, or outside training courses), in-house classroom course, webinar, or online course. See Figure 5.2-2 for a selection of topics available for individual learning plans and how each **supports Momentum’s needs and personal development of the workforce**.


 Due to Momentum’s workforce distribution around the country, online courses are the most effective method for individual learning. As a cycle of refinement, Momentum increased its online offerings in 2014 with online courses strategically selected because of its action plan approach. Each online video is only one

Recognition	Who Gives to Whom	Description
<b>Individuals</b>		
YARD: You Are Really Deserving	Any employee to another	
You Measure Up	HR to YARD winner	
A Cut Above	Manager awards employee for significant contribution	
You’re on a Roll	Manager awards employee for significant sales	
Service Awards	President and Manager present to employee for years of service	
Opportunity Knocks	Cost savings idea generated by employee and presented at the President’s Award dinner	
Cost Savings Idea		
President’s Award	Any employee can nominate any other employee and award is presented at President’s Award dinner by the President	
Individual Excellence		
<b>Group Recognition</b>		
Action Team Recognition	Team Leader recognizes its members at the President’s Award dinner	
Internal Baldrige Award	Award level achieved by C&S process and presented at the President’s Award	


**Figure 5.2-1** Recognition Program

to three minutes in length, and the rest of the learning is based on the implementation of a prescribed action plan and practice of the new skill in the everyday job performance. **Effectiveness of the learning plans is measured based on the improved performance of the process measure or competency level set out to improve and are discussed during performance evaluations.** This ensures that the knowledge or skill was indeed learned and will continue to be reinforced as the new skill is practiced.

**C&S Process Workgroup Learning**  Momentum’s unique IBA process (Figure 1.1-3) is the primary vehicle for workgroup learning for the C&S processes. A key criterion in the applications is learning and innovation. C&S processes are required to identify areas of learning and innovation and how these opportunities are identified and prioritized using process measure results. They are also asked to identify what process measures or customer satisfaction measures this learning and innovation will impact. Through this process **Momentum improves its customer focus, keeps the organization dedicated to innovation, and embraces organizational change.** The IBA also serve as a formal documentation process of C&S process measures and improvements that are used to **transfer knowledge from leaving or retiring employees.** Momentum’s C&S process workgroup learning has a strong impact on **organizational performance improvement, customer satisfaction, and business results.** Through fact-based company performance measures, it is able to identify performance gaps and opportunities for improvement in process, learning and development, and workforce engagement.

**Company-wide Learning**  There are critical topics on which Momentum believes all employees should be trained, such as Momentum quality concepts, workplace ethics, prevention of sexual harassment, and safety. These courses, as well as Momentum’s entire training program, are evaluated annually during Step #2 of the SPP (Figure 2.1-1). This ensures that Momentum is continually **improving its offerings** and that employees are equipped to accomplish the company’s mission, vision, and short and long-term goals.

### 5.2b(3) Career Progression

Momentum utilizes its performance management system described in 5.2a(4) to also **manage career development** within the workforce. This involves utilizing the **Talent Management program** to identify key behavioral competencies needed for a new position and to identify key behavioral competencies of top performers who qualify to meet the job requirements; Momentum’s goal is to hire and promote from within whenever possible.  In order to facilitate this match, Momentum’s learning and development program described in 5.2b(1) and (2) is augmented at the generous tuition reimbursement program, extensive training courses offered, and robust training and development investment per employee (Figure 7.3-16).

**Succession planning for management and leaders is followed as described in 1.1a(3)** and has resulted in 73% of current managers having been promoted from non-manager to manager positions during their tenure with Momentum.

Learning and Development		
Method	Topics	Impact
Topics for Self Study Projects	Quality/Business	CC#1; CC#2; SC#1; SC#2; SC#3; SP; PI; OC; CV
	Customer Service	CC#1; CC#2; SC#1; SP; PI; CF; OC; CV
	Innovation	CC#1; CC#2; SC#1; SC#2; SP; PI; IN; CF; OG; CV
	Industry	CC#1; CC#2; SC#1; SP; PI; IN; CF; OG
	Cross Training	CC#1; CC#2; SC#2; PI; CF; OC; CV; TK
	Job Specific	CC#1; CC#2; PI; IN; CF; OC; CV; TK
Topics for Online Enrichment (over 300 courses)	Career Development	EE; CV; PI
	Communication	EE; CV; PI
	Customer Service	CC#1; CC#2; SC#1; SP; PI; CF; OC; CV
	Developing Talent	CC#1; CC#2; SC#3; EE; CV; SP; PI
	Innovation	CC#1; CC#2; SC#1; SC#2; SP; PI; IN; CF; OG; CV
	Engagement	EE; CV; PI
	Integrity and Trust	EE; CV; PI; EBP
	Leadership	EE; CV; PI
	Conflict and Problem Solving	CC#1; CC#2; SP; PI; IN; CF; OC; CV
	Performance Management	CC#1; CC#2; SP; PI; IN; CF; OC; CV
	Recognition/Giving feedback	SC#3; EE; CV; PI
	Selling Techniques	CC#2; SC#1; SP; PI; CF; OC; EE
	Work Life Balance	SC#3; EE
	Mandatory (all employees)	Safety Training
SH Prevention		EE; CV
Ethics		EE; CV; EBP
Momentum		SP; PI; CF; OC; EE; CV
Quality Concepts		

Legend: **CC#1** = Core Competency Innovative Product Development Team, **CC#2** = Core Competency Sophisticated Selling Process, **SC#1** = Strategic Challenge Operating in a slow growth industry, **SC#2** = Strategic Challenge Sustaining Momentum’s growth without incurring overhead, **SC#3** = Strategic Challenge Finding and hiring talented Sales and Inside Sales agents, **SP** = Strategic Plan, **PI** = Performance Improvement, **IN** = Innovation, **EBP** = Ethical Business Practices, **CF** = Customer Focus, **OC** = Organizational Change, **EE** = Employee Engagement, **CV** = Core Values, **TK** = Transfer of Knowledge.

**Figure 5.2-2** Selection of Learning and Development Programs

CATEGORY SIX: OPERATIONS

6.1 Work Processes

6.1a Product and Process Design

6.1a(1) Product and Process Requirements

**Product Requirements** Momentum’s product requirements are **determined by a combination of both industry standards and customer requirements**. Two industry associations provide industry standards for quality and product performance. BIFMA provides the quality standard that is intended to define industry policies established for textile flaws; and ACT puts forth contract textile standards for flammability and durability. Momentum’s employee Designers as part of the Product Development core process are highly trained in industry standards and has a systematic testing phase during the development process to ensure that the end product meets industry standards and customer requirements. Customer requirements are determined through the VOC (Figure 3.1-1) and validated throughout the development process during product testing and customer feedback stages (Figure 6.1-1).

**Work Process Requirements** Momentum’s key work process requirements (Momentum calls these Core processes) are **determined by the needs** to support Momentum’s core competencies and strategic plan. See Figure 6.1-4 for the list of the six core processes and their requirements.

6.1a(2) Design Concepts

Momentum designs its product in the manner demonstrated in Figure 6.1-1. The Product Development core process works continuously and systematically to develop fresh new

products that align new technologies and innovative materials with industry and customer requirements. Using Silica as an example, Momentum combines environmental sustainability and innovation with specific market demand. Silica, a revolutionary industry first, is an environmentally-friendly, silicone-based product that successfully meets customers’ aesthetic and cleanability requirements and exceeds industry performance standards. Silica is inherently anti-microbial and anti-bacterial and even a permanent marker can be wiped off with water.

The Product Development core process’s additional responsibilities include consistently meeting with yarn suppliers P.1b(3) and textile suppliers as well as researching **new technologies and innovative ideas** in the industry. An example of this is Momentum’s Silica Prints project (same characteristics of Silica but with a printed pattern) scheduled to launch in 2016. The project meets both Momentum’s and customers’ requirements of quality and aesthetics while also serving the core value of *bettering the world around us*. These examples serve as evidence of Momentum’s commitment to design and product innovation. This strong commitment is reinforced by Momentum’s ability to manage innovation opportunities, conduct **risk assessments** and know when an opportunity is not viable. Due to the nature of using innovative materials or new technologies, Momentum’s Product Development core process allows a longer development timeline and has incorporated risk assessment checks into the process before and after the testing phase (Figure 6.1-1). When it is determined a project will not meet industry or customer requirements, it is declared not viable and design resources are allocated elsewhere. Momentum has calculated into its design capabilities the ability to continuously develop more product

