# Consensus Review Scorebook—Final

## TST2013

### 05/23/2013

This is an authentic scorebook produced by the 2013 Training Scorebook Team. After additional validation against the application and the Criteria for Performance Excellence, a final feedback report will be posted on the Baldrige Program’s Web site in July.

## Key Factors Worksheet

#### P.1a Organizational Environment

**For-profit, small business organization**—For-profit small business. High-tech manufacturer in the interconnect industry founded in 1971 in Nashville, TN. The organization expanded its Employee Stock Ownership Plan in 2007; all stock is owned by active employees, with no individual owning more than 50%. All products manufactured (i.e., single-, double-, multilayer printed circuit boards and rigid-flex circuits) and Contract R&D services are provided directly to its customers.

**Culture—**One of family, where EOs are treated fairly and trust one another; as an owner, each individual actively contributes to the company’s success.

**Mission, Vision, Values (Figure P.1-2)**

Mission—

* Engage customers of interconnect circuitry with the products for tomorrow
* Provide EOs with a Best Career Location® and superior return
* Sustain society and the environment
* Enhance our communities

Vision—Lead circuitry innovation for the future

Values—

* Collaboration: we are one team pursuing one vision
* Commitment: we deliver on our promises; living our values through integrity, trust, and respect
* Creativity: we invest in continuous innovation
* Courage: we are courageous in our pursuit of business excellence)
* Colossal: we are proud of our business performance compared to others

**Core Competencies (Figure P.1-2)**

* Ingenuity: leading advancements in the industry, especially in the areas of engineering and R&D;
* Expertise: understanding our customer’s business and exceeding expectations through robust operational processes;
* Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.

**Product Mix (Figure P.1-1)—**25% contract R & D; 20% multilayer printed circuit boards—US electronic manufacturing services (EMS); 15% multilayer printed circuit boards—International EMS; 40% rigid-flex circuits

**Regulatory Requirements—**

* ISO certifications: quality system (ISO 9001:2008 and AS 9100 for aerospace), environmental (ISO 14001:2004)
* Follows guidance and complies with ISO 26000 for social responsibility, ISO/TR 12885:2008 for Nanotechnologies—Health and Safety
* Facilities compliant with ITAR, RoHS, WEEE, and the July 2010 U.S. prohibition of ores and metals used to finance conflict in the Republic of Congo and adjoining countries
* UL-approved
* EOs certified to various EIC standards for testing and inspection, J-STD-001 for solder process, and ICP 7711/7721 for repair station
* Complies with state and national OSHA requirements, U.S. Department of Labor laws, General Accounting Practices, and guidelines of Sarbanes-Oxley

**Facilities & Assets—**Include a three-building campus:

* Administration Center—Administration & IT (includes CNet and Supervisory Control and Data Acquisition System)
* R&D Center—R&D clean-room facility (ranging from Class 100/ISO5 to Class 1/ISO3) with assets including laboratory equipment, leading-edge microscopy, proprietary fine-line imagery prototyping equipment, destructive testing laboratory
* Operations Center—Class 100,000/ISO 8 clean room, automated production lines; production areas that support ball grid array assembly, board repair, and conformal coating process

**Workforce Demographics (Figure P.1-3)—**

* 425 employees; F 51% and M 49%
* Employee groups: 28% technical, 54% factory, 18% support
* Diversity: 64% white (vs. 74% community), 19% African American (vs. 15% community), 10% Hispanic (vs. 6% community), 7% other (vs. 5% community)
* Education: BA/BS + (engineers & supervisors), associates (technicians), HS/GED + (all)

**Workforce Health and Safety Requirements—**Safe handling of various chemicals and materials; annual refresher training on Material Safety Data Sheets (MSDS) and behavior around chemicals; training in safe material handling, proper lifting, and use of protective equipment.

#### P.1b Organizational Relationships

**Organizational Structure—**Independent Advisory Board (AB) led by company founder and Chairman of the Board; trustees appointed to represent EO interests in AB’s fiduciary review of the ESOP. CEO reports directly to the executive committee of the board. Senior leaders report to the CEO; managers report to senior leaders. All other EOs report to either senior leaders or managers. The Leadership Team (LT) comprises senior leaders.

**Business/Customer Segments—**

* Aerospace (national)—cockpit and navigation instrumentation, flight control modules; major customer—exclusive contract with GBN Corp.
* Personal Electronics (PE; international)—cell and satellite phones, tablets and microcomputers, cameras, toys; major customers—NexTee, MEE2, Sleeker
* Contract R&D (national)—circuitry design assistance, development of fine-line imagery, production processes; major customers—Valley Tech and Newton computers

**Stakeholders—**EOs, customers, Partner Suppliers, EMS partners, and greater Nashville community

**Stakeholder Requirements—**Customers (Figure P.1-4): Circuitry reliability, HDLW circuits, competitive pricing, support for product life cycle, OTD, high quality. Priority of each requirement varies by business/customer segment

Community: provide secure employment opportunities, steward of air and water quality, partner in business community (i.e. provide leadership in civic organizations, support community development activities)

**Workforce Requirements** (Figure P.1-3)—

* Feel safe and secure on the job
* Take pride in being an owner of the organization
* Make a difference on the job
* Have opportunities to learn and advance
* Have competitive wages and benefits

**Suppliers and Partners—**over 70 suppliers in the supply chain providing substrate materials, process chemicals, customer-imaging equipment, technical support, calibration and special testing services.

* Two (2) special EMS partners used to provide high-volume lamination, complex population of circuits, and circuit assembly
* Research partners—three leading universities exploring options for silicon chip replacement
* Vendors—supply commodity items and qualified through historical

**Supplier Communication—**CNet is primary conduit for information transfer; other options include teleconference and video conferencing

**Supply-Chain Requirements—**

* Partner Suppliers: ability to innovate technology, high quality and reliability of products, use of leading-edge technology, and price
* Vendors: product quality, on time delivery, cost

#### P.2a Competitive Environment

**Market Share—**Roughly equal split in share of niche market among American companies capable of manufacturing circuits with all U.S. content

**Key Competitors—**International conglomerates (e.g., Superflex); other American companies with about equal market share that are capable of manufacturing circuits with all U.S. content (e.g., USA Circuits, Ace Circuitry, and Ridgeford Technology)

**Key Changes—**Contract R&D business unit established in 2005; divested manufacturing facilities in France & Japan in 2006 using funds from sales to expand Nashville facility; expanded ESOP in 2007

Technology changes: ability to double number of transistors on a silicon chip nearing full capacity; research on replacing copper with other conductive materials; exploring use of photons rather than electrons as a way to redefine its niche market

**Competitive and Comparative Data Sources—**

* EIC—for industry trends and worldwide industry comparisons including the book-to-bill ratio and annual salary/compensation studies
* Information from Baldrige Award recipients
* Manufacturing Sector Best Plant Program online publications and Best Career Location® program
* Customer and EO engagement surveys
* U.S. Employee Owners (USEO) and ESOP Association for performance comparisons

#### P.2b Strategic Context

**Strategic Advantages (Figure P.2-1)—**

* SA-1 Business reputation
* SA-2 Responsiveness
* SA-3 “Personal Touch”
* SA-4 Intelligent risk
* SA-5 Capable processes
* SA-6 Level 2 Sustainability
* SA-7 EOs that hold certifications for competencies related to their work and enjoy Best Career Location® and ESOP

**Strategic Challenges (Figure P.2-1)—**

* SC-1 Industry growth by acquisition
* SC-2 Expanding customer R&D services
* SC-3 HDLW
* SC-4 Level 3 Sustainability
* SC-5 Engaging EOs in sustainability
* SC-6 Leadership development

**Strategic Objectives**—

* SO-1 Increase Net Promoter Score
* SO-2 Increase current market share over the next three years by business segment
* SO-3 Improve EO participation in moving toward refined business model
* SO-4 Improve demonstrated leadership and decision making by EOs
* SO-5 Maintain 100% employee ownership

#### P.2c Performance Improvement System

**Performance Improvement System—**

* Use of Baldrige framework since 1992
* CI2—Integrated performance improvement and sustainability system with two main components (continual innovation and continuous improvement)
* PDCA methodology
* Use of Lean Six Sigma (LSS), CI2, and other improvement techniques to address gaps identified during internal process audits

**Key Themes Worksheet**

### What are the most important strengths or outstanding practices (of potential value to other organizations) identified in the applicant’s response to process items?

* 1. The applicant demonstrates its customer focus in well-deployed approaches that underscore its core competencies of Expertise and Exceptional People. Data from multiple methods of listening to current, former, and potential customers and determining customer satisfaction and engagement—including focus groups, reports, and surveys—are recorded via the Customer Relationship Management (CRM) system, which includes information on all customer interactions. The applicant uses this information to support strategic and operational decision making and to identify corrective actions and process improvements. The company assigns a Customer Advocate (CCA) to each customer to help manage the relationship throughout the customer life cycle. Complaints are systematically logged into CNet, routed to the appropriate CCA, and tracked to resolution, with notifications sent to key internal stakeholders. These approaches support the applicant’s strategic advantages of responsiveness and Personal Touch and may help achieve the strategic objective to increase market share.
  2. The applicant’s systematic approaches to creating a positive workforce environment and enhancing workforce engagement indicate that it values its employee owners (EOs). Senior leaders use multiple methods to communicate with and engage EOs, including meetings, electronic and social media, walk-arounds, and job trades. The company uses a formal communication plan for all key decisions and develops “sound bytes” to aid clarity in deployment. Standards in areas such as ergonomics, lighting, noise, and personal protective equipment are audited monthly to ensure workforce safety and security. Multiple benefits and services support EOs. The applicant systematically determines key elements of employee engagement every three years using correlation and regression analysis between individual EO survey questions and overall engagement and satisfaction. These processes support the applicant’s mission element to provide EOs with a Best Career Location®.
  3. Senior leaders guide and sustain the applicant through several systematic methods. They affirm, annually evaluate, and deploy the mission, vision, and values to EOs, Partner Suppliers, and customers. Senior leaders create a sustainable organization through the leadership system; aligned strategic objectives, core competencies, action plans, and measures; weekly performance reviews; and discussions of lessons learned. They create a focus on action by cascading strategic objectives, action plans, and scorecard measures to business segments, departments, teams, and individual EOs. Multiple methods are used to communicate with customer, Partner Suppliers, and the workforce. These methods may help senior leaders develop a sustainable organization capable of addressing the applicant’s strategic challenges.

### What are the most significant opportunities, concerns, or vulnerabilities identified in the applicant’s response to process items?

* 1. It is unclear how the applicant manages for innovation, which may be critical to fulfilling its vision to lead circuitry innovation for the future. There is limited evidence of how the applicant creates an environment that supports innovation, generates innovative ideas leading to strategic opportunities, and decides which opportunities to pursue. In addition, it is not evident how the chief innovation officer, the Product Development and Innovation Process, the Performance Excellence group, and the Leadership Team work together systematically to manage innovation and pursue strategic opportunities. Approaches for discontinuing the pursuit of innovation opportunities when appropriate are not described. It is also unclear how the applicant’s workforce performance management system reinforces intelligent risk taking in order to achieve innovation. Without systematic approaches for managing innovation, the applicant may not leverage its core competency of Ingenuity.
  2. Several key approaches lack evidence of systematic evaluation and improvement. For example, leadership processes—such as those related to senior leaders’ commitment to legal and ethical behavior, communication with the workforce and customers, and the Leadership Team’s mentoring and succession-planning approaches—do not appear to be routinely evaluated. In addition, evidence of cycles of learning is limited or absent for the applicant’s approaches to customer support and market segmentation and for several workforce environment-related processes, including capability and capacity studies; the team structure process; and the determination of workforce health, security, and minimum standards. Systematically evaluating and improvmg these approaches may help the applicant achieve its strategic objectives and meet its stakeholders’ needs.
  3. Some of the applicant’s approaches to performance projection, use of customer information, and customer relationship building are not evident or do not to appear to be systematic. For example, projections for the applicant’s longer-term planning horizon of three years are not evident. In addition, the applicant does not describe how it uses performance review findings and competitive data in projecting its future performance, and it does not appear to project the performance of its competitors or comparable organizations. Also, systematic approaches are not evident for using information to anticipate future customer groups and market segments; for determining which customers, customer groups, and market segments to pursue for business growth; or for marketing and building relationships to acquire customers. Additional focus on the future in these areas may enhance the applicant’s sustainability.

### Considering the applicant’s key business/organization factors, what are the most significant strengths found in its response to results items?

* 1. Some workforce satisfaction and engagement results show progress toward the applicant’s mission component to provide EOs with a Best Career Location. For example, overall engagement and satisfaction increased from 2009 to 2012, exceeding manufacturing industry benchmarks. Also reflecting satisfaction and engagement levels, employee retention rates range from 93% for factory EOs to 95% for technical EOs and nearly 100% for support EOs. Workforce climate measures also show beneficial trends for the key EO requirements of feeling safe and secure, taking pride in being an owner, making a difference on the job, and having competitive wages and benefits. In addition, specific health and safety measures, such as EO participation in wellness activities; Days Away, Restricted, or Transferred (DART) and reportable incident rates; near-miss reports; and hazardous, noxious, and lead exposures show beneficial trends consistent with a high-performance work environment.
  2. Several customer-focused results underscore the applicant’s core competency of Expertise. Overall customer engagement improved from 2009 through 2012, surpassing the industry benchmark for the last three years. In Net Promoter Score, the applicant has outperformed its competitor and the industry average since 2009. Measures of customer satisfaction overall and for the Aerospace and Contract R&D market segments demonstrate good results and beneficial four-year trends. In addition, key measures of customer satisfaction that show good levels and beneficial trends include those for reliability, higher density and lower weight (HDLW) capability, functionality, delivery, receipt quality, and responsiveness. Customer satisfaction results for the top two requirements by business segment show good levels and beneficial trends in five of six areas reported.
  3. Some leadership results support the applicant’s values of Commitment and Courage. For example, 100% of employees state that they can talk openly with leaders, and 99.7% report that they receive frequent updates on company strategy. These results are better than top-decile comparisons, as are those for workforce members’ confidence that leaders are taking the company in the right direction and their comfort with reporting suspected noncompliant behavior. Results for the achievement of organizational strategy and action plans show beneficial trends, and measures related to two out of three core competencies show good levels and beneficial trends. Results for fiscal accountability, meeting/surpassing legal and regulatory requirements, and governance show generally beneficial trends or sustained high levels of performance, as do environmental measures. These leadership results may help the applicant address its strategic challenge of achieving Level 3 Sustainability.
  4. Some financial measures support the applicant’s mission of achieving a superior return for EOs. Measures of sales, earnings, gross margin, and return on net assets (RONA) show beneficial trends and exceed the benchmarks. Total sales increased from 2009 to 2012, as did sales for the Aerospace and Contract R&D segments. Other financial results showing beneficial trends and exceeding benchmarks include those for inventory turns, days outstanding in accounts receivables, and unit cost reduction.

### Considering the applicant’s key business/organization factors, what are the most significant opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its response to results items?

* 1. Results are missing or limited in several areas of significance to the applicant. For example, results are not reported for marketplace performance and growth, which are linked to the strategic objective to increase market share of Aerospace, Personal Electronics (PE), and Contract R&D customers, or for the strategic action plans to produce prototypes and increase new contracts. Emergency preparedness results are limited, as are results for innovation and for performance relative to several key process requirements. No results are given for the Career Path Management (CPM) Process or the emerging leader system—such as coaching, mentoring, or team leadership roles—or for how well the applicant is meeting community requirements. Implementing and monitoring measures in these areas may help the applicant assess how well it is meeting the needs of its stakeholders and achieving its strategic objectives.
  2. Several key results are not segmented by appropriate groups. Some workforce results—such as EO survey results, recordable injury and DART rates, and EO strategic behavior—are not segmented by employee group. In addition, results for stakeholder perceptions of leadership effectiveness are not segmented by employee classification, customer group, or electronic manufacturing services (EMS) partners. Many measures of financial and marketplace performance are not segmented by business segment, including measures of inventory turns, days outstanding in accounts receivable, and repeat business won. Without appropriate segmentation of results, the applicant may be unable to focus on areas with the greatest impact on its performance.
  3. The applicant does not provide comparative data for several key results. For example, comparisons are missing for some product and process results, including on-time receipt and receipt quality, Contract R&D design for manufacturing and on-time delivery, customer support promptness and accuracy, and billing accuracy and timeliness. Comparative results are also missing for some workforce results, such as most EO Survey results; EO retention; participation in wellness activities; hazardous, noxious, and lead exposures; and EOs with certifications. Few comparative results are presented for leadership and governance results. Understanding its performance relative to industry and competitive benchmarks may assist the applicant in fulfilling its value of Colossal: we are proud of our business performance compared to others.
  4. The PE business segment shows several unfavorable results. For example, PE sales are flat and are well below those of the best competitor. The win rate for this segment shows a mixed trend and is lower than that for the Aerospace and Contract R&D segments. In addition, PE customer satisfaction, at 77%, is lower than the satisfaction rates for other business segments, as well as the satisfaction benchmark of 97%. Satisfaction with the top two PE requirements of HDLW and pricing is significantly lower than for the top two requirements of the other business segments. Improving results for the PE segment may be critical to achieving the strategic objective of increasing PE market share by 15%.

**Item Worksheet—Item 1.1**

## Senior Leadership

### Relevant Key Factors

1. Vision—Lead circuitry innovation for the future
2. Creativity (we invest in continuous innovation);
3. Mission—Engage customers of interconnect circuitry with the products for tomorrow;
4. Values—Commitment (we deliver on our promises; living our values through integrity, trust, and respect)
5. Core competencies—Ingenuity: leading advancements in the industry, especially in the areas of engineering and R&D; Expertise: understanding our customer’s business and exceeding expectations through robust operational processes; Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
6. 425 employees; F 51% and M 49%; employee groups: 28% technical, 54% factory, 18% support; diversity: 64% white (vs. 74% community), 19% African American (vs. 15% community), 10% Hispanic (vs. 6% community), 7% other (vs. 5% community); education: BA/BS + (engineers & supervisors), associates (technicians), HS/GED + (all)
7. Aerospace (national)—cockpit and navigation instrumentation, flight control modules; major customer—exclusive contract with GBN Corp.; PE (international)—cell and satellite phones, tablets and microcomputers, cameras, toys; major customers—NexTee, MEE2, Sleeker; Contract R&D (national)—circuitry design assistance, development of fine-line imagery, production processes; major customers—Valley Tech and Newton Computers
8. SA-3 Personal Touch; SA-4 Intelligent Risk

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s systematic process to affirm the mission, vision, and values; deploy them to stakeholders; and revise them if necessary supports its core competency of Exceptional People. The mission, vision, and values are evaluated annually. In addition, Partner Suppliers attend “Collin Is Committed” sessions; the orientation for new hires introduces them to the mission, vision, and values; and CCAs deploy them to customers. | All team members listed this as a strength. More than half listed this as the top strength.  Leadership system (Figure 1.1-1) affirms and communicates MVV.  Other deployment of MVV through communication mechanisms (Figure 1.1-2) and through new EO orientation, to partners through “Collins Is Committed” sessions and supplier contracts, sound byte messages, CCAs deploy to customers, also deployed through collective LT behavior.  Originally set in 1995. Subsequent refinement through the SPP. Vision refined in 2001. Mission revised in 2009 to align with commitment to societal responsibility and sustainability. | a(1) |
|  | In support of the strategic advantage of EOs enjoying a Best Career Location, senior leaders systematically communicate with and engage EOs and customers (Figures 1.1-1 and 1.1-2). Methods include electronic and social media and Leadership Team (LT) walk-arounds. Based on EO feedback, the applicant uses a formal communication plan for all key decisions, and “sound byte” messages aid clarity in deployment. | All team members listed this observation as a strength. Half of the team listed it as their #1 or #2 strength.  Formal communication plan is developed for deploying information related to key decisions. This was done as a result of EO feedback.  Figure 1.1-2 lists methods of communication; many of which target EOs and customers. At least one method of communication per audience enables two-way communication.  Social media handled through industrywide Q&A, added in 2012.  Communication with EOs: handwritten notes, LT members spend 1 hour each day in walk-arounds with EOs and deploy “sound bytes” to EOs.  This comment will only focus on communication with the workforce and customers because the Criteria only address those two stakeholders. I debated only addressing the workforce because I thought those responses were stronger and emphasized, but customers are covered as well. | b(1) |
|  | Multiple sustainability-enhancing approaches support the provision of a Best Career Location and a superior return to EOs. These include a leadership system that maps responsibilities to the Plan, Do, Check, Act (PDCA) cycle and integrates with the strategic planning process (SPP); aligned strategic objectives, core competencies, action plans, and measures; discussion of lessons learned in meetings; and development processes for the Advisory Board (AB), the LT, and emerging leaders. | Four team members listed sustainable organization as a strength. Two listed this as a strength but grouped it with a focus on action. I’m proposing to keep those two split. This will give us better balance between the comments to reflect the score. But an argument could easily be made to group the two comments together since the applicant’s response was similar to both.  The Leadership System integrated with Strategic Planning, with measurable SOs aligned with CCs, MVV, strategic challenges, and advantages. Action plans and measures cascaded through business segments, departments, and teams to EOs.  Monthly performance reviews (refinement to quarterly reviews) measure performance against projections, enabling agility.  The LT is held accountable for personal training; establishing a relationship with each customer; for mentoring at least one emerging leader.  CCAs assigned to customers to develop relationships, address issues, and promote retention. | a(3) |
|  | Supporting the applicant’s value of commitment, senior leaders create a focus on action through strategic objectives, action plans, and scorecard measures that are cascaded to business segments, departments, teams, and individual EOs. On a monthly review schedule (Figure 1.1-3), customer, operations, financial, and workforce performance; strategy execution; and the leadership system are analyzed for corrective actions and improvement opportunities. | Three team members listed this focus on action as a strength. Two grouped this with the comment sustainable organization due to similarities in the applicant’s responses. I’m keeping the two comments separate to give the comment balance better relation to the score, but these might be combined—a(3) with b(2).  Strategic objectives, action plans, and scorecard measures cascaded to business segments, departments, teams, and individual EOs  All LT members spend at least one hour a day in production or research areas  All EOs spend at least one day a month assisting an EO at his/her job  CCAs share customer feedback with EOs to enhance DO understanding of customer needs  Measurement system and monthly performance reviews provide data to enable action  Monthly schedule of LT reviews (Figure 1.1-3)  Standing agenda item is how actions affect other stakeholders  Stakeholder teams assigned to represent interests of each stakeholder group (Figure 1.1-4) | b(2) |

