

# REDACTED

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## Total Quality Management Plan

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## **BUSINESS OVERVIEW**

### ***Basic Description of the Company***

Insert text to briefly describe your business operation, such as:

Products will be supported with engineering services including finite element analysis, product testing, metallurgical analysis, prototype development, three dimensional design and electronic transmission of drawings. Advance shipping notices and electronic data interchange will be used to support our Customers.

### ***Corporate Structure***

The Company will be structured according to Strategic Business Units. Within each Strategic Business Unit will be several Product Groups that have responsibility for a particular product on a global basis. Within each Product Group will be one or more operating units that function as sub-units of the Strategic Business Unit. Each operating unit will have a separate management staff consisting of a general manager, controller and managers for each key discipline. Each unit will be responsible for establishing its own business plan in line with the Strategic Business Unit's objectives as well as for its own financial performance.

Global Councils in key disciplines (Purchasing, Manufacturing, Engineering, Sales & Marketing and Information Technology) will facilitate information and resource sharing and maximize efficiencies and economies of scale. They will share common goals, processes and management procedures to assure consistency of quality.

The Company's Information Technology (IT) systems will be administered by an Information Technology Resource Center, which will support real-time communication between facilities and Customers. As Customers expand globally, the Company will be prepared to support them.

### ***Key People Approaches***

The Company's culture and values will be driven by "The Company Style of Management", a philosophy whose primary tenets will include a commitment to:

- > CONTINUED MEASURABLE IMPROVEMENT IN ALL ASPECTS OF QUALITY
- > CROSS-DISCIPLINE WORK EXPERIENCE AND PROMOTION FROM WITHIN
- > DEVELOPMENT, EMPOWERMENT AND PARTICIPATION OF ALL EMPLOYEES
- > EMPLOYEE IDENTIFICATION WITH, AND PRIDE AND INVESTMENT IN THE COMPANY
- > GLOBAL MARKET LEADERSHIP AND CONTINUED GROWTH
- > GOOD GLOBAL CITIZENSHIP, DIVERSITY AND RESPECT FOR THE ENVIRONMENT
- > LEADERSHIP WITH URGENCY, INTEGRITY AND RESPECT FOR ALL PEOPLE
- > MINIMIZATION OF COMPANY-WIDE PROCEDURES AND REPORTING LEVELS

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The Company's dedication to its people will be evident in the tenure of employees and low turnover rates. The Company's dedication to communication will be evident in the commitment to utilize a document management system to share ideas, problems and solutions on a real-time basis, allowing such useful tools as:

- > DEVELOPMENT OF INTERNET-BASED TRAINING AND EDUCATION COUNCIL TECHNOLOGIES THAT PROVIDE INFORMATION ACCESS TO GLOBAL PARTNERS
- > HUMAN RESOURCE ACTIVITIES REPORT DATABASE, WHICH ALLOWS COLLECTION, AGGREGATION AND ANALYSIS OF KEY HUMAN RESOURCE DATA
- > INDUSTRY STANDARD POLICIES, PROCEDURES AND WORK INSTRUCTIONS
- > PROGRAM MANAGEMENT APPROACH
- > SHARING OF MANAGEMENT REVIEW MEETING MINUTES

### ***Health & Safety***

Company Environmental and Compliance Services or other third-party assessments will ensure

### ***Customer and Market Requirements***

The Company's Customers expect continual improvement in product and performance characteristics in order for them to remain competitive. These will include:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

The Company will interact with sister operating units to serve Customer and/or market requirements that cannot be fully addressed by a single operating unit. The Company will support end-users' service parts requirements for products through the OEM's aftermarket program or through a distribution network. The Company's Customer Platform Teams will ensure

Global resources will enable the Company to serve as a single source of products and services for many Customers and will support global development programs at worldwide locations. A robust information system will allow the Company to interface with global Customers in their desired formats for drawings, order entry, document response and email. The Company's

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assembly facilities will allow [REDACTED]

***Supplier and Partner Relationships***

The Company's primary processes will center on the manufacturing and assembly of components. The Company will rely on a well-developed supply base for the raw materials required to manufacture products. Working together with suppliers will significantly expand technology capabilities, resulting in [REDACTED]

[REDACTED] In order to provide JIT delivery to Customers, the Company will [REDACTED]

***Competitive Situation***

Pressures on OEM's to reduce costs and improve productivity through increased economies of scale have created an industry trend toward mergers and acquisitions. This trend continues to reduce the supplier base while increasing the demand for price reductions, design and sub-assembly services from those suppliers that survive. In this increasingly complex marketplace, the Company's direct competitors will include [REDACTED]

***Business Directions***

The Company will implement changes in strategy, some of which will include:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

To further assist Customers in satisfying their Customers, the Company will offer many specialized services, including:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

Customer-focused teams will allow the Company to provide common products to a globally diverse Customer base, setting the standards and maintaining a position as the industry leader for products and related components.

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## LEADERSHIP

### *Organizational Leadership*

The Company will participate in a Quality Leadership Process - an internal corporate program. Each year, every operating unit will submit an application for certification to the Board of Examiners. The applications will be subjected to a rigorous review and each operating unit will be provided with [REDACTED]

### *Senior Leadership Direction*

The Company's senior leadership will consist of the vice-president and general manager and key Company staff. Together, these individuals will make up the Company Quality Council, the core of the Company's leadership system. The Quality Council will also be supported by the [REDACTED]

The Quality Council will enumerate its goals, objectives and action plans in the Strategic Business Plan. This plan will be translated into specific performance expectations that will be reviewed regularly by the Quality Council, Strategic Business Council and Manufacturing Council, and at plant and functional discipline levels, which will be adjusted as necessary. The Company's total quality policy, vision and mission statement will be communicated through [REDACTED]

[REDACTED] Key Business Drivers and strategic objectives will be deployed through action plans and a performance management system, which will provide [REDACTED]

The Company's vision and mission will be translated into performance requirements through a Strategic Action Plan Development Process (Figure 2.2-1), Key Business Drivers and associated TQM Indicators. The Company's TQM Indicators will provide a common focus on quality and performance objectives. (See Figure 1.1-2)

Company leadership will create a consistent Customer focus through the use of Market Strategy Teams and Customer Platform Teams, which will [REDACTED]

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# LEADERSHIP STRUCTURE

Policy: To positively impact our [REDACTED]