Product Design

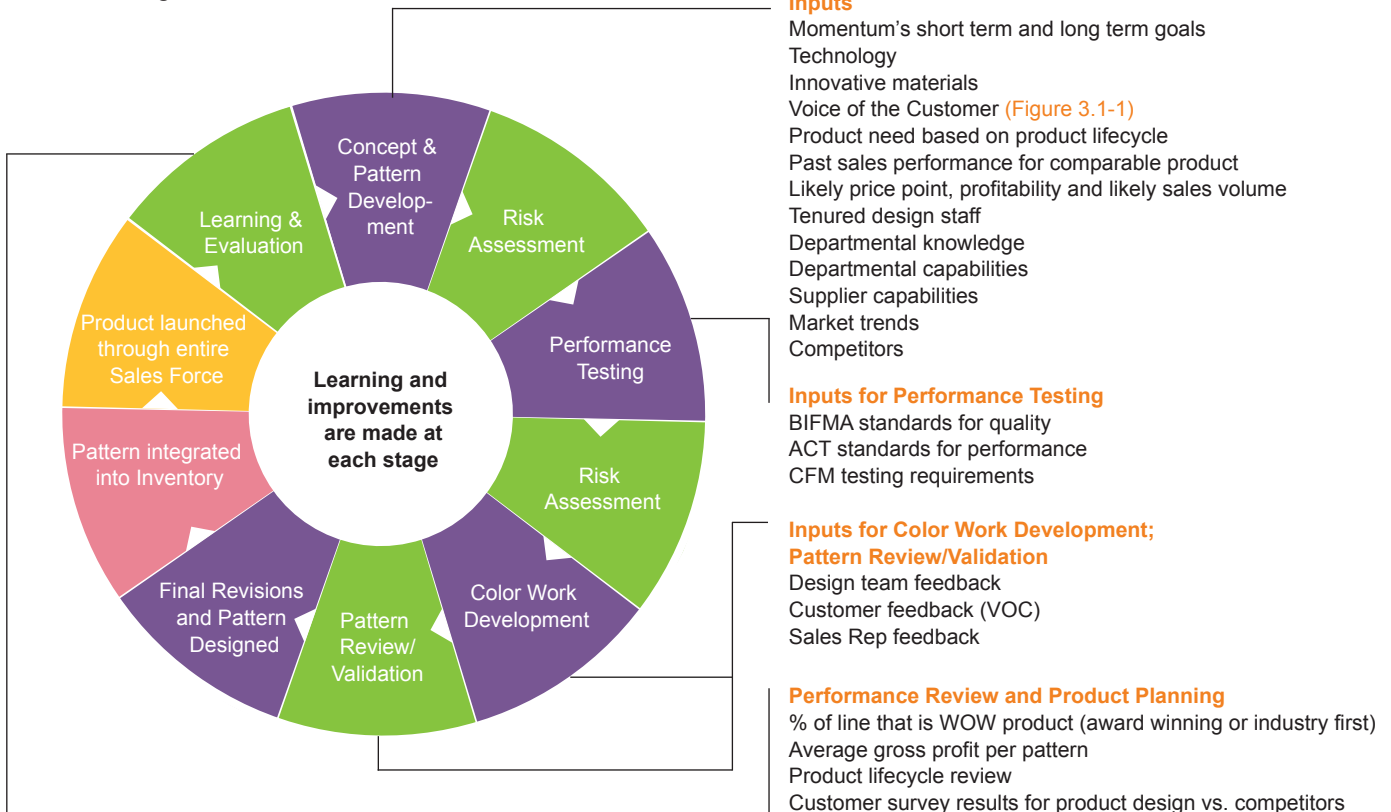


Figure 6.1-1. ●=Approach; ●=Deployment; ●=Learning and ●=Integration

than needed so that in these situations another product is substituted, the opportunity for a product launch is not lost and **the risk is minimized**.

Momentum **designs its work processes** in the manner demonstrated below (Figure 6.1-2). Momentum’s work processes are designed during Corrective Action meetings (Figure 4.1-4) using the Plan Do Check Act Model (PDCA) for process improvement. Employees are trained in this process during initial Quality Concepts training described in 5.1a(2). In most cases **new processes are designed via an action team** so as to leverage the expertise of key employees who are affected by the process change. As described in Figure 6.1-2, a variety of possible inputs trigger a need for process changes or for an entirely new process. Process requirements are established during the Planning phase to ensure that during the Check phase the team’s problem was solved and the mission was accomplished.

If further process improvements or changes are needed, Momentum’s small size, established action team process and highly skilled and knowledgeable IT staff afford Momentum the **agility needed to execute changes** quickly before full deployment and integration into the QPIS.

6.1b Process Management

**6.1b(1) Process Implementation**


The day-to-day operation of C&S processes are managed, measured and monitored through its critical processes. Critical processes are documented on three matrices that are developed per C&S process and serve as the basis for the IBA. The three matrices include:

1) *Handoff Matrix*: This includes handoff measures that track how well other workgroups meet their handoff requirements in order for the C&S process to do their job well. These are inputs

into their process matrix.

2) *Process Matrix*: This includes process measures that measure how well the C&S processes are performing their work compared to goal/benchmark.

3) *Customer Matrix*: This includes customer satisfaction measures that measure how well each C&S process is meeting the requirements of its customers. These are outputs from their process matrix. The six core processes combined review more than 150 critical process measures. Figure 6.1-3.

 Each C&S process workgroup systematically reviews their three matrices during their monthly C&S process meetings (4.1-4) that roll up to the quarterly company Dashboard meeting. This ensures that company performance is consistently measured and compared to goal in order to meet each C&S processes’ requirements and **ultimately meet and exceed the external customers’ requirements** detailed in Figure 3.1-2. See Figure 6.1-4 for a list of Momentum’s core processes with corresponding key in-process measures (Momentum calls these critical process measures). Over 150 critical process measures are available onsite.

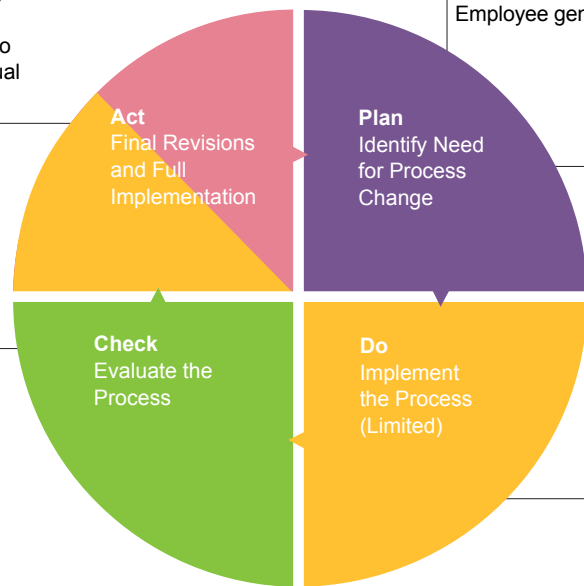
**6.1b(2) Support Processes**

**Support processes are determined by the need to support the core processes** that support Momentum’s core competencies, and the strategic plan. In the same manner as the core processes, the support process workgroups also **utilize handoff, process and customer (Figure 6.1-3) matrices for daily operations** and are integrated into Step #3 of the QPIS for measuring, monitoring and evaluation. Support processes review over 120 measures between the five support processes to evaluate how well they support the core processes and meet key business support requirements (Figure 6.1-5).

Work Process Design

Develop process manuals; conduct employee training and **integrate process** into C&S processes for continual performance review

**Validate mission** has been achieved and key requirements are met



**Inputs**

- Change in customer requirements heard through VOC (Figure 3.1-1)
- Changes in competitive environment
- Technology change
- Strategic direction from SLs
- Feedback from Baldrige consultant
- Employee generated process improvement (Opportunity Knocks program)

**Identify action team problem and mission statement and requirements**

such as the quantifiable impact in savings in time cost, error reduction, improved customer or employee satisfaction or brand image enhancement

**Analyze the current process**

using quality tools; flowcharting, brainstorming, root cause analysis, solution selection

**Identify solution options**

that provide best use of technology, ease of use, cost effectiveness and overall internal or external customer satisfaction and value

**Implement a solution**

as a trial and perform testing


**Figure 6.1-2.** ●=Approach; ●=Deployment; ●=Learning and ●=Integration

Example: Sample Management Core Process

Handoff Matrix				Process Matrix			Customer Matrix			
Key Handoff	Requirement	Measure	Goal	Critical Process	Process Measure	Goal	Customer	Customer Requirement	Measure	Goal
Fabric cut from Order Filling core process to make samples	Delivery of fabric w/in 48 hrs of order	% of on-time delivery	>98%	Sample Shipping	% of sample orders shipped on time	>99.8% WERC BIC	A&D	Timeliness of sample	% of customer who rank Momentum industry leader in timeliness of samples	> prior year
What do I need from another C&S process workgroup in order to do my job well?				How well is my C&S process performing on critical process measures?			How well am I meeting my customers' requirements?			

**Figure 6.1-3** Examples of Three Core Process Matrices

**6.1b(3) Product and Process Improvement**

As described in **Figure 6.1-2** C&S process' **design and improvements are conducted through Corrective Action meetings** (**Figure 4.1-4**). If a process improvement will impact more than one C&S process, it is steered through a cross-functional action team. Each action team has a SL as a mentor, and each leader is provided an Action Team manual that describes each step of the action team process with a list of quality tools that could be used at each phase of the PDCA model. A problem statement and mission statement are identified for each team and the team leaders present their progress at the quarterly Dashboard meetings. If not conducted through an action team, process improvements are reported during workgroup updates during the Dashboard meeting and ultimately reported and evaluated through the IBA (**Figure 1.1-3**).  Momentum has learned over the years that a team approach provides the best platform for key process improvements because it involves employees who are affected by the process, creates synergy between the C&S processes and locations, and facilitates increased employee buy-in that ultimately increases successful implementation. An example of a recent action team is the Cut or Full Yardage team that improved a process where a customer can indicate if they want exact yardage or a full roll per line item as opposed to the entire order. Employees on this team included Sales, Order Filling and IT; Accounting and Inside Sales were brought in when needed. By incorporating all affected workgroups and locations, Momentum was able to meet the customers' requirements and deploy the new process among all Inside Sales agents and all stocking locations. All action team minutes and final reports are documented on Momentum's intranet for organizational knowledge. Accomplishments are reviewed by the third-party Baldrige examiner through the IBA and employees were recognized at the annual President's Award dinner as described in **Figure 1.1-3**.

**6.1c Innovation Management**

Momentum's vision is to become the *undisputed leader in innovative and sustainable contract textiles* and identifies and **pursues strategic opportunities that are determined intelligent risks through the SPP** (**Figure 2.1-1**). **Momentum executes these opportunities through Action Plans** (Step #4 of SPP) where opportunities are assigned an owner who reports on the progress and viability of the opportunity during the performance review process (**Figure 2.2-1**). **Financial and resource allocation are determined during the budgeting process** Step #4 of SPP. During the systematic review meeting (**Figure 4.1-4**), opportunities may be deemed unviable by the action plan owner who would then make a joint decision with the SL to discontinue the objective and resources are reallocated

ed within the company. The manner in which Momentum **pursues strategic opportunities for innovative product** is described through the product design process in section **6.1a(2)**. To measure Momentum's efforts in introducing innovative product, the Product Development Core Process measures the percent of product introductions that are "Wow" per year. "Wow" means that they are either "industry firsts", award-winning or create a "buzz" in the industry (**Figure 7.1-1**). Momentum also measures the number of industry firsts and noticeable advancements (**Figure 7.4-16**).

**6.2 Operational Effectiveness**

**6.2a Process Efficiency and Effectiveness**

Momentum's cost control structure is a systematic process in which each C&S process budgets expenses for the year and submits the budget for SL approval during Step#4 of the SPP (**Figure 2.1-1**). Monthly budget statements are sent to each C&S process manager to ensure that they maintain costs within their budget throughout the year. Cost versus budget is reviewed quarterly during the company Dashboard meeting and each C&S process reports on their ability to stay within their budget on their IBA application. This cost control structure has ensured that Momentum's cost as a percentage of sales remains consistent year after year (**Figure 7.5-2**).

In addition to its cost control structure per C&S process, as a company Momentum institutes policies that continually control costs in the largest expense categories: people and sample expense.