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| Notes Postcall revisions:  Strength a(3)—language on “cascaded to each EO” removed to differentiate the comment from the b(2) strength.  Strength b(2)—”So what” changed to eliminate reference to innovation (which is an OFI). Didn’t want to send a mixed message.  Revisions in V3:  Strength a(1)—”So what” moved to first sentence.  Strength b(1)—Merged first and second sentences. Changed the “so what” because it had the same one as the prior comment.  Strength a(3)—Removed reference to monthly LT performance reviews to differentiate the comment from the b(2) comment. (May also want to remove the reference to “cascading” for complete differentiation, but this was important to both comments. The team is split on whether to combine these 2 comments. Good arguments on both sides. I’m slightly in favor of keeping them apart because some of the examples are different for both.)  Strength b(2)—Minor editing.  Revisions in V2:  Need others to weigh in on combining a(3) with b(2). One team member is in support. I am sitting on the fence. Other edits made for clarity.  Notes from V1:  There was only one other strength noted by team members in IR: legal and ethical behavior (a[2]) mentioned by three team members. They tended to rank this comment as a lower importance. This strength is also in conflict with several team members who say this as an OFI. My approach to this one is NOT to include it as either a strength or an OFI. We’ll stand mute on it. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Beyond the LT’s embracing the shift to continuous improvement and continuous innovation, the approach used to create an environment for and enable innovation and intelligent risk taking is not evident. In addition, it is not clear how the monthly LT performance reviews support innovation and intelligent risk taking. A systematic approach in this area may support the applicant’s value of Creativity—“we invest in continuous innovation.” | Five team members listed this OFI. Four rated it as a #1 or #2 priority for the applicant.  There is no evidence of a systematic process supporting innovation although the applicant mentions “embracing” it several times.  “The conscious shift to continual improvement and continuous innovation (CI2) was embraced by the LT as a means to reinforce an environment for innovation and intelligent risk taking.”  Monthly performance reviews, initiated in 2010 as a refinement to the quarterly reviews, are conducted to determine current progress compared to projected performance. But there is no indication of how innovation is used to improve processes. | a(3), b(2) |
|  | Some leadership approaches—such as approaches used to demonstrate a commitment to legal and ethical behavior, those used to communicate with the workforce and customers, and those used for LT mentoring and succession planning—do not appear to be systematically evaluated or improved. Systematically examining these approaches for improvement opportunities may help the applicant sustain its core competencies of building lasting relationships, leading advancements in the industry, and understanding the customer’s business. | Four team members had comments about learning and cycles of improvement. One comment was specific to using two-way communication to improve; the others were broader. Two team members rated this as the #1 OFI; the other two rated it as #2.  Limited examples are provided of the leadership system being evaluated and improved over time.  Unclear how cycles of learning occur for:  Approaches used by senior leaders to demonstrate their commitment to legal and ethical behavior.  Approaches used by senior leaders to communicate with the workforce and customers  LT mentoring or succession planning approaches.  For example, although vision and values are evaluated annually in the SPP, it’s unclear how that occurs.  Also, although the monthly review process (Figure 1.1-3) was changed as an outcome of a process improvement project in 2010, it’s unclear how that process was identified as an improvement candidate. | a, b |
|  | It is unclear how senior leaders create a focus on creating and balancing value for stakeholders. For example, the LT review schedule (Figure 1.1-3) does not include subjects that affect such stakeholders as the community and Partner Suppliers. And beyond allowing for the rotation of stakeholder team members, it is unclear how senior leaders ensure that actions developed by these teams balance the needs of other stakeholders. This may result in conflicts or missed opportunities for action plans that benefit multiple stakeholders. | Three team members listed this comment as an OFI. I’m including this because the applicant has such disparate stakeholder groups.  In Figure 1.1-3, the LT review schedule does not include subjects that affect other stakeholders such as the community and Partner Suppliers.  Apart from a standing agenda question at the end of each review regarding ability to meet the needs of other stakeholders, a systematic approach is not evident.  Figure 1.1-4 shows that each member of the LT is assigned to a stakeholder but it is unclear how this ensures that the needs of each stakeholder are addressed.  Stakeholder teams exist and rotate every 15 months but it is unclear how the organization ensures that the actions developed by the teams balance the needs of the other stakeholders. This could result in possible conflicts and/or missed opportunities to have shared action plans that benefit multiple stakeholders. | b(2) |

#### Notes

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| Postcall revisions:  OFI a(3), b(2)—This comment remained doubled.  OFI b(2)—This comment will remain.  Revisions for V3:  OFI a(3), b(2)—Doubling this one because this is an industry where innovation and risk taking can be critical to sustainability. Let’s discuss on the call.  OFI a, b—Minor edit for clarity.  OFI b(2)—Significant issue to discuss on the call. Two team members suggest removing this OFI. They have a point since the applicant mentions stakeholder reviews at monthly LT sessions, a standing agenda question, and assigning stakeholder teams as approaches to creating and balancing value for customers and stakeholders. On the other hand, other team members saw some things (see the comment for specifics) that raised questions. I’m keeping this comment for now because I want to nudge the applicant to ask themselves based on the examples we give whether it really create and balance stakeholder and customer value. Ultimately, the applicant will have to decide for itself.  Revisions for V2:  Wording changes made for clarity based on feedback from one team member on a(3), b(2); and b(2) comments. See her feedback notes for details.  Notes for V1:  There was less consensus for the OFIs than there was for the strengths in this item.  The first ranked OFI—innovation and intelligent risk—seemed to merit its ranking. And the second one (a lack of cycles of improvement) merited its ranking. But there is more room for debate after that. The third (and final) OFI (creating and balancing value) merited inclusion because of the dispirit stakeholders served by the applicant. Now for the OFIs from IR that didn’t make the cut:  Perhaps most debatable was “unclear ... legal and ethical behavior,” mentioned by 3 team members. Two of these rated this their highest OFI. I left this OFI off the list because an equal number of team members had this as a strength. I think the matter comes down to benefit of the doubt . . ., which is debatable. But I have to share with everyone that in my IR, I basically said this rated as neither a strength nor an OFI. The lack of a comment can send a message to an applicant, too. So that sums up my logic.  One team member had a comment about lack of approaches to create a sustainable organization are deployed consistently. She may have a point, but “sustainable organization” is a strength and we’re fresh out of our “about 6” comments. This one does not add enough value to bump another OFI.  One team member has a comment about unclear approaches to two-way communication with customers via social media. He may have a point, but this OFI seems too narrow compared to others. Finally, one team member had an OFI about lack of senior leaders communicating with customers. I have to admit this seemed relevant at the time, but others have pointed out that Figure 1.1-2 had many communication mechanisms for customers. So I bend to the logic of the group and leave this OFI comment off the list. |

### Scoring

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| Score Range: **50-65%**  Score Value: **60**  Why shouldn’t the score be in the range above or below the selected one?  **Approach—50-65—Responsive to the overall requirements EXCEPT for innovation. I suppose approach could be scored at 30-45 because of this, but I would argue it would be at 49.9 as the very worst.**  **Deployment—50-65—Frankly, not much on deployment worked its way through to the comments. But the evidence supported “well-deployed” approaches.**  **Learning—50-65, but just barely above 30-45—learning was evident for some approaches, but several major ones weren’t mentioned.**  **Alignment—solidly 50-65—Responsive to customers and EOs (two key stakeholders), and strength comments on sustainability and a focus on action.** |

## Item Worksheet—Item 1.2

## Governance and Societal Responsibilities

### Relevant Key Factors

1. Provide EOs with a Best Career Location® and superior return; sustain society and the environment; enhance our communities.
2. Commitment: we deliver on our promises; living our values through integrity, trust, and respect)
3. Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
4. Complies with state and national OSHA requirements, U.S. Department of Labor laws, General Accounting Practices, and guidelines of Sarbanes-Oxley
5. Independent AB led by company founder and Chairman of the Board; trustees appointed to represent EO interests in AB’s fiduciary review of the ESOP. CEO reports directly to the executive committee of the board. Senior leaders report to the CEO; managers report to senior leaders. All other EOs report to either senior leaders or managers. The LT comprises senior leaders.
6. Community: provide secure employment opportunities, steward of air and water quality, partner in business community (i.e. provide leadership in civic organizations, support community development activities)
7. SC-5 Engaging EOs in sustainability; SC-6 Leadership development

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
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|  | The applicant’s use of teams to address potential adverse impacts on society (Figure 1.2-1) reflects the mission to sustain society and the environment and efforts to build lasting relationships with all customers and stakeholders. For example, the Public Health Team works with the Occupational Safety and Health Administration (OSHA) and community-based public health organizations and conducts audits related to health or safety risks. The Environmental Improvement Team focuses on eliminating lead from production processes and reducing the use of noxious chemicals. | Six team members listed this observation as a strength.  Relevance—Part of the mission “to sustain society and the environment and enhance our communities.”  + Risk Management Teams identify potential exposures, define/refine control practices, establish measures, set stretch targets related to regulatory behaviors  + Figure 1.2-1 identifies potential risks, practices, measures and targets for public health, environmental improvement, waste management, energy conservation risk management areas  + Public Health team chartered to work with OSHA and community public health organizations; also do audits related to health/safety risks  + Environmental Improvement Team responsible for environmental stewardship  + Achievements include decrease in solid waste from manufacturing operations and unpleasant odor removal by development of class 1 microfilter  + Energy Conservation Team | b(1) |
|  | Senior leaders’ performance is systematically evaluated with the annual 360-degree CPM Process, addressing the strategic challenge of leadership development. Together with EO Survey responses, results are analyzed to determine areas of individual leader development and improvement opportunities for the leadership system, which are discussed quarterly. The AB evaluates the chief executive officer (CEO) and determines his compensation based on company performance, management accountability, individual leadership performance, and customer feedback. | Five team members commented on the performance evaluation system. Two of them rated it as the #1 strength in this item.  Relevance—Strategic challenge of leadership development.  —All EOs (including senior leaders) participate in annual CPM Process  —360-degree assessment with input from subordinates, peers, superiors  —Results analyzed along with EO Survey data related to leadership questions to ID necessary improvements  —Quarterly Leader Development and Leadership System Refinement meting  —Leadership system undergoes PDCA review  —Example of refinement: blogs written by key leaders  —Example of refinement: AB added to CPM  —Executive committee of AB responsible for CEO evaluation based on company performance, management accountability, leadership performance, and customer feedback | a(2) |
|  | Approaches to promoting ethical behavior in all EO interactions support the applicant’s value of Commitment (living its values through integrity). For example, new employees receive ethics training, take a posttest, and sign a condition of understanding and practice statement with regard to company ethics. Other approaches include an annual refresher course; an anonymous hotline; and an online compliance-reporting page, which was implemented as a result of a recent PDCA cycle. | Five team members identified this observation as a strength.  Relevance—value of Commitment “...living our values through integrity...”  New Employee training: 4 hours of ethics training, testing to confirm learning, signing a statement of “condition of understanding.”  Annual refresher course  Anonymous hotline to report any suspicion of ethics violations.  An online compliance-reporting page, which was implemented as a result of a recent PDCA.  Relevance—These approaches support the applicant’s value of Commitment: “living our values through integrity.” | b(2) |

#### Notes

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| Postcall revisions:  Strength a(1)—Deleted so it would not conflict with the a(1) OFI. The OFI was the more important message.  Revisions in V3:  Strength b(1)—No changes  Strength a(1)—Two team members pointed out that the strength comment and OFI comment for a(1) are different only by a nuance. One suggested keeping the strength; the other suggested keeping the OFI. I’m keeping both. In the strength, we’re giving the applicant credit for answering “what” its governance system improvements have been. In the OFI, we’re suggesting that those improvement opportunities were not identified systematically. It’s unclear “how” the applicant goes about improving its governance system. (And the monthly review schedule in Figure 1.1-3 doesn’t tell me enough about “how.”) The applicant needs to see this nuance. The applicant can decide if it improves governance systematically or not. And make revisions in future applications to clean off the OFI. If I have to pick one over the other, I would choose to keep the OFI.  Revisions in V2:  Wording tweaks to a(2) for readability.  Notes for V1:  The first strength comment—addressing adverse impacts on society—was ranked first due to the importance of society and the community in the mission, although I really debated which of the first two comments should come first.  The second strength—senior leaders’ performance evaluation—was ranked ahead of #3 and #4 because it didn’t have any associated OFIs as the next two comments do. The relevance is also high due to the strategic challenge of leadership development.  The third strength—governance approaches and examples of how they’ve been improved—is relevant due to the potential impact on EO returns and performance of the ESOP. But this area also had a related OFI.  The final strength—ethics through a focus on EOs—was relevant due to alignment with a value. But it has an OFI related to it.  The other candidate for a strength comment that is not recommended to be carried forward:  Six team members noted in section c(1) and c(2) several approaches for considering societal well-being and the community survey. These observations were too much in conflict with the team’s #1 OFI comment. But the applicant will understand that we’ve acknowledged its efforts in this area, because the OFI will reference the four areas of community support. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
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|  | It is unclear how the applicant systematically addresses community support. For example, it is unclear how key communities are identified, how the four areas of support leverage the core competencies, and how the various teams systematically determine how to contribute to community support. This may compromise the applicant’s ability to sustain society and the environment and to enhance its communities. | Seven team members identified this observation as an OFI. Three had it rated #1 and two of us had it rated at #2. In his comment, the other team member also remarked about EOs participation. He’s right, but we’re going to emphasize a bigger point here.  Relevance—Mission: “Sustain society and the environment; and Enhance our communities.”  For example, although community support is provided in four areas, it is unclear what the key communities are, how they are identified, and how the applicant leverages the core competencies.  It’s also unclear how the various teams systematically determine how to contribute to community support. The applicant mostly provided anecdotes of support.  Relevance—A more systematic approach to community support may allow the applicant to have more success in achieving its mission: “Sustain society and the environment; and Enhance our communities.” | c(2) |
|  | Systematic approaches to governance are not evident. For example, it is not apparent how the executive committee accomplishes succession planning for leaders or how decisions on the composition of the AB are made. It is also unclear how the applicant identified, prioritized, and chose improvements to the governance system. Systematic approaches in this area may help sustain the applicant’s core competency of exceeding expectations through robust operational processes. | Three team members have this observation. Two of those had this as the #1 observation. These team members listed numerous examples of where “how” was lacking in the responses.  Numerous examples of what the applicant do, but not how the applicant do it  Weekly LT reviews roll up to monthly Board Report but no explanation of how AB utilizes this rolled up report—this is an activity, not a process  Examples are provided of improvements to the governance system, but it’s unclear how those improvements were identified and chosen.  No mention of what process is used to ensure transparency in operations (mention of Board Report but unclear what that entails)  No mention of what process is used to select board members (stated the applicant added new people but no mention of process used)  Sustainability Committee has oversight of stakeholder interests but there is no mention of what process is used.  Succession planning for SL is the role of the executive committee but there is no mention of the process used. | a(1) |
|  | The applicant’s approaches to ensuring ethical behavior, as well as measures of such behavior—such as survey questions and hotline use—do not appear to be fully deployed to Partner Suppliers. This may undermine the applicant’s value of Commitment (living its values through integrity, trust, and respect). | Four team members have an OFI for b(2). One identified unclear deployment outside of EOs. Another talked about no deployment to Partner Suppliers. Two others talked about lack of monitoring/measures. I’m going to try to work these all together into one comment, but if that doesn’t work, then the lack of deployment outside of EOs is the biggest point.  Approach described is for employees only (4 hours of training and annual refresher)  Measures provided cover employees only  Unclear how community members can report concerns; unclear how expectations are set with suppliers and monitored  Examples listed include hotline use, and responses to an EO survey questionnaire.  No mention of including Partner Suppliers in ethics orientation, refresher training, or hotline availability  No mention of conflict-of-interest determination for Partner Suppliers  No discussion of ethics in supply-chain management section in 6.2b (p. 32)  In 1.1a(1) (p. 1) no mention of Partner Supplier commitment to ethics | b(2) |

#### Notes

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| Postcall revisions:  OFI a(1)—On the call we agreed to remove the example of the board report and add the concept of “governance approaches are not integrated.” Reviewing the comment further, I couldn’t figure out how to modify the comment to add an “integration” flavor. However, the additional examples for this comment support a very straightforward “lack of systematic approaches to governance” focus to the comment.  Revisions for V3:  OFI c(2)—Moved “so what” to include it in the first sentence.  OFI a(1)—Three team members pointed out that the strength comment and OFI comment for a(1) are different only by a nuance. Two suggested keeping the strength; the other suggested keeping the OFI. I’m keeping both. In the strength, we’re giving the applicant credit for answering “what” its governance system improvements have been. In the OFI, we’re suggesting that those improvement opportunities were not identified systematically. It’s unclear “how” the applicant goes about improving its governance system. (And the monthly review schedule in Figure 1.1-3 doesn’t tell me enough about “how.”) The applicant needs to see this nuance. The applicant can decide if it improves governance systematically or not. And make revisions in future applications to clean off the OFI. If I have to pick one over the other, I would choose to keep the OFI.  OFI b(2)—Removed reference to deployment to the community; too much of a stretch. Edited for clarity.  The first OFI—unclear how community support activities are identified, etc.—is the clear top choice of the team and is relevant given the emphasis of community in the applicant’s mission.  The second OFI—whether approaches to the governance system are systematic—recognizes the applicant’s response largely described a series of “what” answers. The “how” was missing. We acknowledged the “whats” developed over time indicated improvements (noted as a strength). It is important for the applicant to see that a “what” answer would get it some credit, but still falls short from being systematic.  The third OFI—ethics system not going outside EOs and no indicators—is also a counterweight to a strength. The strength focused on the applicant’s efforts to ensure ethics with efforts targeting employees. Just wanted to send the message that, while its efforts with EOs is noteworthy, a more thorough systematic approach might give even greater benefits to the applicant.  Other feedback observations that were not included:  One team member had a general comment on lack of evaluation and improvement in this item. I debated this one a long time, but left it out because I saw a little bit of evaluation/improvement in ethics (reference to a PDCA) and performance evaluation (a brief mention). The biggest area of lack of evaluation and improvement was with societal responsibility and community support. And these were mentioned in OFI #1. So we’re covered here.  One team member had a specific comment about the lack of clarity on how the ISO 26000 guidance document and the community survey are used for society well-being (c[1]). He’s right, but the focus was too narrow compared to the other comments.  In section a(2), one team member had an observation about no evidence of evaluating AB member performance. Didn’t include this because the applicant indicated it is preparing to do this, and its focus is relatively narrow compared to other comments. Also in a(2), one team member observed that it’s unclear how info collected from the 360s is used to identify improvement opportunities. This observation was too narrow compared to other comments.  In section b(1), one team member had an observation that it was unclear how the applicant addressed adverse impacts and anticipated public concerns. He’s essentially saying, “I know the applicant told us it had several teams to do this, but it didn’t tell us HOW those teams did their work.” This was a frequent thought of mine as I reviewed many parts of the application. I wish the applicant had given us more. But in this case, the team saw enough to give a strength on addressing adverse impacts. Regarding anticipating public concerns, there is a survey that’s done. So that’s at least something.  Also in section b(1), one team member observed that some measures and goals were missing from Figure 1.2-2, such as injuries and compliance with Sarbanes-Oxley. While this is true, it’s small potatoes compared to other comments. |