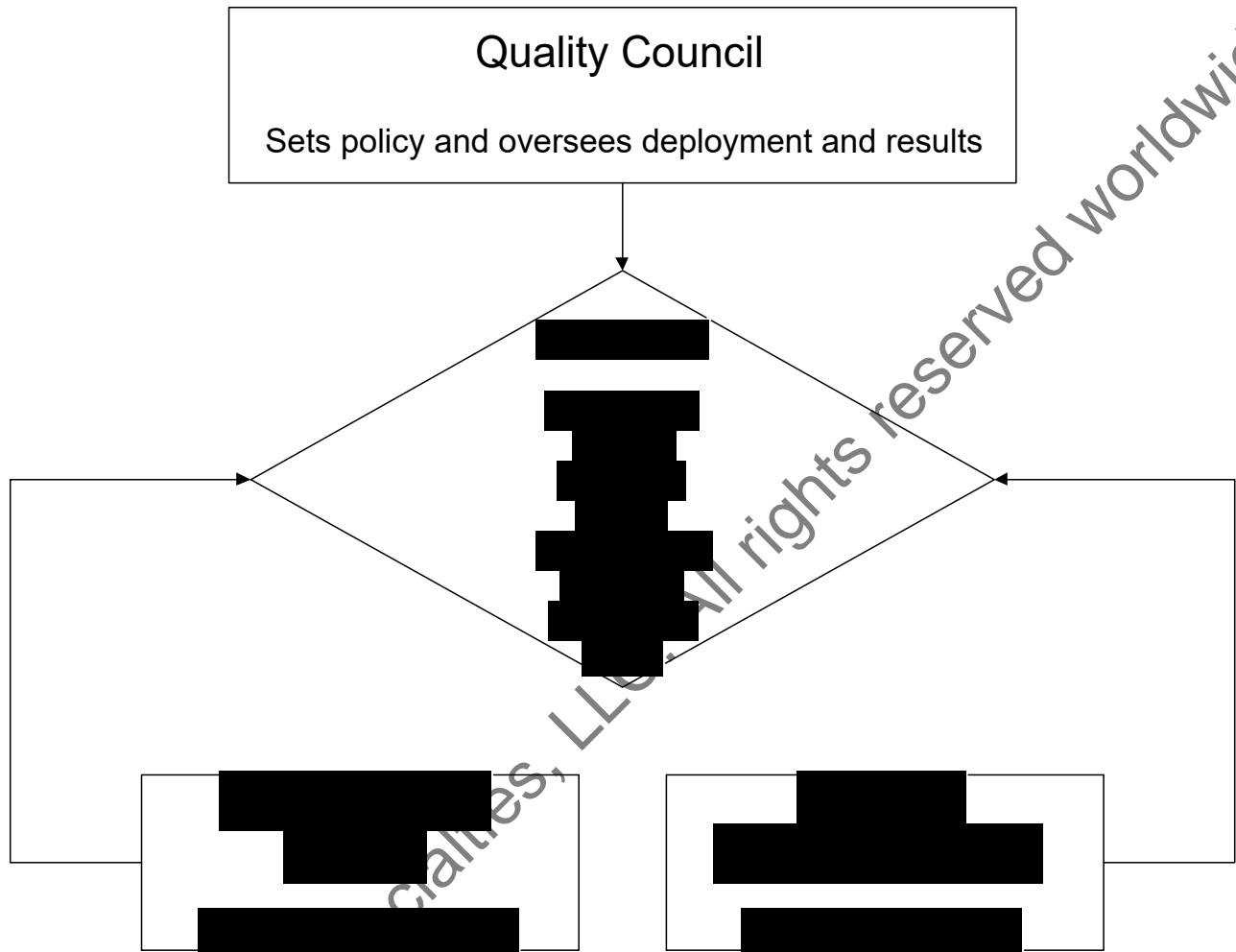


Figure 1.1-1

## How Stakeholder, Quality and Performance Expectations are Set, Communicated, Deployed and Reviewed

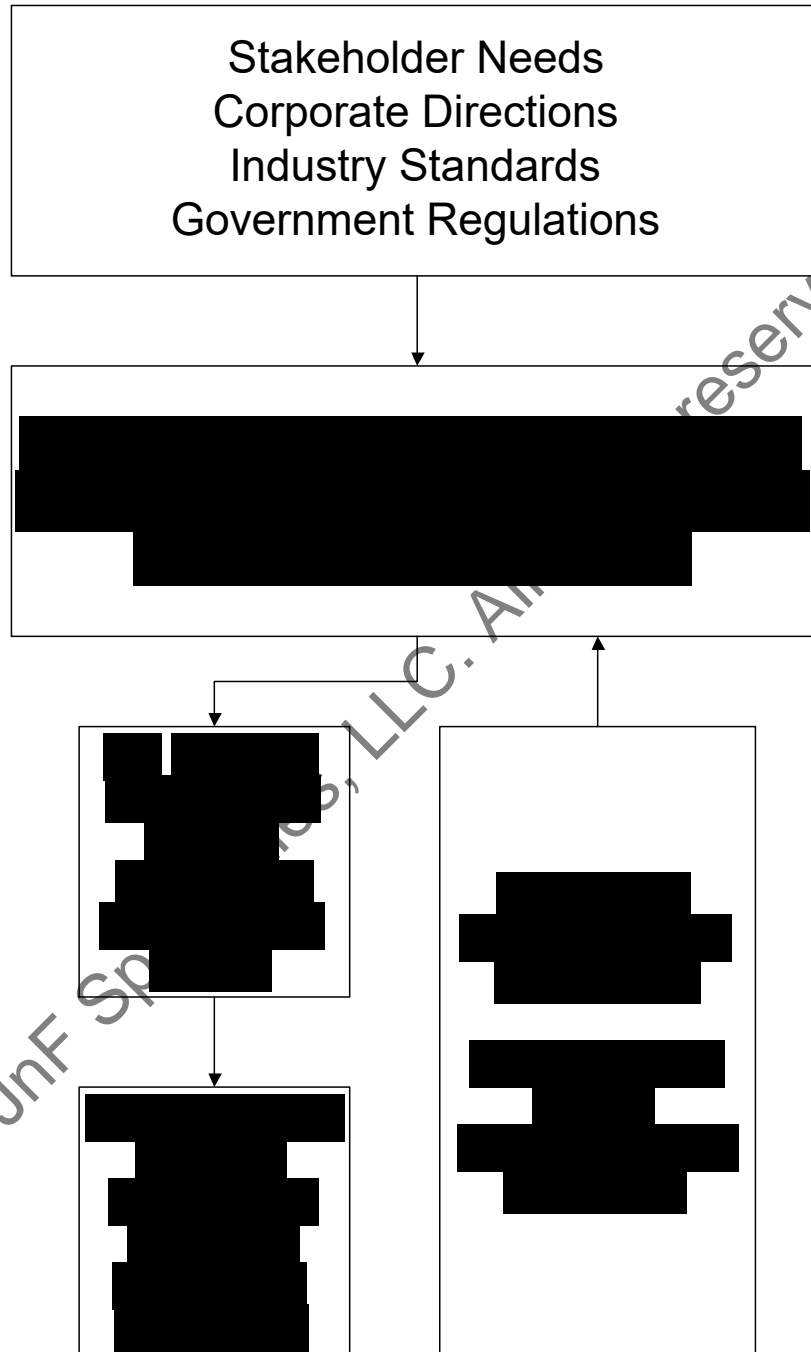


Figure 1.1-2



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The Company's quality policy and mission statement will be deployed through a TQM Control Plan, which will translate values and expectations into performance requirements. Customer, quality and performance data will be communicated company-wide via email on a daily basis. As a result, bulletin boards, corrective action reports (CAR's), supplier information and a variety of project information will be available throughout the Company. The Company's leadership will recognize [REDACTED]

[REDACTED] This information will then be communicated throughout the Company via regular staff and facility meetings. (See Figure 1.1-3)

| Setting, Communicating and Deploying Expectations by Stakeholder |                    |                        |                     |                          |
|--|--------------------|------------------------|---------------------|--------------------------|
| Stakeholder  | Expectation Set By | Communication Methods* | Deployment Methods* | Performance Expectations |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |
| [REDACTED]   | [REDACTED]         | [REDACTED]             | [REDACTED]          | [REDACTED]               |

Figure 1.1-3

***A Learning Environment***

The Company's senior managers will establish and reinforce an environment for empowerment, innovation, organizational and employee learning through a variety of approaches. Each will be designed to [REDACTED]

The Company believes that continuous learning is essential to the achievement of performance objectives, which will make education a key indicator of progress toward Key Business Drivers that deploy the Company Style. Innovation will come from [REDACTED]

[REDACTED]

As a way of reinforcing Company values and expectations, senior managers will recognize teams and individuals for their contributions, either by mention in group meetings or newsletters, or with awards such as Good Performance meals or gift certificates. These types of recognition will be enhanced by [REDACTED]

[REDACTED] The Strategic Business Plan will outline specific objectives, each of which will [REDACTED]

The Strategic Business Council will regularly review the Strategic Business Plan and related action items. This will ensure [REDACTED]

For example, [REDACTED]

***Organizational Performance Review***

The Quality Council will review organizational performance according to Key Business Drivers, Performance Indicators and TQM indicators from Strategic Business Plans and other pertinent Customer information. This information will then be disseminated by senior managers to their respective areas of responsibility and action plans will be established as required.

This process will ensure [REDACTED]

[REDACTED] When organizational performance requirements will not be met or operational data falls outside expectations, [REDACTED]

The Strategic Business Council will be a sub-committee of the Quality Council and will be responsible for [REDACTED]

Through this review process, trends and current levels of performance will be evaluated. Flat or unfavorable indicators will be candidates for improvement actions and priorities will be set based on the impact on and the expectations of various stakeholders. Once priorities are established, [REDACTED]

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***Opportunities for Innovation***

Since improvement actions normally involve change, opportunities for innovation will become a natural component of the improvement process. As part of this process,

The structure of these leadership councils will ensure that all areas of the Company's performance are subject to review. The Quality and Manufacturing Councils will include

The council members will be responsible for

***Improving Leadership***

The Quality Council will evaluate and improve the effectiveness of the leadership system by

In addition, the Company's Quality Leadership Process will be used annually to audit and provide specific feedback on the entire leadership system. Quality Leadership Process Advisors will work with category teams to implement improvements as necessary using established criteria as a benchmark. The Strategic Business Council will provide

A communications roadmap will facilitate communication and a monthly operations report will focus attention equally on all stakeholders.

***Public Responsibility and Citizenship***

"The Philosophies and Policies of Company" will be a one-page document that addresses

***Key Responsibilities***

As a manufacturing organization, providing a robust and durable product will be a key public responsibility. Throughout the design phase, the Company will

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[Redacted]

To ensure that the Company's high standards of ethical behavior and business practices will be met, the corporate audit staff will [Redacted]

***Company Environmental Compliance***

The Company's Environmental Compliance Service and other independent organizations will review each facility's safety and environmental compliance on a regular basis. The general manager and the environmental coordinator will monitor environmental audit reports; review the results with the appropriate manager and address any areas that have fallen short of expectations. They will also track [Redacted]

***Anticipating Concerns***

Each facility will designate a representative to attend internal and external seminars and regulatory update meetings. Areas addressed at the facility level will include [Redacted]

The facility manager will be responsible for [Redacted]

To underscore the designer's responsibility to the public in terms of product safety, product engineering managers will attend product liability seminars.