**People** Momentum values its employees and does all that it can to ensure fair compensation and benefits. See section **5.1 b(2) and 5.2a(4)** for a detailed description of these benefits and **Figure 7.3-12** for employee satisfaction with compensation and benefits. Momentum has accomplished this goal while still controlling costs by establishing a detailed salary structure with profit sharing and bonuses that are contingent on company sales and profitability. See section **5.1a(4)** regarding Momentum's compensation structure that incorporates profit sharing and bonuses to incentivize employees.

**Samples** Momentum has recently upgraded its sample production capabilities. The following year, after research, benchmarking and analysis, Momentum invested in a state of the art printer for the printing of sample tags.

Additionally, Momentum controls its sample production costs through a proprietary sample reordering software that was benchmarked internally from the Inventory Management core process. This software has gone through many improve-

ment phases to maintain the balance of having the correct samples available for the customer with the cost of having too much inventory on the shelf. The process has been refined so well that if a memo sample happens to go on backorder, the sample is produced the same day more than 99.6% of the time, and the order is shipped complete- meaning that the customer was not even aware that the sample went on back-order (Figure 7.1-7).

Apart from controlling cost in its highest expense categories, Momentum has implemented strict quality controls across all appropriate workgroups to **reduce errors, rework, and loss of customers' productivity** before product is received into the warehouse. Some examples include:

- All suppliers employ internal quality control representatives in their production processes
- All piece-dyed products are inspected under high intensity lighting and are matched to a specific shade before being entered into inventory
- All yardage is inspected for flaws during the cutting process
- All warehouse employees are trained and certified on BIFMA quality standards and how to identify flaws in a roll
- Cutting tables are calibrated quarterly
- RFCs (errors) are reviewed in the Order Filling work group meetings
- Replacement yardage orders are highlighted in color on the picking document to prevent a duplication of error

#### Automated Control Measures

- Piece-dyed rolls cannot be received without a shade match
- System does not allow an incorrect product or color to be scanned for shipment
- System alerts when a roll needs to be measured.
- All customer information is populated in the shipping department to avoid data entry errors

In addition, each C&S process systematically **controls costs in operation** through Steps #4, #5 and #6 of the QPIS, Measuring and Monitoring, Corrective Action and Continual Improvement. A key component of the system is identifying quantifiable results in terms of cost savings, time savings, increased productivity, reduced cycle time, and employee or customer satisfaction prior to a process change implementation (Figure 6.1-2). This enables proper prioritization of organizational resources and provides a measure of the successfulness of the process change. Through the use of the QPIS and specifically the IBA process, multitudes of cost saving ideas have been implemented every year (see Figure 6.2-1).

<b>Time Savings</b>	
Improvements Implemented in 2013-2015	Annual Impact (Labor Time)
Accounting software	48 hours
Advanced ship notifications from int'l mills	150 hours
Applicant tracking system	225 hours
Credit cash posting improvement	156 hours
Credit improvement efficiency gains	287 hours
Electronic access to packing slips	192 hours
Expense reporting software	144 hours
Implementing of e-invoicing	156 hours
Online performance evaluations	160 hours
Removing limit on sample lines per order	130 hours
RFC improvement efficiency gains	260 hours
Sample order filling workflow	780 hours
Sample shipping label improvement	1040 hours
Warehouse scanners used during inventory	14 hours
<b>Total (90% of TWO full time employees)</b>	<b>3742 hours</b>
<b>Cost Savings</b>	
Improvements Implemented in 2013-2015	Annual Impact (Cost Savings)
American Express corporate card program	\$10,000
Commission report improvements	\$13,700
Implementation of e-invoicing	\$5,800
Migrated to Office 365	\$31,000
Online interviewing process	\$10,000
Short ends of fabric utilization	\$58,000
<b>Total</b>	<b>\$128,500</b>

**Figure 6.2-1** Time and Cost Saving

#### 6.2b Supply-Chain Management

**Selection of Suppliers** Over Momentum's 20 years in business it has developed key supplier relationships with leading textile mills around the world. **The Product Development core process performs supplier selection** management and evaluation for new development. They have established criteria to evaluate potential textile suppliers that include quality of the fabrics, suppliers' management team, facility, quality controls, financial stability, and internal supply chain processes. **Suppliers are provided a vendor binder** that clearly states Momentum's core values, requirements for product development, standards for quality delivery and service for product purchases and adherence to laws, regulations and ethical labor practices. A section is also dedicated to vendor ranking based on performance evaluations and how suppliers will be selected and prioritized for future product placements. Suppliers are required to sign an acceptance of all Momentum's requirements and adhere to Momentum's core values before product development begins.

**Evaluation of Suppliers** Both Product Development and the Inventory Management core process evaluate suppliers. Every quarter, the Inventory Management core process evaluates the top suppliers on quality, delivery and service. In 2015, the Inventory Management core process revised the vendor rating criteria to make it more rigorous for suppliers. Based on these evaluations, suppliers are categorized into four categories: Preferred, Approved, Probation, and New.




<b>Preferred</b>	Score is above X points for two consecutive quarters for ongoing quality, delivery and service and for the past two projects in product development. Continuous improvement is demonstrated through corrective action plan and partnership with Momentum to satisfy quality, delivery and service requirements. Supplier will receive maximum opportunities for new business and will be rewarded for the partnership with the most appropriate new placements
<b>Approved</b>	Score is below X points and the average score for the past two quarters is between X points for ongoing quality, delivery and service and for the past two projects in product development. Suppliers show a commitment to attaining Preferred status by demonstrating a strong corrective action plan for improvements in areas that do not satisfy Momentum's requirements. Approved vendors will be eligible for new placements, are welcome to submit examples of new products, and will be considered on a secondary basis to Preferred vendors.
<b>Probation</b>	Score is below X points and the average score for the past two quarters is below X points. Suppliers are not considered for new placements and corrective action plans must be submitted. Action to convert existing product to a new supplier will be considered.
<b>New</b>	New vendors must bring some benefit that is new and significant to Momentum that Preferred and Approved vendors do not already offer. This can be done in the form of product, service or technology.

**Figure 6.2-3** Supplier Evaluation Criteria

Quarterly review meetings with Inventory Management, project review with Product Development and high level Vendor Planning meetings with SLs (Figure 4.1-4) allow suppliers to provide valuable feedback to Momentum regarding their needs, their changing capabilities, industry news, and emerging technologies.

### 6.2c Safety and Emergency Preparedness

#### 6.2.c(1) Safety

It is Momentum's policy to maintain a comprehensive occupational, health and safety program for preventing injuries and **providing a safe operating environment**. This policy is detailed in the Momentum Way and is provided to all new employees and available on the intranet. Practical steps are taken to maintain a workplace that complies with all applicable regulations for safety and health. To assist in providing a safe and healthful work environment for employees, customers and visitors, Momentum has an established workplace safety program that is managed by a cross functional safety action team. This team meets quarterly and represents employees from all segments of the organization. The goals of the safety team for accident prevention are to: 1) Conduct Environmental Inspection Reviews and Employee and Housekeeping Reviews, 2) Conduct Job Safety Analysis and 3) Conduct employee safety training. Momentum provides information to employees about workplace safety and health issues through regular internal communication channels such as Lunch and Learn or written communications. Employees are trained to perform their jobs safely with the appropriate equipment for the job. When a safety incident does occur that involves property loss or injury/illness requiring medical attention, the immediate manager, leader of the safety team, and Human Resources support process are notified to provide the employee with appropriate care and to investigate the cause of incident within 24 hours of notification.  This investigation **involves root cause analysis, learning, and methods of prevention of further accidents**. Detailed instruction on how to correct an unsafe location, practices or procedures are detailed in the safety program in the Momentum Way. An annual review of safety measures is conducted by the action team and employ-

ee recognition and celebrations are conducted at each location when safety goals are met. See Figure 7.3-8 for loss time accident results.

#### 6.2.c(2) Emergency Preparedness

Momentum **ensures that the organization is prepared for disasters or emergencies** through its Emergency Action Plan. The plan is in place to protect the lives, property and other assets of the company, and to ensure the orderly and efficient transition from normal to emergency operations and back. The Safety Team steers Momentum's Emergency Preparedness plan which can also be found in the Momentum Way. Responsibilities of the Safety Team, Emergency Coordinator and Managers are detailed in the plan. For its **Emergency Preparedness and Prevention Plan**, Momentum measures: 1) Completion of Emergency Preparedness Checklist (Figure 7.1-25), 2) Number of CPR trained employees per location (Figure 7.1-26) and 3) Emergency drills per location (Figure 7.1-27).

Emergency drills that simulate evacuation of employees or movement of employees to shelter areas are conducted in each facility. Employees are also trained on the following: 1) individual roles and responsibilities; 2) information about threats, hazards, and protective actions; 3) notification, warning and communications procedures; 4) emergency response procedures; 5) evacuation, shelter and accountability procedures; 6) location and use of fire extinguishers and 7) emergency shutdown procedures. Procedures for the following potential emergencies are detailed in the plan: bomb threat, civil unrest, and disruptive intruder, power failure, earthquake, fire, medical emergency or severe weather; along with a full **recovery plan** led by SLs on how to **resume operations**. Because Momentum carries inventory for several weeks and no more than one supplier constitutes more than X% of total purchases, Momentum's diversification reduces risks associated with emergencies occurring at a **supplier location**.

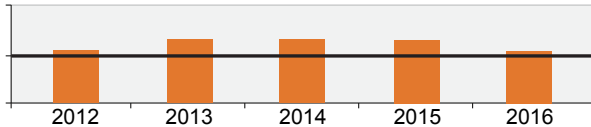
CATEGORY SEVEN: RESULTS

7.1 Product and Process Results

7.1a Customer-Focused Product and Service Results  
Momentum’s results for product and customer service processes are organized by A&D and CFM requirements listed in P.1-9 and Figure 3.1-2 which are underlined below. Results for both A&D and CFM are listed in Figure 7.1-1 to 7.1-6. The measure that primarily addresses the A&D requirement is listed in Figure 7.1-7 and CFM requirements are listed in Figure 7.1-8 to 7.1-12.

**Product Design and Innovation** Momentum’s added value to both A&D and CFMs are award-winning, innovative and sustainable designs. The Product Development core process measures its success in product design and innovation by the percent of new product that is “Wow” or “First to Market” (Figure 7.1-1), the number of design awards received (Figure 7.1-2), and the number of industry firsts (Figure 7.4-16).