### Scoring

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| Score Range: **50-65%**  Score Value: **50**  Why shouldn’t the score be in the range above or below the selected one? **Postcall revisions: None.**  **Revisions for V3:**  **Question here was whether to land on 45 or 50%—a close call, with some saying that the OFI on systematic governance and community support keeps the approaches at the basic Criteria level and keeps us from the 50% range while others argue for a 50% score.**  **V1:**  **I struggled with scoring for this one. We could reasonably land anywhere from 40 to 60 depending on how we account for the applicant giving “what” answers to several key questions; with us asking for “how” in several OFIs.**  **Proposing 50, but I could be easily swayed higher or lower. Some support:**  **Approach—If we accept some “what” responses for strengths, as is proposed, I will place them at 50-65.**  **Deployment—50-65. The main gap was in the deployment of ethics broader than just EOs.**  **Learning—30-45. The applicant cited examples of improvement, but we were not convinced that the learning/improvement process was systematic.** |

**Item Worksheet—Item 2.1**

## Strategy Development

### Relevant Key Factors

1. Vision—Lead circuitry innovation for the future
2. Ingenuity: leading advancements in the industry, especially in the areas of engineering and R&D; Expertise: understanding our customer’s business and exceeding expectations through robust operational processes; Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
3. Independent AB led by company founder and Chairman of the Board; trustees appointed to represent EO interests in AB’s fiduciary review of the ESOP. CEO reports directly to the executive committee of the board. Senior leaders report to the CEO; managers report to senior leaders. All other EOs report to either senior leaders or managers. The LT comprises senior leaders.
4. SA-1 Business reputation; SA-2 Responsiveness; SA-3 Personal Touch; SA-4 Intelligent risk; SA-5 Capable processes; SA-6 Level 2 Sustainability; SA-7 EOs that hold certifications for competencies related to their work and enjoy Best Career Location® and ESOP
5. SC-1 Industry growth by acquisition; SC-2 Expanding customer R&D services; SC-3 HDLW; SC-4 Level 3 Sustainability; SC-5 Engaging EOs in sustainability; SC-6 Leadership development
6. SO-1 Increase Net Promoter Score; SO-2 Increase current market share over the next three years by business segment; SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs; SO-5 Maintain 100% employee ownership

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
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|  | The addition of quarterly scans to the Strategic Planning Process (Figure 2.1-1) has enhanced its agility and flexibility, and inclusion of some strategic goals in the LT Scorecard aligns the planning with the performance review process. The process contains elements of PDCA and is conducted annually, with both short- and longer-term planning horizons considered. | Seven team members—was labeled as a(2)  (ADLI)  SPP outlined in Figure 2.1-1. Key steps include MVV affirmation, an environmental scan, SWOT analysis, gap analysis, and defining strategic objectives and outcome measures. LT conducts most of the steps with input from other stakeholder groups. One and three year planning horizons; was modified from a five year plan to enhance timeliness of execution. Strategic planning process appears to be conducted on an annual cycle. To address agility and flexibility, ongoing scans are submitted on a quarterly basis.  Approach appears to be used consistently by leaders on an annual basis.  Several improvements have been made to SPP. Examples—quarterly environmental scans, and return to annual rather than quarterly cycle of determining action plans and measures.  Aligned with applicant’s performance review process.  First sentence revised per SM suggestion.  All team members supported comment during v2 review. | a(1) |
|  | The collection and analysis of data for use in strategic planning supports the applicant’s strategic advantage of business reputation. Nine categories of data and information (Figure 2.1-2) are factored into the analysis of strengths, weaknesses, opportunities, and threats (SWOT) and may affect such areas as product development, supply-chain management, and human resource capability. During the Gold Loop, the ability to execute the plan is evaluated, and adjustments are made as needed. | Eight team members  (ADI)  Several inputs are used in SPP (Figure 2.1-2). Independent study conducted annually to evaluate competitive threats. Resources, core competencies, strategic advantages, and strategic challenges are mapped to strategic objectives. Gold Loop of the SPP is used to evaluate the ability to execute the plan; adjustments are made to objectives and measures based on this evaluation.  Approach appears to be applied consistently and routinely.  These inputs may impact product development, technical direction, supply chain management, human resource capability, and process management as outlined in column four of Figure 2.1-2.  Based on feedback from one team member, focused the first sentence more fully on the Criteria requirement and added SWOT as a component of the process. Shortened comment per feedback from a team member.  All team members supported comment during v2 review. | a(3) |
|  | Each of the applicant’s five strategic objectives addresses at least one strategic advantage, strategic challenge, or core competency (Figure 2.1-5). For example, the objective to increase the Net Promoter Score leverages the applicant’s strategic advantages of the company’s business reputation, responsiveness, and Personal Touch, as well as its core competencies of Expertise and Exceptional People. | Seven team members  (AI)  The applicant lists answers to the “what” questions in a(4) and b(1), along with showing that the applicant has linked its core competencies, strategic advantages and strategic challenges to its 2013 strategic objectives.  All team members supported this comment during v2 review. | b |

#### Notes

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| a(2) Approach to create and environment for innovation. Approach to determine strategic opportunities. Although I didn’t completely see this, I was willing to give the applicant benefit of the doubt, but the rest of the team was not. See OFI.  a(4) “consider which processes leverage core competencies, and which could provide better value through Partner Suppliers (Figure 2.1-3). Core competencies are evaluated to ensure their continued value, and new core competencies are developed as needed.” This portion of the strength comment conflicts with an OFI this item, since the applicant does not describe a systematic process.  a(4) “The applicant uses external suppliers and partners to provide processes in which they have stronger competencies or cost effectiveness.” This portion of the strength comment conflicts with the OFI included for this item since the applicant does not describe a systematic process.  b “balance short- and long-term time horizons and consider the consider the needs of all key stakeholders (Figure 2.1-5). This portion of the strength comment conflicts with the OFI for this item since the applicant does not describe a systematic process. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
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| **X** | It is unclear how the applicant creates an environment that supports innovation, how the generation of innovative ideas leads to strategic opportunities, and how the applicant decides which opportunities to pursue. For instance, the processes used to create the chief innovation officer position and to identify strategic opportunities are not evident. Systematic approaches may effectively promote the applicant’s value of Creativity and its core competency of Ingenuity. | Seven team members  Four team members doubled this OFI.  (AI)  LT evaluates strategic opportunity but not described how these opportunities are identified.  Unclear how the creation of the chief innovation officer creates an environment that supports innovation. No process is described in the application.  Reframed so-what to be positive per one team member’s suggestion.  All team members supported this comment during v2 review.  Two team members do not support doubling the comment. All other team members support doubling the comment. Will leave it doubled for consensus call dialogue. | a(2) |
|  | How the applicant decides which processes to accomplish internally and which to outsource is unclear. For example, a process for considering factors such as core competencies and cost in such decisions is not evident. In light of the applicant’s two special EMS partners and more than 70 Partner Suppliers, systematic approaches in this area may ensure fact-based decisions about whether the competencies necessary to provide better value reside internally or externally. | Four team members  (AI)  State the applicant use the Work System Review Process (Figure 2.1-3) but it is unclear who is involved in this process (i.e. are suppliers part of this decision?). It is also unclear what the steps of the process are for making these decisions (i.e. is it systematic or a general discussion?)  Based on feedback, am moving this OFI to the number 2 position. Also rewrote the so-what to tie it more strongly to the Partner Supplier key factor. So-what revised per a suggestion. First part of comment revised per two suggestions.  All team members supported this comment during v2 review. | a(4) |
|  | It is unclear how the applicant’s strategic objectives consider the needs of the community. For example, it is not evident how the applicant considers the greater Nashville community’s needs for secure employment opportunities, leadership in civic organizations, and support of community development. Considering and addressing these needs may help the applicant fulfill its mission to enhance its communities. | Six team members  One team member doubled the comment.  (AI)  Applicant states that a review of the measures contained in the balance scorecard is the cue to balancing the needs of key stakeholders, but the actual process to ensure this is not described. Unclear whether key stakeholder group of community is addressed in strategic objectives.  After review of one team member’s v2 feedback, I deleted the first part of this comment related to lack of longer-term objectives. Good catch—thank you.  All team members supported this comment during v2 review. | b(2) |

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| a(1) “The applicant does not appear to have a systematic process for addressing the need for organizational agility and operational flexibility.” This conflicts with the strength comment written for this item.  a(1) “How specific steps in the SPP take place is not clear.” This conflicts with strength comment written for this item.  a(1) “The applicant does not clearly define how short- and long-term planning horizons are defined in a systematic manner.” While I agree there is not a robust process for how the applicant arrives at one- and-three year planning horizons, I did not include this OFI as one of the vital few. We can reconsider if the team feels strongly about it.  a(3) “Lack of approach to identify risks to sustainability.” Not one of the vital few.  a(3) “It’s unclear how data are analyzed to develop information regarding strategic challenges, strategic advantages and risks to sustainability.” Applicant uses SWOT analysis to determine strategic challenges and advantages, which was an adequate response, so I did not include this as an OFI.  a(3) “Not clear how applicant develops information on its strategic challenges and strategic advantages as part of its SPP.” Applicant uses SWOT analysis to determine strategic challenges and advantages, which was an adequate response, so I did not include this as an OFI. |

### Scoring

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| Score Range: **50-65%**  Score Value: **55**  Why shouldn’t the score be in the range above or below the selected one? **The score should not be in the range below because the applicant has approaches responsive to most overall requirements (with the exception of how work system decisions are made). The SPP is well deployed and routinely undergoes evaluation, with some improvements noted. Most approaches are aligned with organizational needs.**  **The score should not be in the range above because there is the lack of an approach to make work system decisions (an overall requirement), learning does not appear to include innovation, and approaches are not integrated with current and future needs.**  **One team member recommends score of 45.**  **Two support score of 50, but can live with 55 if others feel strongly.**  **One supports score of 55.**  **One supports score of 45 or 50.**  **One supports score of 60 to 65.**  **Since we have some differences of opinion about doubling the a(2) OFI, I will leave the score at 55 pending consensus call dialogue.** |

## Item Worksheet—Item 2.2

## Strategy Implementation

### Relevant Key Factors

1. As an owner each individual actively contributes to the company’s success.
2. Vision—Lead circuitry innovation for the future
3. Values—Collaboration: we are one team pursuing one vision; Commitment: we deliver on our promises; living our values through integrity, trust, and respect; Creativity: we invest in continuous innovation; Courage: we are courageous in our pursuit of business excellence; and Colossal: we are proud of our business performance compared to others.
4. Customers (Figure P.1-4): Circuitry reliability, HDLW circuits, competitive pricing, support for product life cycle, OTD, high quality. Priority of each requirement varies by business/customer segment
5. Community: provide secure employment opportunities, steward of air and water quality, partner in business community (i.e. provide leadership in civic organizations, support community development activities)
6. Technology changes: ability to double number of transistors on a silicon chip nearing full capacity; research on replacing copper with other conductive materials; exploring use of photons rather than electrons as a way to redefine its niche market
7. SC-1 Industry growth by acquisition; SC-2 Expanding customer R&D services; SC-3 HDLW; SC-4 Level 3 Sustainability; SC-5 Engaging EOs in sustainability; SC-6 Leadership development
8. SO-1 Increase Net Promoter Score; SO-2 Increase current market share over the next three years by business segment; SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs; SO-5 Maintain 100% employee ownership

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
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|  | Approaches to action plan development, implementation, and measurement reinforce the applicant’s culture of each individual actively contributing to the applicant’s success. Directors use the Strategy Matrix to identify short-term strategic action plans and measures (Figure 2.2-1). Work groups implement the action plans, which are then cascaded and linked to the Career Management Program through scorecards, with progress tracked at monthly strategy review sessions. | Eight team members  (ADI)  Figure 2.2-1 lists the 2013 action plans and measures. Use of a Strategy Matrix by the directors to breakdown the strategic objections into actions; Matrix is available on CNet by the LT and EOs for review. Directors work with staff to establish outcomes and in-process measure so that progress can be monitored. Plans are cascaded throughout the company with linkage to the CMP via scorecards.  First sentence modified per one team member’s suggestion. Further refinement to shorten comment per suggestion by two team members.  All team members support comment in v2 review. | a(1, 2, 5) |
|  | The allocation of financial and other resources to action plans supports the achievement of the applicant’s strategic objectives. The LT and AB review resource needs, and directors and managers perform a second feasibility review. Approved resources are allocated to each action plan, and the LT adjusts them in monthly strategy review sessions, if needed. | Four team members  (ADI)  Resource needs are reviewed twice during the SPP; once with LT and AB during the gap analysis; second is by directors and business segment managers during their feasibility reviews where they consider space, equipment, technology, and people (capability and capacity). Iterative process between departments and LT with CFO and CEO conducting final review of the collection of all resource needs to ensure they are adequate and budgets are finalized.  Resources are managed during monthly leadership review.  Although the team was split on whether this was a strength or OFI, the applicant shared enough evidence to support including it as a strength. I did NOT include “systematic” in this strength comment.  Comment refined per one suggestion. One team member suggests moving this comment down one position or possibly deleting. Another supports moving it down. Am leaving it here for now pending call.  All other team members support comment during v2 review. | a(3) |
|  | The applicant’s approach to establishing and implementing modified strategic action plans supports the meeting of such customer requirements as reliability, on-time delivery, and high quality. To ensure that action plans can be achieved, the LT uses a force-field tool during its strategy leadership review to rebalance priorities and resources. The designated stakeholder team is then tasked with implementing the modified action plan. | Two team members  (ADI)  Monthly strategy review session is the forum for the LT to identify if resources or priorities require action plan modification. Stakeholder teams communicate and implement changes.  On page 4 of the application, the applicant describes a force-field type of tool that is used to rebalance priorities and resources to action plans.  Aligned with applicant’s performance review approach.  Very weak strength comment. Four team members actually listed this as an OFI. If the team feels strongly about not including it as a strength, my recommendation would be to delete it here, but not add it as an OFI since it is a multiple-level requirement, and this applicant has enough OFIs to address already!  Refinements made per two team members.  Two team members support deleting this comment. All other team members support comment during v2 review. | a(6) |

#### Notes

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| I was very challenged to come up with the three strength comments for this item. As a team, we were not strongly supportive of any area other than a(1) and were definitely divided between whether approaches were strengths or OFIs in several areas.  All strength comments were incorporated. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
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|  | Strategic action plans are not evident for the applicant’s longer-term planning horizon. Creating such action plans may help the applicant overcome its strategic challenges and address projected changes in the business environment, such as R&D growth, nanotechnology, and the GBN Corp. contract. | Two team members  (AI)  While not identified by most of the team as an OFI, it was significant enough to include. Because of the changes anticipated to take place in its business environment, the applicant should be developing action plans beyond the current year.  No three-year action plans are contained in Figure 2.2-1.  Per feedback, I added examples of business environment changes. I will also move this comment up in priority to the number two spot. Refinement per suggestion.  After feedback from one team member, removed the following section of the comment to give applicant BOD. If team feels otherwise during consensus we can add back in. “Also, the relationship of some strategic action plans to strategic objectives is unclear. For example, it is not evident how action plans such as recoup phone losses on next model, and satisfy current contract documents relate to the strategic objective of increasing market share. “  All team members support comment during v2 review. | a(1) |
|  | Workforce plans to support strategic objectives, action plans, workforce impacts, or potential changes to capacity and capability—such as plans to ensure that the workforce has the capability to succeed in Contract R&D and nanotechnology—are not evident. Aligning workforce plans with strategic objectives may help the applicant ensure that it can address workforce implications created by the GBN contract and still meet the customer requirements of reliability, on-time delivery, and high quality. | Six team members  (AI)  Applicant does not appear to have workforce plans to address changing capability needs (for example, workforce education related to nanotechnology solutions).  Applicant does not appear to have workforce plans to address potential changing workforce capacity needs tied to growth strategies and action plans.  Based on feedback from one team member, changed the last sentence to tie to applicant’s key factors more directly. Changed “address” to “support” in 1st sentence per another team member.  All team members support comment during v2 review. | a(4) |
|  | Approaches for determining performance projections for the applicant’s three-year planning horizon are not clear, and projections for the performance of its competitors or comparable organizations are not evident. A clear understanding of its own expected performance and that of its competitors may help the applicant establish effective action plans and realize the growth it seeks in its business segments. | Seven team members  Two team members doubled the comment.  (AI)  Figure 2.2-1 lists the measures for each action plan, but no projections of performance are provided for these measures beyond 2013.  No projections for competitors or comparisons are provided.  One team member recommends moving comment down in priority. I am leaving it in the top spot based on the other two weaker strength comments.  Three team members unsure about doubling. One supports doubling. I am making the decision to remove the doubling based on feedback. If needed, we can discuss further during call.  All team members support comment during v2 review. | b |
|  | It is not evident that the applicant systematically evaluates or improves its approaches to implementing its strategy. Examples include how action plans are developed and implemented, how resources are allocated, and how action plans are modified if circumstances require a shift in plans. Routinely evaluating these and other approaches to identify opportunities may improve the applicant’s performance and achievement of strategic objectives. | Two team members  (L)  While only two team members identified this as an OFI, there was no evidence that any of the processes in item 2.2 undergo any routine evaluation to identify opportunities for improvement. No examples of improvement are shared by the applicant.  If it comes down to us needing to eliminate an OFI, this is the one I would suggest.  Second sentence modified per one team member’s feedback.  All team members support comment during v2 review. | a, b |

#### Notes

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| As a team, we were split on several areas related to OFIs and strengths, so I used my judgment and made the call.  OFIs not used:  a(1) “The degree to which the action planning process is fully deployed is not clear.” I elected to give the applicant benefit of doubt on this. The AB, LT, and stakeholder teams are definitely involved. Unclear if every single EO is included.  a(1, 2) “It is unclear how aspects of the action plan development and implementation processes work.” Enough evidence was shared that I gave the applicant benefit of doubt.  a(3) Two team members—lack of approach to ensure financial and other resources are available. Four members of the team supported this as a strength and the applicant shared enough evidence to support it, although weak.  a(6) Four team members all supported this as an OFI for approach or integration, but I elected to give a weak strength comment based on evidence in the application. (See strength comment.) If the team feels strongly about it, my recommendation would be to delete the strength and not include the OFI since it is a multiple level requirement. |

### Scoring

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| Score Range: **50-65%**  Score Value: **50**  Why shouldn’t the score be in the range above or below the selected one? **The score should not be in the range below, because with the exception of projections, the applicant’s approaches are responsive to the overall Criteria requirements. There are no obvious gaps in deployment and approaches are aligned with organizational needs.**  **The score should not be in the range above because of the lack of projections, no evidence of cycles of learning, and lack of integration.**  **One team member recommends 30-45. Three team members recommend 45. One team member supports high end of 30-45 range. One supports score of 50. I am leaving the score at 50. Given the overall description for the item, I do not agree with moving the score down. We can discuss further on the call.** |

## Item Worksheet—Item 3.1

## Voice of the Customer

### Relevant Key Factors

1. Mission—Engage customers of interconnect circuitry with the products for tomorrow
2. Expertise: understanding our customer’s business and exceeding expectations through robust operational processes; Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
3. Customers (Figure P.1-4): Circuitry reliability, HDLW circuits, competitive pricing, support for product life cycle, OTD, high quality. Priority of each requirement varies by business/customer segment.
4. SA-1 Business reputation; SA-2 Responsiveness; SA-3 Personal Touch; SA-4 Intelligent risk; SA-5 Capable processes; SA-6 Level 2 Sustainability; SA-7 EOs that hold certifications for competencies related to their work and enjoy Best Career Location® and ESOP
5. SC-1 Industry growth by acquisition; SC-2 Expanding customer R&D services; SC-3 HDLW; SC-4 Level 3 Sustainability; SC-5 Engaging EOs in sustainability; SC-6 Leadership development
6. SO-1 Increase Net Promoter Score; SO-2 Increase current market share over the next three years by business segment; SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs; SO-5 Maintain 100% employee ownership