Tools such as finite element analysis will be used to [Redacted]

These approaches will enable the Company to anticipate concerns when planning [Redacted]

***Ethics Standards***

All business units will be expected to perform business operations in a professional and ethical manner. The Company's "Standards of Business Conduct" brochure will provide direction for [Redacted]

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The "Dos and Don'ts" of ethics will be posted in each facility to help guide behavior. Presentations on corporate ethics will be conducted in facility meetings at various times throughout the year. Company managers will further reinforce values through:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

***Support of Key Communities***

Key communities are those in which Company facilities will be located. Each facility will be empowered to [REDACTED]

The Company's general manager and senior managers will consider [REDACTED]

In addition, the Company will encourage participation in, provide funding for, and allow time off for participation in civic and professional organizations at all levels of the Company. Some of these may include:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

The Company will encourage employees to become involved as officers and advisors to [REDACTED]

The Company will provide funding for [REDACTED]

In addition, the Company will support community activities with employees through [REDACTED]

The Company will provide corporate direction for participation in United Way and Junior Achievement campaigns and recommend allocation of corporate funds from each facility for local charitable organizations.

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The Company will also support the Company community, sister operating units and global partners through an International Affiliate Symposium, corporate task committees and presentations at the Company's Best Processes Day.

The following tools will be used throughout the year to initiate improvements within the leadership system:

- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]

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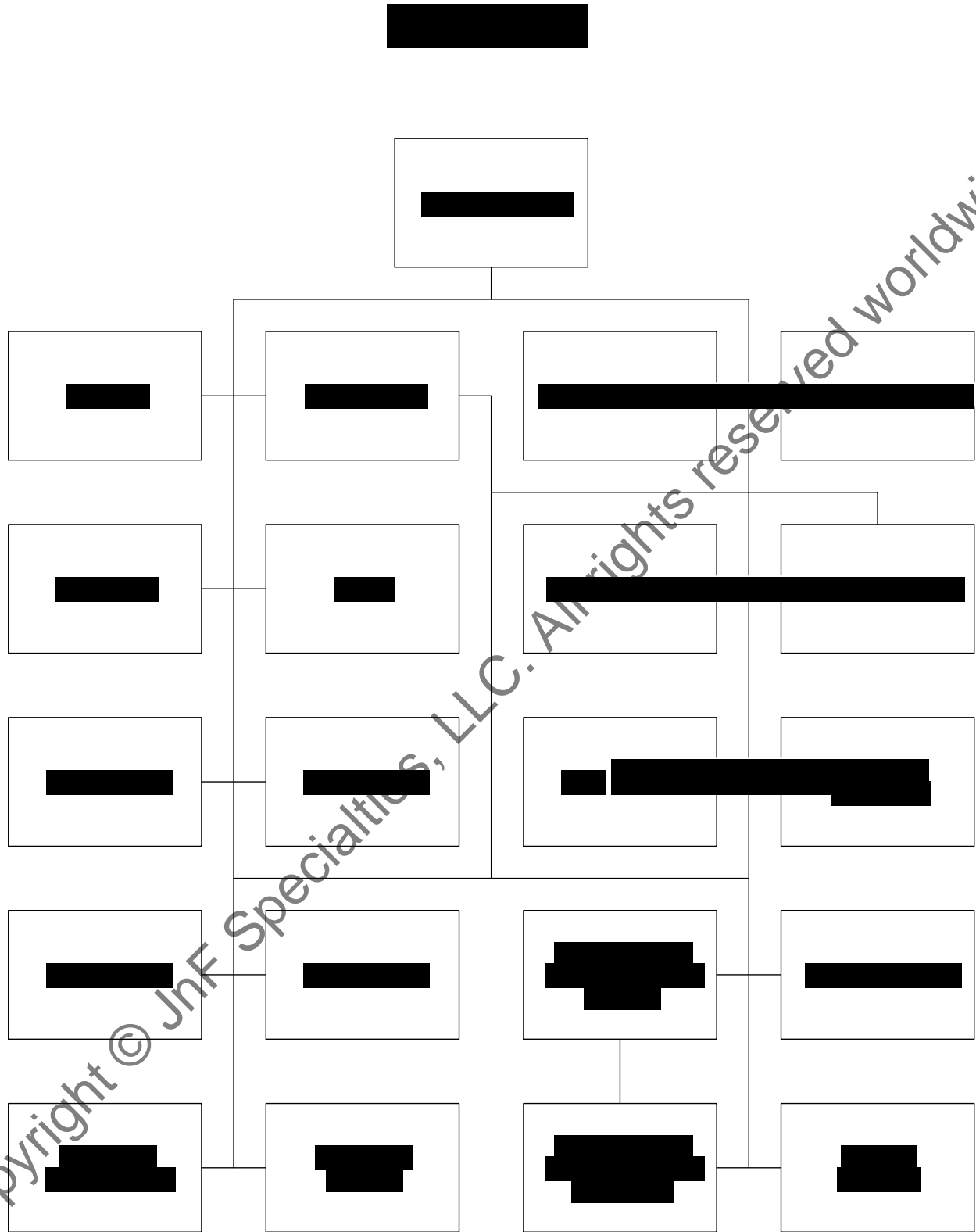


Figure 1.1-4

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## STRATEGIC PLANNING

### *Strategy Development Process*

The strategic planning process will be divided into two phases. First, the Strategic Business Plan, produced by the Strategic Business Council, will provide [REDACTED]

[REDACTED] Then, during the Rapid Deployment process the Company will [REDACTED]

Rapid Deployment plans will be available within each business unit, allowing cross-functional planning with [REDACTED] This process will also allow each business unit to [REDACTED]

The long-term planning process will be evaluated through objective measurements derived from [REDACTED]

### *Incorporating Key Factors*

Factors considered during planning will include [REDACTED]

[REDACTED] Planning input concerning Customers will begin with [REDACTED]

In addition, risk and capability, required investment for new products or processes and competitive pricing will be assessed. Financial risk factors, including program/product development costs, profit margins and corporate objectives will also be evaluated. Societal risk factors will be addressed in terms of environmental impact, recycle capability, product liability and safety.

As the Company develops action plans to meet its long-term strategic objectives, each action plan "champion" will be expected to [REDACTED]

|                   |     |      |                  |          |
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# STRATEGIC PLANNING [REDACTED]