Percent of New Product that is “Wow” or “First to Market”



— Goal

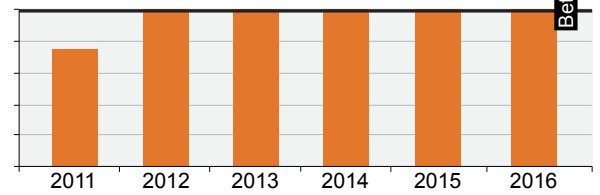
Figure 7.1-1 Wow products are either innovative, award-winning or create a buzz within the design community.

Selection of Momentum Product Design Awards from 2010-2015	
Product	Award
Fast Track	Interior Design Best of Year Finalist
Silica Prints	Interior Design Best of Year
Shantell Martin	Metropolis Likes Award
Snapshot	Best of NeoCon Award Silver Good Design Award
Blueprint	Interior Design Hip Award Interior Design Best of Year Honoree
Viewpoints Collection	Interior Design Best of Year
Crossing Colors	Best of NeoCon Silver Award Cooper Hewitt: permanent textile collection
Magnusson Collection	GOOD DESIGN™ Award
Botanica Collection	Interior Design Best of Year (Healthcare) Best of NeoCon Silver
Molto Collection	Interior Design Best of Year
Naked Nylon	Industry First, recycled nylon content Green GOOD DESIGN™ Award Interior Design Best of Year IIDEX Innovation Gold Award
In Motion	Best of NeoCon Silver
Silica	Industry First- first sustainable alternative to vinyl Best of NeoCon Gold Nightingale Award IIDEX Innovation Silver Award
Through Light and Shadow	ADEX Gold for Design Excellence Interior Design Best of Year
Reveal	Interior Design Best of Year ADEX Platinum for Design Excellence
Black and White Collection	Bloom Award Interior Design Best of Year

Figure 7.1-2 Momentum’s products have won multiple industry awards for design and innovation.

**Sales Reps** A&D and CFM relationships with their Sales Reps are measured by Sales Rep turnover (Figure 7.3-11); the percentage of Sales Reps who are involved in industry events (Figure 7.1-3); and the Matrimonial Index (Figure 7.2-11).

Percent of Sales Reps with Industry Involvement



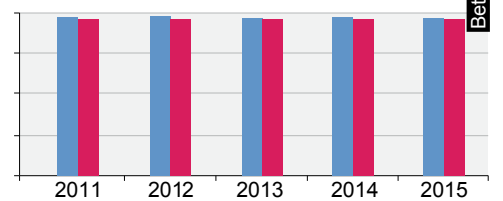
— Goal

Figure 7.1-3 Momentum has achieved its goal to have Sales Reps participating in their market.

**Sustainable Products and Operations** Momentum measures sustainability in products by the percent of new products that are REI (Figure 7.4-5) and the percent of the product line that is GreenGuard and REI (Figure 7.4-4). Sustainable operations is measured on Environmental Initiatives listed in Figure 7.4-10.

**Customer Service** Inside Sales’ responsiveness and customer relationships are measured through order accuracy (Figure 7.1-4); inquiry response time (Figure 7.1-5); and Inside Sales turnover (Figure 7.3-11).

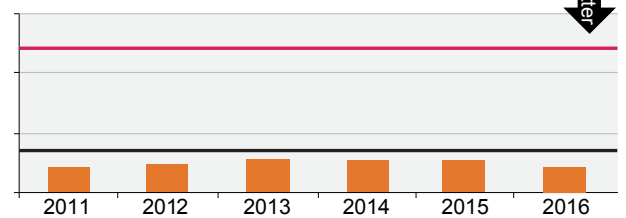
Percent of Quality and Accuracy of Orders



■ Order Accuracy ■ WERC Advantage

Figure 7.1-4 The Inside Sales core process measures order quality and accuracy for emails, faxes, and calls for Inside Sales agents to ensure that service requirements for its customers are being met. All incorrect orders follow the RFC process (Figure 3.2-3) to prevent future errors. Momentum’s total accuracy rate is above WERC advantage since 2011.

Response Time to Customers Inquiries

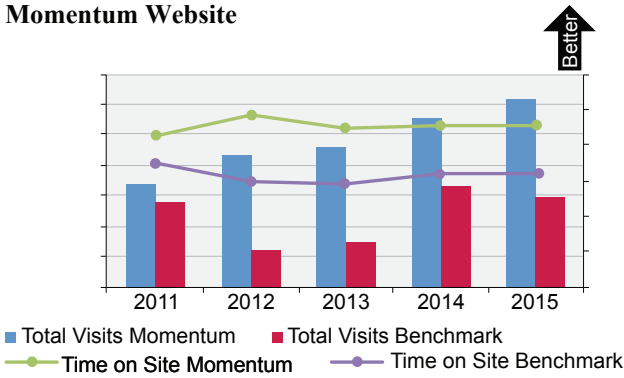


■ Response Time — Goal — Best in Class Benchmark

Figure 7.1-5 Momentum evaluates the response time for Inside Sales agents to respond to customers’ inquiries. Momentum has consistently met this goal since 2011 and performs better than the BIC benchmark.

**Website** Ease of use of the website data is gathered through Google Analytics and compared to benchmark:

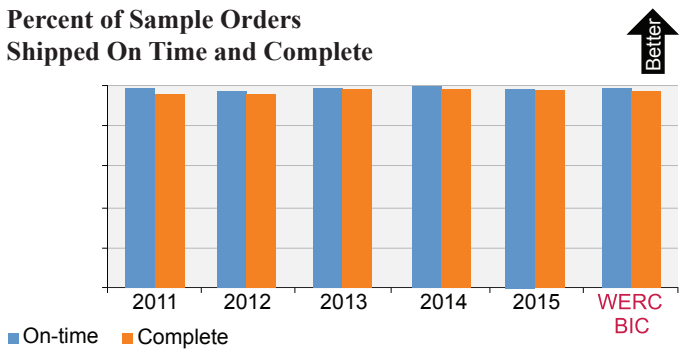
**Momentum Website**



**Figure 7.1-6** Momentum consistently performs better than benchmark and is rated the industry leader in website by its customers, as seen in Figure 7.2-1 to 7.2-5.

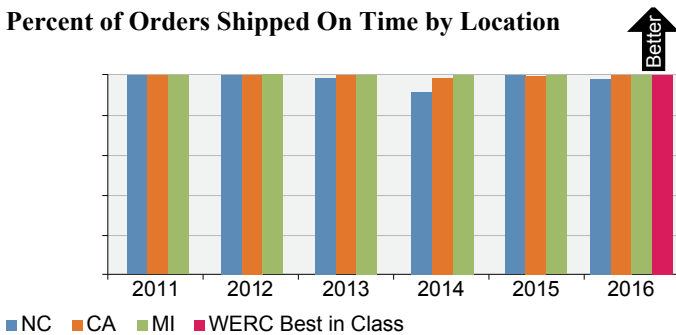
**Timeliness of Samples** The Sample Management core process measures the ability to meet this A&D requirement by percent of sample orders shipped on time and complete:

**Percent of Sample Orders Shipped On Time and Complete**



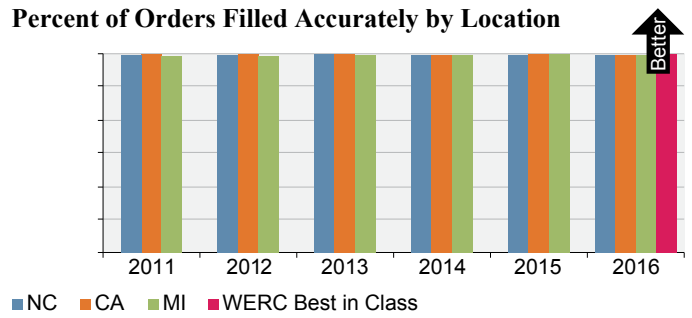
**Figure 7.1-7** A&D customers require timeliness of memo samples in order for Momentum to be specified for a project. Momentum surpassed WERC Best in Class (BIC) benchmarks. As noted in Figure 7.2-1, A&D customers rate Momentum as the industry leader compared to competitors in timeliness of samples.

**Percent of Orders Shipped On Time by Location**



**Figure 7.1-9**

**Percent of Orders Filled Accurately by Location**



**Figure 7.1-10**

**Figure 7.1-9-7.1-10** In line with having product in stock for CFMs is Momentum’s ability to ship the fabric accurately and when promised. Momentum has surpassed the WERC Best in Class (BIC) benchmark for accuracy since 2011 for all locations (Figure 7.1-10). For on-time shipping, CFMs rank Momentum as the industry leader in delivery compared to competitors (Figure 7.2-2).

**7.1b Work Process Effectiveness Results**

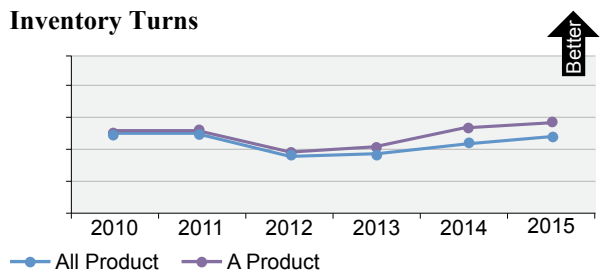
**7.1b(1) Process Effectiveness and Efficiency**

Momentum’s six core processes’ critical process measures are listed by core process in Figure 6.1-4. Charts for customer focused results are listed in 7.1(a) and process effectiveness charts are presented here in 7.1b(1). A smaller selection of Momentum’s five support processes’ critical process measures are presented throughout Category 7 as follows:

- Marketing: 7.1-6
- Human Resources: 7.3-3,8,10,11,17; 7.4-7 and 7.4-11
- Credit: 7.2-9,10; 7.5-3,4
- Accounting: 7.4-2 and 7.4-3
- IT: 7.1-24

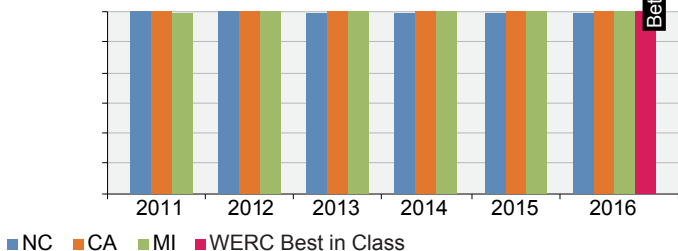
The total of 150 core process measures and 120 support process measures are available onsite.