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | By listening to customers and evaluating approaches annually, the applicant enhances its ability to build lasting relationships with all customers through the Personal Touch, a core competency. Examples include holding quarterly and biennial focus groups and conducting market interest surveys at trade shows. The information gathered—which accounts for current, former, and potential customers as well as competitors’ customers—is used as an input to strategic planning. | (a) Criteria element: How do you listen to, interact with, and observe customers to obtain actionable information?  This strength is for its approach to listening and learning.  Original consensus comment in “Notes for all Strengths”  Strength area for the applicant. 6 out of 7 team members provided supporting comments  R3: added current customer to this strength in lieu of creating another strength comment. Added the relevance statement relating to its core competency of Exceptional People. Removed double.  Postcall: added item reference to a(1) and changed start of first sentence. | a |
|  | The applicant’s approaches to determining customer satisfaction and engagement provide information to support the strategic objective of increasing current market share. These approaches are reviewed annually for improvement. With the Engagement Improvement Tool Kit, the applicant identifies areas where improvements will result in the most significant change in results. | Supported by 6 team members; no OFI comments.  R3: added learning to the strength based on 1st paragraph page 16—they state “annual process improvement cycles.” | b(1) |
|  | Insight gained from approaches to determining satisfaction relative to competitors may help the applicant achieve its strategic objective of increasing current market share. Methods include lost-customer analysis, collection of noncustomer data regarding vendor selection, and reciprocal partnering agreements. | No feedback-ready comments were created for satisfaction relative to competitors, but there were 4 IR strengths and 2 IR OFIs (RB and BR). Note 3.1b(2) lists comparisons obtained through trade or other orgs and determining why customers chose competitor instead. Applicant is using these approaches so gave them a strength in this area. | b(2) |

#### Notes

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| —Comment on listening to current customers was not used. More support was provided for listening to former customers, potential customers, and customers of competitors.  —Elements of one comment included in 1st strength focused on a(2).  —Deployment OFI not used; benefit of the doubt given.  R2: added core competencies of Expertise and Exceptional People as suggested by one team member  Postcall: deleted 4th strength (a(2), b(1) |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how the applicant tailors its listening approaches—such as quarterly customer visits, focus groups, and customer satisfaction surveys—for its Aerospace, PE, and Contract R&D customers and across the customer life cycle. Tailoring approaches in this way may help the applicant leverage its strategic advantage of the Personal Touch and achieve its strategic objective of increasing current market share. | (a1) missing Criteria elements: How do your listening methods vary for different customers, customer groups, or market segments? How do your listening methods vary across the customer life cycle?  Limited evidence of varying its approaches.  Original postcall comment in “Notes for All Opportunities for Improvement”  Six team members identified gaps in how listening approaches varied by different customers, customer groups, or market segments.  R3: One team member suggested adding product line to the second sentence as an additional example; although this may be true, the Criteria don’t mention it. Moved customer life cycle from 2nd to 1st sentence to aid in clarity.  Postcall: reworded slightly for clarity; differentiate from (a) strength. | a(1) |
|  | It is unclear how the applicant’s measurements of dissatisfaction capture actionable information to use in meeting customers’ requirements and exceeding their expectations in the future. A systematic approach in this area may help the applicant identify future customer requirements and support improvement of its Net Promoter Score. | OFIs related to completeness of data, capturing actionable information to use in meeting customers’ expectations in the future noted by five team members. Systematic approach for determining customer dissatisfaction noted by three team members.  R3: moved b(3) OFI to second position per a recommendation—agree missing a process for dissatisfaction is more important to the applicant than lack of systematic learning. Also revised first sentence and removed second one to clearly focus on the lack of an approach.  Post–consensus call: added “dissatisfaction” to 1st and 2nd sentences; slight rewording. | b(3) |
|  | Moved to strength | —Two team members noted in evidence that there doesn’t appear to be any systematic approaches for improving its processes. I also see this as a potential emerging theme for the applicant, hence included the comment to support learning and ongoing process improvement.  R3: Two team members provide examples of learning for the applicant, so removed OFI, which was:  “There is limited evidence supporting whether the multiple approaches for capturing customer satisfaction, engagement, and dissatisfaction are evaluated for improvement. For example, Business Segment managers’ review listening methods annually, however the process they used is not presented, and no other approach for systematically assessing survey or focus groups and identifying possible enhancements is described. Implementing a systematic review of processes for determining customer satisfaction and engagement may enable the organization to capitalize on its core competency of understanding customer’s business and exceeding expectations.” | a, b |

#### Notes

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| —Comments from two team members on social media approaches were not used. The applicant provided one example of social media usage and other team members listed the usage as a strength.  —Did not use comment related to whether there is a systematic approach for listening to current and potential customers, conflicted with strength identified by other team members.  —Comment regarding data integration not used. Applicant describes common coding approaches and issues going into CRM so provided benefit of the doubt. |

### Scoring

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| --- |
| Score Range: **50-65%**  Score Value: **60**  Why shouldn’t the score be in the range above or below the selected one?  **Below: well into the multiples for approach, deployed across the organization, some organizational learning evident, aligned to overall org needs; most comments at multiple level.**  **Above: not at the level of “an effective, systematic approach, responsive to the MULTIPLE requirements of the item.” Some organizational learning. No innovation.** |

## Item Worksheet—Item 3.2

## Customer Engagement

### Relevant Key Factors

1. Expertise: understanding our customer’s business and exceeding expectations through robust operational processes
2. Customers (Figure P.1-4): Circuitry reliability, HDLW circuits, competitive pricing, support for product life cycle, OTD, high quality. Priority of each requirement varies by business/customer segment
3. SA-1 Business reputation; SA-2 Responsiveness; SA-3 Personal Touch; SA-4 Intelligent risk; SA-5 Capable processes; SA-6 Level 2 Sustainability; SA-7 EOs that holds certifications for competencies related to their work and enjoy Best Career Location® and ESOP
4. SC-1 Industry growth by acquisition; SC-2 Expanding customer R&D services; SC-3 HDLW; SC-4 Level 3 Sustainability; SC-5 Engaging EOs in sustainability; SC-6 Leadership development
5. SO-1 Increase Net Promoter Score; SO-2 Increase current market share over the next three years by business segment

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s management of complaints supports the customer requirements of support for the product life cycle and high quality. Complaints are logged into CNet, routed to the appropriate Collin CCA, and tracked to resolution, with notifications to key internal stakeholders. Complaint codes are consistent with other coding systems used throughout the customer relationship life cycle, providing an integrated view of complaints. | Eight team members noted this as a strength in IR comments.  R3: removed double as suggested by three team members. Provides a more balanced view of its overall complaint management. Left in first spot as strongest strength. Thoughts? | b(2) |
|  | Multiple approaches for customer support and communication of information strengthen the applicant’s core competency in understanding the customer’s business and exceeding expectations. Approaches include a secure customer portal into CNet, as well as social media and CCA blogs. CCAs and business segment managers regularly meet with customers, in addition to maintaining phone contact and following up on orders. | Strength focused on key communication mechanisms. Six team members identified this as a strength in IR (six team members)—primarily for approach and deployment  one team member—learning OFI; another—key support requirements gap | a(2) |
|  | The applicant’s approaches to building and managing relationships with existing customers align with its core competency of building lasting relationships. Examples include assigning CCAs to customers to coordinate and communicate with them, participating in Electronics Industry Connection (EIC) subcommittees, attending trade shows, and using SMS messages and CCA blogs. | EXISTING CUSTOMERS ONLY; There is an OFI for new customers.  —4 team members provided feedback-ready comments for strengths (4 team members); one IR  —2 team members OFI IR comments for acquiring customers (added as an OFI) | b(1) |

#### Notes

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| Two comments on approaches to determining customer and market requirements not used. They conflicted with the a(1) OFI for the applicant’s approach for entering new markets and attracting new customer groups. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is unclear how the applicant determines which customers, customer groups, and market segments to emphasize and pursue for business growth or how it uses information to anticipate future customer groups and market segments. Given the strategic challenges of expanding customer R&D services and industry growth by acquisition, identifying future groups and markets systematically may support the applicant’s sustainability. | Four team members provide feedback-ready comments discussing future customer groups. Four also provided IR OFIs. No strengths for this multiple.  Post–consensus call: combined first and second sentences to form one nugget. | a(3) |
|  | It is unclear how the applicant builds and manages relationships to acquire customers or how it identifies and adapts product offerings to enter new markets and attract new customers. Systematic processes in these areas may support the strategic challenge of expanding customer R&D services. | NEW FOR R3: Combined two OFIs from a(1) and b(1). Both were focused on attracting new customers.  a(1): This OFI is focused on the applicant’s approach to identifying and adapting product offerings to enter new markets and attract new customers.  Three team members provided comments  R3: combined with b(1)—one team member pointed out they are both focused on acquiring customers  It is unclear how the applicant adapts product requirements to enter new market segments and attract new customers. The applicant describes VOC approaches used with current customers, however does not describe a systematic approach for improving these processes. Employing systematic marketing and customer relationship processes for acquiring customers and building market share may help support the strategic challenge of expanding customer R&D services and sustainability.  b(1): ACQUIRE CUSTOMERS and build market share only.  Strength written for b(1) for existing customers.  Could be a theme regarding identification of new markets and obtaining new customers. In an industry where they may be capped out within its existing customer base finding new will be critical to its success. Two team members provided OFIs focused on acquiring customers.  R3: combined with a(1)—one team member pointed out they are both focused on acquiring customers  It is unclear whether a systematic approach exists for marketing and building relationships for acquiring customer groups. Other than attendance at trade shows and work on industry committees there is no process discussed for how new customers are acquired. Employing systematic marketing and customer relationship processes for acquiring customers may help support the strategic challenge of expanding customer R&D services. | a(1), b(1) |
|  | It is unclear how the applicant systematically improves its customer support and customer relationship approaches, such as those used for determining support requirements for different customer groups and market segments. Systematically improving these approaches may help the applicant increase its market share and improve its Net Promoter Score. | A systematic approach is described for developing products [Product Development and Innovation Processes (Figure 3.2-1)], but the applicant doesn’t describe an approach for systematically improving its customer support and customer relationship processes. This OFI is focused on the nonmanufacturing processes. Six team members identify missing evidence of learning.  R3: moved to bottom in deference to other OFIs being more focused on “less mature” needs. I’ve tightened up the language to focus on customer support and relationships.  Also, one team member points to 6.1b(2) which states enabling processes are evaluated a minimum of annually. For the team’s consideration, are the changes described in the application a response to pain points, or are they the result of a systematic review of its processes. Thoughts? | a(2), b |

#### Notes

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| Did not use comment for how approaches are tailored to meet the needs of a given customer segment. This comment did not rise to the level of the others. |

### Scoring

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| Score Range: **50-65%**  Score Value: **50**  Why shouldn’t the score be in the range above or below the selected one?  **Below: approach is responsive to the OVERALL requirements; approaches are deployed, early stages of alignment.**  **Above: approach is not responsive to the multiple requirements, but does meet many of them; organizational learning is not systematic, with no evidence of innovation.**  **R2: dropped score from 60; removed doub**l**ing on first strength.** |

## Item Worksheet—Item 4.1

## Measurement, Analysis, and Improvement of Organizational Performance

### Relevant Key Factors

1. Creativity: we invest in continuous innovation
2. Vision—Lead circuitry innovation for the future
3. Colossal: we are proud of our business performance compared to others
4. Aerospace (national)—cockpit and navigation instrumentation, flight control modules; major customer—exclusive contract with GBN Corp.; PE (international)—cell and satellite phones, tablets and microcomputers, cameras, toys; major customers—NexTee, MEE2, Sleeker; Contract R&D (national)—circuitry design assistance, development of fine-line imagery, production processes; major customers—Valley Tech and Newton Computers
5. Over 70 suppliers in the supply chain
6. SC-1 Industry growth by acquisition
7. Use of Baldrige framework since 1992; CI2—Integrated performance improvement and sustainability system with two main components (continual innovation and continuous improvement); PDCA methodology; use of LSS, CI2, and other improvement techniques to address gaps identified during internal process audits
8. SO-1 Increase Net Promoter Score; SO-2 Increase current market share over the next three years by business segment; SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs; SO-5 Maintain 100% employee ownership

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s systematic approaches to measuring performance and selecting comparative data may support the achievement of strategic objectives and organizational results. The performance measurement system includes aggregate and drill-down scorecards, and the Benchmark Team sources best-in-class comparative measures. Key strategic measures defined during the SPP become the Leadership Team scorecard (Figure 4.1-2). These are then cascaded into individual EO measures. | a(1) strength  Seven team members supported this.  One team member had an OFI for this but the concern may be addressed in 4.1b OFI.  a(2) strength  Five of eight team members supported this.  Two team members had OFIs questioning whether process exists for measures not on the LT scorecard.  Figure 4.1-1—Measurement Selection Process using the PDCA framework; improvement in 2011 by including Stakeholder Teams in the Measurement Selection Process  Potential measures identified during the SPP; Quantitative measures included in LT Scorecard (Figure 4.1-2); nonquantitative measures and those w/out comparisons are assigned to Stakeholder Teams; Lower level measures critical to business segments or individual processes are monitored through scorecards aligned with LT Scorecard; linkage of individual, team, department & business segment results to company results; Frequency of tracking is measure specific; all scorecards & results are on CNet; performance measurement system evaluated annually | a(1, 2) |
|  | The applicant’s systematic use of voice-of-the-customer and market data supports strategic and operational decision making and contributes to the core competency of Expertise. The CRM system includes information on all customer interactions. Customer Survey ratings are used to generate quantitative measures on product performance versus requirements, relative importance, priorities, and level of interest in future business. Process teams use the data to identify corrective actions and process improvements. | Five of eight team members supported this. Two had this as an OFI, one as a double. One had no IR comment  —All customer data are in CRM, which is fully integrated with CNet  —CCAs summarize activity for key customers in monthly reports that are posted on CRM  —All customer interactions entered into CRM  —Customer survey ratings analyzed and correlated to provide info on performance vs. requirements, priorities, importance, and level of interest in future business with applicant  —Customer data are aggregated by segment to determine trends  —Customer R&D group helps to streamline process of incorporating technological innovations  —Complaint data are coded and analyzed to determine root cause  —Results of reviews and process improvements are communicated to EOs via email  —CCAs monitor SMS chatter and incorporate info into CRM | a(3) |
|  | The LT’s use of performance review findings to develop continuous improvement priorities reinforces the applicant’s culture of everyone contributing to the applicant’s success. The internal assessment reviews performance over the past year and includes corrective and Continual Innovation And Continuous Improvement (CI2) Team actions. When necessary, changes in priority are triggered by the LT review, and an appropriate stakeholder team communicates the change, ensuring the inclusion of Partner Suppliers and stakeholders. | We are split on this!  Three of eight support a strength (one double)  Three of eight have an OFI  One has no IR comment  + If assessment of performance flat trends by LT is of concern they determine whether to assign a CI2 Team to investigate changes needed to improve performance  + CNet data available to all for review and serves as a baseline for R&D efforts designed to create breakthrough innovation for existing product and processes  + PDCA framework underpins the analysis of data and shifts attention to different phases of the cycle  + Figure 1.1-3 provides the schedule of performance reviews to ensure that key areas are reviewed at least monthly  + Performance reviews occur on all three PDCA cycles in Figure 4.1-1—at the LT level, at the operational level and at the business segment, department, process, or individual scorecard level—allowing for continuous improvements to be made  OFI evidence from four team members—unclear HOW the applicant establish priorities | c(3) |

#### Notes

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| Strength and OFI observations excluded for a(4)—wasn’t one of the key pieces of feedback, and the applicant self-identified this as an OFI.  Changes made based on feedback:  Moved a(1, 2) to #1 in priority & added example to a(1, 2)  Feedback posted at 10:39pm 3/10 in 4.1 refers to 4.2 so changes are noted there.  Removed “innovation” from c(3) strength and just have it focused on continuous improvement |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is unclear how the applicant uses performance review findings and competitive data in projecting future performance. Examples are how the applicant uses the comparative data required for all LT scorecard measures to set projections and how the Customer Stakeholder Team and Benchmarking Team reconcile differences between measurement results and competitive information. Projecting future performance may help the applicant assess its organizational progress relative to competitors, supporting its Colossal value. | Seven team members supported this. One had a strength.  \* Comparative data are required for all measures in the LT Scorecard but unclear how these are used to establish performance projections  \* Unclear how the Customer Stakeholder Teams and the Benchmarking Teams reconcile differences between measurement results and competitive information | c(2) |
|  | It is unclear how the applicant assesses progress on achieving its strategic objectives. For example, the LT scorecard review does not appear to assess progress toward all strategic objectives, such as increasing market share by business segment and EO promotion of sustainable practices. Aligned measures may assist the applicant in addressing its strategic challenges, such as industry growth by acquisition and engaging EOs in sustainability. | We are split on this!  Four team members supported this OFI, one as a double.  Four team members had a strength.  Three team members question whether strategic objectives and action plans are part of the review.  One team member’s evidence: Examples of missing measures tied to strategic objectives and action plans include market share by business segment (Figure 2.1-5), number of successful prototypes, number of new contracts, and number of Excels ideas implemented (Figure 2.2-1).  Another team member’s evidence: Financial measures on the LT scorecard are sales by business segment and EBITDA—some key financial measures, e.g., debt, liquidity, cash flow or ROA, are not included  Another team member’s evidence: measures for SOs are identified (Figure 2.1-5), but it’s unclear how they are used to review organizational performance. (Most do not map to the LT scorecard.) Measures for action plans are identified in Figure 2.2-1 but it’s unclear how they are identified and used to review organizational performance.  See Notes for changes to comment after feedback | b |
|  | It is not clear how the applicant ensures that best practices are effectively and systematically identified and shared to support the vision to lead circuitry innovation for the future. For example, the processes for identifying high-performing operations by business segment and reviewing them, and for using and sharing the information in the Leading Practices database, are not apparent. | Five of eight team members supported this. One had a strength. Two had no IR comment.  \* While applicant states that high performing operations are identified by business segments and reviewed, it does not clearly describe how this is accomplished such that it is dome systematically across all business segments and operations of the organizations  \* There is a Leading Practices database that is used as a repository for best practices, but it is unclear how the information stored is used and best practices shared effectively.  \* Significant lessons learned are posted on the CNet but the applicant does not describe if these are used | c(1) |

#### Notes

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| --- |
| Strength and OFI observations excluded for a(4)—wasn’t one of the key pieces of feedback and the applicant self-identified this as an OFI.  ——————————————————  Responses to feedback:  “So what” for b OFI is in the first sentence (achieving strategic objectives in a changing environment) but added a tie to SC at the end.  Left c(2) as #2 priority—The heart of this is knowing where you project to be relative to your competition. Given its competitive environment, if the applicant isn’t on target and doesn’t know where it plans/projects to be, it could be eaten by its competition.  Keeping b OFI for now based on other team member feedback. Also, KG has IR evidence supporting this OFI regarding lack of financial measures. Removed the reference to action plan review based on Figure 1.1-3 and moved lower in the priority list.  Didn’t double b OFI (no others suggested)—it just seems “unclear” about what the applicant are doing (rather than “nonexistent”). Also removed the reference to action plan review based on Figure 1.1-3.  “So what” for c(1) is in the first sentence (drive innovation) but changed to tie to the vision. Also kept original lead in comment since the comment is about high performing units and sharing of other practices (as noted by the Leading Practices database example); changed “so what” in c(2) based on suggestion. |

### Scoring

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| --- |
| Score Range: **50-65%**  Score Value: **50**  Why shouldn’t the score be in the range above or below the selected one? **Not 30-45% since it is beyond the basic requirements**  **Not 70-85% since the applicant is borderline on meeting some of the overall requirements (i.e. the OFI about reviewing organizational performance)**  **Changes based on team member feedback:**  **None—some suggested lower 30-45%, some suggested higher in the range, some agreed with 50%. Since no significant changes were made to the comments, proposed score remains at 50%** |

## Item Worksheet—Item 4.2

## Knowledge Management, Information, and Information Technology

### Relevant Key Factors

1. Includes a three-building campus: Administration Center—Administration & IT (includes CNet and Supervisory Control and Data Acquisition System); R&D Center—R&D clean-room facility (ranging from Class 100/ISO5 to Class 1/ISO3) with assets including laboratory equipment, leading-edge microscopy, proprietary fine-line imagery prototyping equipment, destructive testing laboratory; Operations Center—Class 100,000/ISO 8 clean room, automated production lines; production areas that support ball grid array assembly, board repair, and conformal coating process
2. 425 employees; F 51% and M 49%; employee groups: 28% technical, 54% factory, 18% support
3. Research partners; over 70 suppliers; 2 special EMS partners
4. SA-7 EOS that hold certifications for competencies related to their work