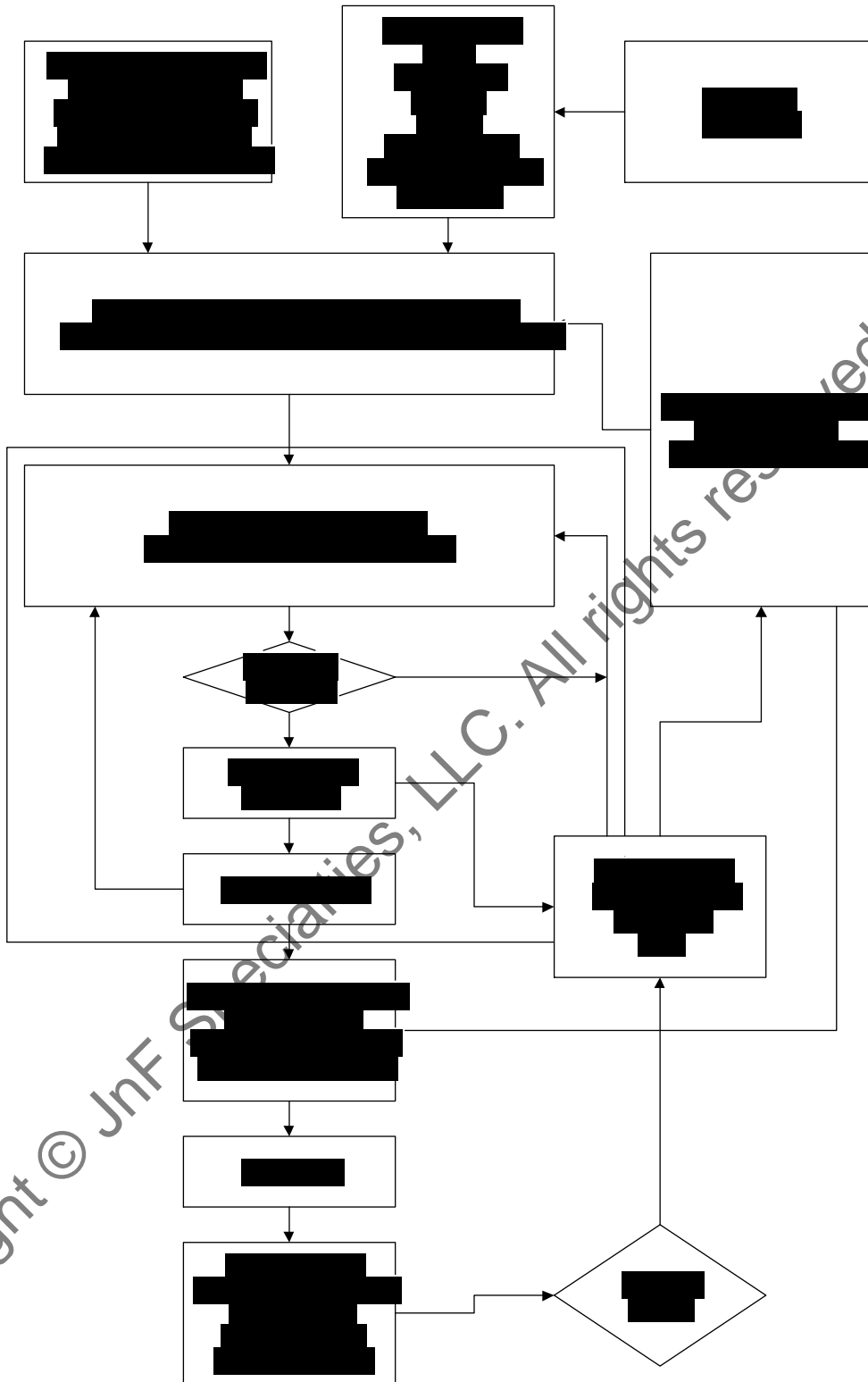


Figure 2.1-1

**Human Resources**

The HR Planning Process will be designed to support strategic planning efforts. A database will aggregate key human resource capability data while annual Quality Culture Surveys will provide direct input from Company employees. As strategic plans become more detailed, human resource capabilities will be assessed in terms of [REDACTED]

**Suppliers**

In order to entertain potential partnerships, suppliers will [REDACTED]

In addition, the Company will involve suppliers in certain stages of [REDACTED]

**Strategic Objectives**

The Strategic Business Council will identify Key Business Drivers or goals, develop strategic objectives and establish action plans with timing and measurements designed to track progress.

After objectives are identified through a formal evaluation process, the Strategic Business Council will [REDACTED]

**Action Plan Deployment**

The Company's strategic objectives, action plans and associated measures and indicators will be communicated and deployed through the Strategic Planning Process (2.1-1). Progress will be communicated through Quality Council meetings where all business units will be represented and plans can be presented and discussed. Managers will be responsible for [REDACTED]

# Strategic Action Plan Development [REDACTED]

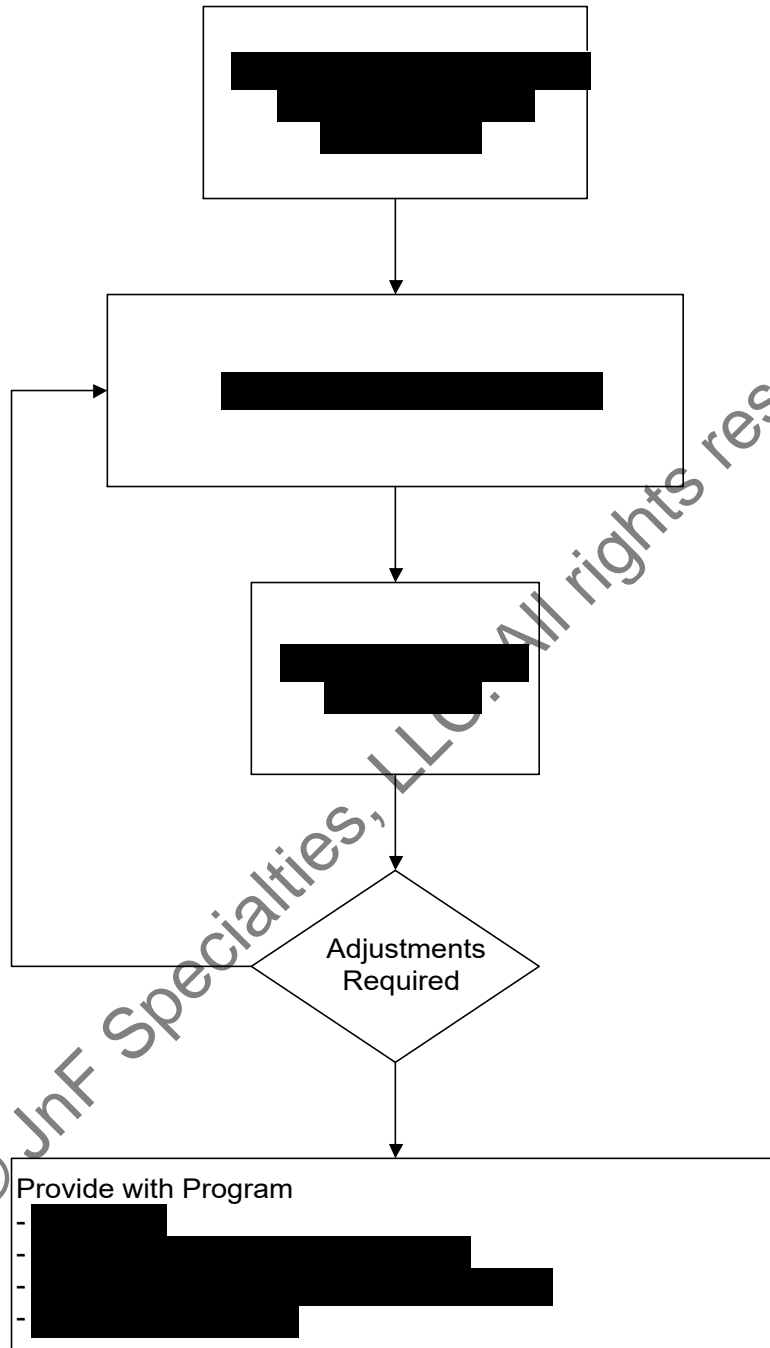


Figure 2.1-1

**Performance Projection**

The Company will utilize public materials, statistical trends and current or best available data to make performance projections. The Company's projections will be compared to [REDACTED]

[REDACTED] For comparison and tracking, competition and benchmark projections will be identified as [REDACTED]

Business growth and financial performance projections will be measured primarily in terms of [REDACTED]

[REDACTED] Quality and operational projections will include [REDACTED] Customer satisfaction projections will include [REDACTED]

[REDACTED] "Company Style" projections will include [REDACTED]

**CUSTOMER & MARKET FOCUS**

**Customer and Market Knowledge**

Each year, Company sales and marketing departments will classify all potential and existing Customers within each market segment. The Company will provide larger Customers with [REDACTED] while a Specialty

Products Group will help Customers with [REDACTED]

**Listening and Learning**

Within each market, sales, manufacturing, quality and engineering people will be assigned to Customer Platform Teams and will be members of a Market Strategy Team. These groups will employ [REDACTED]

| Listening and Learning Approach and Processes |            |            |            |
|---|------------|------------|------------|
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |

| Listening and Learning Approach and Processes |            |            |            |
|---|------------|------------|------------|
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                                    | [REDACTED] | [REDACTED] | [REDACTED] |

Figure 3.1-1

The Listening & Learning Processes will supply engineering with information that will be used to [REDACTED]

The Company's sales and engineering personnel will gather input from Customers, from other Company operating units and from professional associations and trade shows. The Company's understanding of Customers will be further enhanced by [REDACTED]

Both the Customer Focus Process (3.1-2) and program management techniques such as the Advanced Product Quality Planning process will provide clear direction regarding Customer expectations and current product planning development. Members of Customer Platform Teams will also use [REDACTED]

