

Baldridge Performance Excellence Program

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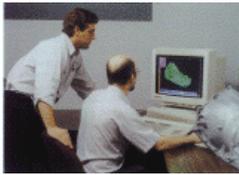
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Malcolm Baldridge National Quality Award 1994 Recipient Wainwright Industries

A 47-year-old, family owned business, Wainwright Industries, Inc. manufactures stamped and machined parts for U.S. and, increasingly, foreign customers in the automotive, aerospace, home-security, and information-processing industries. With annual sales totaling about \$30 million, the company employs 275 associates at its headquarters and main manufacturing facility in St. Peters, Mo., and at a recently opened plant in Grand Prairie, Texas.

Pursuing Quality



Wainwright is constantly on the lookout for ways to improve, searching inside and outside the organization for ideas and examples on how to streamline processes, cut delivery times, make training programs more effective, or enhance any other facet of its customer-focused operations. Its empowered workforce is a rich source of ideas, with associates averaging more than one implemented improvement per week.

Viewing supplier-certification programs as opportunities to improve, Wainwright has responded by earning the status of preferred supplier to a growing number of quality-conscious customers. The company also leverages the strengths of its own suppliers, tapping the expertise and capabilities of a chemical supplier, for example, in a successful effort to eliminate hazardous materials from its operations. Finally, Wainwright's search for better ways of doing business crosses industry boundaries, as evidenced by benchmarking visits to acknowledged world-class performers in the electronics, textiles, and other industries.

Rising levels of customer satisfaction and steadily increasing new and repeat business indicate that Wainwright is putting good ideas into action. Since 1992, overall customer satisfaction has jumped to 95 percent, up from 84 percent. Over the same span, defect and scrap rates, manufacturing cycle time, and quality costs have ratcheted downward, attesting to improving levels of operational efficiency.

Wainwright aims for "total customer satisfaction," a moving target that the company tracks through extensive sets of quality measures that are aligned with five overriding strategic indicators. In priority order, these indicators are: safety, internal customer satisfaction, external customer satisfaction, six sigma quality, and business performance.



Drawing input from all levels of the organization, Chairman Arthur D. Wainwright and the company's senior management team lead a planning process that sets company goals, develops underlying implementation strategies, and sets key quality requirements for products, services, and operational performance. After that, executives largely confine their activities to "visioning, enabling, and coaching" and to regular plan and performance reviews. Responsibility and authority for accomplishing goals and meeting customer requirements are entrusted to the company's associates, who work in teams designing and carrying out improvement actions and even making spending decisions.

Fully Empowered Associates

Beginning with their first day on the job and then virtually every day thereafter, associates are fully engaged in Wainwright's quality efforts. During new-associate orientation, senior managers explain the importance of quality and customer satisfaction and outline the company's approaches to continuous improvement. Management-led follow-up sessions are held 24 and 72 days after the start of employment. Continuity is assured through semiannual performance appraisals, during which personal-performance objectives of associates are coupled with quality measures for each of the company's five strategic indicators.

To ensure that associates have the knowledge and skills necessary to accomplish quality and performance objectives, the company invests up to 7 percent of its payroll in training and education. All associates take courses on quality values, communication techniques, problem solving, statistical process control, and synchronous manufacturing - a systematic method for identifying and evaluating opportunities to simplify processes and reduce waste. Other training is tailored to individual needs. The company encourages associates to pursue promotions, and it provides full reimbursement for courses taken for professional and personal development.

Taking a page from one of the companies it benchmarked, 1989 Baldridge Award winner Milliken & Company, Wainwright implemented a continuous improvement process designed to elicit suggestions from associates and fully engage them in quality efforts. After some fine tuning of the process, the flow of suggestions has increased from a trickle to nearly a torrent, with each associate implementing an average of 54 ideas for improvement in 1993. Supervisors respond to each suggestion within 24 hours of submission.

Associates benefit directly from their own good ideas - in the form of increased profit-sharing payments, for one example, and improved workplace safety, for another. Between 1990 and 1993, the number of recordable accidents decreased 72 percent, and annual workers' compensation costs fell 86 percent. High rates of attendance (greater than 99 percent for the all-salaried workforce) and turnover rates that are lower than industry and local averages are among several indicators of high levels of job satisfaction among Wainwright associates.

"Mission Control"

The status of Wainwright's continuous improvement efforts is tracked by "mission control," the company's information and analysis center. Trends for quality and performance indicators are displayed, and, for each customer, monthly satisfaction index scores are posted, along with trends for key quality measures, stretch targets for exceeding customer expectations, and weekly customer feedback reports. A green flag next to the customer satisfaction rating indicates that Wainwright is on track to meet its stretch goals; a red flag warns of problems that could prevent the company from accomplishing its goals. As soon as a red flag appears, an action team is formed to work with the customer, study the problem, and identify and implement irreversible corrective actions.

At the division level, quality trends and satisfaction ratings for all customers - internal and external - are formally reviewed weekly, by all associates. In addition, senior management conducts monthly reviews. All in-house training, staff meetings, and presentations to customers and suppliers are held in the "mission control" room, helping to keep quality foremost in the minds of Wainwright associates and their partners.

Quality Payoffs

Wainwright credits its continuous improvement efforts with benefiting all facets of its operations - from helping it leverage investments in computer-aided design and manufacturing equipment into new lines of business (such as a part-sequencing and just-in-time delivery service for automobile manufacturers) to streamlining its requisition procedures so that 95 percent of all purchase orders are processed within 24 hours of submission. At the production end, process re-engineering and simplification have enabled Wainwright to cut the lead time for making one of its principal products - drawn housings for electric motors - to 15 minutes, as compared with 8.75 days, and to reduce defect rates tenfold. For customers, the benefits translated into an on-time delivery rate of nearly 100 percent, as compared with 75 percent previously, and a 35 percent reduction in product cost.

In helping to strengthen relationships with customers, the pursuit of quality has made Wainwright a stronger competitor. Since initiating its continuous improvement process in 1991, the company reports steadily growing market share for its major products, productivity gains exceeding industry averages, and increasing profit margins.

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