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | In support of the strategic advantage of responsiveness, the applicant systematically ensures that hardware and software systems are available in the event of an emergency. The Emergency Availability Plan has been in place since 2011, and local servers are backed up to redundant servers off-site every eight hours. In addition, Partner Suppliers have an inventory of hardware available within 24 hours. | Six of eight team members supported this. One had an OFI. One had no IR comment.  \* Emergency Availability Plan created in 2011 as a result of process assessment  \* Redundant off-site servers in place should local server fail; local servers backed up to off-site servers every 8 hours  \* Needed inventory of hardware located at Partner Suppliers’ facility and available with 24 hours  \* Relocation of mission-critical equipment in the facility | b(4) |
|  | Approaches to ensuring data accuracy, integrity and reliability, timeliness, and security and confidentiality—which are reviewed annually for improvement—support the applicant in accomplishing its objectives. For example, integrated systems with bar codes track materials through automated equipment. All systems use role-based access, and firewalls and filters protect systems from outside threats. | Five team members supported this, one as a double.  Two had an OFI. One had + and OFI: + for secure & confidential and OFI for accuracy, reliability, & integrity  + Data integrity important and managed by including a source and data so suspect information can be clarified  + Include automatic checks on manually entered data to help ensure accuracy  + Bar codes used to track materials and product through automated equipment  + Multiple secure portals exist for interactions internally and with customers and stakeholders  + Role-specific EO permissions for write functionality  + Passwords for CNet and secure portals and changed every 60 days with no repeats over three years  + Firewalls and filters protect from outside threats | b(1) |
|  | The applicant’s approaches to ensuring that software and hardware are reliable, secure, and user-friendly support workforce productivity. For example, products are assessed by the Information Technology Systems (ITS) group with user input, and the applicant visits Partner Suppliers’ sites to determine which technologies to deploy. In addition, the ITS scorecard tracks performance related to system availability and security. | Five team members supported this. Three had an OFI.  + Utilize visits to Partner Suppler sites to determine which technologies will be deployed  + Open to requests from EOs provided it can verify security issues are met  + Utilize formal test plan to determine when/what new hardware might be utilized  + Software changes tested by ITS group and end user prior to company rollout to ensure it integrates effectively and completely with other systems—use LAN to push updates to impacted users  + User survey done annually to identify the effectiveness of ITS in providing hardware and software that are user-friendly  + Monitor availability and security on ITS scorecard system | b(3) |

#### Notes

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| All IR comments were used  Changes based on team member feedback:  One team member: b(3) strength—Seven team members support so propose we give benefit of the doubt that this occurs prior to purchase/deployment |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is unclear how the applicant systematically collects and shares knowledge. Examples of approaches that are unclear include how EO knowledge is captured and transferred, other than from departing EOs, and how the Leading Practices database is systematically used as an input to the Process Design and Management Process (Figure 6.1-1). Without systematic knowledge management processes, the applicant may not fully leverage its organizational competency of Ingenuity. | Two team members supported this. Six had a +.  Evidence: Workforce knowledge is only collected upon departure of the EO, possibly delaying knowledge from being collected.  Although workforce knowledge is placed in CNet, it is unclear that this knowledge is effectively transferred from CNet to EOs.  Unclear that links in the CNet portal are accessed by other stakeholders to effectively transfer knowledge to them.  And while the Leading Practices Database is an input to the Process Design and Management Process (Figure 6.1-1), it is not clear how/where that happens  One team member’s evidence: collection & transfer of workforce knowledge only occurs when people leave—no mention of how the applicant capture existing employee info & how that is transferred as appropriate; share best practices in Leading Practices database but don’t mention the process used for IMPLEMENTING them; all data are in CNet but no approach provided as to how this information is assembled & used in strategic planning | a(1) |
|  | It is unclear how the applicant uses knowledge and resources to embed learning in the way it operates. For example, it is unclear how EOs use best-practice information from the Performance Excellence Group or what process is used to verify the effectiveness of the Performance Excellence Group’s analysis of the Leading Practices database. Effective processes in this area may address EOs’ requirement of having opportunities to learn. | Five team members supported this. Three had a +.  \* There is a Performance Excellence Group that identifies best practices and emails this information to the EOs. However, it is unclear if the EOs actually learn from the information on best practices that is shared and use what they have learned into their own work.  \* The Performance Excellence Group also conducts an analysis of the Leading Practices database to verify its accuracy but it is unclear how it verifies its effectiveness  \* There is no evidence to support that the role of the Performance Excellence Group and the use of the Leading Practices database is evaluated and improved | a(2) |
|  | It is not clear how the applicant ensures that data and information are available in a user-friendly format to those beyond the company’s workforce who need them. Examples are approaches for ensuring the user-friendliness of data and information for Partner Suppliers and customers and for considering user-friendliness in providing data and information to the community. This may limit the applicant’s ability to respond to these stakeholders’ needs. | Three team members supported this five had a +.  OFI is around approach and deployment  Approach: Two team members question whether an approach exists to ensure the data are in a user friendly format  Deployment: One team member questions how the community has data and information made available to them; another team member questions what processes are used for systems other than CNet | b(2) |

#### Notes

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| All IR comments were used.  ——————-  Changes based on feedback:  a(2) OFI uses Criteria language and is asking how learning is embedded. I added another example—is that clearer?  a(1) OFI suggestion to add language around Criteria bullets was not incorporated because we are at 736 characters.  b(2) OFI removed language regarding computer usage and am keeping it more general.  a(1) OFI—Six team members had this as a strength in their IR and based on evidence provided, an OFI was proposed. Team member support for the OFI is now six. The applicant doesn’t provide a description of a process for how workforce knowledge is captured (other than departing people). Also, the applicant has data in systems but doesn’t explain systematic processes for actually using the data/information; b(2) OFI is about user-friendliness of data/information. Language has been changed in the example to reflect this.  a(1) OFI added more language to 2nd sentence; b(2) OFI is about user-friendliness of data/information. Language has been changed in the example to reflect this. a(2) OFI: not sure I understand your suggestion. Could you provide suggested wording? |

### Scoring

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| --- |
| Score Range: 5**0-65%**  Score Value: **55**  Why shouldn’t the score be in the range above or below the selected one? **Not 30-45% since the applicant meets the basic requirements**  **Not 70-85% since we have an OFI around several multiple requirements and the OFIs around a(1) and a(2) really get at lack of organizational learning**  **Changed based on nicely stated feedback (support from two team members—one suggested 50)** |

## Item Worksheet—Item 5.1

## Workforce Environment

### Relevant Key Factors

1. Ingenuity: leading advancements in the industry, especially in the areas of engineering and R&D; Expertise: understanding our customer’s business and exceeding expectations through robust operational processes; Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
2. 425 employees; F 51% and M 49%; employee groups: 28% technical, 54% factory, 18% support; diversity: 64% white (vs. 74% community), 19% African American (vs. 15% community), 10% Hispanic (vs. 6% community), 7% other (vs. 5% community); education: BA/BS + (engineers & supervisors), associates (technicians), HS/GED + (all)
3. Safe handling of various chemicals and materials; annual refresher training on Material Safety Data Sheets (MSDS) and behavior around chemicals; training in safe material handling, proper lifting, and use of protective equipment.
4. Workforce Requirements (Figure P.1-3)—Safe and secure on the job; take pride in being an owner of the organization; make a difference on the job; have opportunities to learn and advance; have competitive wages and benefits
5. SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs; SO-5 Maintain 100% employee ownership

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s integrated, systematic approach to assessing workforce capability and capacity needs aligns with strategic and action planning and supports EOs’ requirement for opportunities to learn and advance. For example, through the annual Human Resources Capability Assessment and the quarterly Capacity Study, the applicant matches position requirements, required competencies, and qualified EOs. | The gist of this comment was noted by seven team members, with one noting it as a double. After feedback: Made suggested editing changes. Team feedback: strength supported as written | a(1) |
|  | The applicant systematically addresses workplace environmental factors to ensure safety and security for all EOs, a workforce requirement. Environmental health, safety, and security (EHS&S) measures and goals (Figure 5.1-1) have been established for multiple areas. Fifty minimum standards related to areas such as ergonomics, lighting, noise, and personal protective equipment are audited monthly and biannually. | Comment based on strengths identified by six team members  After feedback—editorial changes made based on feedback | b(1) |
|  | EO benefits and services are routinely evaluated using satisfaction survey data, which helps the applicant align and maintain competitive benefits and services, an EO requirement. These benefits and services, determined from suggestions by EOs and from Process Improvement or CI2 Teams, are initiated through the Human Resources Council (HRC). | Types of benefits and existence of a process for selecting benefits and services was noted by five team members. This strength addresses only that benefits exist to support the workforce and what they are. It does not address what will become an OFI, i.e., how these benefits are tailored to the needs of a diverse workforce or different workforce groups and segments.  After feedback—editorial changes made based on feedback | b(2) |

#### Notes

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| Did not use two other possible strengths  1. Multiple approaches for the recruitment selection, and development of new employees, largely because there will be an OFI related to the applicant’s lack of how these policies ensure the workforce represents the diverse ideas, cultures, and thinking of the hiring and customer community—strength comments by three team members  2. Workforce change management which addressed preparing workforce for changing capability and capacity needs—OFI related to how the applicant manages workforce for continuity and growth—comments by two team members |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s recruitment methods do not appear to be tailored for diverse community cultures and thinking, and aside from providing a new-EO orientation, the applicant describes no approaches for retaining new workforce members. A repeatable process may help reinforce the applicant’s core competency of Exceptional People. | Comment largely based on one team member with additional input from four team members.  After feedback—editorial changes made based on post–consensus call feedback. | a(2) |
|  | Systematic approaches to workforce change management are not evident, including how the applicant manages the workforce to ensure continuity, prevent workforce reduction, and minimize the impact of reductions, and how it prepares for and manages periods of growth. Systematic approaches in this area may help address the applicant’s strategic challenge of expanding its R&D business. | Six team members addressed this area. One was more specific in terms of the process used by HRC to create the Capacity Study and systematic use of the results generated.  After feedback—editorial changes made based on feedback  Postcall: Move up even to top OFI; remove some wording, dinging them for something that the applicant are fairly systematic about and would recommend removing. | a(4) |
|  | Cycles of learning are not evident for the applicant’s capability and capacity studies, team structure process, determination of workforce health and security, and minimum standards process. A systematic review of workforce processes may support the applicant in continuous improvement efforts and in developing new ways to engage EOs. | One team member comment that captured some individual ideas within other comments but that was unique in its focus  After feedback—editorial changes made based on feedback  Postcall: possible conflict between this OFI and b(2) strength related to learning related to determining benefit offerings. This information eliminated.  One suggestion that benefit of the doubt needed since Figure 6.1-2 shows these as enabling processes and applicant indicates that enabling processes assessed at least annually with some examples (structured interview process, 360-degree assessment) given | a, b |

#### Notes

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| Post–consensus call feedback: 4th OFI focuses on same gap as first OFI so might see if they can be combined. Remove it (three team members) based on small company with lots of benefits and use of EO satisfaction survey to assist with aligning/maintaining benefits. A small organization so … (one team member). Keep both (one team member)  Recommendation: Remove OFI (It is not clear how the applicant’s workforce services, benefits, and policies are tailored to the needs of its diverse workforce and different workforce groups and segments, e.g., highly educated engineers and GED-level factory workers. Without an approach to tailoring benefits, the applicant may not fully achieve its mission of providing EOs with a Best Career Location® within all employee segments.) Since applicant has such a broad base of benefits it is worth giving the benefit of the doubt that its cafeteria of benefits exists in part to address different workforce groups or segments.  Comment on the lack of clarity on how the applicant prepares its workforce for changing capability and capacity  Three team members had comments that related to a(3) Work Accomplishment that might be summarized this way: “The applicant does not clearly describe how it accomplishes work in a systematic manner outside of utilizing a team-based environment.” E.g., systematic approaches for capitalizing on its core competencies as work is conducted are lacking, as is an explanation of how team business updates are used across the organization in a systematic manner to help EOs exceed performance expectations. Clarifying these approaches to organizing and managing its workforce may reinforce and expand opportunities for EO participation in a refined business model and provide opportunities for EOs to demonstrate leadership and decision making.” However, the selected OFIs seemed more critical for the applicant to recognize.  Two workplace environment [b(1)] comments were not included—one addressed workplace accessibility, and one addressed performance measures and improvement goals for workplace environment factors. They simply did not rise to the top. |

### Scoring

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| Score Range: **50-65%**  Score Value: **60**  Why shouldn’t the score be in the range above or below the selected one? **50-65%—approaches are aligned to organizational needs, effective, many are systematic, and deployment exists for the most part—weakest element in this range is learning being systematic with some innovation.**  **Not 70-85%—although does address multiple requirements the applicant does not provide systematic evaluation and improvement and organization learning as key management tools—limited refinement from organizational analysis and some gaps exist in integration with current and future organizational needs**  **Not 30-45% as the applicant is at multiple-requirements level in approach and beyond the early stages of deployment. Learning is closer to this range than 50-65%, and approaches are beyond early stages of alignment.**  **Postconsensus: Score raised 5 points, remained in same scoring range.**  **Score may rise depending on what we do with the b(2) OFI.** |

## Item Worksheet—Item 5.2

## Workforce Engagement

### Relevant Key Factors

1. Vision—Lead circuitry innovation for the future
2. Mission—Engage customers of interconnect circuitry with the products for tomorrow; provide EOs with a Best Career Location® and superior return; Sustain society and the environment; enhance our communities.
3. Ingenuity leading advancements in the industry, especially in the areas of engineering and R&D; Expertise understanding our customer’s business and exceeding expectations through robust operational processes; Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
4. 425 employees; F 51% and M 49%; employee groups: 28% technical, 54% factory, 18% support; diversity: 64% white (vs. 74% community), 19% African American (vs. 15% community), 10% Hispanic (vs. 6% community), 7% other (vs. 5% community); education: BA/BS + (engineers & supervisors), associates (technicians), HS/GED + (all)
5. Workforce Requirements (Figure P.1-3)—Feel safe and secure on the job; take pride in being an owner of the organization; make a difference on the job; have opportunities to learn and advance; have competitive wages and benefits
6. SA-7 EOs that hold certifications for competencies related to their work and enjoy Best Career Location® and ESOP
7. SC-5 Engaging EOs in sustainability
8. SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s approach for determining key elements of employee engagement helps engage EOs in sustainability, a strategic challenge. These elements are updated every three years using correlation and regression analysis between survey questions and overall engagement and satisfaction. The analyses identify potential differences in engagement elements by workforce group and enable the HRC to identify needed CI2 Teams. | Comment included by five team members. One did not find sufficient evidence that was strong enough to support “the multiple Criteria under (Section a)” and thus provided a more generic one that included an engagement component.  After feedback—editorial changes made based on Post–consensus call feedback: Three-year reviews indicate some learning exists within the engagement process. | a(1) |
|  | The applicant’s systematic approach to performance management supports its mission to provide EOs with a Best Career Location and superior return. The CPM Process (Figure 5.2-1) considers Competency Model gaps, strategic objectives, and action plans as well as EO career objectives in establishing individual and team performance plans. Individual performance is assessed and integrated with customer and Baldrige assessment results to determine compensation, and rewards are provided for ideas that are implemented. | A compilation strength comment based on input from five team members  After feedback—backup suggested removing references to customer surveys and Baldrige assessments—did not make that change based on IR comments and relevance to the context.  Post–consensus call: Cycles of learning are not evident in the CPM Process beyond adding the AB. Slight rewording as well. | a(3) |
|  | The applicant’s learning and development approaches support organizational needs and give EOs opportunities to learn and actively contribute to the company’s success. Event-based training is related to strategy and competency needs, and EOs’ personal development plans are based on self-selected and superior-selected input. Training and other internal opportunities support EOs’ development needs, which are identified through the CPM Process. | Rework of c(1) comments by six team members  After feedback—backup indicated that the link between learning approaches and organizational needs is weak at best and suggested removing it from the comment. Suggested this as a replacement: “The applicant’s systematic learning and development approaches align with the workforce requirement to learn and grow. EOs create personal development plans based on self- and superior-selected input with the opportunity to participate in courses such as performance improvement and innovation, ethics, and customer service and relationship building. Department EOs are interviewed by the Performance Excellence Group to transfer knowledge to the Leading Practices database.” The link between learning and development and meeting changing organizational needs/strategic activities is strong, and I did not make this change pending an opportunity to gather further input from the team. | c(1) |

#### Notes

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| Did not include an a(2) comment related to the applicant’s “systematic approach for fostering an organizational culture characterized by high-performance work and an engaged workforce.”—did not rise to the top and was somewhat inconsistent with a proposed OFIs  Did not include some b(1) comments by four team members related to assessment of engagement and satisfaction—there is an OFI related to b(1) that appears more relevant to the applicant’s performance improvement efforts  Did not include a comment related to c(2)—others saw the effectiveness of learning and development as an OFI because it failed to incorporate elements other than training (e.g., JIT, team participation, etc.)  Did not include a comment be two team members related to career progression—did not rise to the top, and there is a c(3) OFI. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how the applicant’s workforce performance management system, including the individual development planning process, EO Survey process, 360-degree feedback process, and reward and recognition system, reinforces intelligent risk taking to achieve innovation. Systematically using these processes to reinforce intelligent risk taking and evaluate opportunities may help the applicant achieve its vision to lead circuitry innovation for the future. | The “intelligent risk” term is thrown about in a number of areas in the application but never explored from the development plan or CMP—based on a comment by two team members  After feedback—editorial changes made based on feedback  Postconsensus: Two team members that commented concur; otherwise no comment. | a(3) |
|  | Deployment of career progression and succession planning for management and leadership positions is not evident, and it is not clear how these approaches integrate with other workforce capability and capacity processes. For example, career paths or roadmaps do not appear to be established for managerial or leadership roles. Fully deploying such approaches may help the applicant address its strategic challenge of leadership development and may benefit long-term sustainability. | Compilation OFI from five team members.  Additional feedback—editorial changes made based on feedback  Postconsensus: Should be top comment and should identify extent of lack of deployment (one team member). OK with other team members who commented, but decided not to move. | c(3) |
|  | The applicant does not describe how its methods or measures for performance management and workforce engagement differ across workforce groups. Examples are the use of indicators such as retention, absenteeism, and productivity to assess and improve workforce engagement and the use of engagement information to ensure a culture that benefits from a diverse workforce. Expanding approaches in these areas may help the applicant identify gaps to address in providing EOs with a Best Career Location. | Elements of this comment come from four team members—important also because it recognizes the lack of segmentation in what this applicant does.  Additional feedback—editorial changes made based on feedback  Postconsensus: Wording adjusted to more closely fit the process Criteria and to pull in the diversity element from the former a(2) comment per suggestions from feedback. | a(2), b(1) |

#### Notes

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| Omitted an comment by two team members related to a(3) whether performance management is fully deployed and applied consistently given EO individual work plans—conflict with a(3) strength—and are addressing a(3) OFI based on how the workforce performance management system considers reward, recognition and incentive process and reinforces intelligent risk taking mentions throughout the application  Postconsensus: Removed comment (A systematic process describing how the applicant fosters a culture characterized by open communication reflective of the diversity of its workforce is not provided. Additionally, the applicant does not describe a process to ensure that its family culture, where EOs are treated fairly and trust one another, is systematically reviewed to determine if it is benefiting from the diverse cultures, thinking, and ideas of all its EOs. Reinforcing a “family culture” that is representative of the diversity of the cultures and ideas of the workforce may strengthen applicant efforts to foster high performance.) and main idea incorporated into c(3) OFI.  Omitted comment related to lack of cycles of learning for workforce engagement, performance management system and measuring workforce engagement—did not appear consistent with some information in the application  Omitted a comment related to b(2) of how findings from assessment of workforce engagement help identify opportunities for improvement in engagement and business results—did not rise to the top  Omitted a c(1) comment suggested by two team members on how the learning and development system addresses/supports organizational needs—while this may not be strong, the case can be made that the applicant does this through the Capacity and Capability studies, cascading of action plans as inputs to Learning and Development plans, etc.  Omitted c(2) comments from by two team members related to evaluating the effectiveness of learning and development activities other than training courses—did not rise to top. |

### Scoring

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| --- |
| Score Range: **50-65%**  Score Value: **60**  Why shouldn’t the score be in the range above or below the selected one? **Postconsensus: Most everyone agreed range was correct, but score a bit low. Raised from 55 to 60.**  **Chose 50—65%: Applicant addresses multiple requirements—some concern about career progression & diverse ideas deployment; some examples of learning and innovation exist, but not systematic; while approaches are well aligned, it is not clear that they are fully harmonized. Not 30—35% as are at multiple requirements level, deployment beyond early stages, some gaps exist; probably at the beginning of a systematic approach to learning but beyond range’s level of alignment with org needs. Not 70-75%—some gaps in deployment (e.g., leadership development, intelligent risk & innovation), some learning exists, but not systematic, approach not integrated with future needs.** |

