



2012 Award Recipient

MESA

MESA, is a small (139 employees), privately held business that designs, manufactures, and installs cathodic protection systems that control the corrosion of metal surfaces in underground and submerged structures, such as pipelines and tanks. MESA sells products and materials nationwide; technical and installation services are provided regionally. The company's headquarters and production facility are based in Tulsa, Okla. Branch offices are in Fort Worth, Texas; Houston, Texas; Tallahassee, Fla.; Huntington Beach, Calif.; Wapakoneta, Ohio; Charleston, S.C.; and Freeland, Wash. Revenue in 2011 was \$45 million and projected to be \$55 million in 2012.

This is the second Baldrige Award for MESA; the company was a 2006 recipient in the small business category.

A Quality Pipeline to Success

- Since 2006, MESA more than doubled in size while transforming itself from a manufacturing company to a full-service provider of corrosion control and integrity solutions to the pipeline industry. MESA's growth rate during this period exceeded its closest competitor by almost 40 percent.
- MESA's entry into new markets, including expansion into the asset integrity market for pipelines, has created more than \$26 million of annual revenue over a nine-year period. Most of this growth has occurred in services, with a fourfold increase over seven years.
- Profitability as a percentage of revenue has increased from 5 percent in 2006 to greater than 10 percent projected for 2012.

A Steady Flow of Satisfied Customers

- Consistent with its core competency of "great relationships," MESA has meshed formal approaches and role-model behavior to produce a culture committed to its customers. MESA's customer-based sales plan defines highest-possible performance standards for service and ensures that those levels are maintained.
- Senior leader communications and behaviors continuously reinforce the importance of maintaining and growing every customer relationship. In a new approach called Top 10/Next Top 10, MESA identifies its current top 10 customers and potential next top 10, and uses this segmentation to foster relationships.
- Customer retention rates consistently exceeded 95 percent in both materials and service between 2006 and 2011, and revenue from existing customers increased over the same period. The customer satisfaction index has been at high levels since 2006, increasing



Highlights

- Since 2006, MESA more than doubled in size while transforming itself from a manufacturing company to a full-service provider of corrosion control and integrity solutions to the pipeline industry. MESA's growth rate during this period exceeded its closest competitor by almost 40 percent.
- MESA's senior leaders use a variety of communication vehicles to reinforce high performance. The communication plan includes weekly e-mail messages to the organization, local and remote town hall meetings, group meetings, and an open-door policy. Profit sharing and performance appraisal systems are part of a focused approach to reinforce high performance. Profit sharing has resulted in individual cash distributions of between 7–15 percent of annual compensation.
- Consistent with its "great-place-to-work" core competency, MESA has built a culture where the worker is secure and supported in developing current or different career paths. Workers are cross-trained and are readily moved to busy work areas. Employees frequently characterize their colleagues and workplace environment as "family."
- According to a third-party survey, MESA leads its competitors in customer satisfaction. In 2012, MESA led its closest competitor in 20 out of 20 performance attributes, resulting in an industry benchmark placement in the top 1 percent.



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from 87 percent in 2006 to over 90 percent since 2009; these levels are consistently better than competitors (ranging from 72 to 83 percent) and the American Customer Satisfaction Index (ranging from 72 to 76 percent).

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Innovative Management at the Core of Operations

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- By establishing ownership and schedules for action plans, MESA's senior leaders create a focus on action clearly linked to the strategic planning process. Key near-term priorities are reinforced through management reviews, and outstanding performance is recognized through merit increases and other incentives.
- MESA's senior leaders have established a sustainable organization by fostering an environment that supports the company's vision and strategic objectives. This is demonstrated in the business continuity plan, succession plans, and strong emphasis on overall workforce learning and development.
- MESA's strategic planning process integrates and prioritizes key initiatives across the organization. External, competitor, customer, workforce, work system/work process, and supplier/partner information are inputs to the strengths, weaknesses, opportunities, and threats (SWOT) analysis. A strategic objective includes growth by identifying and capitalizing on opportunities.

A Company Fueled by a "Family" Workforce

- MESA has multiple methods to determine employee satisfaction and foster an open, high-performance workplace. These include MESA's Employee Satisfaction Survey, where the corporate culture was rated better than the top-10 percent of others in the manufacturing sector.
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- Employees share in financial success through a profit-sharing program, which has resulted in individual cash distributions of between 7–15 percent of annual compensation.

Continuously Striving to Become Better

- MESA demonstrates a systematic and well-deployed approach to performance measurement. Measures are reviewed with regular frequency, integrated across four levels of the organization (corporate, operational, work system, and individual), and aligned with core competencies.
- MESA monitors defined measures of success to help ensure that work processes meet requirements. On-time shipping, a key measure, has remained high, while inventory turns, a measure of managing inventory investment, have increased since 2008 and consistently exceeded the manufacturing industry top-25 percentile benchmark for returned materials authorization.

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Baldrige Performance Excellence Program

The Baldrige Program educates organizations of all sizes and from all sectors in organizational performance management and improvement. We also administer the Malcolm Baldrige National Quality Award. Our key services are to identify and recognize role-model organizations, share best management practices, and help organizations achieve best-in-class performance levels. We are the only public-private partnership and Presidential award program dedicated to improving U.S. organizations.

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