## Customer Focus and Improvement [REDACTED]

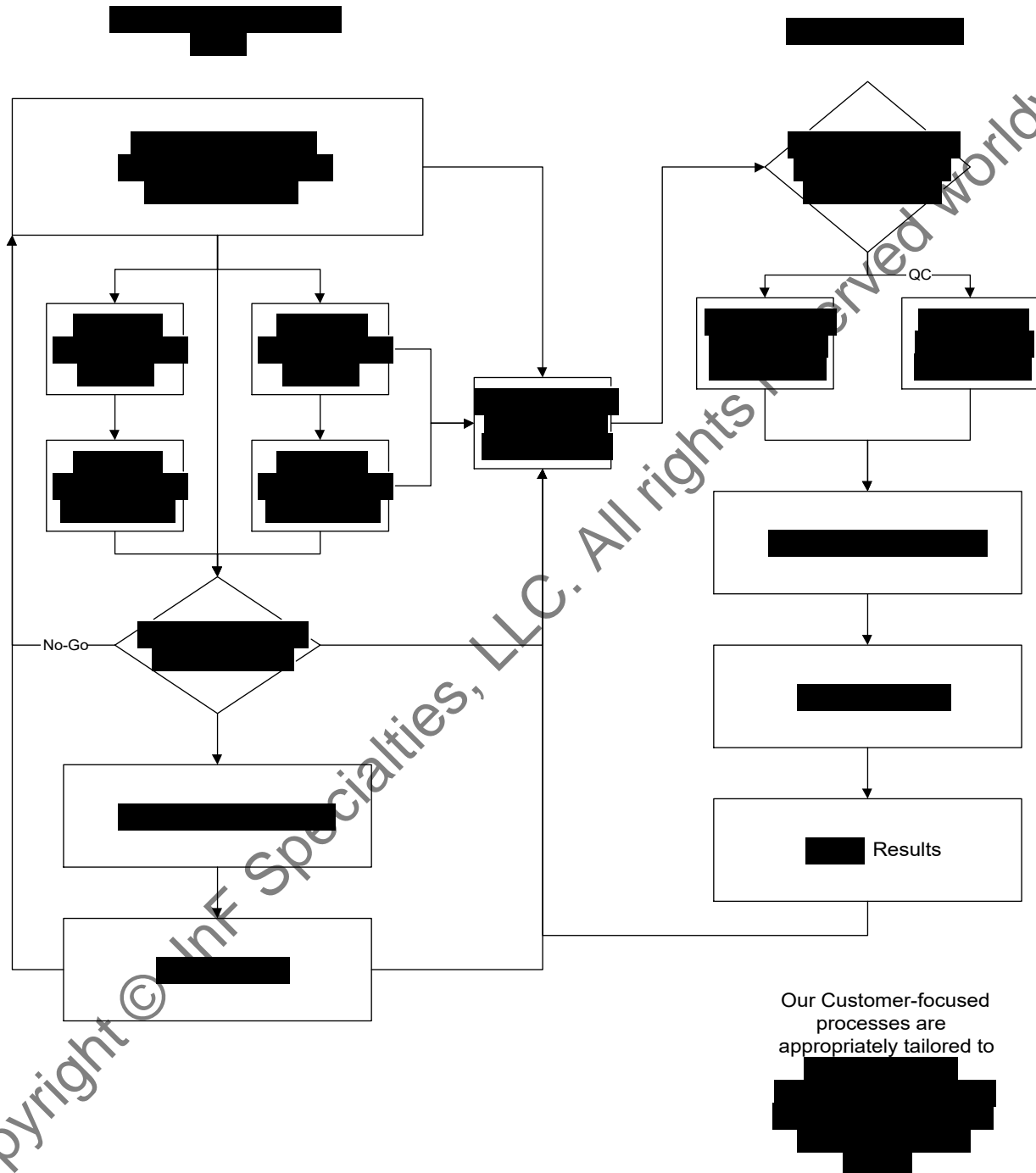


Figure 3.1-2

## CUSTOMER & MARKET FOCUS

The Company will obtain input from current Customers and non-Customers (former, potential and competitors' Customers) through the Company's annual National Customer Satisfaction Survey. This process will [REDACTED]

The Account Team Overview Process will include [REDACTED]  
The team, including Customer Platform Team members and support personnel, will review [REDACTED]

With a direct focus on the Customer, each group will [REDACTED]

The Company's Quality Leadership Process team (3.1-2) will [REDACTED]

### *Building Customer Relationships*

Customer contact requirements will include [REDACTED]

They will be deployed in several ways, including [REDACTED]

Contact management performance measures will include [REDACTED]

| Enabling Customer Access |            |
|--------------------------|------------|
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |
| [REDACTED]               | [REDACTED] |

Figure 3.2-1

## THE CORRECTIVE ACTION PROCESS

A standardized corrective action report process (CAR) will communicate Customer complaints throughout the operating unit and ensure [REDACTED]

[REDACTED] A built-in escalation mechanism will [REDACTED]

[REDACTED] The CAR system will be a closed loop corrective action system, meaning the person that initiates the CAR will be the only person that can close it out. Whenever possible, the first contact person receiving the complaint will [REDACTED]

[REDACTED] Short and long term corrective and preventive actions will be implemented and verified. CAR's will be reviewed at quarterly Account Team Overview Process meetings to ensure that they have been addressed appropriately.

The CAR process will be database-driven to provide information and results electronically throughout Company for use by [REDACTED]

[REDACTED] Complaint data will then be aggregated at the Company level and monitored for [REDACTED]

The CAR process itself will be evaluated, improved and reviewed for effectiveness via management reviews as required by a Management Responsibility procedure.

## ENSURING CUSTOMER ACCESS

The Company's Customer-focused structure will provide an efficient vehicle for generating repeat business and positive referral. The Market Strategy Teams will maintain focus on each key market while the Customer Platform Teams within them will [REDACTED]

[REDACTED] This approach will be augmented by Company manufacturing and assembly personnel that make periodic visits to Customer assembly facilities, meeting the people that handle and install Company products. These visits will allow Customers to [REDACTED]

The Company's approach to Customer access and relationships will be kept current with business needs and directions through the Customer Focus Process (Figure 3.1-2).

|                   |     |      |                                    |
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The Quality Leadership Process Team will meet throughout the year to review National Customer Satisfaction Survey results, Quality Leadership Process feedback, benchmarks, gains/losses of Customers and complaints relative to Customer contacts.

**Customer Satisfaction Determination**

The Company's approach for determining Customer satisfaction and dissatisfaction (Figure 3.2-2) will be determined by [REDACTED]

[REDACTED] These methods will provide [REDACTED]

| Customer Contact Management |            |
|-----------------------------|------------|
| [REDACTED]                  | [REDACTED] |
| [REDACTED]                  | [REDACTED] |

Figure 3.2-2

The Company's annual National Customer Satisfaction Survey will gather data from a statistically significant sample of decision makers involved in the specification, procurement and quality certification of products at existing and potential Customers across all market segments. The survey questions will be designed to meet the following objectives:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

Validity and reliability will be ensured through strict confidentiality, as well as the use of a third party to conduct the survey and tabulate the results. Customers will rate eight common attributes in terms of [REDACTED]

(See Figure 3.1-2)

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An additional Customer survey, the Bi-Annual Brand Survey, will focus on brand loyalty and satisfaction levels with the individuals responsible for specifying what products will be used in a particular application. It will be segregated by [REDACTED]

Many Customers also employ their own performance rating systems. These Customer Ratings measure performance according to [REDACTED]

The Company will carefully monitor each of these, as well as [REDACTED]

In addition to measuring Customer satisfaction, the Company will utilize [REDACTED]

These tools will enable [REDACTED]

### THE IMPORTANCE OF DIRECT CONTACT

The Company will ship product to and communicate with Customers as frequently as possible.

This interaction will [REDACTED]

The Company's account managers and account application engineers will work continually with their Customers, providing a natural medium for follow-up and an almost uninterrupted flow of actionable Customer feedback.

Finally, reciprocal visits will provide [REDACTED]

### MEASURING PERFORMANCE

The Company will collect reliable objective information on competitors through various market research channels. The National Customer Satisfaction Survey will be the principal source of this information, allowing comparison of [REDACTED]

[REDACTED] The Company will believe that the most critical measure will not be a comparison to historical performance but rather [REDACTED]

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The Customer Focus Process will keep approaches to satisfaction determination up to date. Each year the Quality Leadership Process Team will review several inputs, including

The Quality Council will periodically review

Council will

Using these inputs, the Quality

## INFORMATION & ANALYSIS

### *Performance Measurement*

Two documents will form the foundation for the Company's business, "The Philosophy and Policies of Company" and "The Company Mission Statement". The guiding principles they contain will be deployed through

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# TQM Selection, Deployment and Improvement [REDACTED]