## Item Worksheet—Item 6.1

## Work Processes

### Relevant Key Factors

1. Vision—Lead circuitry innovation for the future
2. Mission—Engage customers of interconnect circuitry with the products for tomorrow
3. Ingenuity: Leading advancements in the industry, especially in the areas of engineering and R&D; Expertise: understanding our customer’s business and exceeding expectations through robust operational processes
4. 25% Contract R&D; 20% multilayer printed circuit boards—US EMS; 15% multilayer printed circuit boards—international EMS; 40% rigid-flex circuits
5. SC-3 HDLW
6. SC-4 Level 3 Sustainability
7. Use of Baldrige framework since 1992; CI2—Integrated performance improvement and sustainability system with two main components (continual innovation and continuous improvement); PDCA methodology; use of Lean Six Sigma (LSS), CI2, and other improvement techniques to address gaps identified during internal process audits

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Leveraging its core competency of Expertise, the applicant designs and reviews its products and processes through the Process Design and Management Process (Figure 6.1-1), the Product Development and Innovation Process (Figure 3.2-1), and PDCA. Inputs to process design include customer requirements, current competencies and capabilities, new technology, and desired process outcomes. | A  Focus on PDCA  R1—All team members had some form of this strength. Note that I am proposing a strength for defined, basic approaches—I do not consider them to be mature, and the proposed OFIs support such.  R2—All team members supported this comment. I did add a phrase relative to evidence of learning per a team member’s suggestion.  R3—It is suggested that this comment be modified to focus only on production processes | a(1) |
|  | Multiple approaches to managing production process performance across all product lines support the applicant’s strategic advantage of capable processes. Programmable controllers, the Supervisory Control and Data Acquisition system, CNet summary data, and Performance Excellence Group reviews help manage operational performance. Using the PDCA review cycle and Process Analysis Questions (Figure 6.1-3) at least once a year, the applicant identifies opportunities to improve production processes. | R1—Six team members included these approaches, but we have to make sure the distinction between operational (making circuit boards) and other 6.1-4 processes is clear, as this strength only speaks to the former—the use of similar approaches on the remainder of the listed processes is less clear.  R2—After backup feedback, I reworded the comment to make it “production” specific—the applicant’s words. Based on Figure 6.1-4, this strength is supported for only the five production processes. Even the other value stream groups—i.e. shipping—are less clear in terms of how they manage day-to-day work.  R3—All team members supported this strength. Slight rewording has occurred to improve comment readability. | b(1, 3) |
|  | Work systems, key processes, and enabling processes are aligned with the applicant’s performance improvement system and its key customer requirements (Figure 6.1-2). The applicant defines key work process requirements (Figure 6.1-4), along with performance indicators for some requirements. | R1—This is a strength limited strength Four team members included this information in their IR strengths for 6.1.  R2—This strength was supported by the team. I did rebuild the comment using a suggestion from one of our team members.  R3—All team members supported this strength. Slight rewording has occurred to improve comment readability. | b(2) |

#### Notes

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| I had to elevate our collective strengths to a slightly higher level in order to stay within the “around 6” guidelines. Options considered included splitting the b1 and b3 strengths, but I am not sure b3 could stand on its own, and b1 would become even weaker.  I would also like to answer the “Do we have the overall requirements covered?” question on the call. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is unclear how the Product Development and Innovation Process and the Process Design and Management Process consider design changes that result from evolving requirements or new technology. A systematic approach in this area may allow the applicant to better focus on its niche market and attain its growth goals. | R1—Four team members included this OFI. It fits.  R2—All team members supported this OFI. The comment was left with its R1 focus following backup review.  R3—All team members supported this OFI. Slight rewording has occurred to improve comment readability. | a(1) |
|  | It is not evident how the applicant ensures that the day-to-day operations of key nonproduction processes meet all key requirements (Figure 6.1-4) using, for example, CNet summary data and other indicators. A systematic approach to manage enabling processes may strengthen the applicant’s strategic advantages of a business reputation for prompt delivery, responsiveness to inquiries, and success with quick-turn orders. | R1—Five team members each cited this OFI area.  R2—This comment represents a combination of the applicable content from the second and third R1 OFIs, and utilizes feedback from multiple team members.  R3—All team members supported this OFI. Slight rewording has occurred to improve comment readability, and the reference relative to “how key support processes are identified during the SPP” was removed from the R3 comment following consensus review. | b(1, 2) |
|  | The use of CI2 Teams does not appear to be deployed across all products, processes, and work groups. For example, it is not evident that all process teams use the Process Analysis Questions, and the degree to which the CI2 Teams consistently affect all key work processes and product lines is not clear. Full deployment may strengthen the applicant’s core competency of Expertise. | R1—Three team members each noted this OFI focus. This OFI is deployment focused only—“well deployed” is giving them significant benefit of the doubt—I don’t see full deployment in the application content for these approaches.  R2—This OFI was modified to focus on CI2 Team deployment.  R3—All team members supported this OFI. Slight rewording has occurred to improve comment readability. | b(3) |

#### Notes

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| Our collective work resulted in a much better product, as usual. We can debate the “well versus full” deployment of the b3 OFI—I suggest “well” given the vagueness/general nature of the application in these areas. |

### Scoring

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| Score Range: **50-65%**  Score Value: **55**  Why shouldn’t the score be in the range above or below the selected one? **This score gets the applicant into the 50-65 range. I looked at the overall requirements, and they simply say work processes “only,” so I gave the applicant a little benefit of the doubt on that one. Given the mix of strengths and OFIs, a 50 works—it depends on how we treat “work processes” versus the information presented. Multiple-requirement OFIs do exist—it is a little tough to give OFIs for an overall requirements issue unless we want to get picky with the support process gap OFI. The proposed score is the best fit.** |

## Item Worksheet—Item 6.2

## Operational Effectiveness

### Relevant Key Factors

1. For-profit, small business, high-tech manufacturer in the interconnect industry founded in 1971 in Nashville, TN. The organization expanded its ESOP in 2007; all stock is owned by active employees, with no individual owning more than 50%. All products manufactured (i.e., single-, double-, multilayer printed circuit boards and rigid-flex circuits) and Contract R&D services are provided directly to customers.
2. Vision—Lead circuitry innovation for the future
3. Mission—Engage customers of interconnect circuitry with the products for tomorrow
4. Commitment: we deliver on our promises
5. Partner Suppliers: ability to innovate technology, high quality and reliability of products, use of leading-edge technology, and price; Vendors: product quality, on time delivery, cost
6. SC-2 Expanding customer R&D services; SC-3 HDLW; SC-4 Level 3 Sustainability
7. Use of Baldrige framework since 1992; CI2—Integrated performance improvement and sustainability system with two main components (continual innovation and continuous improvement); PDCA methodology; use of Lean Six Sigma (LSS), CI2, and other improvement techniques to address gaps identified during internal process audits
8. SO-2 Increase current market share over the next three years by business segment; SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s manufacturing processes incorporate cost control, cycle time, productivity, and other efficiency and effectiveness factors, in a variety of ways, to help effectively manage operations and address the strategic challenges related to Level 3 Sustainability and HDLW production. Approaches include closed-loop controllers to monitor and control processes, process capability studies, and programmable testing and inspection equipment. | R1—Similar to item 6.1, the applicant seems to focus primarily on how manufacturing processes are managed, as opposed to all of the processes shown in Figure 6.1-4 (there’s an OFI for that). This is, in turn, a relatively weak strength. Four team members had strengths that focused on manufacturing/general approaches.  R2—All team members supported this strength. I improved the wording and added a relevance reference based on feedback from multiple team members. I also promoted this strength to the top of the list, as it is related to the main thing the applicant does—manufacturing.  R3—All team members supported this strength. Reworded to improve readability. Consensus review also verified the relative value of this strength, which had previously been considered “weak” prior to R2 and R3 modifications. | a |
|  | Safety and emergency preparedness approaches are in place to help provide a safe and prepared work environment and to support key mission tenets. The applicant’s EHS&S program consists of a team providing oversight, line management ownership of safety initiatives, and other approaches. Systematic emergency preparedness approaches include the Business Continuity Plan and annual review of recovery plans. | R1—We all included a c1 and/or c2 strength in our IR work. The question is “Can either area stand on its own given the application content versus the Criteria?” No, so I combined them—I am open for your thoughts about such a 4th strength. Currently, two team members prefer to keep this comment as one.  R2—All of the team supported this strength as well. I added a sentence about annual recovery plan review.  R3—All team members supported this strength. Edits were made to improve comment readability. Consensus review did result in it being promoted one level relative to the other comments. | c |
|  | Systematic supply-chain management approaches help support the top-priority customer expectation of on-time delivery. These approaches include a formal supplier qualification process and five key performance indicators that are tracked for Partner Suppliers and vendors. Partner Suppliers may share comparative and benchmark data with the applicant to help improve performance. | R1—Six team members each had a “b” focused-strength. This strength is written to allow for deployment OFI related comments, as several team members also noted the lack of clarity as to how all key partners and vendors are managed with the above set of approaches—one size fits all?  R2—All team members supported this strength. I did work on the wording a bit to improve readability.  R3—All team members supported this strength. Consensus review did result in it being demoted one level relative to the other comments. | b |

#### Notes

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| There is a question as to whether or not this mix of strengths covers the overall requirements—the “d” area will be addressed by an OFI. Otherwise, there is nothing too exciting here IF the OFIs make sense.  R2—The strengths were reordered following the individual R2 changes that were made to them. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | It is unclear how the chief innovation officer, the Product Development and Innovation Process, the Performance Excellence Group, and the Leadership Team work together systematically to manage innovation and innovate processes for the future. For example, it is not clear how senior leaders adjust budgets as innovative opportunities arise or systematically decide to discontinue pursuing innovation opportunities. Without systematic approaches, the applicant may not identify product and process enhancements that best support its innovation-focused vision. | R1—Seven team members all had a “d”-focused OFI. Given the industry, the product and customer mix, and the defined MVV, this should be a double OFI.  R2—All of the team supported this OFI. I did not include a lack of innovation in the new Learning OFI, as that would be double dinging them. I did clean up the wording in the comment, with some help from you folks.  R3—All team members supported both the OFI and its double negative assignment. Slight rewording has occurred to improve comment readability. | d |
|  | Systematic evaluation and improvement are not evident for the applicant’s approaches for achieving operational effectiveness, such as those used to control operational costs, reduce errors and defects, and manage Partner Supplier and vendor performance. Systematic cycles of review for these key work processes may result in improvements that help meet the customer requirements of competitive pricing, on-time delivery, and high quality. | R1—This is the stronger partner of the “a” strength. Seven team members all had this Criteria area as an OFI.  R2—The wording of this comment was changed to have a general lack of learning focus (such an addition was suggested by several team members). Its former content is now captured in the R2 third OFI.  R3—Figure 6.1-4 (page 31) lists enabling processes and states they are reviewed annually. Several of the processes listed include procurement, production processes, billing, and shipping. Do we provide benefit of the doubt given some of these processes are included as “enabling”? This was done for some, but not all of the enabling processes. The “and offer a safe workplace” clause and “c” item reference were removed from the comment following consensus review. | a, b |
|  | The applicant does not describe how it controls costs and reduces errors in some nonproduction work processes, such as approaches to controlling scheduling—which relates to the key customer requirement of on-time delivery—and order receipt costs. It is also unclear how Contract R&D supports error reduction and cost-control efforts related to new-product customer assessment testing. This may limit the applicant in expanding customer R&D services. | R1—Looking across all of the team’s OFI comments for 6.2, this approach made the most sense to me in terms of feedback to the applicant. The applicant seem to use a “one size fits all” approach in many areas—typical for a small business, but unfortunately, its competitors are better financed (most likely) and their market is niche-based.  R2—I received some really good feedback to work with here. I went back to the Criteria and application, and made significant modifications to the R1 comment. It now speaks only to a multiple requirements approach gap relative to controlling costs and reducing errors in some nonproduction work processes. It also has only a targeted deployment focus. Making these changes essentially nullified any meaningful content that existed in the former OFI3, so it was dropped. Finally, I demoted the comment to the bottom of the OFI list.  R3—All team members supported the R3 version of this comment. The “d” item reference was removed following consensus review. | a |

#### Notes

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| Hopefully this mix of OFIs makes sense versus the strengths. The strengths are relatively weak—the OFIs are stronger, even without the “double” innovation OFI. |

### Scoring

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| Score Range: **50-65%**  Score Value: **50**  Why shouldn’t the score be in the range above or below the selected one? **The innovation-focused OFI keeps the applicant in the 30-45 range. The top end of that range is fitting given the proposed mix, and nature, of the overall set of strengths and OFIs.**  **R2—Based on the changes I made, the new set of R2 comments warrants a “bottom of the 50-65 range” placement. The innovation OFI keeps the proposed score at a 50, as the other two OFIs are relatively weak (70-85 range in nature). I will await all of your feedback on this one due to the degree of comment change that occurred.**  **R3—As with item 6.1, the degree of benefit of the doubt we settle on will determine if the consensus score is a 45 or 50. We need to make sure we are consistent across these items, and the scorebook in general, relative to benefit-of-the-doubt allowances.** |

## Item Worksheet—Item 7.1

## Product and Process Results

### Relevant Key Factors

1. 25% Contract R&D; 20% multilayer printed circuit boards—US EMS; 15% multilayer printed circuit boards—international EMS; 40% rigid-flex circuits; Aerospace (national)—cockpit and navigation instrumentation, flight control modules; major customer—exclusive contract with GBN Corp.; PE (international)—cell and satellite phones, tablets and microcomputers, cameras, toys; major customers—NexTee, MEE2, Sleeker; Contract R&D (national)—circuitry design assistance, development of fine-line imagery, production processes; major customers—Valley Tech and Newton Computers
2. Customers (Figure P.1-4): Circuitry reliability, HDLW circuits, competitive pricing, support for product life cycle, OTD, high quality. Priority of each requirement varies by business/customer segment.
3. Partner Suppliers: ability to innovate technology, high quality and reliability of products, use of leading-edge technology, and price
4. Vendors: product quality, on-time delivery, cost
5. International conglomerates (e.g., Superflex); other American companies with about equal market share that are capable of manufacturing circuits with all U.S. content (e.g., USA Circuits, Ace Circuitry, and Ridgeford Technology)
6. SA-5 Capable processes

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Most product and process results indicate the applicant’s success in meeting key customer requirements. Results showing improvement trends include on-time delivery, on-time receipt, the customer transfer rate, and information accuracy (Figures 7.1-1, 7.1-2, 7.1-4, and 7.1-5). On-time delivery (Figure 7.1-1) is approaching the industry-best benchmark, and reliability outperforms the benchmark (Figure 7.1-3). | All team members had a related strength. Five had a double strength.  \* Figure 7.1-2 On-Time Receipt and Receipt Quality: % On Time Receipt sustained improvement from 96% in 2009 to close to 98.5% in April 2013; defects measured in ppm decreased favorably from 60 ppm to <10 ppm for same time period  \*Figure 7.1-4 Contract R&D DFM and OTD: %DFM steady increase from 80% in 2009 to 95% as of 2013Q1; sustained favorable trend with OTD of process/product designs approaching 100% in Q1 2013 from 95% in 2009  \* Figure 7.1-5 Customer Support Promptness and Accuracy: Customer Support Promptness dropped favorably from 3 in 2009 to 1 in April 2013; Accuracy of Information increased from 85 to > 95 for the same time period  \* Figure 7.1-6—Field Quality Index measured by PPM Returned/Replaced/Returned Product by Customer and Combined: Aerospace—decreased favorably from 2 ppm in 2009 to <0.5 in 2012; Overall—decreased from 2.5 ppm to 1.25 ppm for the same time period | a |
|  | Beneficial trends for some process effectiveness and efficiency measures promote the applicant’s strategic advantage of capable processes. Examples are process capability for developing and etching, plating, and lamination (Figure 7.1-8) and processing throughput days for Contract R&D and PE (Figure 7.1-9). | All team members had some form of a strength for b(1) and all had 7.1-8 and 7.1-9 as a strength so those were chosen as the examples to highlight in the comment.  4 of 8 team members had OFIs related to adverse trends for some measures in b(1). So we are proposing a strength and an OFI. The OFI is for adverse performance for 7.1a and 7.1b(1) | b(1) |

#### Notes

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| Responses to team member feedback:  For the (a) strength—7.1-3 is in the comment (I forgot to include it in the rationale), so this addresses your feedback; for the unused supply-chain comments, since the OFI for missing comments (which include suppliers) that a strength for the one graph of 5 suppliers would be conflicting. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant reports limited results in several product and process areas. Examples are results for meeting several market and customer expectations (Figure P.1-4), results for the ability of most suppliers to meet key requirements, and results relative to several key process requirements (Figure 6.1-4). Without tracking such results, the applicant may miss opportunities to improve its performance in these key areas. | Seven members support: two as double  Propose double based on the significant number of missing measures; consensus was no double  Supplier performance—only provides one graph with 5 suppliers rated (it have over 70). Further, no vendor or supplier performance provided relative to 5 requirements.  Emergency preparedness—Only measure provided is Figure 7.1-14 which shows the different types of drills and number conducted  Work processes—examples of missing measures include no process capability for material prep; imaging, developing, etching; CBDP; laminating; circuit assembly (key production processes) | a, b, c |
|  | Comparative results are missing for most measures of product performance (e.g., Figures 7.1-2, 7.1-4, and 7.1-5), work process effectiveness (e.g., Figures 7.1-9 and 7.1-10), and supply-chain management (e.g., Figure 7.1-15). Comparing performance in these areas to that of other organizations or benchmarks may allow the applicant to gauge its pursuit of the value of being “proud of our business performance compared to others.” | Six of eight team members support, one as double.  Comparisons not reported for the following measures: On-Time Receipt and Receipt Quality (Figure 7.1-2), Contract R&D DFM and OTD (Figure 7.1-4), Customer Support Promptness and Accuracy (Figure 7.1-5), Field Quality Index (Figure 7.1-6), Processing Throughput (Figure 7.1-9), Billing Accuracy and Timeliness (Figure 7.1-10), Win Rate and quotation Accuracy (Figure 7.1-11), and CNet Effectiveness-Response Time (Figure 7.1-12). | a, b, c |
|  | Some results are not segmented by areas that are important to a particular customer or market group. For example, Reliability (Figure 7.1-3) does not show results for the key customer GBN Corp., which rates reliability as its number-one priority. Also, results for the top priority of Contract R&D (Figure 7.1-5, Customer Support Promptness and Accuracy), the business segment the applicant is trying to grow the fastest, are not segmented by customer. | Three of eight team members support.  7.1-1—OTD is not segmented by customer or business segment (Aerospace, PE)  7.1-2 On-Time Receipt and Receipt Quality is not segmented by customer or business segment (Aerospace, PE)  7.1-3 Reliability/failures are not segmented by product type, customer, or business segment  7.1-4 Contract R&D DFM and OTD are not segmented by customer  7.1-5 Results for Customer support promptness and accuracy were not segmented by business segment. These results are the top priority of Contract R&D, the segment of business the applicant is trying to grow the fastest.  7.1-7 Product quality not segmented by product type | a, b, c |
|  | Some product and process results measures reflect mixed performance levels or trends. For example, the R&D and PE win rates have both lagged the Aerospace segment’s rate over the past four years, and the PE rate was inconsistent from 2011 through the first quarter of 2013 (Figure 7.1-11). These results may indicate missed opportunities to strengthen product and process effectiveness across all key areas in order to become more competitive in the marketplace. | Six of eight team members had an OFI related to this comment.  Pricing (Figures 7.2-2, 7.2-3) has trended flat and has unfavorable levels relative to other aspects of customer satisfaction results.  Process Capability (Figure 7.1-8) Plating shows flat performance that has been at a minimum level since 2009.  Billing Accuracy and Timeliness (Figure 7.1-10) shows mixed trend from 2009 through 1Q 2013 for Aerospace Accuracy & time & PE Accuracy. The PE win rate trended unfavorably from 2011 to the 1st Q of 2013.. | a, b(1) |

#### Notes

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| Responses to team member feedback:  Comparison OFI—missing data OFI—the applicant have over 70 suppliers yet it only provided a rating on 5 of them with no other results—it also have vendors for commodity items and provided no results. Other expected results are in the rationale.  Removed double from 1st OFI based on suggestion from four team members; added example of innovation based on suggestion from two team members  Reference to OTD is for supplier performance  Mixed trends & levels OFI—one team member suggests removing but others support so decided to keep but moved to the bottom (based on suggestion). Changed wording to “mixed” based on feedback. Added specific data to one example per suggestion. |