**Inventory Turns**



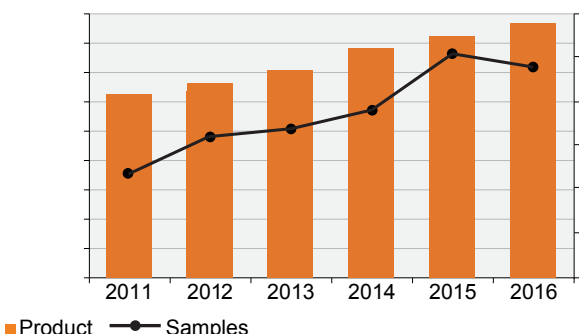
**Figure 7.1-15** Momentum measures its inventory turns for all products and for “A” products. Momentum’s goal is to increase inventory turns over the prior year.

### Percent of Inventory Accuracy Per Location



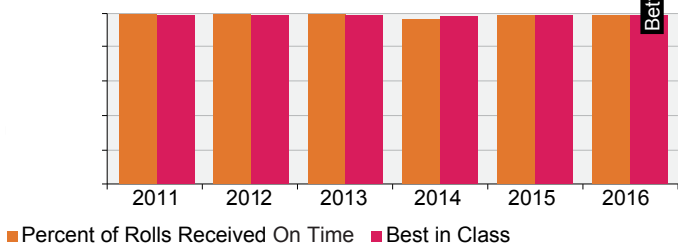
**Figure 7.1-16** The Order Filling core process conducts physical inventory to ensure that the expected rolls in the warehouse are in stock. Momentum consistently boasted a very high accuracy rate from 2011-2015. In 2015, Momentum performed BIC in two out of three locations.

### Number of Order Lines Filled Per Day



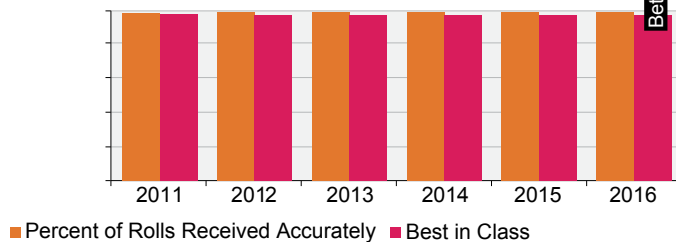
**Figure 7.1-17** As an efficiency measure, the Order Filling and Sample Management core processes measure the number of lines filled per day in product and sample orders. The time to fill a product order is much more involved than filling a sample order, which is demonstrated in Figure 7.1-17.

### Percent of Rolls Received On Time



**Figure 7.1-18** In order to meet customer requirements for on-time shipping, the Order Filling core process receives product from suppliers on time and accurately into inventory. On time means that product is received on the same day that it enters the building and is available for customer orders. Momentum has surpassed the BIC metric every year since 2011.

### Percent of Rolls Received Accurately



**Figure 7.1-19** Momentum's accuracy of receiving product prevents errors during the order filling process for customers. Momentum has surpassed the BIC metric of 99% every year.

Number of Security Breaches						
2011	2012	2013	2014	2015	2016	
0	0	0	0	0	0	

**Figure 7.1-24** Momentum has had zero security breaches due to its systematic security system described in 4.2b.

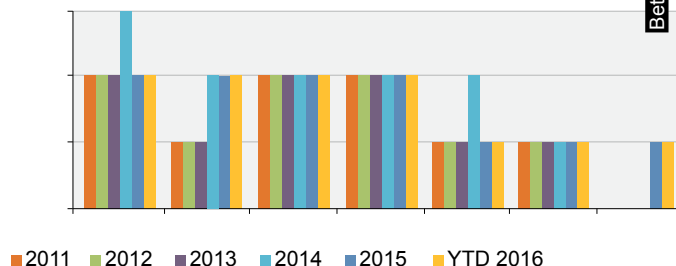
### 7.1b(2) Emergency Preparedness

Momentum measures the effectiveness of its emergency preparedness by its Emergency Preparedness checklist (Figure 7.1-25) and implementation by the number of CPR-trained employees per location (Figure 7.1-26) and the completion of emergency drills per location (Figure 7.1-27).

Emergency Preparedness Checklist for All Locations	
Check all emergency preparedness kits.	100%
Check all First Aid Kits.	100%
Review emergency evacuation maps and leader lists for any changes.	100%
Replace batteries in all flashlights and radio.	100%
Plan/conduct emergency drills in all locations.	100%
Review CPR training to ensure all locations have one or more CPR trained individual.	100%

**Figure 7.1-25** Momentum's Safety Team reviews the emergency preparedness checklist for all locations as a standard practice every year. Momentum has completed this checklist every year from 2011-2015.

### Number of Employees CPR Certified Per Location



**Figure 7.1-26** Momentum's goal is to have one or more persons trained in CPR per location. The TX showroom is a new showroom as of 2015.

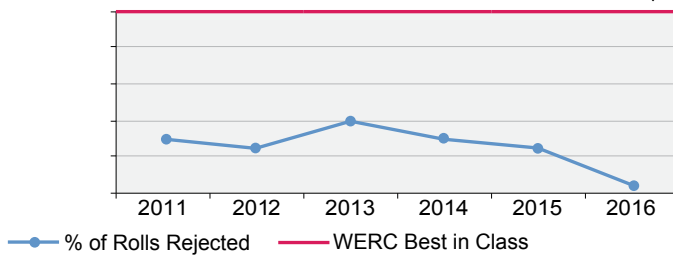
Emergency Drills Conducted Per Location						
	2011	2012	2013	2014	2015	2016
Irvine Office	100%	100%	100%	100%	100%	100%
CA	100%	100%	100%	100%	100%	100%
NC	100%	100%	100%	100%	100%	100%
MI	100%	100%	100%	100%	100%	100%

**Figure 7.1-27** Momentum’s safety team coordinates emergency drills every year for office and warehouse locations. Drills are conducted for earthquake and fire in California and for severe weather and fire in all other locations.

7.1c Supply-Chain Management Results

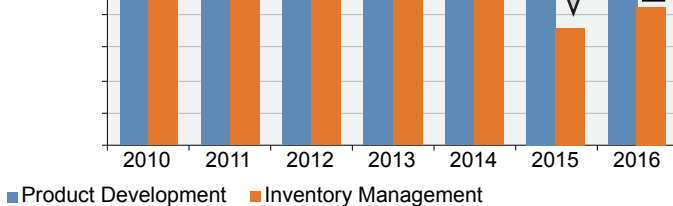
As described in 6.2b, Momentum’s supplier evaluation program provides feedback to suppliers regarding their performance. Suppliers are ranked as Preferred, Approved, or on Probation, as described in Figure 6.2-3 with results in Figure 7.1-29. Momentum utilizes this ranking to determine which suppliers qualify for new product placements and to ensure that all products received meet Momentum’s standards for quality (Figure 7.1-28) to prevent disruption of service to its customers.

**Percent of All Rejected Rolls Returned to Suppliers Due to Quality**



**Figure 7.1-28** Momentum measures the percent of rolls that are returned to suppliers due to quality failures. **This percentage has remained consistently low** due to required supplier quality controls that are described in 6.2(a) and 6.b(2). **This surpasses the WERC BIC** for rejected product.

**Percent of Suppliers Ranked as Preferred**



**Figure 7.1-29** Product Development and Inventory Management core processes evaluate suppliers based on the criteria in Figure 6.2-3. **Momentum’s suppliers are consistently ranked as Preferred.** As a cycle of improvement, the Inventory Management core process revised the preferred criteria in 2015 to make them more stringent. The reduced performance reflects this change and does not represent a decline in supplier performance.

Although Momentum continues its longstanding relationships with suppliers over many years, the company continues to seek new suppliers that can provide a product or service that current suppliers cannot (Figure 7.1-30).

7.2 Customer-Focused Results

7.2a Customer-Focused Results

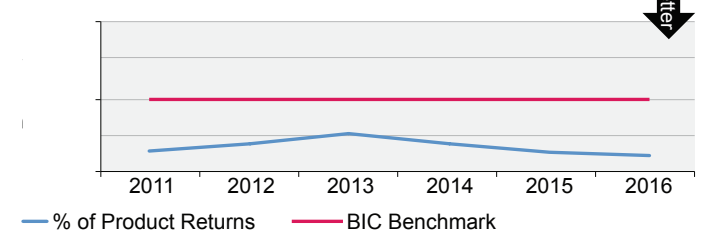
7.2a(1) Customer Satisfaction

Momentum’s primary measure for customer satisfaction is customer surveys (Figure 7.2-1 to 7.2-6). Customer dissatisfaction is measured proactively through the customer Aggravation Index (Figure 7.2-8) and reactively through the RFC process (Figures 7.2-9 and 7.2-10) for customer complaints.

Customer Aggravation Index	2011	2012	2013	2014	2015	
Score	2.62	2.8	2.8	2.5	4	↓
Goal is to increase index over prior year						

**Figure 7.2-8** The Customer Aggravation Index (AI) is Momentum’s indicator of customer satisfaction and dissatisfaction that is directly correlated with Momentum’s performance in areas that could potentially upset the customer. The AI is reviewed quarterly during company Dashboard meetings and is a compilation of the measures. Momentum’s goal is to improve the index over prior year.

**Percent of Product Returns**



**Figure 7.2-10**

Product returns were well below the BIC benchmark from a MBAR (Figure 7.2-10).

7.2a(2) Customer Engagement

Momentum’s primary measure of customer engagement is the Matrimonial Index, described in 3.1b(1) with results shown in Figure 7.2-11.

7.3 Workforce-Focused Results

7.3a(1) Workforce Capability and Capacity

Momentum utilizes C&S critical process measures (shown in Figure 6.1-4 for the core processes) to monitor employee capacity and capabilities based on performance-versus-goal and BIC benchmarks. When performance is below goal, Momentum evaluates if this can be improved through a process change or if it indicates additional staff is needed. An indication of how well the C&S processes are able to meet their critical process goals and BIC targets is their award level in the IBA program (Figure 7.3-1) and the company’s ability to continue to grow sales per employee (Figure 7.3-2). Momentum also measures capability through the Quality of New Hires’ survey (Figure 7.3-3).