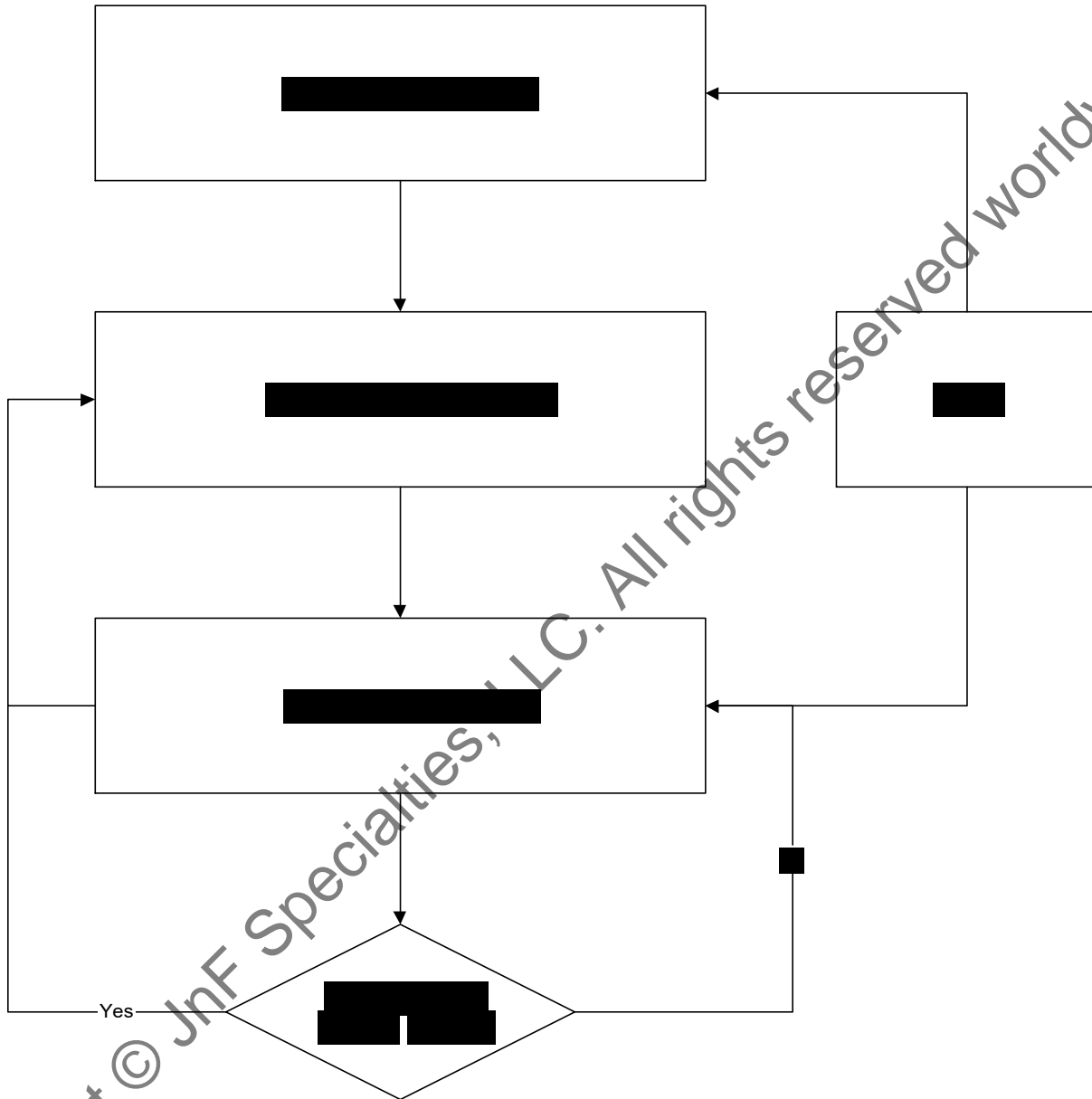


Figure 4.1-1

The TQM process will drive [REDACTED]

The Company's performance measurement system will consist of a TQM Control Plan (Figure 4.1-3), which will identify [REDACTED]

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[Redacted]

### KEY PERFORMANCE INDICATORS

Measures and indicators for tracking overall organizational performance will be determined using the process depicted in Figure 4.1-1 in conjunction with the Strategic Planning Process. Performance measurement data will be integrated and aligned as illustrated in Figure 4.1-2, providing vertical linkage between performance data to the Strategic Business Plan and Key Business Drivers, as well as the Company’s vision and mission statements.

The TQM Control Plan will allow [Redacted] It will also [Redacted]

To ensure the completeness of the performance data, each business unit will monitor numerous support measurements. These measurements will be used by various departments and work areas within the business to [Redacted]

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### Performance Measurement [REDACTED]

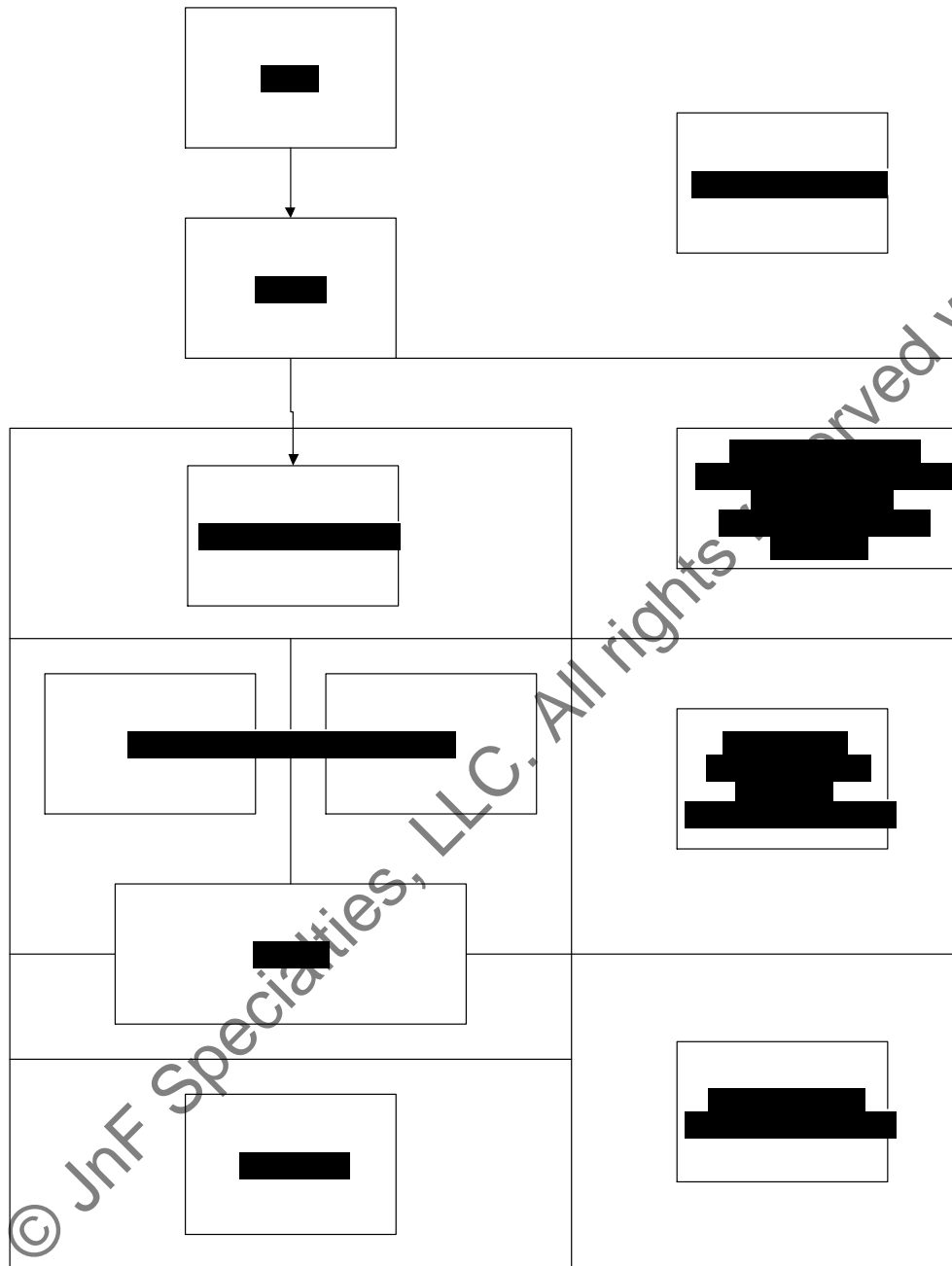


Figure 4.1-2

| TQM Control Plan |            |            |            |            |            |
|------------------|------------|------------|------------|------------|------------|
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted]       | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |

office levels reporting.

Communication and deployment methods listed above will be not all-inclusive.

Figure 4.1-3

The Quality Leadership Process Team will help to align goals by [Redacted]  
 [Redacted]

**USING COMPARATIVE DATA**

The Company’s needs and priorities for comparative information will be determined primarily through [Redacted]  
 [Redacted]

As outlined in Figure 4.1-4, the Company will include comparative data on performance measurement charts (as appropriate) to ensure deployment. Stretch targets will be established by using [Redacted]  
 [Redacted]

These opportunities will be prioritized to generate action plans for improvement and will be assigned to a cross-functional team, a single discipline or an individual, as appropriate.

| Classification, Criteria and Sourcing of Comparative Data used in Analyzing Performance |            |            |            |
|---|------------|------------|------------|
| [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] |

Figure 4.1-4

### ALLOCATING RESOURCES FOR IMPROVEMENT

Each month, Company Quality and Manufacturing Councils will review performance measurement data as reported by each business unit. These councils will evaluate and compare the cost and financial aspects of improvement options as they relate to performance targets. The Strategic Business Council will also be involved in [REDACTED]

The primary vehicle for resource allocation for improvement projects will be the Company's annual Rapid Deployment process. Each business unit will prepare [REDACTED]

[REDACTED] Such items will ultimately become part of the Company's short and/or long-term business plans. A wide variety of data correlation and projection tools will support [REDACTED]

