



1.0 Overview of Business Excellence

Scope of the plan:

Business Excellence at American Stainless is the enduring pursuit of excellence in business results through strategy and execution. The Business Excellence program uses the **Baldrige** framework to create the organizational management system for systematically optimizing, aligning, and integrating business and support processes across the categories of leadership, strategy, customer focus, information and knowledge management, human resource management, and process management so as to produce excellence in personal and organizational learning, quality and process outcomes, excellence in customer service and market results, and financial results.

2.0 Terms

- a. Balanced Scorecard (BSC)
- b. Business Excellence Council (BEC)
- c. Office of Strategy Management (OSM)
- d. Customer Experience Management (CEM)
- e. Customer-Centric (CRM)
- f. Return on Investment (ROI)
- g. Collaborative Development Teams (CDT)
- h. Total Quality Management (TQM)
- i. Key Method for Six Sigma (DMAIC)
 - a. DEFINE the customer, their Critical to Quality issues and the Core Business Process involved.
 - b. MEASURE the performance of the Core Business Process involved.
 - c. ANALYZE the data collected and process map to determine root causes of defects and opportunities for improvement.
 - d. IMPROVE the target process by designing creative solutions to fix and prevent problems.
 - e. CONTROL the improvements to keep the process on the new course.

3.0 The Vision for AMS Business Excellence is...

To develop an organization characterized by the Baldrige Core Values of

- visionary leadership
- customer-driven excellence
- growing our people through personal and organizational learning
- valuing our customers, staff, our suppliers, and our partners
- systems perspective
- management by fact
- social responsibility
- focus on the future
- innovation
- agility
- excellence in service, people, quality, growth and financial results

4.0 Business Excellence philosophy:

Our philosophical approach to business excellence is through execution-oriented strategy management using the Execution Premium (XPP) strategy management process with the balanced scorecard (BSC).



The business excellence process begins with planning for customer-centered products and services through strategic planning. We strive for a genuine focus on the customer; with data-driven management through proactive process management; organizational learning and development with the execution of strategic change; boundary less collaboration seeking excellence, learning from failures in a culture of no blame; with the right people with the right training empowered to do the right things at the right time in the right setting for the right customer; we value a culture of self-discipline where we recognize that organizational effectiveness begins with individual effectiveness and is the overall sum of our individual parts. We recognize the greatest improvement impacts come from our collective synergy.

5.0 Business Excellence Program Goals

- to establish the systems and processes to apply, align, and integrate our collective knowledge to create a **high performance organization** evidenced by strong people, process, customer, market and financial business results.
- to develop the systems, processes, and integrating and coordinating mechanisms to mine that knowledge, identify best practices, and share those in a *knowledge management* system company-wide in pursuit of a **learning organization** evidenced by continual learning, sharing, and improvement.

5.3 Balanced Scorecard (BSC) Measurement and Control

The BSC is the framework used to translate company strategy into operational objectives that drive both behavior and performance. The BSC converts strategy into an integrated system of objectives across four business perspectives: finance, customer, process, and people. Strategy formulation is a top-down process from financial to customer to process to people objective development. Strategy execution is a bottom-up process where achievement of people objectives – knowledge, skills, systems, and tools drive achievement of process objectives-internal capabilities, which drive achievement of customer objectives and ultimately, financial objectives.