### Scoring

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| Score Range: **30-45%**  Score Value: **40**  Why shouldn’t the score be in the range above or below the selected one? **Not 10-25% since the applicant has some comparative data, some favorable trends, and results for many areas are reported**  **Not 50-65% due to the OFI for missing data, OFI for lack of comparisons, OFI for lack of segmentation, and OFI for mixed trends for some measures**  **Changes based on team member feedback:**  **Increased to 45% after removing the double from the missing results OFI. With 4 OFIs and 2 strengths, and the rationale above, 45% seems appropriate.** |

## Item Worksheet—Item 7.2

## Customer-Focused Results

### Relevant Key Factors

1. Colossal: we are proud of our business performance compared to others
2. Expertise: understanding our customer’s business and exceeding expectations through robust operational processes
3. Customers (Figure P.1-4): Circuitry reliability, HDLW circuits, competitive pricing, support for product life cycle, OTD, high quality. Priority of each requirement varies by business/customer segment.
4. EIC—for industry trends and worldwide industry comparisons including the book-to-bill ratio and annual salary/compensation studies; Information from Baldrige Award recipients; Manufacturing Sector Best Plant Program online publications and Best Career Location® program; customer and EO engagement surveys; U.S. Employee Owners (USEO) and ESOP Association for performance comparisons
5. SA-3 Personal Touch
6. SC-1 Industry growth by acquisition; SC-2 Expanding customer R&D services; SC-3 HDLW
7. SO-1 Increase Net Promoter Score; SO-2 Increase current market share over the next three years by business segment

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Results for some key measures of customer satisfaction are aligned with key customer requirements. For example, results for 6 of 10 measures of customer satisfaction (Figure 7.2-2) show good levels and beneficial trends for reliability, HDLW capability, functionality, delivery, receipt quality, and responsiveness. Customer Satisfaction with Top-Two Requirements by Market (Figure 7.2-3) shows good levels and beneficial trends for reliability, HDLW, and support. | Supported by eight team members, one as double  Figure 7.2-1: Customer Satisfaction Overall and by Market shows that Overall satisfaction increased from 95% to around 97% between 2009 and 2013Q1 with similar improvement trends for all three customer segments for the same time period  Figure 7.2-2: Aggregate Customer Satisfaction Results shows favorable trends in 10/10 measures  Figure 7.2-3: Customer Satisfaction with Top-Two Requirements by Market shows favorable trends in 5/6 requirements with 4/6 showing favorable levels  7.2-4: Dissatisfiers—unfavorable trends, PE consistently 2x A or R&D  Figure 7.2-5: New R&D Contracts shows unfavorable levels and trends—looks like goal for 2013 is 8 based on comment page 37, top of 2nd column | a(1) |
|  | Customer satisfaction results overall and for the Aerospace and Contract R&D segments (Figure 7.2-1) underscore the applicant’s core competency of Expertise. For example, overall satisfaction and the satisfaction of Aerospace and Contract R&D customers increased between 2009 and the first quarter of 2013; in addition, in 2012 and the first quarter of 2013, both market segments met or exceeded the benchmark. | Supported by six team members.  R3: added comparison to comment.  Postconsensus: moved comment to 2nd position. | a(1) |
|  | A few customer engagement results may reflect an increased ability to build customer relationships and thus increase market share by business segment over the next three years. For example, overall customer engagement improved from 2009 through the first quarter of 2013 and has surpassed the industry benchmark for the past three years (Figure 7.2-7). The applicant’s Net Promoter Score has surpassed that of the competitor and the industry average since 2009 (Figure 7.2-6). | Supported by seven team members  Figure 7.2-6: Net Promoter Score has surpassed its competitor and the industry average since 2009  Figure 7.2-7: Overall Customer Engagement levels have improved from 35% to 55% over the past four years, and above the industry benchmark of 35% for the past three years  R3: removed Figure 7.2-8; no comparisons reported. Moved lower in the ranking—weaker strength.  Changed “some” to “few” in first sentence.  Post–consensus call: moved comment to 3rd position. Started 1st sentence with “A few...” instead of “Few.” | a(2) |

#### Notes

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| All strength comments used. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant does not provide customer satisfaction results for areas identified as important to improving its performance, such as results for complaints and resolution, relationship attributes, customer satisfaction/dissatisfaction associated with strategic objectives, and lost customers. These results may help the applicant identify opportunities to improve its Personal Touch approach. | Six team members) had comments on missing results  Sample missing results:  —“Customers that leave” are given (indicated in section 3.2b(2))  —Complaint data “segmented by symptom/problem  —Satisfaction survey results for “relationship attributes” (indicated in section 3.1b(1))  —Measures of customer satisfaction/dissatisfaction associated with strategic objectives  —Numbers and reasons of lost customers | a |
|  | For the PE business segment, the satisfaction level is lower than for the Aerospace and Contract R&D segments, as well as being below the benchmark (Figure 7.2-1). In addition, satisfaction with HDLW and pricing, the PE segment’s top two requirements, is significantly lower than satisfaction with the top two requirements of the other business segments (Figure 7.2-3). Improving satisfaction results for PE may support efforts to increase market share in this segment. | Supported by comments from five team members. Customer satisfaction levels for the PE segment lag the other two segments to a significant degree:  — Figure 7.2-1 Customer Satisfaction Overall and by Market show levels (2012 level 77%) below benchmark (97%) and Aerospace and R&D segments  — Figure 7.2-3 Customer Satisfaction with Top-Two Requirements by Market indicate pricing is a concern  R3: Removed trends; one team member has a comment on whether comparisons and segmentation should be in one comment. Did not use a comment for inclusion of examples from Figures 7.2-2, 7.2-4, and 7.2-5, as these are the more relevant examples. | a(1) |
|  | The applicant does not segment some key customer-focused results (e.g., Net Promoter Score, Overall Customer Engagement, and Cumulative Number of Customer Referrals; Figures 7.2-6, 7.2-7, and 7.2-8) by business segment or by customer life cycle stage. Segmented results in this area may support the applicant’s core competency of Expertise in understanding the customer’s business and exceeding expectations through robust operational processes. | All team members provided comments on lack of comparisons and/or segmentation.  Comparisons  Figure 7.2-2: Aggregate Customer Satisfaction Results  Figure 7.2-3: Customer Satisfaction with Top-Two Requirements by Market  Figure 7.2-4: Dissatisfiers  Figure 7.2-5: New R&D Contracts  Segmentation  Figure 7.2-6: Net Promoter Score  Figure 7.2-7: Overall Customer Engagement  Figure 7.2-8: Cumulative Number of Customer Referrals  R3: Removed comparisons—one team member offers a compelling view that for some of the measures comparisons may not be appropriate and pulling them out focuses the OFI on segmentation. | a |

#### Notes

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| Did not use comment regarding unfavorable levels and trends for customer support and engagement. The applicant is in the early stages, and the OFIs for missing results and PE business were more important to the applicant’s growth. |

### Scoring

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| Score Range: **50-65%**  Score Value: **50**  Why shouldn’t the score be in the range above or below the selected one? **The applicant is beyond the Basic level and working on the Overall requirements, so placed them into the 50-65% range.**  **Below: provide favorable performance results with some beneficial trends, some comparative info, and provide results for many areas of importance.**  **Above: missing segmentation, comparisons, and some key results of importance to the organization.**  **R2: no change to score** |

**Item Worksheet—Item 7.3**

## Workforce-Focused Results

### Relevant Key Factors

1. Mission—Engage customers of interconnect circuitry with the products for tomorrow; provide EOs with a Best Career Location® and superior return; sustain society and the environment; Enhance our communities.
2. 425 employees; F 51% and M 49%; employee groups: 28% technical, 54% factory, 18% support; diversity: 64% white (vs. 74% community), 19% African American (vs. 15% community), 10% Hispanic (vs. 6% community), 7% other (vs. 5% community); education: BA/BS + (engineers & supervisors), associate (technicians), HS/GED + (all)
3. Safe handling of various chemicals and materials; annual refresher training on Material Safety Data Sheets (MSDS) and behavior around chemicals; training in safe material handling, proper lifting, and use of protective equipment.
4. Workforce Requirements (Figure P.1-3)—Safe and secure on the job; take pride in being an owner of the organization; make a difference on the job; have opportunities to learn and advance; have competitive wages and benefits
5. SA-7 EOs that holds certifications for competencies related to their work and enjoy Best Career Location® and ESOP
6. SC-5 Engaging EOs in sustainability; SC-6 Leadership development
7. SO-3 Improve EO participation in moving toward refined business model; SO-4 Improve demonstrated leadership and decision making by EOs

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Workforce satisfaction and engagement results between 2009 and 2013 demonstrate progress toward providing EOs with a Best Career Location and meeting their requirements (Figure P.1-3). Overall engagement and satisfaction increased during the period and were better than the 2013 manufacturing industry benchmarks (Figure 7.3-2). Additionally, retention rates (Figure 7.3-8) have reached 93% for factory EOs, 95% for technical EOs, and nearly 100% for support EOs, with beneficial trends for factory and support personnel. | Comments related to this from all eight team members with some limiting their comments to the EO survey results in Figure 7.1-2 and others including the retention component. Others also cite safety components but since there is already a comment referencing those figures, they are not included here.  After feedback: Backup suggested removing double because benchmark not exceeded by much and lack of clarity of what the benchmark represents—and that makes sense. Made changes in wording based on feedback.  Post–consensus call: Some editing in wording to tighten the comment and expand on why this matters (reference to Figure P.1-3). Maintained doubling because this applicant shows favorable trends on all the survey results vis-á-vis EO requirements and is above the benchmark (whatever that is—I am giving them the BOD) for manufacturing on overall engagement and satisfaction. | a(3) |
|  | Workforce capability and development results support the EO requirement of opportunities to learn and advance while reinforcing the strategic advantage of EOs’ holding certifications for competencies related to their work. Capability results show favorable trends (Figure 7.3-1), as do results for measures related to EIC certifications and promoting sustainability (Figure 7.3-9). | Components included by five team members as well as a half-hearted strength for one who did not see a strong so-what. Because these elements address three key factor areas and because capacity and capability are influenced by training and certifications this mix seemed appropriate. All team members addressed Figure 7.3-1, one included Figure 7.3-10, and one parts of Figure 7.3-9. Another also addressed Figures 7.3-9 and 7.3-10 as showing favorable trends for EO requirement of having opportunities to learn and advance but did not tie this to capacity and capability.  After feedback: made changes suggested by backup, which largely involved removing reference to training effectiveness and some additional editing.  Postcall feedback: Editorial changes made to remove capacity measures and focus on capability based on the link to workforce development that is also a part of this comment. | a(1, 4) |
|  | Many workforce climate measures align with workforce requirements. For example, survey results for feeling safe and secure, having competitive wages and benefits, and taking pride in being an owner improved from 2009 to 2012. Results for specific health and safety measures (e.g., Figures 7.3-3 through 7.3-6) also improved over this period. | Comments supporting this strength came from seven team members, with some focused primarily on the health and safety elements and the others addressing health and safety as well as some broader elements of workforce climate.  After feedback: made some editorial changes suggested by backup  Postcall: Editorial changes made based on feedback given. | a(2) |

#### Notes

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| Some people had separate comments on favorable trends/comparisons. Did not include a specific comment on this because the figures noted in these were covered in the three strengths suggested for consensus review. One additional double was identified regarding “significant favorable trends in indicators of EO strategic behavior” (Figure 7.3-9) that related to the EIC strategic challenge and the promote sustainability strategic objective. These thoughts were picked up in the a(1, 4) strength. Included workforce development in the (1, 4) strength because of the linkages to capability and capacity. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant provides limited results related to the CPM Process (Figure 5.2-1) or the emerging leader system, and the percentage of EOs demonstrating leadership remained basically flat from 2008 to 2012 (Figure 7.3-9). Monitoring additional leadership development results may help the applicant meet its recognized need to expand the emerging leader system in order to prepare EOs for rotating team leader roles and sustain the organization. | One examiner questioned whether a stand-alone leader development missing data piece was warranted. Two team members specifically mentioned this and I personally realized after sending in my IR that I had missed this OFI. The fact that it is a strategic objective, that it appears at a standstill over time with EOs demonstrating leadership, that there is not discussion of succession planning, the fact that in category 1 the applicant indicate that each LT member is responsible for mentoring a minimum of one emerging leader and succession planning in 2010 recognized the need for expanding the emerging leader system to prepare EOs for rotating team leader roles, and that sustainability requires effective leaders led me to include it for the team’s consideration as a stand-alone missing data comment  Postcall: Moved up to replace earlier missing measures OFI. Was unable to develop broader missing measure and this is certainly actionable.  After feedback: made recommended edits for clarity and conciseness. | a(4) |
|  | Workforce results for technical employees—who are 28% of the total workforce and critical resources for product innovation and Contract R&D growth—lag those for factory or support employees on several measures. Examples are capacity and capability rates (Figure 7.3-1), retention (Figure 7.3-8), and percentage of learning implemented (Figure 7.3-10). Improvement in results for technical EOs may support the applicant’s efforts to meet market share growth projections and design tomorrow’s products. | Presented by two team members—this “not so great” set of results for technical EOs does not appear consistent with things in the application, such as applicant indicates that the Contract R&D group leveraged technical expertise to penetrate a new market, that the applicant has a reputation as a manufacturer of technically sophisticated products, and that the applicant’s future requires development and implementation of technical innovations. Also, mission and vision state, “engage customers of interconnect circuitry with the products for tomorrow” and “lead circuitry innovation for the future.” Finally, core competencies include “leading advancements in the industry, especially in the areas of engineering and R&D” Its technical base is defined to include the “disciplines such as mechanical, chemical, electrical, material, industrial, and manufacturing engineering, as well as information systems (IS).”  After feedback: made recommended edits for clarity and conciseness.  Postcall: No change. | a |
|  | Several results of importance to the applicant are not segmented or are segmented only by job function. Examples are EO Survey results (Figure 7.3-2), recordable incident rate (RIR) and DART rate (Figure 7.3-3), and results for EO strategic behavior (Figure 7.3-9). Additional segmentation may enable the applicant to focus on issues in satisfaction, engagement, wellness, or strategic behavior that are specific to a workforce group. | This is a compilation of information from five team members. One had a double related strictly to lack of segmentation in Figure 7.3-1; others either identified specific figures with no segmentation or addressed the applicant’s limiting of segmentation to job function.  After feedback: made recommended edits for clarity and conciseness.  Postcall: Removed middle sentence on the likelihood that “technical” serves as sort of a dummy variable for Customer R&D services. | a |
|  | Comparative results are missing for many workforce-focused results, including most EO Survey results (Figure 7.3-2) and EO Retention (Figure 7.3-8). Understanding workforce-focused performance relative to industry and other appropriate benchmarks may assist the applicant in its pursuit of its value of being proud of its business performance compared to others. | Six team members identified this as an OFI, stating it slightly differently. Also mentioned lack of clarity of using “benchmark” for comparison when it was sometimes unclear what this represented.  After feedback: made recommended edits for clarity and conciseness.  Postconsensus: Slight editing | a |

#### Notes

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| Did not incorporate comments from two team members related to flat, adverse, or lagging trends since other items spoke more directly to elements that would assist the applicant in performance measurement.  Did not incorporate a comment questioning whether the increase in near misses perhaps disguised the need to address why those near misses were occurring or how the applicant dealt with near misses as opportunities for improvement in production methods.  Postconsensus: Recommend removal of OFI 2 (“A number of workforce-focused results that may prove important to the applicant are not provided. Examples include security breaches and office ergonomics identified in Figure 5.1-1, safety audits, Best Career Location®, ESOP values, recognitions, team involvement, and hiring/key attribute metrics. Understanding performance in such areas may facilitate EO efforts to “make a difference on the job.”) with the missing leadership results replacing it: two of the four items in Figure 5.1-1 are provided, and the two that are not have a goal of zero so are probably pretty low if not already there while leadership development is a strategic objective and one that has the potential to have a much greater impact on the organization. |

### Scoring

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| Score Range: **30-45%**  Score Value: **40**  Why shouldn’t the score be in the range above or below the selected one? **Not at 50—65% largely because of limited relevant comparisons/benchmarks and settling for top quartile rather than something more rigorous and because many workforce-focused measures are missing. Not the scoring range below because the applicant addresses overall requirements and trend data are largely positive, it did provide comparative data, and many of its results related to accomplishment of the mission.**  **Score lowered after feedback from 40 to 35. Remains in the same range.**  **Postconsensus: Scoring range appropriate—recommending a score of 40%** |

**Item Worksheet—Item 7.4**

## Leadership and Governance Results

### Relevant Key Factors

1. The organization’s culture is one of family, where EOs are treated fairly and trust one another; as an owner each individual actively contributes to the company’s success.
2. Values—Collaboration: we are one team pursuing one vision; Commitment: we deliver on our promises; living our values through integrity, trust, and respect
3. Provide EOs with a Best Career Location® and superior return; Sustain society and the environment; Enhance our communities.
4. Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
5. Aerospace (national)—cockpit and navigation instrumentation, flight control modules; major customer—exclusive contract with GBN Corp.; PE (international)—cell and satellite phones, tablets and microcomputers, cameras, toys; major customers—NexTee, MEE2, Sleeker; Contract R&D (national)—circuitry design assistance, development of fine-line imagery, production processes; major customers—Valley Tech and Newton Computers
6. EOs, customers, Partner Suppliers, EMS partners, and greater Nashville community
7. Community: provide secure employment opportunities, steward of air and water quality, partner in business community (i.e. provide leadership in civic organizations, support community development activities)
8. SA-1 Business reputation; SA-2 Responsiveness; SA-3 Personal Touch
9. SC-5 Engaging EOs in sustainability

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Results for leadership communication and trust (Figure 7.4-1) support the applicant’s value of Commitment. For example, results for “I can talk openly with leaders” stand at 100% in 2013, better than the top-decile benchmark. Other results that exceed the top-decile benchmark are those for “I receive frequent updates on company strategy,” which is at 99.7%, and for “I am confident the leaders are taking the company in the right direction.” | Three team members identified leadership communication and trust in SLs in a single comment (a[1, 4]). Five team members noted a strength related to communication (a[1]). Two team members noted a separate strength in ethics (a[4]).  Relevance—Link to values (integrity, trust), and competency of Exceptional People (build lasting relationships).  Figure 7.4-1:  EOs rate LTs on “I receive frequent updates on company strategy” at 99.7%. Favorable to top-decile bench of 95%. Fav. trend.  EOs rate the LTs on “I am confident the leaders are taking the company in the right direction” at 89%. Fav. to top-decile benchmark of 85%. Fav. trend.  Customers rate “I understand the Collin vision” at 91% Fav. to top-decile benchmark of 85%. Fav. trend.  EO survey: “I have observed unethical behavior at Collin” rated 0. Top decile is 1.5%.  Community survey: “I am comfortable raising a concern with Collin” rated 43%. Up from 22 in 2009. Fav. to top-decile benchmark of 35%.  AB survey: “The Collin AB behaves in an ethical manner” rates 100%. | a(1, 4) |
|  | Results for the achievement of organizational strategy and action plans and for two core competencies demonstrate the applicant’s value of Courage. For example, measures of action plan and strategic objective completion both reached 100% in 2012 (Figure 7.4-10). Process capability for develop and etch and for lamination both improved from 2009 to 2012 (Figure 7.1-8), and Personal Touch testimonials increased from 6 to 18 over three years (Figure 7.4-11). | Five team members noted achievement of strategy and strengthening core competencies as a strength comment.  Figure 7.4-10: Action plan completion increased from 70% in 2010 to 100% in 2012; strategic objective completion increased from 75% in 2010 to 95% in 2012.  Figure 7.4-11: Excellence CC: Personal Touch testimonials increased from 6 in 2010 to 18 in 2012.  Figure 7.1-8: Expertise CC: Process capability increased for develop and etch and lamination; all processes above 2.  Figure 7.4-12: Intelligent risk discussions increased from 2011 to 2012; not enough data for trend. | b |
|  | The applicant’s results for fiscal accountability, meeting/surpassing legal and regulatory requirements, and governance underscore its value of Commitment. For example, 100% of AB members believe that the AB behaves ethically and legally (Figure 7.4-1). In addition, the applicant reports zero fiscal external findings and two or fewer external observations from 2009 to 2012 (Figure 7.4-5). | One team member had a combined comment on a(2) and a(3). Another had a comment on a(2, 3). Three had a comment on a(2). One had a comment on a(3). We’ll take a stab at combining these.  Relevance—These results underscore the value of Commitment: “living our values through integrity, trust and respect.”  Figure 7.4-1: AB self-assessment results show 100% believe board behaves ethically and legally  Figure 7.4-3: Baldrige self-assessment scores increased from 2009 to 2012; applicant won state award in 2012  Figure 7.4-5: Internal findings and external observations decreased from 2009—2012. No external findings.  Figure 7.4-6: ISO findings decreased from 4 in 2009 to 1 in 2012  Text: No sanctions. One malfunction corrected on the spot. Emissions well within current permit levels.  Figure 7.4-1, EO and AB assessment of “compliance,” “legal,” and “ethics” questions rate highly. Results either are at 100% or are in the top decile comparison.  Text (page xvii): OSHA recognitions (SHARP & VStar award); multiple environmental recogs.) | a(2, 3) |
|  | Results for environmental support demonstrate that the applicant is effectively addressing its strategic challenge of achieving Level 3 Sustainability. Recycling and energy efficiency improvement efforts have delivered consistent reductions in solid waste (Figure 7.4-8) and energy waste (Figure 7.4-7), and hazardous chemical handling errors have consistently declined over the past four years (Figure 7.4-9). | Added this strength comment in V2 based on V1 feedback. These results are important to the applicant given the revision in the mission to sustain society and the environment and the strategic challenge of achieving Level 3 Sustainability. And this comment is not in conflict with the a(5) OFI. Her point is valid.  \* Figure 7.4-7: increasing equipment energy efficiency in all three campuses since 2009  \* Figure 7.4-8 shows favorable levels and trends of solid waste recycling with % recycled of total waste material increasing from 96% in 2009 to close to 100% in 2012; goal set is surpassed for all four years.  \*Figure 7.4-9—Hazardous chemical handling errors have steadily decreased from 5 to 0 in the factory and from 3 to 1 in the technical group between 2009 and 2012. | a(5) |