The cross-functional Quality Leadership Process Team will evaluate the performance measurement system through a quarterly measurement summit (Figure 4.1-1). Using Quality Leadership Process feedback, performance trends, strategic business plan changes, annual survey results and Customer requirements, the correlation of various indicators to TQM's and Quality Council inputs, the TQM Control Plan and other measurement components will [REDACTED]

Benchmarks and competitive comparisons will be reviewed and updated as necessary according to [REDACTED]



### ***Analysis Process Performance***

Overall business unit performance will be evaluated using the key measurements (TQM's) identified in the Company's TQM Control Plan (Figure 4.1-3). These data will [REDACTED]

Reports used for organizational performance review will typically be prepared in advance for the Quality and Manufacturing Council meetings. While analysis methods vary, trend analysis will perhaps be the most frequently employed. As data is consolidated at a specified frequency, year-to-date trends develop and will be compared with [REDACTED]

[REDACTED] Statistical methods will also be used, including [REDACTED]

Analysis can accurately assess overall organizational health when used within a strategically aligned measurement system. The Company will ensure [REDACTED]

### **ALIGNING PERFORMANCE WITH VISION**

The Company's vision and mission statements will give rise to Key Business Drivers, which will also be the drivers of a Strategic Business Plan where TQM's will be aligned with each Key Business Driver (Figure 4.1-2). Local site and departmental indicators will support each Key Business Driver. This structured method of aligning performance data with overall strategic direction will ensure [REDACTED]

As identified in Figure 4.1-2, various levels of the Company's organization will review and analyze certain types and levels of data. Data pertaining to work groups and/or functional-level operations will primarily be [REDACTED]

[REDACTED] As illustrated, there will be an overlap between those individuals involved at the middle level and the levels above or below. This overlap, coupled with the vertically integrated data structure, will ensure [REDACTED]

Because total business unit data will be aggregated from plant or department-level data, the measurement reporting structure will be linked to work group performance. This structure will

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allow

Designated personnel at each location will consolidate, analyze and prepare key performance data for review. Formal consolidated reports and charts will be maintained for ongoing measurement of Company performance. Many of these reports will be communicated through the various electronic conferences available on the client server network.

Key senior-level performance measurements and supporting data will also be analyzed annually for causal connections and those performance data with strong linear relationships will be prioritized for further investigation. By analyzing data in this manner, the Company will

In addition to the measurements identified in Figure 4.1-3, the Company will monitor numerous additional characteristics in support of Key Business Driver's. For instance,

All data and associated action plans will

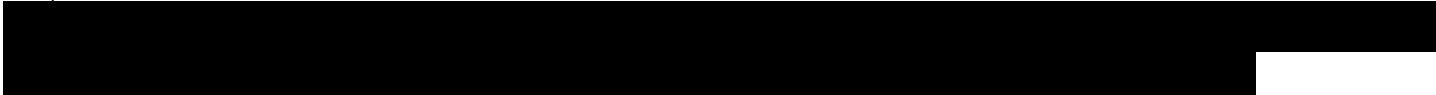
Additionally, analysis used at the work group level will also include

These and other techniques will be used in support of daily operations.

Typically, organizational and work group level analysis will identify trends and conditions that require action at the operational level. For example,

This will typically lead to a specific action plan required at the operational level of one or more locations to improve performance, ultimately resulting in

Through the structure illustrated in Figure 4.1-2, the Company will be able to analyze performance data at any level within the organization and develop action plans to improve



## HUMAN RESOURCE FOCUS

### Work Systems

The Company's culture and values will be driven by a management philosophy known as "The Company Style". "People will be our most important asset" will be one of the core values upon which this philosophy is based. The Company's human resource focus will be driven from this belief and philosophy.

Designing, organizing and managing the Company's work and jobs will be a dynamic process involving multiple disciplines and various levels of management and employees with input from empowered employees that actually perform the work. (See Figure 5.1-1)

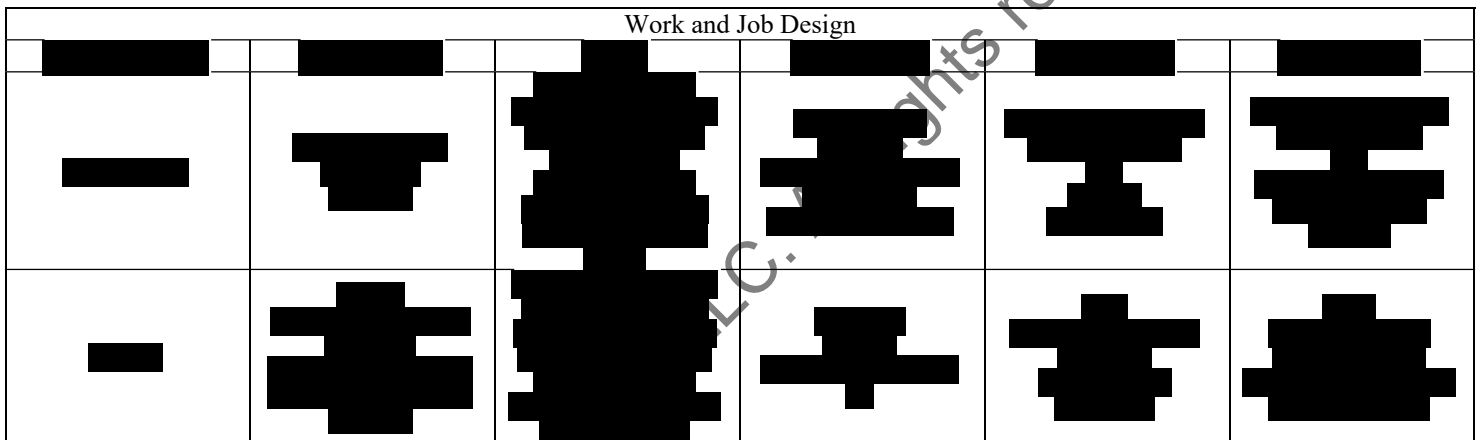
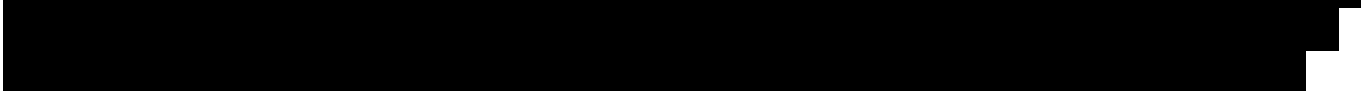


Figure 5.1-1

HR planning will result in [redacted]



With the exception of the annual Quality Culture Survey, these items will be [redacted]



## REWARDS AND INCENTIVES

The Company will use both group and individual compensation and reward programs to reinforce high performance. Some of the various programs used will include [redacted]



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Managers at each facility will evaluate characteristics and skills needed by potential employees according to

The Company will use many recruiting approaches to ensure

Effective communication, cooperation, knowledge and skills will be shared to meet Customer and/or operational requirements that are included in Figure 5.1-2. Effectiveness of these approaches will be evaluated annually through the results of the Quality Culture Survey.

| Information and Skill Sharing Processes |  |  |
|---|--|--|
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |

Figure 5.1-2

**Employee Education, Training and Development**

Corporate office and plant human resource managers in conjunction with the Training and Education Council will be responsible for

A Diversity Plan will be used that includes

(See Figure 5.1-1)

**EDUCATION AND TRAINING PROCESS**

The Company's training approach will support

Figure 5.2-3 represents approaches that reinforce knowledge and skills on the job. The Company will use several approaches to address performance excellence in education and training in the areas of performance and skill standards, quality control and benchmarking as depicted in Figure 5.2-4.

| Learning and Career Progression Approaches |            |            |
|--|------------|------------|
| [REDACTED]                                 | [REDACTED] | [REDACTED] |
| [REDACTED]                                 | [REDACTED] | [REDACTED] |
| [REDACTED]                                 | [REDACTED] | [REDACTED] |
| [REDACTED]                                 | [REDACTED] | [REDACTED] |
| [REDACTED]                                 | [REDACTED] | [REDACTED] |

Figure 5.2-2

| Knowledge and Skill Reinforcement |            |            |            |
|-----------------------------------|------------|------------|------------|
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED]                        | [REDACTED] | [REDACTED] | [REDACTED] |

Figure 5.2-3

| Performance Measurements | Quality Control |
|--------------------------|-----------------|
| [REDACTED]               | [REDACTED]      |
| [REDACTED]               | [REDACTED]      |
| [REDACTED]               | [REDACTED]      |

Figure 5.2-4

## LEARNING AND CAREER PROGRESSION APPROACHES

The Company will be proactive in maintaining a safe and healthy environment. All plants will have safety and ergonomic teams with cross-functional and varied organizational levels of membership. Members of those teams will provide [REDACTED]

[REDACTED] Safety and ergonomic improvements will also be considered during Process Improvement Team and Rapid Deployment activities.