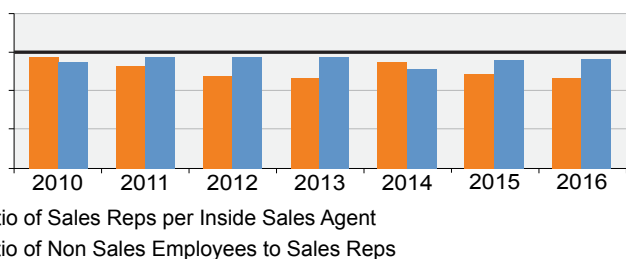
Number of Workgroups in Each Award Level Per Year						
Award Level	2010	2011	2012	2013	2014	2015
Bronze	0	0	0	0	0	0
Silver	5	0	0	0	5	2
Gold	5	9	8	3	6	8
Platinum	1	2	3	8	0	1

**Figure 7.3-1 Momentum’s C&S processes demonstrate continuous improvement in their processes and ability to meet critical process measures goals and BIC targets** as reflected in the progression of awards from Bronze to Silver. Due to the number of Platinum and Gold winners in 2013, Momentum raised the level of difficulty of the IBA criteria, giving more emphasis to learning and innovation and the ability to quantify results. The lower scores in 2014 and 2015 reflect this change and are not a reflection of lesser performance.

All Hires Rating	2011	2012	2013	2014	2015	2016
Customer Fit	High	High	High	High	High	High
Cultural Fit	High	High	High	High	High	High
Success Rate	High	High	High	High	High	High
Sales Rep Rating	2011	2012	2013	2014	2015	2016
SR Customer Fit	High	High	High	High	Very High	High
SR Cultural Fit	High	High	High	High	High	High
SR Success Rate	High	High	High	High	High	High

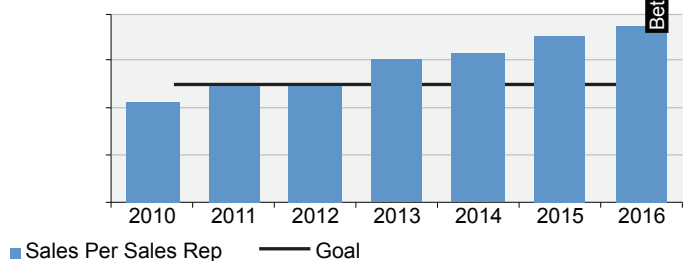
**Figure 7.3-3 Quality of Hire is a critical process measure for the HR support process.** The goal is for new hires to be ranked “high” or “very high” in the categories listed by the hiring manager 90 days after new employee placement. Due to the volume of new Sales Reps, new hires have been segmented since 2012. **Since 2011, Momentum’s new hire placements have met the goal overall, as well as for Sales Reps specifically.**

**Capacity Ratios**



**Figure 7.3-5** A capacity measure for Momentum is the number of Inside Sales agents available to support the Sales Reps. Through learning and measuring, **Momentum has accomplished this goal since 2010.** An additional measure is the number of non-sales staff to support the increase in sales and Sales Reps. This is also reflected in the Sales per Employee measure in **Figure 7.3-2** where sales growth is supported without additional headcount.

**Average Sales Per Sales Rep**



**Figure 7.3-7** The Sales core process has **successfully increased**

**its average sales per Sales Rep.** This is an indication of increased effectiveness and capabilities of the Sales force.

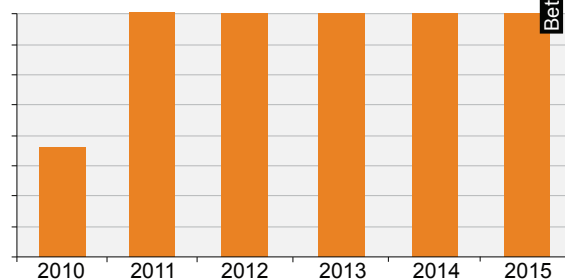
**7.3a(2) Workforce Climate**

Momentum’s measures for workforce climate include safety measures (**Figure 7.3-8**); profit sharing (**Figure 7.3-9**); and benefit participation (**Figure 7.3-10**).

Safety Goals							
Measure	2011	2012	2013	2014	2015	2016	
# of Lost-time Accidents	0	0	0	0	0	0	
Frequency	Measure	2011	2012	2013	2014	2015	2016
Semi-annual	Safety Training	Y	Y	Y	Y	Y	Y
Semi-annual	Environmental Reviews	Y	Y	Y	Y	Y	Y
Semi-annual	Housekeeping Reviews	Y	Y	Y	Y	Y	Y
Semi-annual	Job Safety Analysis	Y	Y	Y	Y	Y	Y

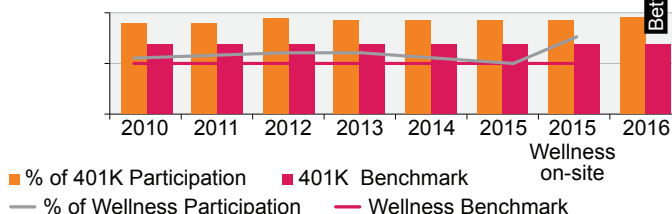
**Figure 7.3-8 Momentum has not incurred any lost time accidents at any location and has accomplished its safety goals every year since 2011.**

**Cash Profit Sharing by Year**



**Figure 7.3-9** Momentum’s strong company culture believes in sharing in Momentum’s success. **Employees have received a profit sharing check every year except for 2001 and 2009 since Momentum’s inception.**

**Percent of Employee Benefit Participation**



**Figure 7.3-10** Momentum offers generous benefits as detailed in **Figure 5.1-1**, and measures participation in 401(k) retirement savings plans and in Momentum’s Wellness program. **Momentum surpasses BIC benchmarks of 67% 401(k) participation.** In 2015 Momentum began measuring Wellness participation on-site versus remote employees working from home. For on-site employees participation was 63% and overall was 50%; compared to BIC benchmark of 50% Momentum offers 401(k) training to all employees through site visits and webinars and has a wellness action team to promote wellness activities for all locations.

**7.3a(3) Workforce Engagement**

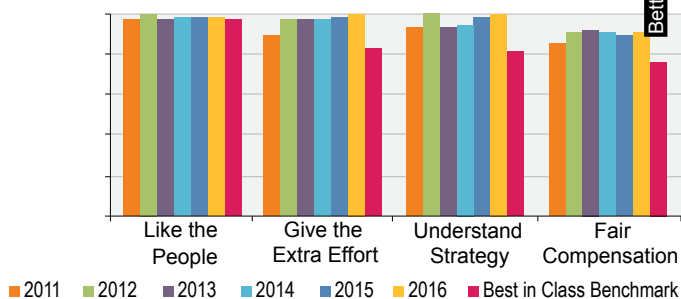
Momentum is characterized by an engaged workforce. This is demonstrated by performing better than BIC in employee turnover (**Figure 7.3-11**) and in a third-party employee engagement

survey (Figure 7.3-12 -13). Exit interviews of departing employees indicate a positive trend (Figure 7.3-14) and employee participation in its recognition program is increasing (Figure 7.3-15).

Employee Turnover	2011	2012	2013	2014	2015	2016	BIC
All Employee Turnover	4.8%	3.6%	7.8%	4.8%	4.7%	2.7%	<9%

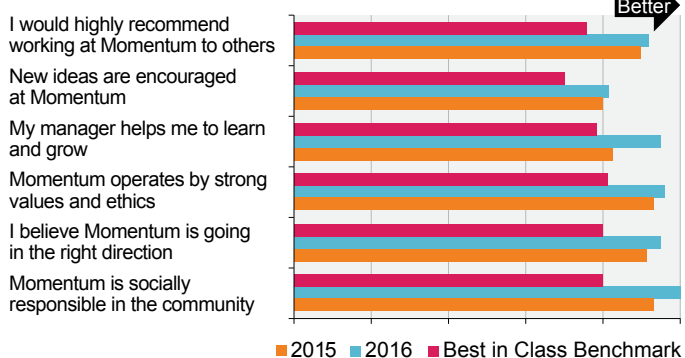
**Figure 7.3-11 Momentum’s turnover is BIC.** An increase in turnover in 2013 is attributed to a turnaround in the economy that spurred employee relocation. Momentum studies employee turnover and exit interviews to identify areas for improvement.

### Employee Satisfaction and Engagement Survey



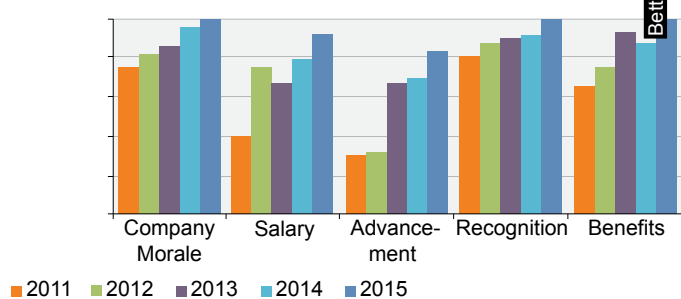
**Figure 7.3-12** Momentum measures employee engagement by Best Places to Work survey questions #1 and #2: “I like the people that I work with” and “I will give extra effort to help the organization succeed.” Momentum measures satisfaction with SL by survey question #3: “I understand the long-term strategy of the organization.” Momentum measures satisfaction with compensation and benefits by question #4: “Satisfaction with pay and benefits.” **In all cases, Momentum performs above Best in Class as established by Best Places to Work and Modern Survey.**

### Top Workplace Employee Engagement Survey



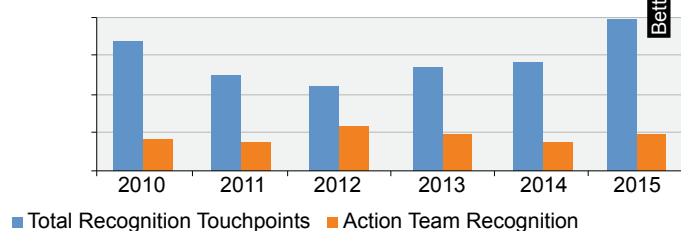
**Figure 7.3-13** In 2015, Momentum qualified for the first time (due to size) to apply for Top Workplaces, an award given to companies based solely on employee engagement surveys. **Figure 7.3-13** indicates Momentum surpasses the Extraordinary Companies’ benchmark. Momentum was named a Top Workplace and the positive survey results reaffirmed the Best Places to Work survey results as a measure of a highly engaged workforce.

### Exit Interview Employee Survey



**Figure 7.3-14** Momentum studies employee exit interviews for all employees as a measure of employee satisfaction and engagement. **Satisfaction in all categories is increasing.** Due to Momentum’s small size, the lowest scoring category is career advancement, even though 100% of manager positions have been hired from within during the past five years.