#### Notes

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| Postcall revisions:  Strength a(2, 3)—moved “governance” to the end of the list in the nugget.  Revisions in V3:  Score: Consensus at 45%. No change.  Strength a(1, 4)—Remove doubling. Leaving all the examples (one team member suggested removing some examples; another reminded to make sure they were complete).  Strength b—Removing example related to Personal Touch testimonials. Leaving a somewhat generic “so what.” The scorebook editors may delete/modify it upon further reflection.  Strength a(5)—Removing the reference to societal responsibility.  Revisions for V2:  Added the comment for a(5) based on feedback. See the rationale box for details.  Notes for V1:  The first strength—leader communication and trust—could be broken into two comments to allow for more clarity in examples. But I kept it at one so the comment balance would better reflect the score. And the applicant gets the gist of our thinking with one comment.  The second strength—achievement of strategy implementation results—was noted by a number of team members and was generally ranked higher than the #3 strength on the list.  The third strength—governance, fiscal accountability, and regulatory—will merge a(2) with a(3) as one team member did in IR. A very helpful idea.  Here is a somewhat popular observation that I’m not proposing for a strength comment. Four team members noted this. Another also had some aspects of this observation in a general observation about favorable results:  a(5)—The applicant had several indicators of societal support related to the environment. I’m not including them in the version 1 strength comments because an OFI will highlight many missing results for a(5). I’ll briefly acknowledge these favorable results before highlighting the missing results. The applicant may have included these favorable results because they happened to be favorable. But they didn’t address the areas the applicant told us it is focusing on to benefit society and its key communities. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Results are missing for measures of how well the applicant is meeting the community requirement of being a partner in the business community, as well as for measures of activities to enhance community engagement (Figure 1.2-2), such as support of local schools’ computer labs. Tracking such measures may support the applicant’s recently revised mission to enhance its communities. | Seven team members listed this OFI—five people listed it as the #1 or #2 ranked observation.  Relevance—Recent revision of mission to include “enhance our communities.” Also, the greater Nashville community is a key stakeholder.  I removed the double from this comment based on V1 feedback. I also tweaked the wording to separate the issues of environmental support vs. community support.  While some results are given for equipment energy efficiency (Figure 7.4-7), recycling process waste (Figure 7.4-8), hazardous chemical handling errors (Figure 7.4-9) water purity and reuse…  There are no results for the community engagement activities reported in Figure 1.2-2.  There are no results for the community requirements of partner in the business community, leadership in civic organizations and support of community development activities. | a(5) |
|  | The applicant does not report leadership effectiveness results (Figure 7.4-1) for some identified stakeholder groups or segment the results by other key stakeholder groups. For example, results for trust are not given for Partner Suppliers or customers. In addition, EO, customer, and survey results are not segmented by employee type, customer type, and the two EMS partners, respectively. Without these results, the applicant may miss differences in these groups’ responses. | At the suggestion of one team member, I’m merging the comments for a(4) and a(1). Both get at the same issue: missing leadership and governance results based on perceptions of stakeholders and subgroups of stakeholders.  a(1)  Three team members noted this OFI.  Relevance—Lack of understanding of how results can differ among segment groups.  All from Figure 7.4-1:  EO survey results are not segmented by employee type (factory, technical, etc.)  Customer survey results are not segmented by customer type (Aerospace, etc.)  Partner Supplier survey results are not segmented for the two EMS partners.  Figure 7.4-4—results of 2-way discussion with LT members not segmented by EO type.  a(4): Three team members listed this as an OFI observation.  Relevance. Value to Commitment (trust). And the missing results relate to three key stakeholders: customers, community, and Partner Suppliers.  While results for trust are given for EOs and the, results are not given for Partner Suppliers or customers.  Relevance—Without these results the applicant may not fully understand its relationship with two important stakeholders, which may impact sustainability.  Applicant does not report results for customer, community, or Partner Supplier trust in senior leaders and governance.  These results may help the applicant know if its efforts to live its values of integrity, trust, and respect are being recognized by its key stakeholder groups. | a(1, 4) |
|  | Most leadership and governance results lack comparative data. Without such data, notably for environmental measures, the applicant may not be able to determine whether its processes are leading to best-practice results. | Four team members listed lack of comparisons as an OFI.  Relevance—Value of Colossal: we are proud of our business performance compared to others.  Comparisons are presented for only one of the 12 figures in 7.1 (Figure 7.4-1—stakeholder survey results.). And that figure had comparisons for only 11 of 25 indicators.  (Note: this isn’t as strong an OFI as it might seem, since we wouldn’t expect to find comparisons for some of the results that are specific to applicant, such as sound-byte effectiveness, discussion threads, strategy and action plan completion, core competency results, and intelligent risk discussions. Also, some results without comparisons have reached the best possible level (Figure 7.4-5—no external findings or observations in 2012) or are based on external Criteria (Figure 7.4-3—Baldrige score of 700, confirmed by winning state award) in However, comparisons should be available for environmental measures.) | a, b |

#### Notes

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| Postcall revisions: None.  Revisions for V3:  OFI a(5)—Reworded for clarity.  new OFI a(1-4)—Per one suggestion, I’m merging the comments for a(4) and a(1, 2, 3). Both get at the same issue: missing leadership and governance results based on perceptions of stakeholders and subgroups of stakeholders.  OFI a(4)—Merged with OFI a(1, 2, 3).  OFI a(1, 2, 3)—Merged with OFI a(4). OFI a, b—Removed language for clarity.  Revisions for V2:  Tweaked the comment for a(5) and removed the double. See the note in the rationale box for details.  Notes for V1:  The first OFI—missing results for meeting community needs—was the runaway choice. And it stands separate from another OFI for missing results on trust in leadership. The relevance is big for this one: it’s a key part of the mission that was somewhat recently added.  The second OFI—missing results for trust in leadership for customers, the community, and Partner Suppliers—had me debating whether it was stronger than the #3 OFI below related to segmentation. They’re close in relevance to the applicant. Also (as you’ll see below), there’s a case to be made to include another comment on missing results for regulatory compliance and some ethics indicators. I fought the urge to combine them into this comment. I didn’t want to water the message down here.  The third OFI—lack of segmentation—applied mainly to Figure 7.4-1. But it had strong relevance because there are important segments within each stakeholder group that may have differing opinions on the survey questions asked.  The fourth OFI—lack of comparisons—has some merit, although it’s minimal as one examiner points out in the test I copied from her and put in the rationale box. This item doesn’t lend itself well to comparisons. But I’m leaving carrying the comment into version 1 as the bottom-ranked OFI.  As for the observations that I’m not proposing to carry forward:  Some other missing results, such as regulatory compliance (noted by one team member); similar results such as ethics hotline calls or ethics training effectiveness (noted by one team member) and compliance with general accounting practices and Sarbanes-Oxley (noted by one team member). These could legitimately be grouped into another OFI but I’m concerned that we’ll have too many OFIs. Similarly, one team member had an observation from a(3) about regulatory measures such as chemicals in the air, VOCs, and water contamination. Some of these missing results have overlap with community environmental indicators from the first OFI. So we’ve got that covered.  One team member had an a(1) observation (Figure 7.4-1) about two EO survey satisfaction questions with low levels. Not including these because the scores were still top decile despite their low levels.  One team member had an a(1) observation from Figure 7.4-2 about low levels of awareness from technical EOs compared to factory and support EOs. This is a legitimate OFI in my mind but doesn’t merit its own comment.  One team member had a (b) section observation questioning whether the achievement of organizational strategy indicators is meaningful. I’m sympathetic to this argument. (I chose not to include those results as either a strength or an OFI.) But I’m going with the team’s collective wisdom for version #1. So this observation will not be included because it conflicts with a strength comment. |

### Scoring

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| Score Range: **30-45%**  Score Value: **45**  Why shouldn’t the score be in the range above or below the selected one? **Postcall revisions: None.**  **Levels—Not many reported.**  **Trends—Generally good when reported. I would place it at 50-65.**  **Comparisons—Not sure how to assess this. We’ve got missing comparisons as an OFI, but I don’t want to put too much weight on it in scoring.**  **Integration—This is the biggie. The missing results merit placement in the 30-45 range: “Results are reported for many areas of importance...” But certainly not the 50-65 range of “results are reported for MOST...”**  **I’m proposing a score of 45 for this item.** |

**Item Worksheet—Item 7.5**

## Financial and Market Results

### Relevant Key Factors

1. Vision—Lead circuitry innovation for the future
2. Ingenuity: leading advancements in the industry, especially in the areas of engineering and R&D; Expertise understanding our customer’s business and exceeding expectations through robust operational processes; Exceptional People: building lasting relationships with all customers and stakeholders through the Personal Touch.
3. Aerospace (national)—cockpit and navigation instrumentation, flight control modules; major customer—exclusive contract with GBN Corp.; PE (international)—cell and satellite phones, tablets and microcomputers, cameras, toys; major customers—NexTee, MEE2, Sleeker; Contract R&D (national)—circuitry design assistance, development of fine-line imagery, production processes; major customers—Valley Tech and Newton Computers
4. Roughly equal split in share of niche market among American companies capable of manufacturing circuits with all U.S. content
5. SC-1 Industry growth by acquisition; SC-2 Expanding customer R&D services; SC-3 HDLW
6. SO-2 Increase current market share over the next three years by business segment

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Some financial results support the applicant’s mission to provide a superior return for EOs and its value of Courage. For example, Aerospace sales improved from 2009 to 2012, outperforming the best competitor in each year, and R&D sales steadily improved from 2009 to 2012 (Figure 7.5-1). | All team members supported. One team member doubled a strength comment that included Figures 7.5-1 through 7.5-4.  (LeTCI)  Aerospace Sales (Figure 7.5-1) improved from $570 million in 2009 to $665 million in 2012. Outperforms best competitor.  EBITDA (Figure 7.5-2) improved from 9.6% in 2009 to 10.1% in 2012. Outperforms CO Benchmark.  Gross Margin (Figure 7.5-3) improved from 33% in 2009 to 39% in 2012. Outperforms CO Benchmark.  Return on Net Assets (Figure 7.5-4) improved from 7.5% in 2009 to 8.3% in 2012. Outperforms CO benchmark.  R&D sales improved from $48 million in 2009, to $75 million in 2012.  Although I included comparative performance in this strength comment, I have also included an OFI related to lack of competitor results.  Added a second point of relevance to first sentence per one team member’s suggestion. Added R&D sales to comment since it is included in KT.  All team members supported this comment during v2 review. | a(1) |
|  | Results for several measures of asset efficiency are aligned with the applicant’s core competency of Expertise. Examples include Inventory Turns (Figure 7.5-5), which has outperformed the benchmark since 2009, and Days Outstanding Accounts Receivable (Figure 7.5-6), which improved from 2008 to 2012 and outperformed the 2012 benchmark. | All team members supported these results as a strength.  Inventory Turns (Figure 7.5-5) improved from 31 turns in 2009 to 36 turns in 2012. Outperforms Benchmark.  Days Outstanding Accounts Receivable (Figure 7.5-6) improved from 35 days in 2009 to 25 days in 2012. Outperforms benchmark.  Unit Cost Reduction-PE (Figure 7.5-7) improved from +0.005 in 2009 to -0.045 in 2012. Outperforms benchmark.  After receiving feedback, I broke the first strength comment into two separate comments.  All team members supported this comment during v2 review. | a(1) |
|  | Percentage of Available Repeat Business Won (Figure 7.5-8), a key measure of marketplace performance, improved from 2009 to the first quarter of 2013 and has been better than the industry best since 2010. This result is aligned with the applicant’s core competency of building lasting relationships with customers. | Seven team members  (LeTCI)  Figure 7.5-8 Percentage repeat business won increased favorably from 60% in 2009 to 80% as of 2013 Q1, and applicant outperforms industry best beginning in 2010.  All team members supported this comment. during v2 review | a(2) |

#### Notes

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| All strength comments were used. |

### Opportunities for Improvement

| **—** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | The applicant does not report results for some measures of marketplace performance and growth linked to its strategic plan. Examples include the strategic objective to increase market share for Aerospace, PE, and Contract R&D customers (Figure 2.1-5) and strategic action plans to produce prototypes and increase new contracts (Figure 2.2-1). Such results may help the applicant know whether its action plans are producing the desired results. | Eight team members. Two team members doubled the comment. I elected to double it based on the applicant’s strategic objective to increase market share in its business segments and the action plans for which there are not results reported.  (LeTCI)  No market share results are reported despite having market share goals listed in the strategic objectives in Figures 2.1-5.  Also, no results are reported for number of successful prototypes and new contracts, AP measures from Figure 2.2-1.  All team members supported this doubled comment during v2 review. | a(2) |
|  | Most results for measures of financial and marketplace performance are not reported by the Aerospace, PE, and Contract R&D business segments. Segmenting results, such as Percentage of Available Repeat Business Won (Figure 7.5-8), may uncover information that will help the applicant achieve its growth strategies for these business segments. | Seven team members  (I)  Only one result (Figure 7.5-1) in this item contains results by all three business segments. Results not segmented: EBIDA 7.5-2, Gross Margin 7.5-3, Return on Net Assets 7.5-4, Inventory turns 7.5-5, Days Outstanding Accounts Receivable 7.5-6, Unit Cost Reduction-PE 7.5-7, Percentage of Available Repeat Business Won 7.5-8.  Per one team member’s feedback, so-what revised to tie one of the results to the strategic plan. Comment moved up one position per another suggestion.  All team members supported comment during v2 review. | a |
|  | For the PE business segment, sales trends are flat, and sales levels were well below those of the best competitor in 2012 (Figure 7.5-1). These results may indicate that the applicant’s current strategies for attaining its growth goals in this segment are not contributing to achieving the vision of leading circuitry innovation for the future. | Four team members  (LeTCI)  Sales by Business Segment (Figure 7.5-1) show relatively flat sales for R&D sales from $48 million since 2009. Applicant’s performance has been well below $200 million since 2009. No comparison reported. PE sales have remained essentially flat at approximately $260 million since 2009. Applicant’s performance is well below 2012 PE Best Competitor of $385 million.  2/23/13— Feedback suggests that since R&D sales technically improved, we should not include it in this comment. I would like to have the rest of the team weigh in on this. Without it, the comment hangs on one result, albeit an important one.  Added “and/or product lines” per feedback.  During v2 review, two team members supported removing R&D flat sales from this comment. All other team members supported comment as written. In the end, I elected to remove it. | a(1) |
|  | Financial and market results include limited competitive data. Understanding its performance and rate of improvement relative to competitors may help the applicant realize the Colossal value of being proud of its business performance compared to others, as well as helping it measure achievement of the strategic objective of increasing market share. | Four team members. While several of us gave credit for the use of comparisons in our strength comments, after consideration, I elected to support the OFI for lack of competitor results  (C)  Only one result, Sales by Business Segment (Figure 7.5-1) contains any key competitor results. The other seven results identify comparisons as CO. Benchmark, Benchmark, or Industry Best.  During v2 review, one team member did not support comment because Criteria ask for appropriate comparative data and the applicant provided benchmarks for most measures. He recommends eliminating the comment. All other team members supported comment. I will leave it for consensus call dialogue. | a |

#### Notes

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| OFIs related to missing results were not used because the other four had stronger relevance. I always hesitate to tell the applicant what financial measures it should report. It seems borderline prescriptive to me. The comments related to missing measures not used include:  a(1)—“No results reported for budgetary performance.”  a—“Missing marketplace performance measures might include new products/services provided; markets entered; percent revenues from new products/services. Missing financial performance measures might include percent budget to business sectors, performance to budget, reserves, cash flow.”  a(1)—“No results for “building reserves for future capital expenditures—a strategic challenge.” 2/23/13— Note: I acknowledge the importance of this missing measure. However, I hesitate to write an OFI for one result we expected to see, but didn’t. I’ll wait to see what the rest of the team thinks. |

### Scoring

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| Score Range: **30-45%**  Score Value: **45**  Why shouldn’t the score be in the range above or below the selected one? **The score should not be in the range below because the applicant reports more than a few results. That said, there are probably plenty more results the applicant could have reported. All results reported demonstrate trends, and most are beneficial. Nearly all results included comparisons.**  **The score should not be in the range above because most of the results reported are not segmented, it is unclear if comparisons are relevant, and very few key competitor results are reported. Additionally, some results tied to achieving the strategic plan are not reported.**  **During v2 review, two team members support raising the score to 50. Two others support lowering the score to 40. Will leave score at 45 and discuss on consensus call.** |

**Consensus Review—TST2013—Final 05/23/2013**

| **Summary of Criteria Items** | **Total Points Possible** | **% Score** | **Score** | **Scoring Band** |
| --- | --- | --- | --- | --- |
| Category 1—Leadership | | | | |
| 1.1 Senior Leadership | 70 | 60% | 42 |  |
| 1.2 Governance and Societal Responsibilities | 50 | 50% | 25 |  |
| Category Totals | 120 |  | 67 |  |
| Category 2—Strategic Planning | | | | |
| 2.1 Strategy Development | 45 | 55% | 25 |  |
| 2.2 Strategy Implementation | 40 | 50% | 20 |  |
| Category Totals | 85 |  | 45 |  |
| Category 3—Customer Focus | | | | |
| 3.1 Voice of the Customer | 40 | 60% | 24 |  |
| 3.2 Customer Engagement | 45 | 50% | 23 |  |
| Category Totals | 85 |  | 47 |  |
| Category 4—Measurement, Analysis, and Knowledge Management | | | | |
| 4.1 Measurement, Analysis, and Improvement of Organizational Performance | 45 | 50% | 23 |  |
| 4.2 Knowledge Management, Information, and Information Technology | 45 | 55% | 25 |  |
| Category Totals | 90 |  | 47 |  |
| Category 5—Workforce Focus | | | | |
| 5.1 Workforce Environment | 40 | 60% | 24 |  |
| 5.2 Workforce Engagement | 45 | 60% | 27 |  |
| Category Totals | 85 |  | 51 |  |
| Category 6—Operations Focus | | | | |
| 6.1 Work Processes | 45 | 55% | 25 |  |
| 6.2 Operational Effectiveness | 40 | 50% | 20 |  |
| Category Totals | 85 |  | 45 |  |
| SUBTOTAL Cat. 1-6 | 550 |  | 301 | 4 (261-320) |
| Category 7—Results | | | | |
| 7.1 Product and Process Results | 120 | 40% | 48 |  |
| 7.2 Customer-Focused Results | 85 | 50% | 43 |  |
| 7.3 Workforce-Focused Results | 85 | 40% | 34 |  |
| 7.4 Leadership and Governance Results | 80 | 45% | 36 |  |
| 7.5 Financial and Market Results | 80 | 45% | 36 |  |
| SUBTOTAL Cat. 7 | 450 |  | 197 | 3 (171-210) |
| GRAND TOTAL | 1000 | TOTAL SCORE | 498 |  |