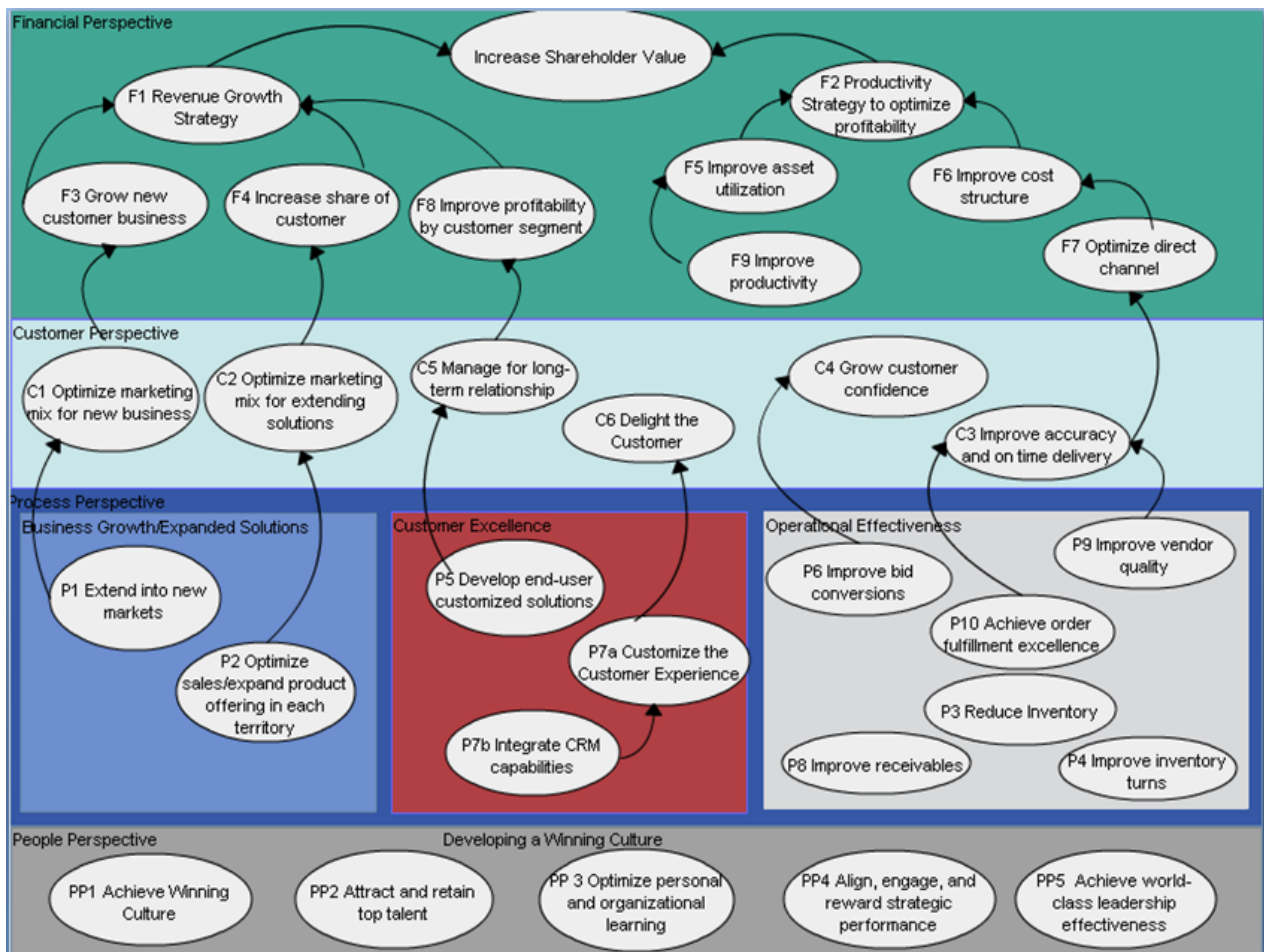
Focus: The BSC focuses the organization on the company priorities for the next 1-3 years moving the organization from short-term management to strategic management.

Alignment: Budget and workforce plans are developed to align with and support the BSC. Departmental and Personal scorecards (Individual Contribution Plans) are used to create line-of-sight alignment of individual performance to organizational performance.

Integration: The BSC functions as an integration tool for multiple performance and organizational development/improvement programs and initiatives. The **Baldrige models** inform all four perspectives. **HR** strategy informs the people perspective. **Process management** using Six Sigma, Lean, and ISO inform the process perspective. Customer Experience Management (CEM) and Customer-Centric CRM inform the **customer perspective**. ROI financial analyses inform the **financial perspective**.

Learning: Measuring variance against targets and relationships between objectives helps determine “are we doing the right things” and “are we doing the right things right” to link strategic and operational learning.

American Stainless & Supply Strategy Map – 2009 – 2012



5.6 Quality Methodology

Our philosophical approach to quality management is through results-oriented Total Quality Management (TQM) using the **Baldrige framework** as the model for the organization's management system and **ISO** as the model for **process management** with elements of **six sigma** and **lean methodology** where needed.

5.7 ISO Quality Management System

AMS top management chose to have their quality management system under the guidelines and certification of ISO-9001. Through this standard we use a process approach for developing, implementing and improving the effectiveness of our quality system to enhance customer satisfaction by meeting/exceeding our customer requirements.

5.9 Organizational Training and Development

5.9.1 **Leadership Development Sessions** are used to establish foundations and develop the leadership team in the business excellence, strategy management, customer experience and process management, and change management approaches.

5.9.2 **American Stainless University** uses the Blue Volt training system for job specific orientation, initial and annual training, computer training, general training, competency training, and strategic training.