### *Employee Well-Being and Satisfaction*

Human resource and facility management will be responsible for determining the key factors that affect employee well being, satisfaction and motivation. These will be primarily determined through use of the Quality Culture Survey, which will be conducted regularly at each Company facility. The Quality Culture Survey will consist of specific questions that are grouped into 18 categories, which will include:

- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]
- > [REDACTED]

The Quality Culture Survey results will be used annually to identify those factors that affect employee well being, satisfaction and motivation as well as provide a forum for anonymous comments. Additional inputs will include [REDACTED]

[REDACTED] To assess satisfaction levels within the workforce, the survey results will be segmented by [REDACTED]

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Human Resource managers will review the findings and initiate action plans while cross-functional task forces will

Statistical analysis of TQM indicators will

## PROCESS MANAGEMENT

### *Work Product & Service Processes*

The Advanced Product Quality Planning process will ensure

## DESIGN PROCESSES

Product design will begin early in the process and produce

Production and delivery process design will begin only slightly later, allowing

Customers and selected suppliers will be an integral part of the Advanced Product Quality Planning process. Customer-driven product development programs will be based on

The Company will track supplier activities as part of the overall project plan to assure timely delivery of newly developed products. The Company will also review and respond to changing Customer and market requirements at specific steps in the process, which can be addressed at any time. Changes will be implemented through

Changes in production or delivery requirements will be implemented through

New technology will be continually incorporated into products, services and production/delivery systems. Inputs will include

Outputs will include [REDACTED]

## PRODUCTION AND DELIVERY PROCESSES

### *Quality and Product Performance Requirements*

The Company will employ Design and Process Failure Modes and Effects Analysis to ensure that all appropriate specifications and performance requirements will be incorporated into the manufacturing, production and assembly processes. Significant Characteristics will identify [REDACTED]

### *Delivery Performance Requirements*

Delivery performance requirements and expectations will be communicated to production facilities through [REDACTED]

Requirements will be deployed through [REDACTED]

## PERFORMANCE REQUIREMENTS

The Company's sales personnel and direct Customer input will provide [REDACTED]

[REDACTED] These inputs will be balanced with [REDACTED]

[REDACTED] Management will then establish performance standards and associated measurements necessary to meet performance targets.

## COORDINATION AND TESTING

The Company's Design Verification Plan and Report Process will help to coordinate and document [REDACTED]

The Advanced Product Quality Planning team will also develop [REDACTED]

Once Design Validation Testing verifies the integrity of the product design, engineering will release the details needed for prototype parts to be built. Parts will be evaluated using [REDACTED]

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[REDACTED]

Production Trial Runs will assure that product designs can be produced at the required volumes and to the required level of process capability. Customers will often be involved in Production Trial Runs planning and will be present on site during the actual process.

During the Production Trial Runs, production-ready processes will be used to [REDACTED]  
[REDACTED] Parts will be measured for conformance to all specifications as part of the Production Part Approval Process and samples will be sent to the engineering lab for production validation testing.

### EVALUATING AND IMPROVING PROCESSES

The overall Advanced Product Quality Planning process will be evaluated during annual internal audits and formal third-party assessments of quality systems. At the end of a major program launch the Company will [REDACTED]  
[REDACTED]

To monitor and maintain process integrity, facilities will develop [REDACTED]  
[REDACTED] Where appropriate, engineering will identify [REDACTED]  
[REDACTED]

Measurement system reliability will be ensured through traceability to recognized international standards and through the performance of measurement system variation studies (GR&R's). SPC or other approved control methods will be used in facilities to monitor quality characteristics. Operators and technicians will be empowered to [REDACTED]  
[REDACTED]

### INCORPORATING FEEDBACK AND IMPROVEMENTS

Customer input will be continually solicited from all Customer disciplines in the form of verbal requests, CAR's, performance ratings or through Advanced Product Quality Planning meetings. The Customers' performance requirement rating feedback will be tracked locally and reported

|                   |     |      |                  |
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monthly. Every quarter, each operating unit's performance will [redacted]

In addition, semi-annual surveillance audits will [redacted]

Part of the process improvement cycle will be to evaluate the effectiveness of business process implementation. The Company will receive this information through various means, including [redacted]

On a regular basis, a Significant Characteristics task force will evaluate process capabilities to compare performances at different plants and processes. Best practices will be exchanged and future processes will be determined. Management review meetings will be held at both Company and facility levels. Quality and operational performance will be reviewed and corrective actions will be initiated according to defined procedures.

The Company's processes will be systematically evaluated and improved to achieve better performance. Evaluation will be accomplished through [redacted] Teams will be active in [redacted]

**Support Processes**

Key support process requirements will be determined by their process owners according to:

- > [redacted]
- > [redacted]
- > [redacted]
- > [redacted]
- > [redacted]

**MEETING KEY REQUIREMENTS**

The Company will employ in-process and end-of-process measurements to maintain support process performance to ensure [redacted]

[redacted] Areas of concern and negative deviations will be addressed and improved as required by the process owners and department teams through the corrective action process. Support process owners and cross-

|                   |     |      |                  |
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functional process improvement teams' will use the Process Evaluation and Improvement Process to evaluate and improve performance. Inputs to the evaluation will include:

- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]
- > [Redacted]

(See Figure 6.2-3)

Process Evaluation and Improvement [Redacted]

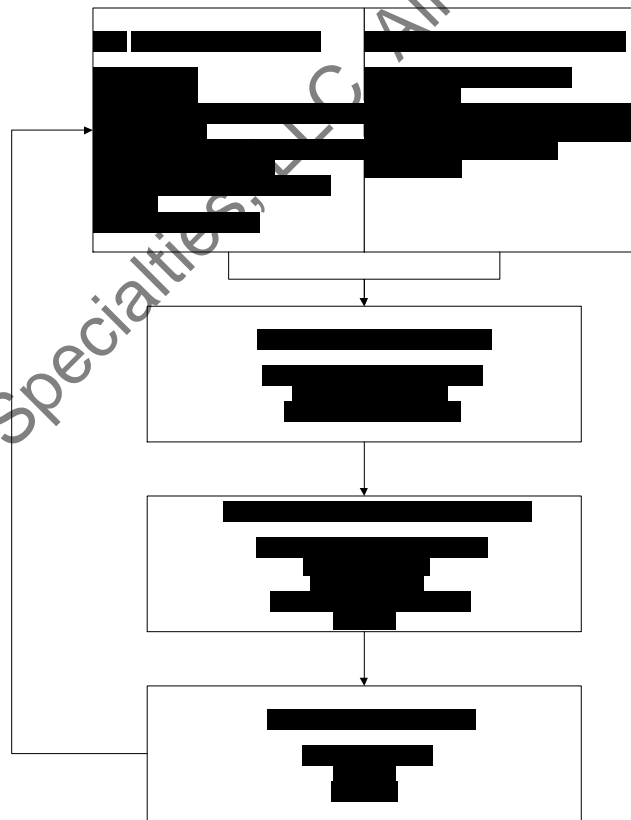


Figure 6.2-3

### ***Supplier and Partnering Processes***

Purchasing will maintain an approved supplier list on a computer system so that all required personnel in each Company facility has access.

Internal procedures will [REDACTED]

In addition to these activities, a decentralized purchasing philosophy will [REDACTED]

The "Supplier Quality Manual" will provide quality and performance requirements to suppliers. The manual will be distributed to suppliers by Purchasing and will be an extension of the purchase order.

Supplier capabilities will be addressed in the Advanced Product Quality Planning process. Through this process, future requirements, both short and long term, will be evaluated and determined relative to supplier capabilities. The Supplier Development Coordinator will provide [REDACTED]

Status will be based upon [REDACTED]

Preferred Supplier

[REDACTED] Another approach to supplier assistance will be the availability of Value Analysis/Value Engineering assistance in cost savings proposals along with engineering support with design and rapid prototyping. Also, suppliers will be eligible to [REDACTED]

The Company will evaluate key suppliers in a variety of areas as outlined by internal operating procedures. These elements will be scored by all locations purchasing from the top 50 suppliers to the Company. Evaluations will be reviewed each quarter by plant and Company purchasing personnel as well as supplier development for unacceptable trends or patterns.

ISO Registrations and Company cost index vs. producer price index measurements will provide [REDACTED]

Suppliers will receive a performance report each quarter and will be expected to initiate corrective actions when performance objectives are not met or are trending in the wrong direction.

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## MINIMIZING COSTS

The Supplier Quality Manual will require suppliers to work toward ISO requirements. The third-party audits associated with ISO registration will reduce or eliminate the need for

## IMPROVING SUPPORT PROCESSES

Purchasing managers at each facility will support a core purchasing group. This cross-functional team will be responsible for

Based on their analysis, the group will identify

The Company will sponsor an annual key supplier conference to allow communication of changes, including

Cross-functional quality improvement teams will review current programs and processes that identify opportunities for improvement. The Purchasing Department will also use an annual supplier survey to solicit input for improving the procurement process.

|                   |     |      |                  |          |
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