### Employee Recognition

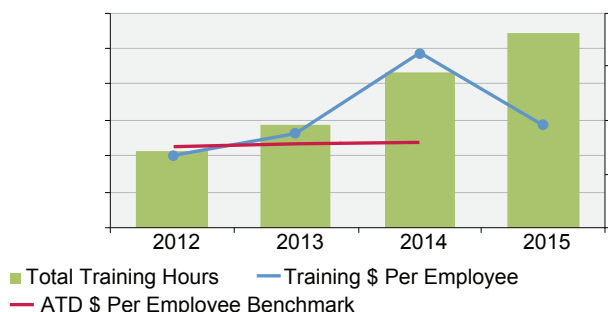


**Figure 7.3-15** Momentum measures the number of recognition touchpoints within the company per year. Momentum refreshed the recognition program in 2010, which spurred a large number of recognition touchpoints. As the numbers began to decline, Momentum reminded employees of the ease of recognizing one another. **The number has steadily increased due to these efforts. The number of action teams varies each year based on strategic objectives. In 2015, 95 team members were recognized for participating in action teams. One employee could receive multiple recognitions if they participated in more than one team.** These touch-points do not include Individual Excellence Awards or workgroup recognition.

### 7.3a(4) Workforce Development

Even as a small company, Momentum’s goal is to provide meaningful training and development to its workforce. As described in **Figure P.1-3**, Momentum is able to engage its employees through development and involvement. This is provided through a dynamic **learning plan program (5.2b)** and measured by the investment in time and dollars of **tuition reimbursement** and over 60 seminars and training events attended by employees since 2011 (**Figure 7.3-16**). Further, employee development and involvement through action teams (**6.1b(3)**) is measured by action team employee participation and recognition (**Figure 7.3-15**), and its **talent management process (1.1a(3) and 5.2b(3))** is measured by the percentage of leadership positions filled by **internal promotions (Figure 7.3-17)**. High satisfaction rates above the BIC benchmark to Top Workplace survey questions such as “My manager helps me to learn and grow” and “New ideas are encouraged at Momentum” provide positive reinforcement of Momentum’s efforts to involve and develop its employees (**Figure 7.3-13**).

### Total Training Hours and Training \$ Per Employee



**Figure 7.3-16** represents the investment in training dollars and hours provided to employees from 2012 through 2015 through employee learning plans and tuition reimbursement. **Momentum easily surpasses the Association for Training and Development training dollars benchmark.** The 2015 ATD benchmark is not yet available.

**Figure 7.3-17** Although Momentum is a small company, the leadership team encourages promoting from within whenever possible. **73% of current managers were promoted from within during their tenure at Momentum.**

## 7.4 Leadership and Governance Results

### 7.4a(1) Leadership

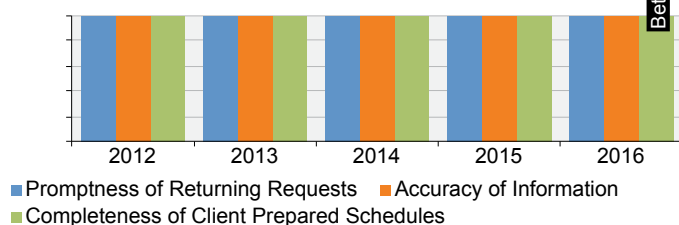
Momentum measures SLs' communication and engagement with the workforce through the employee survey questions as stated in **Figure 7.3-12**: "I understand the long-term strategy of the organization." **By effective communication of Momentum's vision, strategic plan, and action plans, employees are able to understand where Momentum is headed and how their work contributes to Momentum's success.** In 2015, Momentum received a Top Workplace award based on employee surveys. Employees confirmed trust in SLs' leadership with a 91% agreement to the question: "I believe Momentum is going in the right direction" and 93% agreement with Momentum operates by strong values and ethics (**Figure 7.3-13**).

### 7.4a(2) Governance

Governance Accountability			
Requirement	Organization	Frequency	Major Findings
Income Tax	IRS	Annual	None
Sales Tax	Various States	Varies	None
Payroll Taxes	IRS/Various States	Monthly	None
Property Taxes	CA, MI, NC	Annual	None
Compliance Reporting	Lenders	Quarterly	None
Financial Results	Board of Directors, Lenders	Monthly	None
401(k)	US Depart. of Labor	Annual	None

**Figure 7.4-2** Momentum ensures fiscal accountability through a variety of external entities, with no major findings. Momentum undergoes a third-party audit every year of its financial results and of its 401(k) program. There have been no major findings during these annual audits.

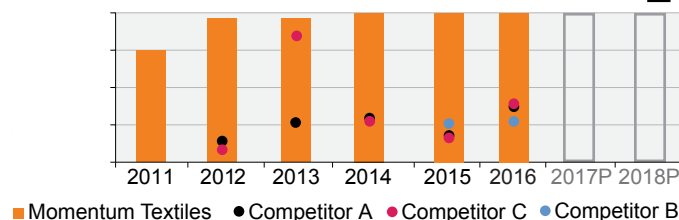
### Satisfaction of External Auditors



**Figure 7.4-3** External Auditors conduct Momentum's financial audits every year. After the audits, Momentum surveys their satisfaction regarding the audit process. **Momentum has been conducting these surveys since 2012 and has received the highest score in every category.** There have been zero recommendations issued to Momentum based on these audits.

### 7.4a(3) Law and Regulation

### Percent of all Momentum Textiles' New Products that are REI



**Figure 7.4-5** Momentum Textiles' product line covers all markets except for Hospitality and the very high-end Office market. Since 2010, Momentum established the goal of having **100% of all introductions in this product line be REI from 2014 and beyond. Momentum has met this goal and has surpassed the competition for the past four years.** Through this strategic objective, Momentum converted the entire product line to 100% REI products and accomplished this a year earlier than planned.

ACT Performance Standards	2012	2013	2014	2015	2016
Flammability	100%	100%	100%	100%	100%
Wet&Dry Crocking	100%	100%	100%	100%	100%
Colorfastness to Light	100%	100%	100%	100%	100%
Physical Properties	100%	100%	100%	100%	100%
Abrasion	100%	100%	100%	100%	100%

**Figure 7.4-6** All Momentum products consistently meet all ACT performance standards for commercial fabrics. These standards are integrated into the performance testing step of product design as demonstrated in **Figure 6.1-1**.

### 7.4a(4) Ethics

Ethics						
	2011	2012	2013	2014	2015	2016
Incidents of Unethical Behavior	0	0	0	0	0	0

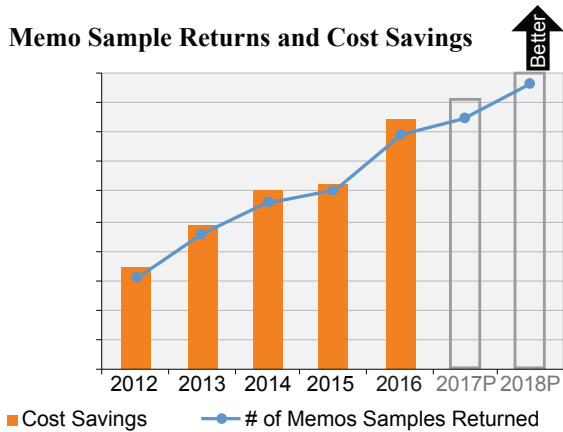
**Figure 7.4-7** Momentum lives its core value of honesty and fairness in all interactions. This is demonstrated by **Momentum's adherence to its ethical practices detailed in 1.2b(2), including an annual fraud and risk assessment by SLs and key managers, and its history of zero recordable incidents of unethical behavior.** Momentum's employees also indicated in the Top Workplace employee survey that they believe **Momentum operates by strong values and ethics (Figure 7.3-13).**



### 7.4a(5) Society

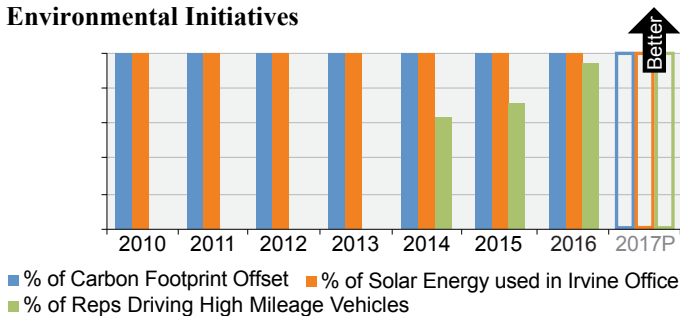
One of Momentum’s dearest core values is *bettering the world around us*. It has become what Momentum is known for and what it strives for in its vision to become the undisputed leader in sustainable and innovative contract textiles. In the 2015 Top Workplace survey, **93% of employees agreed with the statements “My employer is socially responsible in the community” and “Momentum operates by strong values and ethics”** (Figure 7.3-13). It has also become a strategic advantage as Momentum continually strives to look for alternatives that help the customer and the environment.

#### Memo Sample Returns and Cost Savings



**Figure 7.4-9** Since 2012 Momentum has given its customer the ability to return unneeded memo samples to Momentum’s warehouse at no charge. **Since its inception over 232,000 memo samples have been returned and diverted from landfills.**

#### Environmental Initiatives

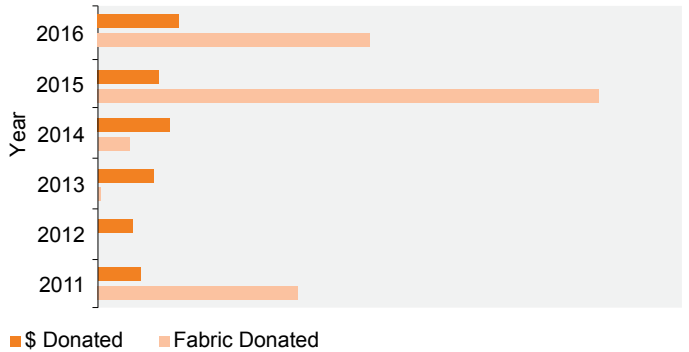


**Figure 7.4-10** Since 2010, Momentum has offset its carbon footprint through the Conservation Fund Go Zero program and has **planted 4,254 trees to offset 3,560 tons of carbon**. And in an effort to reduce carbon emissions, in 2013 Momentum **initiated a Green automotive plan for Sales Reps**. As they reach the end of the retention cycle for their vehicles, they are required to drive a high mileage vehicle (>35 mpg highway). In 2010, Momentum installed solar panels on the roof of its corporate office, a new HVAC system and energy efficient windows.

Volunteer Hours	2011	2012	2013	2014	2015	2016
Total Hours	986	1,073	1,231	970	1,386	1,440
Hours/Employee	7.4	7.5	8.8	6.6	9.0	9.2

**Figure 7.4-11** Momentum maintains a Community Involvement Action Team (CIA) that participates in regular charitable events with a focus on improving the local community. **Volunteer hours average 1,100 hours per year and 7.9 hours per employee from 2011-2015.** The dip in 2014 was due to renovations in the Irvine office that prevented hosting CIA activities such as making sandwiches for the homeless in the office café.

#### Donations Per Year



**Figure 7.4-12** Momentum donates to various charitable organizations throughout the year. Most noteworthy are Feeding America where Momentum provides meals to those in need every holiday season; and Common Thread for the Cure where Momentum donates product proceeds from Silica and also donates a \$1 donation for every online external customer survey received. In addition, Momentum offers a matching gift program that encourages employees to support education. Fabric donations are made to non-profit organizations that distribute the fabric to other non-profits in need.

#### 7.4b Strategy Implementation Results

Momentum’s results for building and strengthening its core competencies are detailed in **Figures 7.4-13 and 7.4-14.**

Momentum’s organizational strategy and action plans are established during the SPP described in **2.1a(1)** and are demonstrated in **Figure 2.1-4**. These are linked to key measures per Category of Focus as described in **Figure 7.4-15.**

Intelligent Risks	Description
Industry Firsts	Impact
Silica Prints (developed in 2015, launched in 2016)	Momentum has pushed this revolutionary product to the next level with the introduction of Silica Print. The multi-colored designs are printed onto fabric and then the fabric is coated with silicone, thus allowing the fabric to retain the phenomenal cleanability and performance of Silica without compromising sustainable attributes.
Recycled Wool	Momentum introduced the first recycled wool commercial fabric by benchmarking Patagonia's clothing line.
Crypton Green	Crypton is the leading high performance finish in the industry. Momentum was the first to launch Crypton Green upholstery product to the market.
Recycled Privacy Curtains	Working closely with Unifi the leading yarn supplier in the commercial textile industry, Momentum introduced the industry's first recycled privacy curtain.
Silica	Silica is a true alternative to vinyl and polyurethanes made with zero PVC or solvents without sacrificing performance. Ink erasable with water.
Naked Nylon	Over two years in development and in partnership with Unifi, Momentum Textiles introduced the first significant new recycled fiber in over 15 years.
Noticeable Advancements	Impact
Unifi and Recycled Polyester	Partnered with Unifi to bring a recycled polyester supply chain with certifiable quality to the international market.
Black and White Collection	Developed the first piece-dye, bouclé yarn made from 100% post-consumer recycled polyester.
Eco-Intelligent Polyester and Privacy Curtains	Eco-Intelligent Polyester is an antimony-free polyester made with all safe, non-toxic dyes which meets all the performance requirements of healthcare applications.
Pioneer of Terratex Product	Terratex was the industry's first recycled polyester.
Hue	One of the first products in the industry to be converted to 100% post industrial recycled polyester.

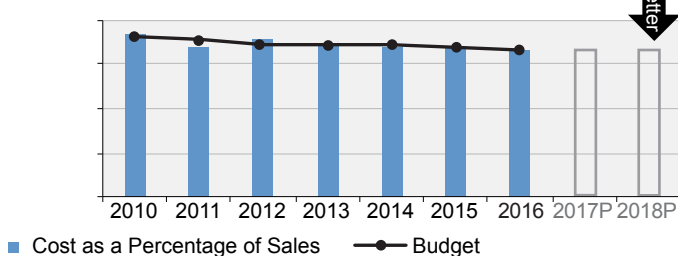
**Figure 7.4-16 Momentum takes calculated risks when developing industry first products.** These products generally take two years and use considerable resources. Through the product design process detailed in Figure 6.1-1, Momentum incorporates risk assessment checks to evaluate when a project is no longer viable or when to continue to pursue the project.

### 7.5 Financial and Market Results

#### 7.5a(1) Financial Performance

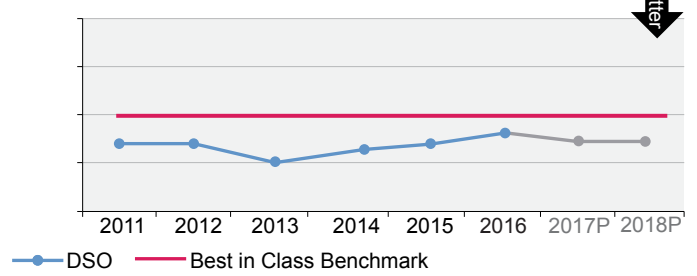
Momentum's strong financial position is a strategic advantage as it creates confidence with suppliers, customers and stakeholders and allows for intelligent risk taking and growth strategies (listed in Figure 7.5-14) that otherwise would not be feasible. Momentum's financial performance measures are reviewed monthly and quarterly via the company Dashboard meeting.

#### Cost as a Percentage of Sales



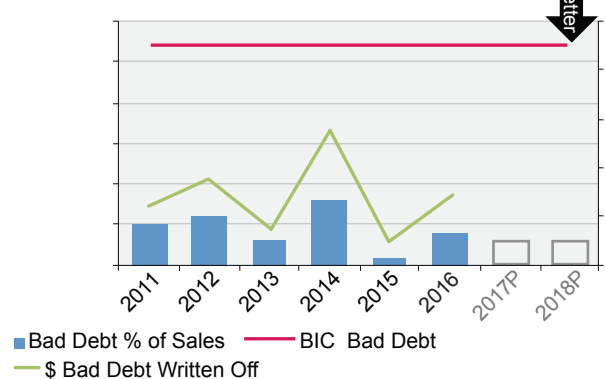
**Figure 7.5-2 Momentum's systematic cost structure described in 6.2a and demonstrated in Figure 6.2-1 has afforded Momentum the ability to control costs and meet budget year after year.**

#### DSO



**Figure 7.5-3 DSO is the average time, in days, receivables are outstanding.** This measure provides an indication of how efficiently Momentum manages its receivables. **Since 2011 Momentum has performed better than BIC.**

#### Bad Debt

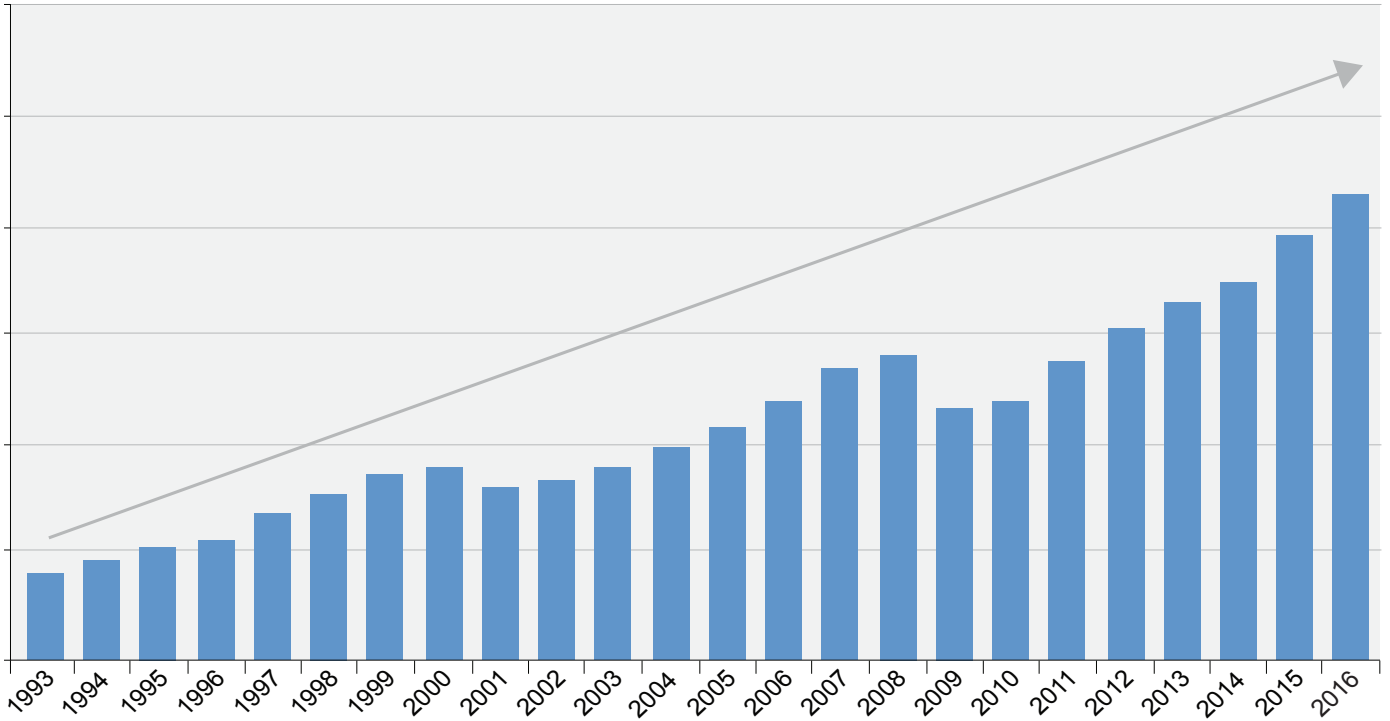


**Figure 7.5-4 The Credit support process has effectively minimized Momentum's bad debt as a percentage of sales far below BIC Credit Research Foundation benchmark.** This speaks to Momentum's ability to assess customers' creditworthiness, and its systematic accounts receivable process. This is also reflected in outstanding DSO (Figure 7.5-3).

#### 7.5a(2) Marketplace Performance

Momentum is a true success story from one of the smallest to one of the largest textile distributors in the nation in just two decades. Because Momentum's competitors are privately owned **it is not possible to provide market share comparisons.** Momentum measures its market performance through revenue growth per product category (Figure 7.5-11), market segment (Figure 7.5-12), and customer type (Figure 7.5-13).

### Track Record of Consistent Revenue Growth



**Figure 7.5-5** Momentum has increased sales every year since its inception except for 2001 due to 9/11 terrorist attack and 2009 due to the global recession, with both of these factors larger than the commercial fabric industry and out of Momentum’s control. Momentum’s consistent growth is an indication of Momentum’s systematic process of strategic plan execution and continuous improvement of products and services year after year.